

COVER SHEET

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(Company's Full Name)

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

Atty. Barbara Anne C. Migallos
Atty. Daneia Isabelle F. Palad

Contact Person

02 8896-9357 to 59

Telephone Number of the Contact Person

1	2
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Fiscal Year

3	1
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SEC Form 20- IS
Definitive Information Statement

FORM TYPE

15th day of June each year

Annual Meeting

N/A

Secondary license Type, If Applicable

M	S	R	D
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Dept. Requiring this Doc.

n/a

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
Notice of the 2022 Annual General Meeting of Stockholders

TO OUR STOCKHOLDERS:

Please be informed that the **Annual General Meeting of the Stockholders** of **ALLIANCE SELECT FOODS INTERNATIONAL, INC.**, a corporation organized and existing under the laws of the Philippines with address at Suite 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila (hereinafter the “**Company**”) will be held on **15 June 2022 at 2:00 p.m.** (the “**Annual General Meeting**” or the “**Meeting**”), The Meeting will be presided at the Company’s address via Zoom Teleconferencing. The order of business thereat will be as follows:


1. Call to order;
2. Proof of the required notice of the meeting;
3. Certification of quorum;
4. Reading and approval of the Minutes of the 2021 Annual General Meeting of Stockholders held on 15 June 2021;
5. Presentation of the Annual Report and the Audited Financial Statements for the Year Ended 31 December 2021 and Action Thereon;
6. Ratification and approval of the acts of the Board of Directors and Executive Officers for the corporate year 2021-2022;
7. Appointment of Independent External Auditors;
8. Election of Directors, including Independent Directors;
9. Other Matters;
10. Adjournment

For purposes of the Meeting, only stockholders of record at the close of business on 29 April 2022 are entitled to notice of, and to vote at, this year’s Meeting. The Definitive Information Statement and Management Report for the period ended 31 December 2021, and the Minutes of the Annual General Stockholders’ Meeting of the Company held on 15 June 2021 may be accessed at the Company’s website: <http://corporate.allianceselectfoods.com/>.

The Meeting will be via remote communication only. To register, certificated stockholders who will attend the Meeting should send a scanned copy of one (1) valid government identification card (ID) to ASM@allianceselectfoods.com (the “Dedicated Email Address”). Indirect shareholders should send scanned copies of their broker’s certification and one (1) valid ID to the same Dedicated Email Address. Deadline for registration is on 6 June 2022 at 12 NN. Once the Company successfully verifies the stockholder’s status, the Company will reply to each stockholder with an online ballot for voting purposes.

Proxies. A proxy form that is compliant with the requirements of the Securities and Exchange Commission is attached to the Definitive Information Statement. Should you be unable to attend the meeting, you can nevertheless be represented and vote at the Meeting by submitting a proxy by email to the same Dedicated Email Address, or by sending a physical copy to the Office of the Corporate Secretary at the Company’s principal address at 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila. The deadline for submission of proxies is on 6 June 2022.

Open Forum. Stockholders should send their questions via email to the Dedicated Email Address on or before 12:00 NN of 13 June 2022. Officers of the Company will endeavor to answer all questions during the Meeting.


BARBARA ANNE C. MIGALLOS
Corporate Secretary

The Rationale and Explanation for each Agenda item requiring shareholders’ approval is attached to this Notice.

The Definitive Information Statement and Management Report accompany this Notice.

EXPLANATION AND RATIONALE

For each item on the Agenda of the 2022 Annual General Meeting of Stockholders of Alliance Select Foods International, Inc. requiring the vote of stockholders

AGENDA

1. Call to Order

The Chairman will formally open the 2022 Annual General Meeting of Shareholders. The Directors and Officers of the Company will be introduced.

2. Proof of required notice of the meeting

The Corporate Secretary will certify that copies of this Notice and the Information Statement with its accompanying documents have been duly provided in accordance with SEC Rules, within the required periods, to stockholders of record as of 29 April 2022.

3. Certification of quorum

The Corporate Secretary will attest whether a quorum is present for the meeting.

4. Reading and approval of the Minutes of the 2021 Annual General Meeting of Stockholders held on 15 June 2021

Shareholders may examine the Minutes of the 15 June 2021 annual general meeting of stockholders, in accordance with Sec. 73 of the Revised Corporation Code. The Minutes are attached to the Definitive Information Statement and are also available on the Company's website.

Resolution to be adopted:

Shareholders will vote for the adoption of a resolution approving the Minutes of the 15 June 2021 annual general meeting of stockholders.

5. Presentation of the Annual Report and the Audited Financial statements for the Year Ended 2021 and Action Thereon

The annual report and the financial statements of the Company, audited by the Company's external auditors, Reyes Tacandong & Co., will be presented. The report will include the Audited Financial Statements, a copy of which accompanies this Notice and the Definitive Information Statement. Copies of the Definitive Information Statement and the Audited Financial Statements for 2021 are likewise made available on the Company's website (<http://corporate.allianceselectfoods.com/>).

OPEN FORUM. After the report, inquiries submitted by stockholders on or before 13 June 2022 via email as stated in the Notice will be answered by the appropriate officer. Due to time considerations, questions not addressed at the meeting will be responded to via email.

Resolution to be adopted:

Shareholders will vote for the adoption of a resolution approving the annual report and the audited financial statements for the year 2021.

6. Ratification and approval of the acts of the Board of Directors and Executive Officers for the corporate year 2021-2022

Actions by the Board and by the officers are contained in the Information Statement or are referred to in the Management Report.

Resolution to be adopted:

The ratification and approval of the acts of the Board of Directors and Officers.

7. Appointment of independent auditors

The Audit Committee screened the nominees for independent external auditor and endorsed the appointment of Reyes Tacandong and Company as the Company's independent external auditors for the year 2022.

Resolution to be adopted:

Shareholders will vote on a resolution for the appointment of Reyes Tacandong and Company as independent external auditor of the Company for 2022.

8. Election of directors, including independent directors

The Final List of Candidates for election as directors, as prepared by the Corporate Governance Committee in accordance with the Company's By-Laws, the Revised Manual on Corporate Governance, the Securities Regulation Code and its Implementing Rules and Regulations and SEC guidelines for the election of independent directors is contained in the Information Statement. The Final List will be presented to the shareholders, and the election of directors will be held.

The Voting Procedure is stated in the Information Statement.

9. Other matters

Matters that are relevant to and appropriate for the annual general shareholders' meeting may be taken up. No resolution, other than the resolutions explained in the Notice and the Definitive Information Statement, will be submitted for voting by the shareholders.

10. Adjournment

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
[] Preliminary Information Statement
[X] Definitive Information Statement
2. Name of Registrant as specified in its charter
ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(formerly Alliance Tuna International, Inc.)
3. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS200319138**
5. BIR Tax Identification Code **227-409-243-000**
6. **Suite 3104 A West Tower, Philippine Stock Exchange Centre,**
Exchange Road, Ortigas Center, Pasig City, Metro Manila
Address of principal office **1605**
Postal Code
7. Registrant's telephone number, including area code **(632) 8637 8800**
8. Date, time and place of the meeting of security holders

Date : 15 June 2022
Time : 2:00 p.m.
Place : presided at Suite 3104 A West Tower, Philippine Stock Exchange
Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **26 May 2022.**
10. **In case of Proxy Solicitations:**

Name of Person Filing the Statement/Solicitor: Alliance Select Foods International, Inc.

Address : Suite 3104 A West Tower, Philippine Stock Exchange
Centre, Exchange Road Ortigas Center, Pasig City,
Metro Manila 1605
Telephone No. : +632 8637 8800
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Number of Shares of
Common Stock Issued: 2,500,000,000 (as of 31 December 2021)

Amount of Debt Outstanding: US\$14,283,539 (as of 31 December 2021)
12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes x No ____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange, Inc. – Common Shares

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The Annual General Meeting of the Stockholders of Alliance Select Foods International, Inc. (the “**Company**”), a corporation organized and existing under the laws of the Philippines with address at Suite 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, will be held on **15 June 2022 at 2 p.m.** (the “**Annual General Meeting**” or the “**Meeting**”). The meeting will be presided at the Company’s address via Zoom Teleconferencing.

The Agenda of the Meeting, as indicated in the accompanying Notice of Annual General Meeting, is as follows:

1. Call to order;
2. Proof of the required notice of the meeting;
3. Certification of quorum;
4. Reading and approval of the Minutes of the 2021 Annual General Meeting of Stockholders held on 15 June 2021;
5. Presentation of the Annual Report and the Audited Financial Statements for the Year Ended 31 December 2021 and Action Thereon;
6. Ratification and approval of the acts of the Board of Directors and Executive Officers for the corporate year 2021-2022;
7. Appointment of Independent External Auditors;
8. Election of Directors, including Independent Directors;
9. Other Matters;
10. Adjournment

Shareholders may only participate via remote communication. To register, certificated stockholders who will attend the Meeting should send a scanned copy of one (1) valid government identification card (ID) to ASM@allianceselectfoods.com (the “Dedicated Email Address”). Indirect shareholders should send scanned copies of their broker’s certification and one (1) valid ID to the same Dedicated Email Address. Deadline for registration is on 6 June 2022 at 12 NN.

Once the Company successfully verifies the stockholder’s status, the Company will reply to each stockholder with an online ballot for voting purposes, and a link through which the Meeting may be accessed. Questions relating to the Meeting materials may also be sent to the said Dedicated Email Address on or before 13 June 2022 at 12:00 noon. Due to time considerations, questions that will not be addressed at the Meeting will be responded to via email.

Clarificatory questions regarding attendance via remote communication may be sent via email to ASM@allianceselectfoods.com.

Stockholders can also be represented and vote at the meeting by submitting a proxy by email to the same Dedicated Email Address, or by sending a physical copy to the Office of the Corporate Secretary at the Company’s principal address at 3104 A West Tower, Philippine

Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila. The deadline for submission of proxies is on 6 June 2022.

Proxies will be validated and tabulated by a special committee composed of the Company's stock transfer agent, Stock Transfer Service Inc. with address at 34th Floor, Rufino Plaza, Ayala Avenue, Makati City ("STSI"), the Corporate Secretary, and the Compliance Officer, and will be voted as indicated by the shareholder in the proxy and applicable rules. The tabulation of votes shall be done by the special committee and may be further reviewed by the Company's independent external auditor, Reyes Tacandong & Co. (RT), if necessary.

Voting procedures are contained in Item 19 of this Information Statement and will be stated at the start of the Meeting. Cumulative voting is allowed; please refer to Item 4, and Item 19 for an explanation of cumulative voting.

The Management Report, and the Securities Exchange Commission ("SEC") Form 17-A are attached to this Information Statement and are available on the Company's website. Upon written request of a shareholder, the Company shall furnish such shareholder with a copy of the said SEC Form 17-A, as filed with the SEC, free of charge. The contact details for obtaining such copies are on Page 31 of this Information Statement.

Further information and explanation regarding specific agenda items, where appropriate, are contained in various sections of this Information Statement. This Information Statement constitutes notice of the resolutions to be adopted at the Meeting.

This Information Statement and Proxy Form shall be sent to security holders on or before 26 May 2022.

Item 2. Dissenters' Right of Appraisal

There are no corporate matters or action to be taken during the Meeting on 15 June 2022 that will entitle a stockholder to a Right of Appraisal as provided in Title X of the Revised Corporation Code of the Philippines (Batas Pambansa [National Law] No. 68).

For the information of stockholders, any stockholder of the Company shall have a right to dissent and demand payment of the fair value of his shares in the following instances, as provided in Section 80 of the Revised Corporation Code of the Philippines:

1. In case of an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

5. Section 11 of the Revised Corporation Code automatically grants perpetual existence to Corporation existing at the time of its effectivity unless stockholders representing a majority of its outstanding capital stock elect to retain the specific corporate term under its Articles of Incorporation. However, any change in the corporate term under Section 11 is without prejudice to the appraisal right of dissenting stockholders.

The Revised Corporation Code of the Philippines (Section 81) provides that the appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares: provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of his certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

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

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

At the time of the filing of this Information Statement, the Company has not been informed by any incumbent director in writing of an intention to oppose any action to be taken at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of 31 March 2022, there are **2,500,000,000** outstanding and issued common shares of the Company, exclusive of **287,537** treasury shares. The Company does not have any class of shares other than common shares.

All stockholders of record as of **29 April 2022** are entitled to notice and to vote at the Meeting.

A stockholder entitled to vote at the Meeting shall have the right to vote online or by proxy.

Cumulative voting may be adopted in the election of directors as allowed by the Revised Corporation Code of the Philippines. On this basis, each registered stockholder as of 29 April 2022 may vote the number of shares registered in his name for each of the directors to be elected; or he may multiply the number of shares registered in his name by the number of directors to be elected, and cast the total of such votes for one (1) director. A stockholder may also distribute his votes among some or all of the directors to be elected.

Voting Procedures are stated in Item 19 of this Information Statement.

Security Ownership of Certain Record and Beneficial Owners

To the best of the knowledge of the Company, the following stockholders own more than five percent (5%) of the Company's outstanding capital stock as of 31 March 2022:

Title of Class	Name, Address of Record Owner, and Relationship With Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% of Class
Common	Strongoak, Inc. 3rd Floor HRC Center 104 Rada Street Legaspi Village Makati City 1229	Please see Note 1 below	Filipino	1,382,765,864	55.31%
Common	PCD Nominee Corporation 37/F Tower I, The Enterprise Center 6766 Ayala Center, Makati City	Please see Note 2 below. Proxy Named: Please see Note 3	Filipino	661,070,459	26.44%
Common	PCD Nominee Corporation 37/F Tower I, The Enterprise Center 6766 Ayala Center, Makati City	See Note 2 below.	Non-Filipino	63,451,663	2.54%
Common	Harvest All Investment Ltd., 4304-43/F China Resources Bldg. 26 Harbour Road Wanchai, Hong Kong <i>Stockholder</i>	Harvest All Investment Ltd. (Same as Record Owner) Proxy Named: (Please see Note 3)	Hong Kong	177,261,165	7.09%
Common	Victory Fund Ltd., 30 Biderford Road, #17-02 Thongsia Building, Singapore <i>Stockholder</i>	Victory Fund Ltd. (Same as Record Owner) Proxy Named: (Please see Note 3)	Hong Kong	138,474,015	5.54%
	TOTAL			2,421,747,328	96.87%

¹ Mr. Antonio C. Pacis, Atty. Rena Rico-Pamfilo, and Mr. Gabriel A. Dee currently represent Strongoak in the Board of Directors of the Company.

² PCD Nominee Corporation ("PCD Nominee") is a wholly owned subsidiary of the Philippine Depository & Trust Corp., the depository infrastructure for equities and fixed income markets in the Philippines. PCD Nominee is a private company organized by the major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transaction in the Philippines. PCD Nominee is the registered owner of the shares in the books of the Company's transfer agent. The beneficial owners of such shares are PCD Nominee's participants who hold the shares on their own behalf or on behalf of their clients. The beneficial owners of such shares are PCD Nominee's participants who hold the shares on their own behalf or on behalf of their clients.

The 661,070,459 shares shown above as of 31 March 2022 are shares beneficially owned by Filipinos. Foreigners or non-Filipinos beneficially own 63,451,663 shares or 2.54% of the Company through PCD Nominee.

³ The proxies naming the natural persons authorized to vote the shares of the foregoing record owners for the Meeting have not yet been received by the Company. The deadline set by the Board of Directors for the submission of proxies is on 6 June 2022.

Except as stated above, the Company has no knowledge of any person or any group who, directly or indirectly, is the beneficial owner of more than 5% of the Company's outstanding shares or who has a voting power, voting trust or any similar agreement with respect to shares comprising more than 5% of the Company's outstanding common stock. Other than Strongoak, Inc., the Company is not informed of any other participants under the PCD Nominee account who own more than 5% of the voting securities of the Company as of 31 March 2022.

Security ownership of Directors, Officers and Management

Security Ownership of Directors and Officers

To the best knowledge of the Company, the beneficial ownership of the Company's directors and officers as of 31 March 2022 is as follows:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	Antonio C. Pacis <i>Chairman</i>	400 (Direct)	Filipino	0.00%
Common	Gabriel A. Dee <i>Vice Chairman</i>	1,000 (Direct)	Filipino	0.00%
Common	Raymond K.H. See, <i>Director, President and CEO</i>	5,000 (Direct) 10,521 (Indirect)	Filipino	0.00%
Common	Rena M. Rico-Pamfilo <i>Director</i>	1,000 (Direct)	Filipino	0.00%
Common	Domingo C. Go <i>Independent Director</i>	1,000 (Direct)	Filipino	0.00%
Common	Joseph Peter Y. Roxas <i>Director</i>	100,000 (Direct) 2,041,000 (Indirect)	Filipino	0.08%
Common	Dobbin A. Tan <i>Independent Director</i>	10,000 (Direct)	Filipino	0.00%
Common	Barbara Anne C. Migallos <i>Corporate Secretary</i>	0	Filipino	0.00%
Common	Lisa Angela Y. Dejadina <i>Senior Vice President - Business Development and Operational Excellence</i>	0	Filipino	0.00%
Common	Maria Carolyn C. Angeles <i>Treasurer</i>	0	Filipino	0.00%
Common	Phoebe Ann S. Bayona <i>Compliance Officer and Assistant Corporate Secretary</i>	0	Filipino	0.00%
	TOTAL	2,169,921		0.09%

Voting Trust Holders/Changes in Control

The Company has no knowledge of any voting trust holders of 5% or more of the Company's stock, or of any arrangements that may result in a change of control of the Company.

Item 5. Directors and Executive Officers

The names of the incumbent directors of the Company as at 31 March 2022, their respective ages, citizenship, period of service, directorships in other companies and positions held for the last five (5) years are as follows:

DIRECTORS

Director	Nationality	Position	Age	Year Position was Assumed
Antonio C. Pacis	Filipino	Chairman of the Board	81	2014
Gabriel A. Dee	Filipino	Vice-Chairman	57	2018
Raymond K.H. See	Filipino	Director, President & CEO	54	2014
Rena M. Rico-Pamfilo	Filipino	Director	46	2020
Joseph Peter Y. Roxas	Filipino	Director	60	2016
Domingo C. Go	Filipino	Independent Director	61	2020
Dobbin A. Tan	Filipino	Independent Director	58	2016

ANTONIO C. PACIS - 81, Filipino citizen; Chairman of the Board. Last elected on 15 June 2022.

Mr. Pacis obtained his law degree from the Ateneo Law School in 1965 and his masteral law degree from the Harvard Law School in 1967.

He is on the Board of Directors of Paluwagan NG Bayan Savings Bank, Armstrong Pacific Co., Inc., Technology Investment Co., Inc. and Central Colleges of the Philippines. He used to serve on the Board of Directors of BDO Unibank for ten years.

He is Chairman of the Board of Directors at Asian Silver Estate, Inc., International Social Service Philippines, Inc., Amigo Holdings, Inc., Asian Waterfront Holdings, Inc., Mantle Holdings, Inc., and Corporate Secretary for Armstrong Securities, Inc., EBC Strategic Holdings Corp., and Paluwagan NG Bayan Savings Bank.

Mr. Pacis has been practicing law since 1965 and continues to practice at Pacis and Reyes Law Office and was a professor of law at the Ateneo Law School.

Mr. Pacis attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Pacis also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

GABRIEL A. DEE - 57, Filipino citizen; Vice-Chairman. Last elected on 15 June 2021.

Mr. Dee obtained his law degree from the University of the Philippines College of Law in 1988 and his MBA Units at Ateneo De Manila Graduate School of Business from 1990-1992.

He is the Managing Partner of Picazo Buyco Tan Fider & Santos Law Offices from 2006 to date. He is a Director and Corporate Secretary of various listed and unlisted corporations, including several financial institutions. He is also a resource person for various seminars on IPO's, Listings and Estate Planning.

Mr. Dee has been practicing law since 1989. He is a professor of law teaching Corporation Law at the Lyceum College of Law and UP College of Law.

Atty. Dee attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Atty. Dee also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

RAYMOND K. H. SEE - 54, Filipino citizen; Director, President & CEO. Last elected on 15 June 2021.

Mr. See graduated from De La Salle University in 1989 with a degree in B.S. Industrial Management Engineering, minor in Mechanical Engineering.

Prior to joining the Company, Mr. See was a former executive from Pilipinas Shell Petroleum Corporation. He rose from the ranks in his 24 year stay in the said company. Mr. See was the Senior Vice-President for Operation of the Company before being appointed as President & CEO of the Company on December 8, 2014.

Mr. See attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. See also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

On 16 May 2022, Mr. See has tendered his resignation and will step down as President & CEO, and Director of the Company effective on 15 June 2022.

RENA M. RICO-PAMFILO - 46, Filipino citizen; Director. Last elected on 15 June 2021.

Atty. Rena M. Rico-Pamfilo is a member of the Integrated Bar of the Philippines and is qualified to practice law in the Philippines and in the State of New York, U.S.A. Atty. Rico-Pamfilo graduated from the Ateneo de Manila University with a Bachelor's degree in Management, Major in Legal Management. She obtained her Juris Doctor degree from the Ateneo de Manila School of Law, where she graduated with second honors, and her Master of Laws degree from the National University of Singapore.

At present, Atty. Rico-Pamfilo is the Chief Legal Counsel of Seawood Resources, Inc, and a faculty member at the Ateneo de Manila University School of Law.

Atty. Rico-Pamfilo was a Senior Associate at Romulo Mabanta Buenaventura Sayoc & delos Angeles from January 2007 to 2011. She was also the Assistant Counsel and Assistant Registrar at the Singapore International Arbitration Center from January 2005 to December 2006. She was an Adjunct Assistant Professor, Faculty of Law at the National University of Singapore from January 2006 to December 2006. She worked as Court Attorney IV in the Office of Associate Justice Reynato S. Puno of the Supreme Court of the Philippines from November 2002 to March 2003, and was a Junior Associate at Sycip Salazar Hernandez & Gatmaitan from November 2000 to August 2002.

Atty. Rico-Pamfilo attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Atty. Rico-Pamfilo also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

JOSEPH PETER Y. ROXAS - 60, Filipino citizen; Director. Last elected on 15 June 2021.

Mr. Roxas graduated from the Ateneo de Manila University in 1983 with a Bachelor's degree in Economics. He also has MBA units from the Ateneo de Manila University Graduate School.

Mr. Roxas is President of Eagle Equities, Inc. since 1996. He is also presently a Director of Kimquan Trading Corporation, a privately held company. He is also a Director of the Association of Securities Analysts of the Philippines since 2000. Mr. Roxas was with R. Coyuito Securities as Assistant Vice President for Research from 1993 to 1995, and Investment Officer from 1987 to 1992.

Mr. Roxas attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Roxas also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

DOBBIN A. TAN - 57, Filipino citizen; Independent Director. Last elected on 15 June 2021.

Mr. Tan graduated from the Ateneo de Manila University in 1985 with a Bachelor of Science degree in Management Engineering. He obtained his Master's degree in Business Administration from the University of Chicago, Booth School of Business in 2013. Mr. Tan also attended a Management Development Program of the Asian Institute of Management in 1990, and a Strategic Business Economics Program of the University of Asia and the Pacific in 2001.

Mr. Tan is presently Chief Executive Officer of Red Rock IT Security, Inc. and New Sunlife Ventures, Inc. He is also the School Treasurer of Xavier School, Inc. He was Managing Director and Chief Operating Officer of Information Gateway from 2002 to 2012.

Mr. Tan attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Tan also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

DOMINGO C. GO - 61, Filipino Citizen; Independent Director. Last elected on 15 June 2021.

Mr. Go is an alumnus of the Ateneo de Manila University where he graduated with the degree of Bachelor of Science in Management (Honors Program), and undertook special studies as the recipient of a one-year exchange scholarship program at the International Christian University in Tokyo, Japan. He obtained his Master of Business Administration from the University of the Philippines-Diliman.

Mr. Go is presently a Director of the Financial Executives Institute of the Philippines (FINEX) since 2020, and was also a Director of the FINEX Academy from 2020-2021. He has been a trustee of the Philippine Federation of Japan Alumni, Inc. since July 2015.

Previously, he served as the First Vice President/Head of the Equity Investments Department at the Metropolitan Bank & Trust Company (Metrobank), where he also formerly held positions at the Merchant Banking Division and the Account Management Group as well as concurrent positions in various investee companies of the Metrobank Group. He was a Director of Northpine Land, Inc., Toyota Manila Bay Corporation, Sumisho Motor Finance Corporation, and Sagara Metro Plastics Industrial Corporation.

Mr. Go is a Fellow of the Institute of Corporate Directors (ICD).

Mr. Go attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Go also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

Process and Criteria for Selection of Nominees for Directors

The Board of Directors set 6 May 2022 as the deadline for the submission of nominations to the Board of Directors.

The Corporate Governance Committee of the Company met on 11 May 2022 and screened the nominees for election to the Board of Directors in accordance with the Company's Revised Manual on Corporate Governance. The Committee assessed the candidates' background, educational qualifications, work experience, expertise and stature as would enable them to effectively participate in the deliberations of the Board.

In the case of the independent directors, the Committee reviewed their business relationships and activities to ensure that they have all the qualifications and none of the disqualifications for independent directors as set forth in the Company's Manual of Corporate Governance, the Securities Regulation Code ("SRC"), and the SRC Implementing Rules and Regulations.

Nominees for Election at Annual General Meeting of Stockholders on 15 June 2022.

Below is the final list of nominees for election:

1. Gabriel A. Dee
2. Rena M. Rico-Pamfilo
3. Joseph Peter Y. Roxas
4. Lorenzo Sixto T. Lichauco
5. Jeoffrey P. Yulo

6. Dobbin A. Tan – Independent Director
7. Domingo C. Go – Independent Director

All of the nominees above are incumbent directors (Please see pages 8 to 11 of this Information Statement), except for Messrs. Lorenzo Sixto T. Lichauco and Jeoffrey P. Yulo. Their educational and background information, and work experience, are provided below:

LORENZO SIXTO T. LICHAUCO – 65, Filipino citizen.

Mr. Lichauco graduated from the Westminster College in New Wilmington, Pennsylvania with a Bachelor of Arts degree in Economics. He also attended the George Washington University in Washington, D.C. where he earned his Masters in Business Administration.

Mr. Lichauco is currently a member of the Board of Directors of Makati Sports Club, Inc., and a Director and Treasurer of Resins, Inc. Mr. Lichauco is an Independent Director of SB Equities, Inc. since August 2020. He used to be the Chief Operating Officer and Head of Sales from 2003 to 2005 then subsequently elected Director and the Corporate Secretary of Philippine Equity Partners, Inc. from 2005 to 2010.

Mr. Lichauco is presently the Officer-in-Charge at Seawood Resources, Inc. since October 2020. He was the President of Maybank ATR Kim Eng Securities, Inc. from September 2016 to October 2018, and the First Vice President of Security Bank Corporation from February 2011 to August 2016. Prior to this, he was Senior Vice President of the Asset Management Group of GSIS. Mr. Lichauco has extensive experience in finance and securities and has worked for several security companies such as Philippine Equity Partners, Inc., HSBC Securities, (Philippines), Inc., Credit Lyonnais Securities (SE Asia) LTD., Crosby-UBP Securities (Phil.) Inc., Peregrine Securities Philippines Inc., Sun Hung Kai Securities (Phil) Inc., Merrill Lynch Philippines, Inc., and Lichauco Securities Corporation.

JEOFFREY P. YULO – 51, Filipino citizen.

Mr. Yulo graduated from the Colegio de San Agustin in 1993 with a Bachelor's degree in Marketing Management.

Mr. Yulo was the Chief Operating Officer of Goldilocks Bakeshop Incorporated Philippines from January 2020 to October 2021, and was the Chief Operating Officer and Assistant Country Director – Philippines for Cargill – Joy Meats Production, Inc. from June 2018 to April 2019. He served as the Commercial Projects Director in Latin America, and the Project Management Director – Philippines for Coca-Cola FEMSA from 2015 to 2018. Mr. Yulo was a General Manager for Glaxo SmithKline Philippines-Consumer healthcare from 2013 to 2015, and Country General Manager for Reckitt Benckiser Philippines, Inc. from 2010 to 2013. From 2000 to 2010, Mr. Yulo was with Masterfoods Philippines, Inc. / Wrigley Phils. Inc. where he served in various capacities until he was appointed as National Sales Director in 2004. Mr. Yulo started his career with Unilever Philippines, Inc., where he was National Merchandising Manager.

As of the date of filing of this Information Statement, no director has resigned or declined to stand for re-election to the Board of Directors due to disagreement on any matter.

Executive Officers

The following persons are the executive officers of the Company as of 31 March 2022:

Officers	Nationality	Position	Age	Year Position was Assumed
Raymond K.H. See	Filipino	President & CEO	54	2014
Lisa Angela Y. Dejadina	Filipino	SVP – Operational Excellence and Business Development	39	2014
Barbara Anne C. Migallos	Filipino	Corporate Secretary	67	2015
Maria Carolyn C. Angeles	Filipino	Treasurer	50	2021
Phoebe Ann S. Bayona	Filipino	Asst. Corporate Secretary and Compliance Officer	35	2021

RAYMOND K.H. SEE - 54, Filipino citizen; President and CEO

Mr. See graduated from De La Salle University in 1989 with a degree in B.S. Industrial Management Engineering, minor in Mechanical Engineering.

Prior to joining the Company, Mr. See was a former executive from Pilipinas Shell Petroleum Corporation who rose from the ranks in his 24-year stay in the said company. Mr. See was the Senior Vice-President for Operations of the Company before being appointed as President and Chief Executive Officer of the Company on December 8, 2014.

Mr. See has resigned from his position as President & CEO, and Director of the Company which shall take effect on 15 June 2022.

LISA ANGELA Y. DEJADINA - 39, Filipino citizen; Senior Vice President for Operational Excellence and Business Development

Ms. Dejadina has a degree in B.S. Industrial Engineering from the University of the Philippines where she graduated in 2005.

Prior to joining the company, Ms. Dejadina worked at Pilipinas Shell Petroleum Corporation where she covered various roles contributing to ten years of solid work experience in the petroleum industry in the areas of fuel depot operations, Health, Safety, Security and Environment (HSSE) management, and business support functions (business development, logistics, and learning & development).

BARBARA ANNE C. MIGALLOS - 67, Filipino citizen; Corporate Secretary.

Ms. Migallos graduated cum laude from the University of the Philippines, with a Bachelor of Arts degree, and finished her Bachelor of Laws degree as cum laude (salutatorian) also at the University of the Philippines. She placed third in the 1979 Philippine Bar Examination.

Ms. Migallos was elected as Corporate Secretary of the Company on July 6, 2015. She is Director and Corporate Secretary of Philex Mining Corporation and Philex Petroleum Corporation, and Corporate Secretary of Nickel Asia Corporation and Silangan Mindanao Mining Co., Inc. She is the Managing Partner of the Migallos & Luna Law Offices. Ms. Migallos is also a Director of Mabuhay Vinyl Corporation and Philippine Resins Industries, and Corporate Secretary of Eastern Telecommunications Philippines, Inc. She is a professional lecturer in Corporations Law, Insurance, Securities Regulation and Credit Transactions at the De La Salle University College of Law (DLSU COL), and the Chair of the DLSU COL Mercantile Department. She was a Senior Partner of Roco Kapunan Migallos and Luna Law Offices from 1988 to 2006.

MARIA CAROLYN C. ANGELES – 50 Filipino citizen, Treasurer

Ms. Angeles is a seasoned Certified Public Accountant with more than 25 years of experience. Prior to joining Alliance Select Foods International, Inc., Ms. Angeles worked for the Max's Group of Companies for eight years, where she rose from being an Accounting Head to Senior Finance Business Partner. Ms. Angeles is a member of the Philippine Institute of Certified Public Accountants and is accredited by the Bureau of Internal Revenue and Board of Accountancy.

Ms. Angeles graduated from Polytechnic University of the Philippines in 1992 with a degree in Bachelor in Accountancy. She received her CPA License in the same year.

PHOEBE ANN S. BAYONA – 35, Filipino citizen, Asst. Corporate Secretary and Compliance Officer

Ms. Bayona received her Juris Doctor degree from the Ateneo De Manila - School of Law in 2012, and was admitted to the Philippine Bar the year after.

Ms. Bayona is an experienced lawyer in the fields of Corporate, Tax, Mergers and Acquisitions, Labor, and Dispute Resolution. She is also a licensed lawyer in Vietnam, and has worked for reputable international law firms there for five years before taking on the role of corporate counsel, and eventually, Assistant Corporate Secretary and Compliance Officer in the Company.

Prior to taking up law, Ms. Bayona received her Bachelor of Science major in Marketing Management degree from De La Salle University-Manila.

Significant Employees

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

Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among any of the directors, executive officers and persons nominated or chosen to become directors or executive officers.

Involvement in Certain Legal Proceedings

None of the directors, nominees for election as a director, executive officers or control persons of the Company have been involved in any legal proceeding, including without limitation being the subject of any:

- a. bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- b. conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c. order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities commodities or banking activities; and
- d. order or judgment of a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization finding him/her to have violated a securities or commodities law or regulation, for the past five (5) years up to date of this Information Statement, that is material to the evaluation of ability or integrity to hold the relevant positions in the Company.

The pending and material legal proceedings involving the Company, and the directors, executive officers or control persons of the Company in their respective capacities as such, are as follows:

- 1. Alliance Select Foods International, Inc., represented in this derivative suit by Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Chua v. George E. SyCip, Jonathan Y. Dee, Alvin Y. Dee, Ibarra A. Malonzo, Joanna Y. Dee-Laurel, Teresita Ladanga, and Grace Dogillo.**

Commercial Case No. 14-220 (RTC Br. 159, Pasig City)

On May 27, 2014, shareholders Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Chua filed a derivative suit purportedly on behalf of the Company against former Directors Messrs. George E. SyCip, Jonathan Dee, Alvin Y. Dee and Ibarra Malonzo, and certain senior executives of the Company at that time. The derivative suit prayed, among others, for the appointment of an interim management committee, and to compel an accounting and return of Company funds allegedly diverted to corporations controlled by the family of respondents Messrs. Jonathan and Alvin Dee. On 03 February 2015, the respondents filed a motion praying to declare the application of an interim management committee moot and academic in view of the change in the composition of the Company's Board of Directors and management. The Complainants filed a Motion to Inhibit on February 28, 2015, which was granted by the Pasig RTC Branch 159 on January 5, 2016. The case was eventually re-raffled to Pasig RTC Branch 154 on February 1, 2016.

Subsequently, George SyCip filed a Petition for Certiorari before the Court of Appeals, alleging that the inhibition was improper. The Court of Appeals granted said petition. Upon appeal to

the Supreme Court, the Supreme Court affirmed the ruling of the Court of Appeals in its Resolution, dated September 19, 2018 (S.C. G.R. No. 239426), which ruling became final and executory.

Case was remanded back to Pasig RTC 159 for trial pursuant to the Order of the Supreme Court, directing RTC 159 to proceed with the hearing of the case.

2. Hedy S.C. Yap-Chua and Albert Hong Hin Kay v. George E. Sycip, Jonathan Y. Dee, Ibarra A. Malonzo, and Avelino M. Sebastian, Jr.

**Commercial Case No. 14-219
(RTC Br. 161, Pasig City)**

On May 12, 2014, Ms. Hedy S.C. Yap-Chua and Mr. Albert Hong Hin Kay filed a Petition for the Declaration of Nullity of Board Resolutions and Inspection of the Corporate Books and Records, with Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction with the Regional Trial Court of Pasig City ("Pasig RTC") against the Company's former directors, Mr. George E. SyCip, Messrs. Jonathan Y. Dee, Alvin Y. Dee and Ibarra A. Malonzo, and then Corporate Secretary, Mr. Avelino M. Sebastian. Ms. Yap-Chua and Mr. Hong sought to nullify, among others, the resolution of the Board dated May 5, 2014 approving the private placement of Strongoak, Inc. of P563,679,956 into the Company, and the issuance of 430,286,226 of the Company's common shares to Strongoak, Inc. pursuant thereto.

The Company moved to intervene in this case. The RTC Pasig denied such intervention. The Company appealed to the Court of Appeals via a Petition for Review dated July 25, 2014. This was docketed as CA G.R. No. 136402.

On May 23, 2014, the judge issued an order stating that "After a careful consideration of the allegations in the Petition with Prayer for Temporary Restraining Order ("TRO") and/or Writ of Preliminary Injunction, this Court finds that the prayer for the TRO does not appear to be of extreme urgency; hence, the same is hereby BYPASSED." The Petition remains pending before the Pasig RTC.

The Complainants filed a Motion for Inhibition, which was granted by Pasig RTC Branch 159. The case was eventually re-raffled to Pasig RTC Branch 161 on March 21, 2016, where it remains pending as of date.

On March 29, 2016, the Company received the CA Decision dated March 14, 2016, granting the Company's Petition to Intervene in the case. Ms. Yap-Chua et al. filed a motion for reconsideration of the said Decision but was subsequently denied also. The Company received on February 2, 2017 the Petition for Review on Certiorari of Hedy Yap-Chua et al. with the Supreme Court. (SC G.R. No. 226182 [CA-GR. SP No. 136402]).

Meanwhile, in the main case pending with the Pasig RTC, proceedings have been suspended by the Pasig RTC on the ground that there are issues related to the instant case that are pending before the higher courts.

3. People of the Philippines vs. Jonathan Y. Dee, Marie Grace T. Vera Cruz, George E. SyCip, Antonio C. Pacis and Raymond K.H. See.

**Criminal Case Nos. M-PSG-18-02275-CR and M-PSG-18-02276-CR
(MTC Br. 70, Pasig City)**

On February 24, 2015, Ms. Hedy S.C. Yap-Chua filed a Complaint-Affidavit with the Department of Justice ("DOJ") against incumbent Directors Raymond K.H. See and Antonio C. Pacis, and former directors Ms. Marie Grace T. Vera Cruz, Mr. Jonathan Y. Dee and George E. SyCip ("Respondents") for alleged violations of the Corporate Code provisions on the right to inspect company records. The Board approved Ms. Yap-Chua's request to inspect company records, subject to a procedure, which includes the signing of Ms. Yap-Chua's representatives to sign non-disclosure agreements, to ensure an orderly inspection and that proprietary information does not become public. However, the respective lawyers of the Company and Ms. Yap-Chua could not come to an agreement on the said procedure for inspection.

At the special meeting of the Board on September 17, 2014 called at the request of Ms. Yap-Chua and specifically to discuss the matter, the Board, by the vote of the Respondents, resolved to direct the lawyers of the Company and of Ms. Yap-Chua to meet face-to-face to resolve their differences regarding said procedure. Ms. Yap-Chua alleged in her Complaint-Affidavit that the procedure proposed by the Company, and the referral of the matter to the lawyers, was tantamount to a denial of her right to inspect company records.

In a Review Resolution dated March 20, 2018, the DOJ resolved the complaint finding probable cause against the Respondents ruling that the procedure prevented the inspection of the books. Respondents Vera Cruz, Pacis, See and SyCip filed their Motions for Reconsideration. While Respondent Dee filed a Petition for Review before the Secretary of Justice of the DOJ.

Acting on the Motions for Reconsiderations filed before the DOJ, the DOJ issued Resolution dated April 12, 2019 granting the motions for reconsiderations of Respondents See and Pacis dismissing the complaint against them. This eventually led to the dismissal of the cases against Respondents See and Pacis before MTC Pasig in a Consolidated Order dated June 25, 2019.

In March 2020, the MTC issued an Order dismissing the case against Respondents Jonathan Dee, George SyCip and Grace Vera Cruz on the ground of lack of jurisdiction resulting to the amendments introduced by the Revised Corporation Code of the Philippines which became effective in February 2019.

In 2021, the cases were refiled against Respondents Jonathan Dee, Grace Vera Cruz, and George SyCip before the Regional Trial Court pursuant to the amendments introduced by the Revised Corporation Code of the Philippines on the jurisdiction of alleged offense.

Meanwhile, the Secretary of Justice issued a Resolution dated December 29, 2021, granting the petitions for review of Respondents Vera Cruz and SyCip and dismissing the charges against the said Respondents on the ground of finding no probable cause. The Resolution also directed the Prosecutor General to effect the withdrawal of any information filed against said Respondents. The petition for review of Petitioners Yap-Chua was also dismissed by the Secretary of Justice.

By reason of the Resolution of the Secretary of Justice, the prosecution in the case pending before the Regional Trial Court against Respondents Jonathan Dee, Grace Vera Cruz, and George SyCip, filed a Motion to Withdraw Information, dated February 14, 2022 and also praying for the dismissal of the case.

4. Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, Albert Hong Hin Kay and Hedy S.C. Yap Chua v. Alliance Select Foods International, Inc., George E. SyCip, Jonathan Y. Dee, Raymund K.H. See, Mary Grace T. Vera-Cruz, Antonio C. Pacis, Erwin M. Elechicon and Barbara Anne C. Migallos

**Commercial Case No. 15-234
(RTC Br. 265, Pasig City)**

On August 5, 2015, Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, Albert Hong Hin Kay and Hedy S.C. Yap Chua ("Harvest All et al.") filed a Complaint (with application for the issuance of Writ of Preliminary Mandatory Injunction and Temporary Restraining Order/Writ of Preliminary Injunction) with the Pasig Regional Trial Court ("Pasig RTC"), against Alliance Select Foods International, Inc., its then Directors Messrs. George E. SyCip, Jonathan Y. Dee, Marie Grace T. Vera Cruz, and Erwin M. Elechicon, and current Directors Raymond K.H. See, and Antonio C. Pacis, and Corporate Secretary Barbara Anne C. Migallos (the "Company") praying, among others, that the Company be restrained from carrying out its Stock Rights Offering, and that the Company be compelled to hold its Annual Stockholders' Meeting prior to the said Stock Rights Offering. The Stock Rights Offering would raise gross proceeds of P1,000,000,000.00 to be used for needed capital expenditures, repayment of loans, installation of a new management information system, and working capital requirements of the Company.

In a Resolution dated August 14, 2015, the Pasig RTC denied the prayer for a Temporary Restraining Order. The Pasig RTC held that Harvest All et al. failed to show that it had a clear and unmistakable right that was or would be violated by the conduct of Annual Stockholders' Meeting after the Stock Rights Offering. The Pasig RTC noted that Temporary Restraining Order is unwarranted because Harvest All et al. were granted the right to subscribe to the Stock Rights Offering to prevent the dilution of shareholdings and voting rights feared by Harvest All et al.

In a Resolution dated 24 August 2015, the Pasig RTC dismissed the Complaint for lack of jurisdiction over the subject matter of the case due to Harvest All et al.'s failure to pay the correct filing fees (the "RTC Resolution").

In the meantime, the offer period for the Stock Rights Offering, which commenced on August 17, 2015, ended on August 26, 2015. On September 7, 2014, the Company's Board scheduled the Company's Annual Stockholders' Meeting on November 17, 2015 with record date on October 20, 2015. The Board of Directors later on decided to reschedule the Annual Stockholders' Meeting to December 16, 2015.

Harvest All et al. filed a Petition for Review with the Court of Appeals to reverse and set aside the RTC Resolution dismissing the Complaint. It also prayed that the Company be restrained from implementing the October 20, 2015 record date of the Annual Stockholders' Meeting, and to compel the Company to set the record date of the Annual Stockholders' Meeting to a date prior to the Stock Rights Offering.

On 15 December 2015, the Court of Appeals issued a Resolution of even date granting Harvest All et al.'s prayer for a Temporary Restraining Order ("TRO"), effective for a period of 60 days from notice, enjoining the parties to maintain and preserve the status quo pending resolution of the Petition for Review, after Harvest All et al. posts the required bond (the "TRO Resolution"). The Court of Appeals issued the TRO the next day, or on 16 December 2015, the date of the Meeting. The Company received the TRO a few hours before said Meeting. The Company and the respondent directors and officers filed motions for reconsideration of the TRO Resolution and to dissolve the TRO.

The Court of Appeals rendered a Decision dated February 15, 2016 sustaining the position of the Company that Harvest All et al., should pay the correct filing fees for its Complaint with the Pasig RTC. Both parties filed their respective Motions for Reconsideration, and both were subsequently denied.

Jonathan Dee filed a Petition for Review on Certiorari with the Supreme Court to set aside the ruling of the Court of Appeals and affirm the ruling of the Pasig RTC dismissing the case (SC G.R. No. 224834).

Harvest All et al. on the other hand filed their only Petition for Review on Certiorari with the Supreme Court questioning the ruling of the Court of Appeals that though the case should not be dismissed because Harvest All et al. was not in bad faith in not filing the proper filing fee, the latter should pay the filing fee based on the 2015 SRO, which would amount to approximately Php 20 Million.

The Petitions for Review on Certiorari were consolidated by the Supreme Court. On March 15, 2017, the Supreme Court rendered a Decision in favor of the petition of Harvest All et al., ruling that the intra-corporate controversies may involve a subject matter which is either capable or incapable of pecuniary estimation, and remanded the case back to the RTC to assess the correct filing fees, and upon payment, to proceed with the regular proceedings of the case. The Company, as well as the other Defendants filed their respective motions for reconsiderations.

The Supreme Court denied the motions for reconsideration with finality and the case was remanded back to the Regional Trial Court of Pasig City, branch 159, under Judge Lingan. Thereafter, the Company filed a Motion for Factual Determination of Mootness, arguing that the cause of action of Plaintiffs is already moot and academic. Defendant Migallos likewise filed a Motion to Dismiss arguing also that the case is already moot and academic.

Plaintiffs however, filed a Motion for Inhibition against Judge Lingan (RTC 159), which said Judge granted. Defendant SyCip filed a Petition for Certiorari and Mandamus with Application for the Issuance of TRO and/or Writ of Preliminary Injunction before the Court of Appeals against Judge Lingan for inhibiting from the case (CA-G.R. SP No. 158324).

Pursuant to the inhibition of Judge Lingan (RTC 159), the case was eventually re-raffled to RTC 265 on April 4, 2019.

The case was referred to mediation on October 18, 2019. The parties underwent mediation until January 2020, but parties failed to enter into a settlement. Pre-Trial Conference was set on March 4, 2020.

On the day of the Pre-Trial Conference, before hearing started, the parties received an Omnibus Order, dated February 20, 2020, issued by RTC 265 dismissing the case due to forum shopping and being moot and academic.

On July 17, 2020, Harvest All at al. filed a Petition for Review before the Court of Appeals to assail the dismissal of the case, where the case is still pending.

5. Victory Fund Limited, Harvest All Investment Limited, Bondeast Private Limited and Hedy S.C. Yap Chua vs. Jonathan Y. Dee, Alvin Y. Dee, Joanna Y. Dee-Laurel, George E. Sycip, Teresita S. Ladanga, Grace S. Dogillo, Arak Ratborihan, Raymond K.H. See, Marie Grace T. Vera Cruz, Antonio C. Pacis, and John and Jane Does, NPS Docket No. XVI-INV-16B-01028

The complainants, Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Yap Chua ("Complainants") are minority shareholders of Alliance Select Foods International, Inc. ("Company") who allege that the respondents, then Directors and Officers Jonathan Y. Dee, Alvin Y. Dee, Joanna Y. Dee-Laurel, George E. SyCip, Teresita S. Ladanga, Grace S. Dogillo, Arak Ratborihan, Marie Grace T. Vera Cruz and current Directors Raymond K.H. See, and Antonio C. Pacis, improperly used the Complainants' investments in the Company to engage in supposedly illegal activities and transactions. The complaint also stated that damage and prejudice was caused to the complainants as a result of respondents' actions, which included the alleged diminution of complainants' property rights due to a supposedly deliberate dilution of the Complainants' shareholdings in the Company. The Complainants further asserted that their proportionate rights as shareholders were diminished, such as their entitlement to representation in the Board of Directors of the Company.

The Complainants submitted a Supplement to the Joint Complaint-Affidavit to include the supposed damage incurred by the Complainants when they were not elected to the Board of Directors of the Company during the Annual Stockholders Meeting on 01 March 2016.

Meanwhile, Jonathan Dee, Alvin Dee, Joanna Dee-Laurel, and Tess Ladanga ("Perjury Complainants") filed a complaint for perjury against Yap-Chua, which was consolidated with the above case.

In a Joint Resolution dated July 12, 2016, the Investigating Prosecutor dismissed the complaint for syndicated estafa, falsification of public documents and perjury.

Both Syndicated Estafa and Falsification Complainants and Perjury Complainants filed their respective Petitions for Partial Review with the DOJ.

The DOJ issued a Joint Resolution dated March 31, 2017 denying both petitions for partial review, affirming the dismissal of the complaints.

On Motion for Reconsideration, the DOJ promulgated its March 27, 2018 Resolution dismissing the charges of Syndicated Estafa and Falsification of Public Documents against Raymond K.H. See, Marie Grace T. Vera Cruz and Antonio C. Pacis. On the other hand, while likewise dismissing the charge of Syndicated Estafa and Falsification of Public Documents against the rest of the respondents, the DOJ found probable cause for Estafa against Jonathan Y. Dee, Alvin Y. Dee, Joanna Y. Dee-Laurel, George E. SyCip, Teresita S. Ladanga, Grace S. Dogillo, and Arak Ratborihan.

Jonathan Dee, Alvin Dee, Joanna Dee-Laurel, and Teresita Ladanga filed a joint Motion for Partial Reconsideration, while George SyCip filed his separate Motion for Partial Reconsideration before the DOJ, which are pending before the DOJ.

Complainants Hedy et al. filed a Petition for Certiorari before the Court of Appeals alleging that there is grave abuse of discretion on the part of the DOJ in finding probable cause only to a lower charge of simple estafa instead of syndicated estafa and/or dismissing the charge against Raymond See, Grace Vera Cruz and Antonio Pacis, pending before the Court of Appeals (CA-G.R. SP No. 156008). Thereafter the parties have filed their respective Answers,

Replies and other subsequent pleadings. The Court of Appeals issued a Decision, dated June 21, 2021, confirming the finding of probable cause for simple estafa against the other defendants; and also confirming the dismissal of the complaint against Raymond K.H. See, Marie Grace T. Vera Cruz and Antonio C. Pacis on the ground that they were only connected with Alliance Select Foods International, Inc. after the alleged acts constituting estafa were made, clearly showing no participation therein.

Informations were filed before the Regional Trial Court of Makati for simple estafa against former Directors and Officers Jonathan Dee, Alvin Dee, Joanna Dee-Laurel, George SyCip, Teresita Ladanga, Grace Dogillo, Arak Ratborihan, and John and Jane Does, which is pending trial.

Certain Relationships and Related Transactions

The Company has had no transactions covered under Part IV (D)(1) of Annex "C" of SRC Rule 12 in the last two (2) years, or those involving the Company or any of its subsidiaries in which an incumbent director, executive officer or stockholder owning ten percent (10%) or more of the total outstanding shares of the Company and members of their immediate family had or is to have a direct or indirect material interest.

Note 13 of the Notes to the Consolidated Financial Statements as of 31 December 2021 on the Company's related party transactions are incorporated by reference. The Company's related party transactions, as reported therein, are under terms that are no less favorable than those arranged with third parties, and are conducted on an arm's length basis.

Directors Disclosures on Self-Dealing and Related Party Transactions

No transaction, without proper disclosure, was undertaken by the Corporation in which any director, executive officer, or any nominee for election as director was involved or had a direct or indirect material interest.

Directors, officers and employees of the Corporation are required to promptly disclose any business or family-related transactions with the Corporation to ensure that potential conflicts of interest are surfaced and brought to the attention of the management.

Appraisals and Performance Report for the Board

The Board has established committees to assist in exercising its authority in monitoring the performance of the Corporation in accordance with its Revised Corporate Governance Manual, Code of Business Conduct and related SEC Circulars. The Corporate Governance Committee of the Corporation oversees the performance evaluation of the Board and its committees and management. More detailed discussion on appraisals and performance report for the Board, as well as corporate governance compliance of the Company, are found in the Management Report.

Item 6. Compensation of Directors and Executive Officers

The following summarizes the executive compensation received by the CEO and the top four (4) most highly compensated officers of the Company for 2020, 2021, and the estimate for 2022:

	Year	Salaries Amounts in P'000	Bonuses/Other Income Amounts in P'000
CEO and the four most highly compensated officers named above	2020	P 17,266	P 313
	2021	P 16,802	P 313
	2022 (est)	P 17,529	P 336
Aggregate compensation paid to all officers and directors as a group unnamed	2020	P 22,639	P 1,034
	2021	P 24,639	P 1,324
	2022 (est)	P 25,091	P 1,436

The following are the Company's top five (5) compensated executive officers as of 31 December 2021 (in no particular order):

Raymond K.H. See	President and CEO
Lisa Angela Y. Dejadina	Senior Vice President for Operations
Ma. Berniefel Bernardo-Sarmiento	Supply Chain Optimization Manager
Maria Carolyn C. Angeles	Treasurer
Phoebe Ann S. Bayona	Asst. Corporate Secretary and Compliance Officer

Compensation of Directors

On 21 January 2016, the Company's Board of Directors adopted a policy, effective immediately, setting directors' per diems at P10,000 per attendance at Board meetings, and P5,000 per attendance at Committee meetings.

Under the amended By-Laws, as compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the shareholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the shareholders.

Total compensation of each of the Directors on a per diem basis for 2021, is as follows:

Name	Total Compensation (per diem) for 2021 (PhP)
Antonio C. Pacis <i>Chairman</i>	P 80,000
Gabriel A. Dee <i>Vice Chairman</i>	P 100,000

Raymond K.H. See, <i>Director, President and CEO</i>	₱ 100,000
Rena M. Rico-Pamfilo <i>Director</i>	₱140,000
Domingo C. Go <i>Independent Director</i>	₱ 160,000
Joseph Peter Y. Roxas <i>Director</i>	₱ 110,000
Dobbin A. Tan <i>Independent Director</i>	₱ 160,000

Employment Contracts, Termination of Employment, Change-in-control arrangements

Other than the usual employment contracts, there are no other existing employment contracts with executive officers. Furthermore, there are no special retirement plans for executives.

There is also no arrangement for compensation to be received from the Company in the event of a change in control of the Company.

Item 7. Independent Public Accountants

THE APPOINTMENT OF THE COMPANY'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR 2022 WILL BE SUBMITTED TO THE SHAREHOLDERS FOR APPROVAL AND RATIFICATION AT THE MEETING.

The Audit Committee has recommended, and the Board of Directors has approved, the re-appointment of the accounting firm of Reyes Tacandong & Co. (Reyes Tacandong) as the Company's independent auditors. Reyes Tacandong was first appointed as the Company's independent auditors in 2015. Mr. Wilson Teo is the partner-in-charge of Reyes Tacandong.

Representatives of Reyes Tacandong will be present at the Meeting, and will have an opportunity to make a statement, if they desire to do so; and to respond to appropriate questions from shareholders.

The Company has been advised that the Reyes Tacandong auditors assigned to render audit-related services have no shareholdings in the Company, or a right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, consistent with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

Audit and Audit-Related Fees

The following table sets out the aggregate fees billed for professional services rendered by the Company's independent auditors for each of the last three (3) fiscal years:

Audit and Audit-Related Fees	2021	2020	2019
Regular Audit	₱1,674,400	₱1,506,400	₱ 1,370,000
Review of proposed equity restructuring			
Long Form Audit			
Review of Forecast			
All Other Fees	₱100,000	₱150,640	₱ 238,100
Total Audit and Audit-Related Fees	₱1,774,400	₱1,657,040	₱ 1,608,100

Tax Fees

There were no tax-related services rendered by the independent auditors other than the assistance rendered in the preparation of the income tax returns which formed part of the regular audit engagement.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

As stated above, Reyes Tacandong was first appointed to be the Company's independent auditors for 2015. Reyes Tacandong succeeded Navarro Amper & Co. (Navarro Amper), who was the Company's independent auditors for 10 years prior to 2015. Other than that, there was no change in the Company's independent accountants during the three most recent calendar years or in any subsequent interim period.

There has been no disagreement with either Reyes Tacandong or Navarro Amper on accounting and financial disclosure.

Item 8. Compensation Plans

No action is to be taken by the shareholders at the Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

No action is to be taken at the Meeting with respect to the authorization or issuance of securities other than for Exchange.

Item 10. Modification or Exchange of Securities

No action is to be taken at the Meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

As stated above, no action is to be taken at the Meeting with respect to financial and other information.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken at the Meeting with respect to any transaction involving the following:

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

Item 13. Acquisition or Disposition of Property

No action is to be taken at the Meeting with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

No action is to be taken at the Meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

1. Minutes of the previous Annual Stockholders' Meeting

ACTION IS TO BE TAKEN ON THE READING AND APPROVAL OF THE MINUTES OF THE 15 JUNE 2021 ANNUAL STOCKHOLDERS' MEETING.

The following is a summary of the Minutes of the Previous Stockholders' Meeting held on 15 June 2021:

The Minutes of the 2021 Annual Stockholders' Meeting held on 15 June 2021 are posted on the Company's website ([www. http://allianceselectfoods.com/home/our-company/](http://allianceselectfoods.com/home/our-company/)), and also available for inspection by stockholders at the principal office of the Company. Copies thereof will also be made available upon request at the venue of the Meeting.

The matters taken up during the Annual Stockholders' Meeting held on 15 June 2021 are as follows: (i) reading and approval of the minutes of the 2020 Annual Stockholders' Meeting held on 7 October 2022; (ii) presentation and approval of the Management Report and Audited Financial Statements for the year ended 31 December 2020; (iii) ratification and approval of the acts of the Board of Directors and Executive Officers; (iv) appointment of independent external auditors; and (v) election of Directors, including Independent Directors.

The voting results at the 15 June 2021 Annual Stockholders' Meeting are as follows:

AGENDA ITEM	IN FAVOR		AGAINST		ABSTAIN	
	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%
ITEM 1 – APPROVAL OF MINUTES OF THE 7 OCTOBER 2020 MEETING.	1,715,452,278	68.63%	0	0.00%	332,466,308	13.30%
ITEM 2 – APPROVAL OF ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20	1,715,452,278	68.63%	331,364,351	13.26%	1,101,957	0.04%
ITEM 3 – RATIFICATION AND APPROVAL OF THE ACTS	1,715,452,278	68.63%	331,364,351	13.26%	1,101,957	0.04%
ITEM 4 – APPOINTMENT OF REYES TACANDONG & CO. AS INDEPENDENT AUDITORS	1,715,452,278	68.63%	331,364,351	13.26%	1,101,957	0.04%
ITEM 6 – ELECTION OF DIRECTORS						
ANTONIO C. PACIS	1,715,463,560	68.63%	332,466,308	13.30%	0	0.00%
GABRIEL A. DEE	1,715,470,367	68.63%	332,466,308	13.30%	0	0.00%
RAYMOND K.H. SEE	1,715,479,444	68.63%	332,466,308	13.30%	0	0.00%
JOSEPH PETER Y. ROXAS	1,715,445,859	68.63%	332,466,308	13.30%	0	0.00%
RENA M. RICO-PAMFILO	1,715,419,083	68.62%	332,466,308	13.30%	0	0.00%
DOMINGO CU GO (INDEPENDENT)	1,715,443,135	68.63%	332,466,308	13.30%	0	0.00%
DOBBIN A. TAN (INDEPENDENT)	1,715,444,498	68.63%	332,466,308	13.30%	0	0.00%

The shareholders were given the opportunity to ask questions through email and these were addressed at the meeting. In the interest of time, questions that were not addressed at the 15 June 2021 Annual Stockholders' Meeting were responded to via email.

Details of the 15 June 2021 Annual Stockholders' Meeting, including all matters discussed and the resolutions reached, records of voting results for each agenda item,

attendance of Directors who attended the meeting, are lengthily discussed in the Minutes of the 2021 Annual Stockholders' Meeting, attached herewith.

THE RESOLUTION TO BE ADOPTED WILL BE FOR THE APPROVAL OF THE MINUTES OF THE 2021 ANNUAL STOCKHOLDERS' MEETING HELD ON 15 JUNE 2021.

2. Management Report

ACTION IS TO BE TAKEN ON THE APPROVAL OF THE MANAGEMENT REPORT.

The Company's Management Report, which includes the Audited Financial Statements for 2021, will be submitted for approval by the stockholders. A copy of the Management Report is attached to this Information Statement. The 2021 Annual Report under SEC Form 17-A will be filed with the Definitive Information Statement and will be made available on the Company's website (<http://allianceselectfoods.com/>). Upon written request of a shareholder, the Company shall furnish such shareholder with a copy of the said Annual Report as filed with the SEC, free of charge. The contact details for obtaining such copy are on Page 31 of this Information Statement.

THE RESOLUTION TO BE ADOPTED WILL BE THE APPROVAL OF THE MANAGEMENT REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2021.

Item 16. Matters Not Required to be Submitted

There are no matters or actions to be taken up at the Meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, By-laws or Other Documents

No action is to be taken at the Meeting with respect to the Amendment of the Company's Charter, Bylaws or other Documents.

Item 18. Other Proposed Action

Action is to be taken on the ratification and approval of the acts of the Board of Directors and executive officers.

1. Acts of the Board of Directors and Executive Officers

ALL ACTS, CONTRACTS, PROCEEDINGS, ELECTIONS AND APPOINTMENTS MADE OR TAKEN BY THE BOARD OF DIRECTORS AND/OR THE OFFICERS OF THE COMPANY DURING THE PAST CORPORATE YEAR WILL BE SUBMITTED FOR RATIFICATION AND APPROVAL OF SHAREHOLDERS.

These refer to the actions taken by the Board of Directors at its meetings held on the following dates:

<i>Date</i>	<i>Type of Meeting</i>
12 May 2021	Regular Meeting of the Board of Directors
4 June 2021	Special Meeting of the Board of Directors
15 June 2021	Annual Stockholders' Meeting
15 June 2021	Organizational Meeting of the Board of Directors
11 August 2021	Regular Meeting of the Board of Directors
12 November 2021	Regular Meeting of the Board of Directors
19 November 2021	Special Meeting of the Board of Directors
20 December 2021	Regular Meeting of the Board of Directors
13 April 2022	Regular Meeting of the Board of Directors

At the 12 May 2021 meeting, the Board approved the First Quarter Financial Performance and Management Report of the Company, and appointed Reyes Tacandong & Co. as the Company's independent external auditors. The Board of Directors also approved the adjusted schedule of the Company's Annual General Stockholders' Meeting for 2021.

At the special meeting held on 4 June 2021, the Board discussed and appointed the Company's representatives to actions or proceedings.

At the Organizational Meeting of the Board of Directors held on 15 June 2021, the officers for the corporate year 2021-2022 were appointed. The memberships of the various Board committees, and the memberships of the Boards of the various subsidiaries of the Company were determined

At the regular meeting of the Board of Directors on 11 August 2021, management presented the 2nd Quarter Performance and Management Report, and the Board approved the same.

At the regular meeting of the Board of Directors on 12 November 2021, management presented the 3rd quarter Performance and Management Report, and the Board approved the same.

At the regular meeting of the Board of Directors on 20 December 2021, the Board discussed and approved the 2022 business plan of the Company, and renewed its consultancy agreement with Strongoak, Inc., under the same terms as in previous years.

At the Special Meeting held on 19 November 2021, the Board approved the sale of Akaroa Salmon New Zealand Ltd. to Ngati Porou Seafoods Limited, Te Kahui O Onuku Charitable Company Limited and Archipelago Capital Management Limited.

At the meeting of the Board of Directors held on 13 April 2022, the Board approved the Company's 2021 Performance and Audited Financial Statements. The Board approved the 2022 revised budget and capital expenditure, appointed the external auditor for 2022, and approved the relevant dates relating to the Annual Stockholders' Meeting.

Item 19. Voting Procedures

Stockholders of record as of 29 April 2022 may vote at the Meeting. Stockholders have the right to vote in person or by proxy. Under the Company's policy for the effective participation by shareholders in shareholders' meetings of the Company and the exercise of shareholders' right to vote:

1. To vote, a stockholder must first register online. Certificated stockholders should send a scanned copy of one (1) valid government identification card (ID) to ASM@allianceselectfoods.com. Indirect shareholders should send scanned copies of their broker's certification and one (1) valid ID to ASM@allianceselectfoods.com. Deadline for registration is on 6 June 2022, at 12NN. Once the Company successfully verifies the stockholder's status, the Company will reply to each stockholder with an online ballot for voting purposes.
2. Only items reflected on the Agenda and the Information Statement will be voted upon. No resolution that is not in the Agenda will be voted on.
3. Votes may be casted online by sending the filled up online ballot form to ASM@allianceselectfoods.com.
4. If a shareholder is unable to attend the meeting, he/she may still be represented at the meeting by submitting proxies either online, or by sending a physical copy to the Office of the Corporate Secretary at the Company's principal address at Suite 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City 1605. Proxies must be submitted on or before 6 June 2022.
5. Cumulative voting may be adopted in the election of directors as allowed by the Revised Corporation Code of the Philippines. On this basis, each registered stockholder as of 29 April 2022 may vote the number of shares registered in his name for each of the seven (7) directors to be elected; or he may multiply the number of shares registered in his name by seven (7), the number of the Company's directors as provided in its Articles of Incorporation, and cast the total of such votes for one (1) director. A stockholder may also distribute his votes among some or all of the seven (7) directors to be elected.
6. Validation of online ballots and proxies shall be undertaken by a special committee designated by the Board for the validation of proxies. For the 2022 Annual General Shareholders' Meeting, Reyes Tacandong & Company, the Company's independent external auditor shall work with the special committee, to review the tabulation of proxies, when necessary
7. Voting results for each item on the agenda shall be announced during the meeting and shall be made publicly available immediately.

PART II.

PLEASE SEE SEPARATE PROXY FORM

PART III.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati, Metro Manila on 23 May 2022.

By:


BARBARA ANNE C. MIGALLOS
Corporate Secretary

UPON THE WRITTEN REQUEST OF THE STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A PRINTED COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A, AND QUARTERLY REPORT FOR THE FIRST QUARTER OF 2022 ON SEC FORM 17-Q, AS FILED WITH THE SEC FREE OF CHARGE. ANY WRITTEN REQUEST SHALL BE ADDRESSED TO:

ATTY. PHOEBE ANN S. BAYONA

Assistant Corporate Secretary

*Suite 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road,
Ortigas Center, Pasig City 1605*

PART II

PLEASE FILL UP AND SIGN THIS PROXY AND RETURN IMMEDIATELY TO THE CORPORATE SECRETARY VIA EMAIL (ASM@allianceselectfoods.com) OR BY SENDING PHYSICAL COPIES TO THE OFFICE OF THE CORPORATE SECRETARY.

PROXY FORM

The undersigned stockholder of **ALLIANCE SELECT FOODS INTERNATIONAL, INC.** (the "Company") hereby appoints _____, or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her name as proxy of the undersigned stockholder, at the **2022 Annual General Meeting of Stockholders** of the Company to be held on **15 June 2022 at 2:00 p.m.**, to be presided at the Suite 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, and at any of the adjournments thereof for the purpose of acting on the following matters:

<p>1. Approval of the Minutes of the 2021 Annual General Meeting of Stockholders held on 15 June 2021</p> <p>____ Yes ____ No ____ Abstain</p> <p>2. Approval of the Annual Report and Audited Financial Statements for 2021</p> <p>____ Yes ____ No ____ Abstain</p> <p>3. Ratification and approval of the acts of the Board of Directors and Executive Officers for the corporate year 2021</p> <p>____ Yes ____ No ____ Abstain</p> <p>4. Appointment of Reyes Tacandong & Co. as independent auditors</p> <p>____ Yes ____ No ____ Abstain</p>	<p>5. Election of Directors</p> <p>Vote for nominees listed below:</p> <p>Regular Directors:</p> <ol style="list-style-type: none"><input type="checkbox"/> Gabriel A. Dee<input type="checkbox"/> Rena M. Rico-Pamfilo<input type="checkbox"/> Joseph Peter Y. Roxas<input type="checkbox"/> Lorenzo Sixto T. Lichauco<input type="checkbox"/> Jeffrey P. Yulo <p>Independent Directors:</p> <ol style="list-style-type: none"><input type="checkbox"/> Dobbin A. Tan<input type="checkbox"/> Domingo C. Go <p><input type="checkbox"/> Withhold authority for all nominees listed above</p> <p><input type="checkbox"/> Withhold authority to vote for the nominees listed below:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>6. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.</p>
<p>_____ DATE</p>	<p>_____ PRINTED NAME OF STOCKHOLDER</p> <p>_____ SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY</p>

THIS PROXY SHOULD BE RECEIVED VIA EMAIL (ASM@allianceselectfoods.com) OR BY THE OFFICE OF THE ASSISTANT CORPORATE SECRETARY ON OR BEFORE **6 JUNE 2022**, THE DEADLINE FOR SUBMISSION OF PROXIES.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED BY THE PROXY HEREIN DESIGNATED FOR THE APPROVAL OF THE MATTERS STATED ABOVE, AND FOR THE ELECTION OF NOMINEES FOR DIRECTORS AT HIS DISCRETION.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY. PROXIES EXECUTED BY BROKERS MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER. FORMS OF THE CERTIFICATION MAY BE REQUESTED FROM THE OFFICE OF STOCK TRANSFER SERVICES, INC. (TEL NO. 8403-2410)

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSES HIS INTENTION TO VOTE IN PERSON. THIS PROXY SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE HEREOF UNLESS OTHERWISE INDICATED IN THE BOX HEREIN PROVIDED.

NO DIRECTOR OR EXECUTIVE OFFICER, NOMINEE FOR ELECTION AS DIRECTOR, OR ASSOCIATE OF SUCH DIRECTOR, EXECUTIVE OFFICER OR NOMINEE, OF THE COMPANY, AT ANY TIME SINCE THE BEGINNING OF THE LAST FISCAL YEAR, HAS ANY SUBSTANTIAL INTEREST, DIRECT OR INDIRECT, BY SECURITY HOLDINGS OR OTHERWISE, IN ANY OF THE MATTERS TO BE ACTED UPON IN THE MEETING, OTHER THAN ELECTION TO OFFICE.

**MINUTES OF THE
2021 ANNUAL GENERAL STOCKHOLDERS' MEETING OF
ALLIANCE SELECT FOODS INTERNATIONAL, INC.**

Held via remote communication via Zoom webinar platform
on 15 June 2021, Tuesday, at 1:30 p.m.

Shareholders present:

Registered online or represented by proxy: shareholders holding 81.93% of the Company's outstanding capital stock.

Directors Present via Remote Communication:

1. Atty. Gabriel A. Dee, Vice Chairman
2. Mr. Raymond K.H. See, Director, President & CEO
3. Mr. Joseph Peter Y. Roxas, Director, and
4. Mr. Dobbin A. Tan, Independent Director
5. Mr. Domingo C. Go, Independent Directors

Also Present:

1. Atty. Barbara Anne C. Migallos, Corporate Secretary
2. Ms. Lisa Angela Y. Dejadina, Senior Vice President – Business Development and Operational Excellence; Chief Risk Officer
3. Ms. Maria Carolyn Angeles, Treasurer and Group's Head of Finance
4. Atty. Phoebe Ann S. Bayona, Assistant Corporate Secretary and Compliance Officer

I. CALL TO ORDER

Mr. Raymond K. H. See, Director, President and Chief Executive Officer, acted as Chairman and called the meeting to order at 1:30 p.m. The Chairman greeted the stockholders present and welcomed them to the 2021 Annual Stockholders' Meeting of the Company.

The Chairman introduced the Directors and Senior Officers present at the meeting. The shareholders were also informed of the presence of representatives of Reyes Tacandong & Co., the Company's independent external auditors for 2020, and Stock Transfer Services, Inc. (STSI), the Company's stock transfer agent.

II. PROOF OF NOTICE OF MEETING

The Chairman asked the Corporate Secretary if notices of the meeting were properly sent. The Corporate Secretary, Atty. Barbara Anne C. Migallos, certified that the Notice with Agenda of the Annual Stockholders' Meeting was posted on the Company's website; was published in print and online on Manila Times and Daily Tribune, all for two (2) consecutive days, on 21 and 22 May 2021; and was disclosed to the Securities and Exchange Commission (SEC) and the

Philippine Stock Exchange (PSE). The Preliminary Information Statement as well as the Definitive Information Statement were posted on the Company's website and on PSE Edge.

III. CERTIFICATION OF QUORUM

The Chairman then asked the Corporate Secretary if there was a quorum for the transaction of business for which the meeting was called. The Corporate Secretary informed the body that there were present, online or represented by proxy, shareholders holding 2,048,014,902 common shares, or representing 81.93% of the outstanding capital stock of the Company. Accordingly, there was a quorum for purposes of the Meeting.

The Chairman then requested the Corporate Secretary to explain the voting procedure for the meeting.

VOTING PROCEDURE AND GENERAL PROTOCOL

The Corporate Secretary announced the voting procedure and general protocol for the Meeting, all of which were shown on the screen.

1. To approve an agenda item, the YES vote of at least a majority of those present is required. Only the items on the Agenda and in the Definitive Information Statement will be voted upon.

2. Proxy forms were made available as part of the Definitive Information Statement and in the Company website. The proxy form contains each item on the Agenda that requires stockholders' vote. There are spaces in the proxy for YES, NO or ABSTAIN for each item. The deadline for submission of proxies was 7 June 2021.

3. Stockholders who registered attendance via email may cast their votes through online ballots provided to stockholders after successful registration. The online ballots must have been submitted on or before 12:00 noon of 10 June 2021 to the same dedicated email address.

4. In summary, for this meeting, the voting options for stockholders who registered their attendance are either to:

- Submit a proxy on or before 7 June 2021; or
- Submit an accomplished ballot on or before 12:00 noon of 10 June 2021

5. The Company's stock transfer agent, Stock Transfer Services, Inc., is responsible for the tabulation of the votes. The tabulation is further verified by the Office of the Corporate Secretary.

6. The results of the voting on each item will be announced when the particular item is taken up by the body. The tabulation of results will likewise posted on the Company's website.

7. Stockholders were requested to submit their questions on or before 12 noon on 10 June 2021, through the dedicated email address provided to the stockholders. Management will endeavor to answer all the questions. If, due to time constraints, we are

not able to answer all the questions, responses to the remaining questions will be sent via email.

IV. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETINGS

The Chairman proceeded to the first business item on the agenda, the reading and approval of the Minutes of the 2020 Annual General Meeting of Stockholders held on 7 October 2020. Copies of the said Minutes were posted for viewing on the Company's website five (5) business days after the meeting.

At the request of the Chairman, the Corporate Secretary presented the resolution for approval by the stockholders:

"RESOLVED, that the reading of the Minutes of the Annual Meeting of Stockholders held on 7 October 2020 be as it is hereby dispensed with, and that said Minutes are hereby approved."

A slide showing the said resolution was presented to the stockholders on the screen.

The Corporate Secretary said that based on the tabulation of votes, stockholders representing a total of 1,715,452,278.00 shares, or more than a majority of the shares present or represented at the meeting, and constituting 68.63% of the Company's total outstanding capital stock, voted in favor of the proposed resolution. 332,466,308 shares, or 13.30% abstained. There were no votes against said resolution. A slide showing the voting results for this item on the Agenda was also presented on the screen.

The Chairman declared the motion carried. The Minutes of the Annual Stockholders Meeting held on 7 October 2020 were approved.

V. ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The next item on the agenda was the approval of the Annual Report, together with the Audited Financial Statements and the notes thereto for the year ended December 31, 2020. Copies of the 2020 Audited Financial Statements and the Annual Report were made available to the shareholders prior to the meeting together with the Information Statement. Ms. Maria Carolyn Angeles, the Treasurer and Group Head of Finance, presented the highlights of the Annual Report.

The Group's result of operations for the year ended 31 December 2020 was presented. Net revenues was at \$62.706 million and cost of goods sold was at \$59.778 million, yielding a gross profit of \$2.928 million. Net loss for the year was reported at \$10.10 million.

The Group's revenues dropped by 26% or \$22.177 million from 2019 due to the following: (1) reduction of 64% or \$14 million salmon segment from the deconsolidation of Spence & Co. (Spence) following its sale in 2019; (2) lower tuna prices in other regions that drove the Group to lower its selling prices and impacted the ability to secure more orders; (3) deferment of shipments to 2021 due to significant spike in freight rates in Q4 2020; and (4) lower demand due to pandemic restrictions.

Gross profit declined by 64% driven by decrease in sales prices and quantity sold, delays in shipments, and increase in manufacturing costs.

Increase in selling and administrative expenses was attributed to the provisions for doubtful accounts for the receivables from Prime Foods New Zealand, provision for inventory obsolescence, settlement of customer claims, legal and professional fees, and other costs related to the sale of Spence. These are one-offs totaling \$2.9 million. To reduce selling and administrative expenses, the Group has implemented cost reduction measures to manage salaries and wages, freight and transportation, and utilities.

The Group increased liquidity from its sales of 2019 inventories and its collection of receivables. This improvement in the operating cash flows allowed to Group to pay a significant amount of loans and reduce the finance cost by 38% from \$2.035 million in 2019 to \$1.235 million in 2020.

The negative effect of the weakening of USD against the relevant currencies of the Group (PHP, NZD, IDR) amounting to \$0.223 million was also incremental to the loss incurred during the year.

Net loss in 2020 was \$10.10 million compared to \$5.132 million in 2019. Without the extraordinary expenses mentioned, the Group's net loss would have been \$7.200 million.

For the first quarter of 2021, the Group's consolidated revenues was 46% lower than the revenues in the same reporting period last year due to the decrease in demand and continuing deferral of shipments. Selling and administrative expenses for the period went down by 14% as against the same reporting period last year because of the decrease in distribution costs as a result of slower movement of inventories. Interest expense also decreased by 45% due to the repayment of loans in the first two months of the year. The quarter ended with a loss of \$506,000.

Moving on to the highlights, Ms. Angeles reported that the Group worked on improving market share in Asia and North America and expanding customer base for frozen loins, fishmeal and fish oil products. On cost efficiency initiatives, the Group invested \$1.498 million worth of capital expenditures (CAPEX) in 2020 for automation and equipment upgrade to optimize manpower resources and reduce cost. Improvement of established controls for the proper utilization of organizational resources was also implemented.

Ms. Angeles announced that the Company ranked first in the Philippines and third in Southeast Asia in the 2020 Southeast Asia's Tuna Cannery Ranking report by Greenpeace—the Group's 2nd consecutive first ranking in a row. Despite the pandemic, the Company sustained operational efficiency through process improvement initiatives and effective manpower engagement.

The Bay of Gold Scholarship Grant continued to send scholars to the Mindanao State University.

The Group created relevant people programs focusing on functional trainings to equip all employees with the right skills to drive high performance and continuous improvement mindset.

The Chairman then asked the Corporate Secretary to inform the stockholders of the questions received from the stockholders which are to be answered at the meeting. The Corporate Secretary informed the body that, as of the close of business of 10 June 2021, the Company has

received several questions from a shareholder group, and that these questions will be shown on the screen and will be answered by the appropriate Corporate Officer.

To answer the first question, the Chairman confirmed that, consistent with the disclosure rules, the list indicated in the Definitive Information Statement is a complete list of material legal proceedings involving the Company, its directors and officers, as of 20 May 2021.

The shareholder group noted that the Company disclosed to the Philippine Stock Exchange (PSE) on 27 May 2021 a complaint filed with the Securities and Exchange Commission (SEC) and inquired whether this complaint will be added to the list in the Definitive Information Statement. The Chairman said that the Company received the complaint on 26 May 2021 and, as the submitted Definitive Information Statement can only cover material legal proceedings as of its filing date of 20 May 2021, the SEC complaint cannot be added thereto. He noted that the complaint was disclosed upon receipt and will be included in any future list as may be required by law.

For the second question, regarding the table on the “CEO and the four most highly compensated officers named above”, as indicated on page 21 of the Definitive Information Statement, the Chairman confirmed that these people refer to Raymond K.H. See, Lisa Angela Y. Dejadina, Ma. Kristina P. Ambrocio, Ma. Berniefel Bernardo-Sarmiento, and Ma. Cristina C. Villaruz; and that the reference to “31 December 2021” should be “31 December 2020”.

Further to the second question, the shareholder group noted that, according to page 9 of the Management Report, the “Group suffered a net loss of \$10.1 million... in 2020” and asked for the justification for giving “Bonuses/Other Income” of Php313,000 and Php1,034,000 in 2020. The Chairman explained that the “Bonuses/Other Income” is composed of mandatory 13th month pay and other non-taxable compensation, including government contributions. He clarified that no other types of bonuses were provided to the employees.

The shareholder group inquired on the reason for the increase in salaries of the “CEO and the four most highly compensated officers named above” from Php16,939 million in 2019 to Php1,034,000 in 2020. The Chairman said that, given that 2019 was a better year, an increase was approved to be implemented during the second half of 2019. The 2020 amounts reflected the full-year effect of that increase of a total of Php327,000. No other salary increases were given since then.

Still on the second question, the Chairman explained that the bases for the higher estimated “Bonuses/Other Income” for 2021 are as follows: increased rates of government-mandated contributions for the employees covered, budget for the unfilled positions for 2021, and full provision of the 13th month pay for newly-hired officers in the latter part of 2020 and the unfilled positions for 2021. No other types of bonuses or other income are contemplated.

In response to the shareholder group’s third question, the Chairman noted that the “prospective business strategies” discussed during the 14 December 2020 meeting of the Board of Directors were to improve market share in Asia and North America and to expand customer base for frozen loins, fishmeal and fish oil products. He added that the “on-going projects of the Corporation” discussed during the same meeting were the automation and equipment upgrade to increase production efficiency and to reduce costs.

On the shareholder group’s query whether the Company has plans to acquire, divest, or restructure its assets of the assets of its related parties, the Chairman said that the Company

continues to review its assets portfolio in light of its operations and the changing market conditions. If there are opportunities that are in the best interest of the Company, he noted that the Company will consider these and make the proper disclosure at the appropriate time. The Chairman said that the Company is unable to disclose more specific information until the plans become definitive, but assured the stockholders that any disclosure will be made in accordance with the rules.

To answer the shareholder group's fourth question, the Chairman confirmed that the "deferral of shipments arising from higher freight cost" on page 7 of the Management Report refers to the same "significant spike in freight rates" that "drove the deferment of shipments to 2021" on page 8 of the same report; thus, the deferment of shipment continued even during the first quarter of 2021. He further noted that the Company expects the deferment to last until the end of 2021 at the earliest and that, to counteract this, the Company continues to push for booking confirmation.

For their fifth question, the shareholder group noted that page 8 of the Management Report states that the drop in revenue in 2020 was "driven by lower fish costs offered in other regions, which resulted to lower sales price" and asked whether the same was a factor for the reported lower revenue in the first quarter of 2021. The group further inquired on what measures are being taken by the Company to counteract this. The Chairman said that only the orders carried over from 2020 were affected by this factor. To counteract this, he noted that the Company continues to secure more orders, to look into expanding in North America and Asia, and to implement various programs to increase production and efficiency and to reduce costs.

In response to the shareholder group's sixth question, the Chairman explained that the "new fishmeal plant" mentioned on page 8 of the Management Report refers to the new fishmeal processing plant and equipment established by the Company. Its construction and installation, which commenced in 2018 and completed in 2020, amounted to \$1,601,900. The Chairman said that, to finance the investment, the Company secured a loan from Security Bank, a local bank, and from Strongoak Incorporated, a related party. The loan was a long-term loan with current interest rate of around 4% per annum.

Further to the sixth question, the Chairman said that the new "equipment" mentioned on page 8 of the Management Report include the feed vessel, cages, stacker, and cutter for Akaroa Salmon New Zealand Ltd. (Akaroa), and cold storage bins, glass freezer, air compressor, rectangular cooker, and warehouse racking system for Alliance Select Foods International, Inc. (ASFII). These were acquired early in 2020, before the pandemic. Acquisition cost for 2020 for the Group amounted to \$1,145,272. The Chairman said that the cash flows from the operations permitted the investment to be financed internally.

To answer the shareholder group's seventh question, the Chairman said that the capital expenditure to be funded, as mentioned on page 5 of ASFII's first quarter report, are the deboning machine and high-speed labelling machine, among others.

At this point, the Corporate Secretary confirmed that these were all the questions received for the Meeting. However, stockholders who may have questions on the presentation, and any general query, may still send them to the Dedicated Email Address provided in the Information Statement, and the Company will respond via email.

The Chairman requested the Corporate Secretary to inform the body of the resolution for approval, and the votes cast in favor thereon. The Corporate Secretary presented the Resolution

for which stockholders' approval is being sought and the voting results thereon, slides of which were shown on the screen.

"RESOLVED, that the Annual Report, together with the Audited Financial Statements and the notes thereto of the Corporation for the year ended 31 December 2020, be as they are hereby approved."

Based on the tabulation of votes, stockholders representing a total of 1,715,452,278.00 shares, or more than a majority of the shares present or represented at this meeting, and constituting 68.63% of the Company's total outstanding capital stock, voted in favor of the proposed resolution. 331,364,351 shares, or 13.26% voted against the resolution. 1,101,957 shares, or 0.04% abstained.

The Chairman declared the motion carried. The Annual Report and the Audited Financial Statements and the notes thereto for the year ended 31st December 2020 were hereby approved.

VI. RATIFICATION AND APPROVAL OF ACTS OF BOARD OF DIRECTORS AND EXECUTIVE OFFICERS FOR THE CORPORATE YEAR 2020-2021

The next item on the agenda was the ratification and approval of the acts of the Board of Directors and the executive officers of the Company for the corporate year 2020-2021. The major actions of the Board and the executive officers for the past year are summarized in the Information Statement, which were distributed to the shareholders before the meeting. Board actions are reflected in the Minutes of Meetings of the Board which are available for inspection.

At the request of the Chairman, the Corporate Secretary presented the resolution for approval by the stockholders. Slides of the resolution and the voting results were shown on the screen.

"RESOLVED, that all acts, contracts, proceedings, elections and appointments made or taken by the Board of Directors, and/or executive officers and management of the Corporation during the past year and up to today's meeting, as set forth in the Minutes of the Meetings of the Board of Directors and the Committees, and/or all acts and proceedings performed or taken pursuant thereto, be as they are hereby, approved, ratified and confirmed."

Based on the tabulation of votes, stockholders representing a total of 1,715,452,278.00 shares, or more than a majority of the shares present or represented at this meeting, and constituting 68.63% of the Company's total outstanding capital stock, voted in favor of the proposed resolution. 331,364,351 shares, or 13.26% voted against the resolution. 1,101,957 shares, or 0.04% abstained.

The Chairman declared the motion carried. The resolution to ratify and approve all of the acts of the Board of Directors and/or Officers of the Corporation during the past year was declared as carried and approved.

VII. APPOINTMENT OF INDEPENDENT AUDITORS

The Chairman took up the next item on the Agenda which is the appointment of the Company's independent auditors. The Audit Committee and the Board of Directors recommended the appointment of Reyes Tacandong & Co. as independent auditors of the Company for 2021.

At the request of the Chairman, the Corporate Secretary presented the resolution for approval. Slides of the resolution and the voting results thereon were shown on the screen

“RESOLVED, that accounting firm of Reyes Tacandong & Company, as recommended by the Audit Committee and the Board of Directors, be appointed as the external auditor of the Corporation for the year 2021 and until its successor is duly appointed.”

Based on the tabulation of votes, stockholders representing a total of 1,715,452,278.00 shares, or more than a majority of the shares present or represented at this meeting, and constituting 68.63% of the Company's total outstanding capital stock, voted in favor of the proposed resolution. 331,364,351 shares, or 13.26% voted against the resolution. 1,101,957 shares, or 0.04% abstained.

The Chairman thus declared the motion carried and declared Reyes Tacandong & Co. as independent auditors of the Company for 2021.

VIII. ELECTION OF DIRECTORS, INCLUDING INDEPENDENT DIRECTORS

The next item on the agenda is the election of directors for the ensuing year. There are 7 seats to be filled, where 2 of the directors to be elected must be independent directors. The Corporate Secretary was then requested to read the names of the nominees.

The Corporate Secretary reported that there are seven (7) nominees for the 7 seats on the Company's Board of Directors for election at the Annual Stockholders' Meeting. Two (2) of the 7 nominees are nominees for independent directors. The Nominations Committee screened the nominees and prepared the final list of candidates, which was incorporated in the Information Statement for the Meeting. The following are the nominees:

For regular director:

1. Mr. Antonio C. Pacis;
2. Mr. Gabriel A. Dee;
3. Mr. Raymond K.H. See;
4. Ms. Rena M. Rico-Pamfilo; and
5. Mr. Joseph Peter Y. Roxas.

For independent director:

1. Mr. Dobbin A. Tan; and
2. Mr. Domingo C. Go.

The Chairman asked the Corporate Secretary to advise the body of the votes cast for each of the 7 nominees to the Company's Board of Directors. The Corporate Secretary reported that each of the 7 nominees for the 7 seats on the Board received sufficient votes to elect each of them as Director of the Company. A breakdown of the votes received by each director is presented below:

	VOTES FOR		VOTES AGAINST		ABSTAIN	
ANTONIO C. PACIS	1,715,463,560	68.63%	332,446,308	13.30%	0	0.00%
GABRIEL A. DEE	1,715,470,367	68.63%	332,446,308	13.30%	0	0.00%
RAYMOND K.H. SEE	1,715,479,444	68.63%	332,446,308	13.30%	0	0.00%
JOSEPH PETER Y. ROXAS	1,715,445,859	68.63%	332,446,308	13.30%	0	0.00%
RENA M. RICO-PAMFILO	1,715,419,083	68.62%	332,446,308	13.30%	0	0.00%
DOBBIN A. TAN (INDEPENDENT)	1,715,443,135	68.63%	332,446,308	13.30%	0	0.00%
DOMINGO C. GO (INDEPENDENT)	1,715,444,498	68.63%	332,446,308	13.30%	0	0.00%

The Chairman thus declared all of the 7 nominees as duly elected members of the Company's Board of Directors.

IX. OTHER MATTERS, ADJOURNMENT

There being no other matters to discuss, the meeting was adjourned at 2:10 pm

Prepared by:

BARBARA ANNE C. MIGALLOS
Corporate Secretary

Attest:

RAYMOND K. H. SEE
Chairman of the Meeting



ALLIANCE SELECT FOODS
INTERNATIONAL, INC.
A PUBLICLY-LISTED COMPANY

15 June 2021

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

Attention: **DIRECTOR VICENTE GRACIANO P. FELIZMENIO, JR.**
Director, Markets and Securities Regulation Department

Re: 2021 Annual General Stockholders Meeting of
Alliance Select Foods International, Inc.

Gentlemen:

Please be informed that at the 2021 Annual Stockholders Meeting of **Alliance Select Foods International, Inc.** (the "**Company**") held at 1:30 p.m. today, 15 June 2021 (the "**Meeting**"), all matters requiring the vote of stockholders, as set forth in the Notice and Agenda, and the Information Statement, were duly approved by the vote of stockholders.

Stockholders of record as of 26 April 2021 were entitled to register, vote and attend the meeting via remote communication only. As of said date, the Company had 2,500,000,000 outstanding and issued common shares. At the Meeting, there were present, in person or represented by proxy, stockholders representing 81.90% of the Company's total outstanding capital stock.

For the Meeting, stockholders were given the following voting options:

1. Proxy forms were made available as part of the Definitive Information Statement and in the Company website. The deadline for submission of proxies was on 7 June 2021;
2. Shareholders could cast their votes on or before 12 noon of 10 June 2021 through an online ballot provided to stockholders who registered attendance.



**ALLIANCE SELECT FOODS
INTERNATIONAL, INC.**
A PUBLICLY-LISTED COMPANY

The voting results, which were announced to the body after each item on the Agenda was taken up, are as follows:

AGENDA ITEM	IN FAVOR		AGAINST		ABSTAIN	
	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%
ITEM 1 – APPROVAL OF MINUTES OF THE 7 OCTOBER 2020 MEETING	1,715,452,278	68.63%	0	0.00%	332,466,308	13.30%
ITEM 2 – APPROVAL OF ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20	1,715,452,278	68.63%	331,364,351	13.26%	1,101,957	0.04%
ITEM 3 – RATIFICATION AND APPROVAL OF THE ACTS	1,715,452,278	68.63%	331,364,351	13.26%	1,101,957	0.04%
ITEM 4 – APPOINTMENT OF REYES TACANDONG & CO. AS INDEPENDENT AUDITORS	1,715,452,278	68.63%	331,364,351	13.26%	1,101,957	0.04%
ITEM 6 – ELECTION OF DIRECTORS						
ANTONIO C. PACIS	1,715,463,560	68.63%	332,466,308	13.30%	0	0.00%
GABRIEL A. DEE	1,715,470,367	68.63%	332,466,308	13.30%	0	0.00%
RAYMOND K.H. SEE	1,715,479,444	68.63%	332,466,308	13.30%	0	0.00%
JOSEPH PETER Y. ROXAS	1,715,445,859	68.63%	332,466,308	13.30%	0	0.00%
RENA M. RICO-PAMFILO	1,715,419,083	68.62%	332,466,308	13.30%	0	0.00%
DOBBIN A. TAN (INDEPENDENT)	1,715,443,135	68.63%	332,466,308	13.30%	0	0.00%
DOMINGO CU GO (INDEPENDENT)	1,715,444,498	68.63%	332,466,308	13.30%	0	0.00%

Very truly yours,

Sgd.
BARBARA ANNE C. MIGALLOS
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

CERTIFICATION

I, **BARBARA ANNE C. MIGALLOS**, of legal age, Filipino, with office address at 7th Floor, The PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City, being the duly elected and incumbent Corporate Secretary of **ALLIANCE SELECT FOODS INTERNATIONAL, INC.**, a corporation duly organized and existing under Philippine law, with office address at Suite 3104 A West Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, Metro Manila (the "Company"), do hereby certify that the following incumbent Directors of the Company are not connected with any government agency or instrumentality:

1. Antonio C. Pacis
2. Gabriel A. Dee
3. Rena M. Rico-Pamfilo
4. Raymond K.H. See
5. Joseph Peter Y. Roxas
6. Dobbin A. Tan – Independent Director
7. Domingo C. Go – Independent Director


BARBARA ANNE C. MIGALLOS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 10th day of May 2022, affiant exhibiting to me her Passport No. P7148981A issued on 11 May 2018 at DFA NCR South, expiring on 10 May 2028 bearing her photograph and signature, in accordance with Rule II, Section 12 and Rule IV Section 2 (b) of the 2004 Rules on Notarial Practice.

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C2474 ASFII 2022 AGM – Certification on Non Gov /dtp87


RALYANA KNUSHARA M. GADDI
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI
APPOINTMENT NO. M-218 (2021-2022)
COMMISSION EXPIRES ON DECEMBER 31, 2022
7th Floor, The PHINMA Plaza, 39 Plaza Drive
Rockwell Center, Makati City 1210
PTR No. 8853540; Makati City; 1/3/2022
IBP O.R. No. 178651; Makati City; 1/3/2022
TIN 473-816-131
Attorney's Roll No. 75398
Admitted to the Philippine Bar: 24 July 2020

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **DOBBIN A. TAN**, Filipino, of legal age, with address at the U301, 38 Rockwell Drive cor. Palma Street, Makati City, Metro Manila, hereby declare under oath that:

1. I am nominated for re-election as Independent Director of **ALLIANCE SELECT FOODS INTERNATIONAL, INC.** (the "Company"), a corporation duly organized and existing under Philippine law, with office at 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, at the Company's 2022 Annual General Meeting of Stockholders to be held on June 15, 2022. I have been Independent Director of the Company since March 1, 2016.

2. I am also currently affiliated with the following companies or organizations:

Company	Position	Period of Service
Red Rock IT Security, Inc.	President	November 2016 to Present
Information Gateway Group (Rising Tide Mobile Entertainment, Inc., I-Gateway Mobile Philippines, Inc., and G-Gateway Mobile, Philippines, Inc.)	President	November 2016 to Present
Xavier School, Inc.	School Treasurer	April 2014 to Present
PhilEquity Fund, Inc.	Independent Director	March 2014 to Present
New Sunlife Ventures, Inc.	Chief Executive Officer	January 2013 to Present

3. I possess all of the qualifications and none of the disqualifications to serve as Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code ("SRC"), the 2015 Implementing Rules and Regulations of the SRC (the "SRC Rules"), and other issuances of the Securities and Exchange Commission ("SEC").

4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders under Rule 38.2.3 of the SRC Rules, or otherwise.

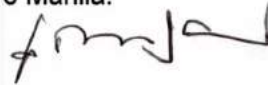
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not connected with any government agency or instrumentality.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the SRC, SRC Rules, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 20 day of May 2022 at Makati City, Metro Manila.




DOBBIN A. TAN
Affiant

SUBSCRIBED AND SWORN to before me this 20 day of May 2022, affiant exhibiting to me his Competent Evidence of Identity consisting of his Philippine Passport No. P8156326A issued on 31 July 2018 at DFA Manila, and expiring on 30 July 2028, bearing his photograph and signature, in accordance with Rule II, Section 12 and Rule IV Section 2 (b) of the 2004 Rules on Notarial Practice.

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Book No. III
Series of 2022.

ASFII 2022 AGM - Dobbin A Tan Independent Director Cert (revised) /dfp87



RALYANA KNUSHARA M. GADDI
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI
APPOINTMENT NO. M-219 (2021-2022)
COMMISSION EXPIRES ON DECEMBER 31, 2022
7th Floor, The PHINMA Plaza, 39 Plaza Drive
Rockwell Center, Makati City 1210
PTR No. 8353540; Makati City; 1/3/2022
IBP O.R. No. 175651; Makati City; 1/3/2022
TIN 473-816-131
Attorney's Roll No. 75398
Admitted to the Philippine Bar: 24 July 2020

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **DOMINGO CU GO**, Filipino, of legal age, with address at Makati City, Metro Manila, hereby declare under oath that:

1. I am nominated for re-election as Independent Director of **ALLIANCE SELECT FOODS INTERNATIONAL, INC.** (the "**Company**"), a corporation duly organized and existing under Philippine law, with principal office at Suite 3104 A West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, at the Company's 2022 Annual General Meeting of Stockholders to be held on June 15, 2022. I have been Independent Director of the Company since September 11, 2020.

2. I am also currently affiliated with the following companies or organizations:

Company	Position	Period of Service
Financial Executives Institute of the Philippines (FINEX)	Director	January 2020 to present

3. I possess all of the qualifications and none of the disqualifications to serve as Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), the 2015 Implementing Rules and Regulations of the SRC (the "**SRC Rules**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders under Rule 38.2.3 of the SRC Rules, or otherwise.

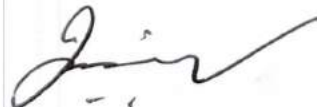
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not connected with any government agency or instrumentality.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the SRC, SRC Rules, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 20 day of May 2022 at Makati City, Metro Manila.





DOMINGO CU GO
Affiant

SUBSCRIBED AND SWORN to before me this 20 day of May 2022, affiant exhibiting to me his Competent Evidence of Identity consisting of his Driver's License No. NO1-90-112280 issued at Makati City, on 22 May 2017 and expiring on 5 June 2022, bearing his photograph and signature, in accordance with Rule II, Section 12 and Rule IV Section 2 (b) of the 2004 Rules on Notarial Practice.

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Series of 2022.

ASPI 2022 AGM - Domingo Cu Go Independent Director Cert (revised) /dfp87


RALYANA KNUSHARA M. GADDI
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI
APPOINTMENT NO. M-219 (2021-2022)
COMMISSION EXPIRES ON DECEMBER 31, 2022
7th Floor, The PHINMA Plaza, 39 Plaza Drive
Rockwell Center, Makati City 1210
PTR No. 8853540; Makati City; 1/3/2022
IBP O.R. No. 178651; Makati City; 1/3/2022
TIN 473-818-131
Attorney's Roll No. 75398
Admitted to the Philippine Bar: 24 July 2020



ALLIANCE SELECT FOODS INTERNATIONAL, INC.

MANAGEMENT REPORT

I. Consolidated Audited Financial Statements

The consolidated financial statements of Alliance Select Foods International, Inc. (the “Company”) and its subsidiaries for the period ended December 31, 2021 in compliance with SRC Rule 68, as amended, are attached to the Information Statement and are incorporated by reference. Copies of the said financial statements are also uploaded on the Company’s website (<http://allianceselectfoods.com/>).

II. Disagreements with Accountants on Accounting and Financial Disclosure

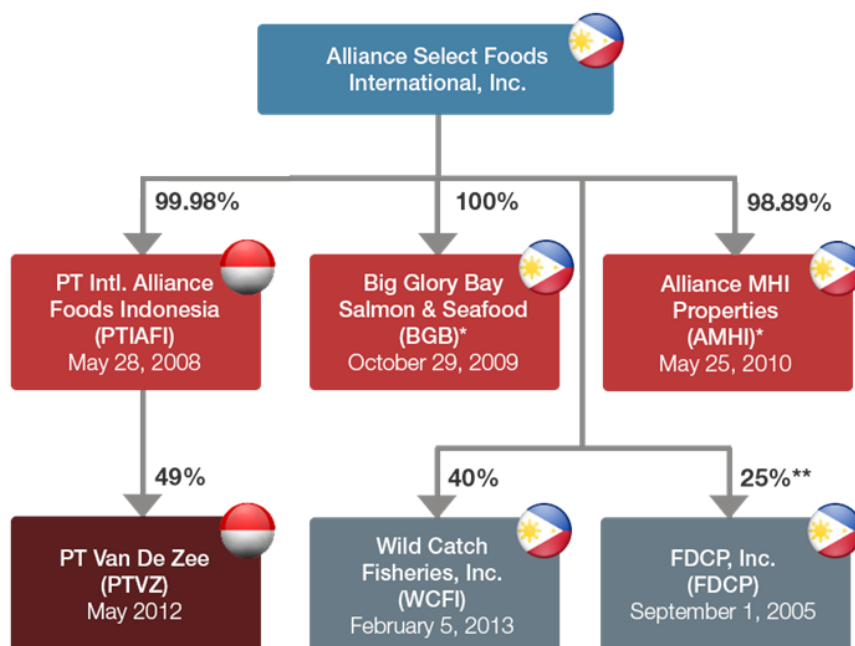
Reyes Tacandong & Co. was appointed as the external auditor of the Company for the year 2021. There were no disagreements with the Company’s independent external auditors, Reyes Tacandong & Co., regarding the financial statements of the Company for the year 2021.

III. The Company

Alliance Select Foods International, Inc. is a public corporation under Section 17.2 of the Securities Regulation Code (SRC) and was registered in the Philippine Securities and Exchange Commission (SEC) on September 1, 2003 as Alliance Tuna International, Inc. It started commercial operations in 2004 to engage in tuna processing, canning, and the export of canned tuna products in General Santos City, Mindanao, Philippines. On November 8, 2006, the Company’s shares were listed on the Philippine Stock Exchange (PSE) through an initial public offering. In July 2010, the Company was renamed as “Alliance Select Foods International, Inc.”

The Company’s key business activity is the processing, canning, and export of canned tuna. It exports its products to Europe, North and South America, Asia, Africa, and the Middle East.

The following presents the conglomerate map of the Company's operating subsidiaries and affiliates, including its corresponding percentage of ownership as of March 31, 2021.



The following discussion provides a history and describes briefly the operating subsidiaries and affiliates of the Company:

In September 2005, the Company acquired a 40% stake in First Dominion Canning Philippines, Inc. (FDCP), a can manufacturing company. In November 2016, FDCP increased its outstanding shares from 12,500,000 to 20,000,000 common shares. The Company did not subscribe to the additional issuance, thus decreasing the Company's stake in FDCP to 25%.

In May 2008, PT International Alliance Foods Indonesia (PT IAFI) was established to acquire the assets of an Indonesian tuna cannery located in Bitung in the island of North Sulawesi. The Parent Company owns 99.98% of PT IAFI. A complete renovation of the factory and upgrade of capacity to 90 metric tons per day was undertaken. On October 18, 2019, PT IAFI changed its core business operations to export trading, and sold its fixed assets in North Sulawesi. PT IAFI is currently not in operation.

PT IAFI set up PT Van de Zee (PT VDZ), a fishing company in Indonesia in May 2012 with an initial stake of 80%. In 2014, a new law in Indonesia required that domestic ownership in local entities be increased to at least 51%. Currently, PT IAFI owns 49% of PT VDZ. Due to subsequent changes in Indonesian fishing regulations restricting foreign commercial fishing, PT VDZ is currently not in operation.

As part of the Parent Company's product diversification strategy, it invested in a New Zealand based processor of smoked salmon in January 2009. The initial investment of a 39.00% stake in Prime Foods New Zealand (PFNZ) was later increased to 50% plus 1 share. PFNZ was engaged in the business of processing, manufacturing, and distributing smoked salmon and other seafood under the Prime Smoke and Studholme brand. On October 2015, the Parent Company divested its interest in PFNZ.

In October 2009, the Parent Company and PFNZ established a joint-venture company called Big Glory Bay Salmon and Seafoods Company, Inc. (BGB) that imports salmon from New Zealand, Chile and Norway, among others, and processes it in General Santos City, Mindanao, Philippines. The smoked salmon products from BGB are sold locally and abroad. In October 2015, the Parent Company accepted PFNZ's BGB shares as partial payment for PFNZ's payment obligations to the Parent Company. This resulted in BGB becoming a 100% subsidiary of the Company. BGB's registered address is at Soliven corner MRR Ave., Manggahan, Pasig City, 1611.

On June 18, 2010, Alliance MHI Properties, Inc. (AMHI), a property holding company, was established. The Parent Company owned a 40.00% stake in the affiliate, while Mingjing Holdings, Inc., a Filipino company, owned the remaining 60.00% stake. On November 11, 2015, the AMHI Board approved ASFII's application for subscription of preferred shares arising from the increase in authorized capital stock of AMHI. AMHI's application for increase in capital stock was approved by the Securities and Exchange Commission on December 23, 2015. ASFII now owns 98.89% of AMHI. AMHI's registered address is at Purok Saydala, Barangay Tumbler, General Santos City.

The Parent Company acquired an 80% stake in Akaroa Salmon New Zealand Limited (Akaroa) in October 2012. With its principal office in 89 Treffers Road, Wigram, Christchurch, New Zealand, Akaroa is engaged in the business of sea cage salmon farming and is among the pioneers of farmed salmon industry in New Zealand. Akaroa smokes and processes fresh salmon, and has established itself as the premium quality brand in the country over the years. Akaroa has been the recipient of various awards and accolades from New Zealand's food industry. It operates two marine farms in the pristine cold waters of Akaroa Harbor in the country's South Island to rear the King salmon or Chinook salmon. Akaroa holds a 20% stake in Salmon Smolts NZ Ltd., a modern hatchery with high quality and a consistent supply of smolts (juvenile salmon). In November 2021, the Parent Company divested all of its equity investment in Akaroa.

In March 2018, the SEC approved the Amendment of Article Seventh of the Company's Articles of Incorporation to reduce the par value of common shares of the Company from One Peso (P1.00) per share to Fifty Centavos (P0.50) per share, and to decrease the authorized capital stock of the Company from Three Billion Pesos (P3,000,000,000.00) divided into Three Billion (3,000,000,000) common shares with par value of One Peso (P1.00) each to One Billion Five Hundred Million Pesos (P1,500,000,000.00) divided into Three Billion (3,000,000,000) common shares with par value of Fifty Centavos (P0.50) each.

PRODUCTS

Tuna

The Group's Tuna Division is mainly from ASFII which sells processed tuna including pouched tuna products, frozen loins and a premium tuna line under the "Bay of Gold" brand. The market for tuna is comprised of the institutional and retail markets. The end users of the institutional cans include restaurants, hotels, and commissaries. The retail pack is sold to wholesalers, distributors, and food companies that have their own brands. Consumers normally purchase the retail can in supermarkets and grocery stores.

Salmon

BGB processes various salmon species and manufactures them into smoked and raw products for retail and institutional consumers. These are frozen and vacuum packed, and sold in different forms and cuts. Products are sold in retail stores under Prime New Zealand, Gold Standard, and Superfish. In 2021, BGB focused in distributing imported salmon products from Akaroa.

Akaroa serves king salmon both for its domestic and international clients. For international markets, Akaroa's products are air-flown and delivered to retailers, distributors or direct customers in Singapore, Japan, USA, Philippines and Hong Kong, among others.

Fishmeal

Fishmeal is the by-product of tuna and salmon processing operations. Fishmeal is sold as additives or primary ingredients for animal feeds.

Fish Oil

ASFII extracts crude fish oil from raw tuna heads, one of the best sources of high-quality fish oil, at the processing plant in General Santos City. This unrefined oil is primarily intended for animal feed, but can also be refined for human consumption. ASFII currently produces around 20,000 kg of crude fish oil per month, which is sold in the local market to agricultural businesses or food processors.

REVENUE BREAKDOWN

The percentage contribution to the Group's revenues broken down into major product lines for each of the three (3) years in the periods ended December 31, 2021, 2020 and 2019 are as follows:

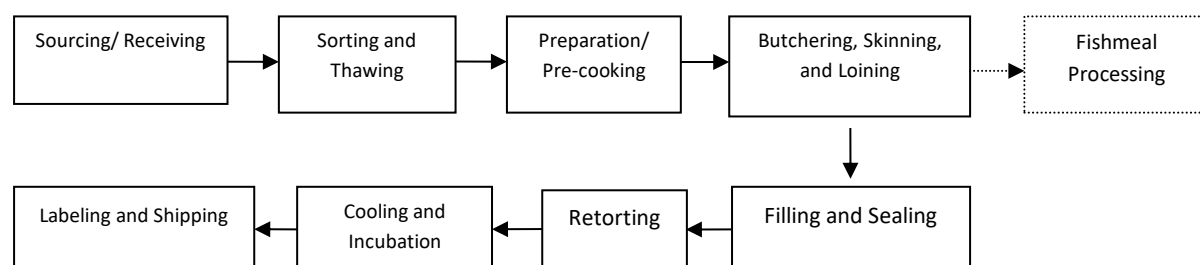
Product	December 31, 2021	December 31, 2020	December 31, 2019
Tuna	74%	83%	70%
Fishmeal	5%	3%	4%
Salmon	21%	14%	26%
Total*	100%	100%	100%

**Numbers might not add up due to rounding*

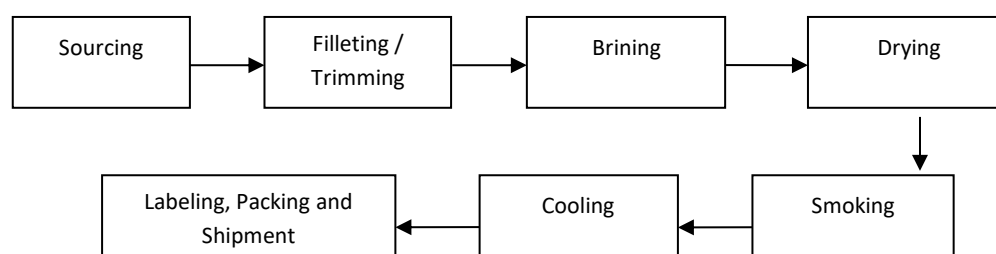
PRODUCTION PROCESS

The following diagrams present the different processes that the Company employs in producing canned tuna and smoked salmon in its processing facilities.

Canned Tuna



Smoked Salmon



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

The following is a discussion and analysis of the Company's financial condition and results of operations and certain trends, risks, and uncertainties that may affect the Company's business. The discussion and analysis of the Company's results of operations is presented in four (4) comparative sections:

- a) the three (3) months ended March 31, 2022 with comparative figures for the period ended March 31, 2021;*
- b) the year ended December 31, 2021 with comparative figures as of December 31, 2020;*
- c) the year ended December 31, 2020 with comparative figures as of December 31, 2019;*
- d) the year ended December 31, 2019 with comparative figures as of December 31, 2018; and disclosure relating to liquidity and financial condition and the trends, risks, and uncertainties that have had or that are expected to affect revenues and income, completes the management's discussion and analysis.*

Further, the following discussion should be read in conjunction with the accompanying consolidated financial statements of Alliance Select Foods International, Inc., and its Subsidiaries (the "Group") which comprise the consolidated statements of financial position as of December 31, 2021, 2020 and 2019 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended and unaudited financial statements of the Group for the period ended March 31, 2021. The financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC. PFRS is an International Financial Reporting Standards equivalent.

The consolidated financial statements are presented in United States Dollar, the currency of the primary economic environment in which the Group operates.

Operating Performance

Three Months Ended March 31, 2022 versus March 31, 2021

The table below shows the comparisons of key operating results for the three-month period ended March 31, 2022 versus the same period in 2021.

	For the Three Months Ended March 31		
Amount in US\$ '000	2022	2021	% Change
Revenue	\$6,420	\$8,575	-25%
Gross profit	508	816	-38%
Gross Profit %	8%	10%	-20%
Selling & Administrative Expenses	847	1,173	-28%
Finance Cost	91	149	-39%
Loss Before Tax	(390)	(464)	-16%
Income Tax Expense	4	43	-91%
Loss for the Period	(394)	(506)	-22%
Attributable to:			
Equity holders of the parent	(\$394)	(\$521)	-24%
Non-controlling interest	0	15	
	(\$394)	(\$506)	-22%

*numbers may not add up due to rounding

The Group's consolidated net revenues for the first quarter of 2022 is 25% lower than the revenues in the same reporting period last year due to deferral of shipments from lack of vessel space, and deconsolidation of Akaroa in November 2021. Total number of deferred shipments amounted to 40 full container loads (FCL).

Selling and administrative expenses is lower by 28% versus the same reporting period last year mainly from reduction in salaries and wages, repairs and maintenance costs, and software maintenance costs.

Finance cost significantly decreased by 39% due to significant payment of loans.

December 31, 2021 versus December 31, 2020

	Years Ended December 31		
Amount in US\$ '000	2021	2020	% Change
Revenue	\$40,778	\$62,706	-35%
Gross profit	4,915	2,928	68%
Gross Profit %	12%	5%	
Selling & Administrative Expenses	5,547	10,123	-45%
Finance Cost	841	1,253	-33%
Profit (loss) for the year	(1,058)	(10,100)	-90%
Non-controlling interest	214	135	59%
Profit (Loss) attributable to equity holders of the parent	(1,271)	(10,235)	-88%
Net Profit (Loss) %	-3%	-16%	
EBITDA	1,568	(6,076)	
<i>EBITDA margin</i>	4%	-10%	
Return on equity (ROE)	-6%	-39%	
Earnings per share	-0.0005	-0.0041	
Book value per share	0.0089	0.0094	

The Group's consolidated revenues of \$40.8 million in 2021 were 35% lower than the revenues of \$62.7 million in 2020. During the year, tuna-related products contributed about 79% of total revenues, while the remaining 21% were contributed by salmon-related products. Compared to 2020, the significant decrease in sales volume was due to continued spike in freight rates, 6x higher from pre-pandemic rate, resulting to deferral of shipments. Losses to competition in EU market because of higher freight rates compared to that of Ecuador, and the deconsolidation of Akaroa in November also contributed to the decline in sales.

The Group's gross profit increased to 12% in 2021 from 5% in 2020. This is mainly due to the improvement of production efficiency which resulted from reduced headcount,

lower maintenance costs and utility consumption due to capital expenditures investment, and improved recovery rates.

The Group has successfully implemented measures to reduce selling and administrative expenses and has consistently managed costs to partially cushion the impact of low gross profit.

The proceeds from the disposal of Akaroa and cash generated from operations allowed the Group to pay a significant amount of loans, thus reducing the finance cost by 33% from \$1.3 million in 2020 to \$0.8 million in 2021.

The Group incurred net loss of \$1.1 million in 2021, 89% lower than the net loss of \$10.1 million in 2020. This is driven by lower sizeable one-offs, lower selling and administrative expenses resulting from cost containment, savings on interest expense from repayment of loans and net gain on the divestment of Akaroa

December 31, 2020 versus December 31, 2019

	Years Ended December 31		
Amount in US\$ '000	2020	2019	% Change
Revenue	\$62,706	\$84,883	-26%
Gross profit	2,928	8,177	-64%
Gross Profit %	5%	10%	
Selling & Administrative Expenses	10,123	8,564	18%
Finance Cost	1,253	2,035	-38%
Profit (loss) for the year	(10,100)	(5,132)	-97%
Non-controlling interest	135	(47)	-387%
Profit (Loss) attributable to equity holders of the parent	(10,235)	(5,085)	-101%
Net Profit (Loss) %	-16%	-6%	
EBITDA	(6,076)	(360)	
<i>EBITDA margin</i>	-10%	-0%	
Return on equity (ROE)	-39%	-15%	
Earnings per share	-0.004	-0.002	
Book value per share	0.0094	0.0134	

*Numbers might not add up due to rounding

The Group's consolidated revenues of \$62.7 million in 2020 were 26% lower than the revenues of \$84.9 million in 2019. In 2020, tuna-related products contributed about 86% of total revenues, while the remaining 14% were contributed by salmon-related products. Drop in revenue was primarily driven by lower fish costs offered in other regions, which resulted to lower sales prices. In the last quarter of 2020, the significant spike in freight rates drove the deferment of shipments to 2021. The disposal of 100% equity investment in Spence around October 2019 also contributed in the decrease in sales in 2020.

The Group's gross profit declined from \$8.2 million in 2019 to \$2.9 million in 2020. Factors affecting the decrease in gross profits are lower selling prices, delays in sales shipments which resulted to additional costs, increase in labor rate and additional depreciation from the new fishmeal plant and equipment.

After years of suffering losses due to frequent shut downs of PT IAFI primarily due to Indonesian fishing regulations that have made foreign commercial fishing in Indonesian waters practically impossible, resulting in higher fish prices and insufficient supply for tuna canneries across Indonesia, management decided to change core business operations in Indonesia to export trading, and pursued a sale of PT IAFI's fixed assets in North Sulawesi.

Over the past years, the Group has successfully implemented measures to reduce selling and administrative expenses and has consistently managed costs to partially cushion the impact of the inherent volatility in raw material prices.

As part of the Company's risk management process and in line with its Accounting Policies, when the net realizable value of the inventories is lower than cost, the Company provides for an allowance for the decline in inventory value. The reversal of any provision for inventory obsolescence, arising from any increase in net realizable value, is recognized as a reduction in the inventory amount in the period when the reversal occurs. When the inventory is sold, the carrying amount of the inventory is recognized as an expense in the period when the related revenue is recognized. Property, plant and equipment are likewise measured at cost less depreciation and provision for impairment losses. The Group recognized the following provisions in its books:

Inventory write down and allowance for inventory obsolescence for the Group totaling \$1.4 million and \$0.9 million in 2020 and 2019, respectively. The provision also accounts for the passage of time and its adverse impact on the value of unsold inventory.

Provision for doubtful accounts of trade and other receivables amounting to \$1.1 and \$0.01 million in 2020 and 2019, respectively. The Group identified specific accounts that are doubtful of collection, considering historical collection and write-off experience, and provided a provision pertaining to the amounts deemed to be uncollectible.

Improvement in the operating cash flows allowed the Group to pay a significant amount of loans, thus reducing the finance cost by 38% from \$2.0 million in 2019 to \$1.3 million in 2020.

The Group has a net loss of \$10.1 million and \$5.1 million in 2020 and 2019, respectively. In 2020, the Group also incurred additional costs related to the disposal of Spence in 2019, and assistance to local government units for those affected by lockdowns due to COVID 19.

December 31, 2019 versus December 31, 2018

	Years Ended December 31		
Amount in US\$ '000	2019	2018	% Change
Revenue	\$84,883	\$97,134	-13%
Gross profit	8,177	12,340	-34%
Gross Profit %	10%	13%	
Selling & Administrative Expenses	8,564	7,341	17%
Finance Cost	2,035	1,504	35%
Profit (loss) for the year	(5,132)	2,603	-297%
Non-controlling interest	(47)	79	-160%
Profit (Loss) attributable to equity holders of the parent	(5,085)	2,524	-301%
Net Profit (Loss) %	-6%	3%	
EBITDA	(360)	6,073	
<i>EBITDA margin</i>	-0%	6%	
Return on equity (ROE)	-15%	7%	
Earnings per share	-0.002	0.001	
Book value per share	0.0134	0.0154	

**Numbers might not add up due to rounding*

The Group's consolidated revenues of \$85 million in 2019 were 13% lower than the revenues of \$97 million in 2018. In 2019, about 74% of total revenues were contributed by tuna-related products and the remaining 26% were contributed by salmon-related products. There is a 10% and 19% decline in revenue for the tuna and salmon segments, respectively. Drop in tuna segment sales was due to the decline in tuna prices translating to lower average selling prices in 2019. The disposal of 100% equity investment in Spence around October 2019 impacted salmon segment sales during the year.

The Group's gross profits of \$8 million in 2019 is lower than gross profits of \$12 million in 2018. The gross profit margin is at 10% and 13% in 2019 and 2018, respectively. The labor shortage in ASFII during the first half of the year drove production inefficiency, with lower loining recovery resulting to increased material costs.

After years of suffering losses due to frequent shut downs of PT IAFI primarily due to Indonesian fishing regulations that have made foreign commercial fishing in Indonesian waters practically impossible, resulting in higher fish prices and insufficient supply for tuna canneries across Indonesia, management decided to change core business operations in Indonesia to export trading, and pursued a sale of IAFI's fixed assets in North Sulawesi.

The Group sold its 100% stake in Spence to ACME last October 2019.

Over the past three years, the Group has successfully implemented measures to reduce selling and administrative expenses and has consistently managed costs to partially cushion the impact of the inherent volatility in raw material prices.

As part of the Company's risk management process and in line with its Accounting Policies, when the net realizable value of the inventories is lower than cost, the Company provides for an allowance for the decline in inventory value. The reversal of any provision for inventory obsolescence, arising from any increase in net realizable value, is recognized as a reduction in the inventory amount in the period when the reversal occurs. When the inventory is sold, the carrying amount of the inventory is recognized as an expense in the period when the related revenue is recognized. Property, plant and equipment are likewise measured at cost less depreciation and provision for impairment losses. In CY 2019, the Group recognized the following provisions in its books:

- Inventory write down and allowance for inventory obsolescence for the Group totaling \$921,936. The provision also accounts for the passage of time and its adverse impact on the value of unsold inventory.
- Provision for trade and other receivables amounting to \$11,729. The Group identified specific accounts that are doubtful of collection, considering historical collection and write-off experience, and provided a provision pertaining to the amounts deemed to be uncollectible.

The Group's finance costs of \$2.0 million in 2019 were 35% higher than its finance costs of \$1.5 million in 2018. Increase in finance cost can be attributed to higher prevailing borrowing rates and the greater working capital requirement to support growing operation particularly in securing raw materials.

The Group ended the year with a net loss of \$5.1 million from \$2.6 million net income in 2018.

Financial Condition, Liquidity, and Capital Resources

March 31, 2022 compared to March 31, 2021

The Group's decrease in cash by 69% is attributed to payment of loans.

Trade and other receivables dropped by 13% due to collection.

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

Significant payment of outstanding loans decreased the loans payable.

Liquidity and Solvency	March 31, 2022	December 31, 2021
Current ratio	1.00	1.02
Debt to equity ratio	0.76	0.92

	For the Three Months Ended March 31	
Profitability	2022	2021
Revenue growth rate	-25%	-46%
Net profit margin	-6%	-6%
Return on average stockholders' equity	-2%	-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

March 31, 2022 compared to December 31, 2021

Balance Sheet Highlights

<i>Amount in US\$'000</i>	March 2022	December 2021	% Change
Cash & cash equivalent	\$1,372	\$4,442	-69%
Receivables	3,837	4,408	-13%
Inventories	5,110	5,335	-4%
Other current assets	3,139	2,940	7%
Total Current Assets	\$13,459	\$17,126	-21%
Property & Equipment	14,517	14,619	-1%
Total Assets	\$34,248	\$38,080	-10%
Trade and Other Payables	\$3,333	\$3,434	-3%
Bank Loans	8,082	11,297	-28%
Total Current Liabilities	13,479	16,853	-20%
Total Liabilities	14,744	18,244	-19%
Total Stockholders' Equity	19,504	19,836	-2%
Total Liabilities & SE	\$34,248	\$38,080	-10%

	March 31, 2022	December 31, 2021
Current Ratio	1.00	1.02
Debt-to-equity Ratio	0.76	0.92

December 31, 2021 compared to December 31, 2020

Balance Sheet Highlights	Years Ended December 31		
<i>Amount in US\$'000</i>	2021	2020	% Change
Cash & cash equivalent	\$4,442	\$1,871	74%
Receivables	4,408	12,114	-19%
Inventories	5,335	12,659	-41%
Other current assets	2,940	10,141	32%
Total Current Assets	\$17,126	\$36,785	-11%
Property & Equipment	14,619	16,275	13%
Total Assets	\$38,080	\$67,808	-23%
Trade and Other Payables	\$3,434	\$6,183	52%
Bank Loans	11,297	22,344	-7%
Total Current Liabilities	16,853	28,709	-14%
Total Liabilities	18,244	36,508	-34%
Total Stockholders' Equity	19,836	31,300	-7%
Total Liabilities & SE	\$38,080	\$67,808	-23%

There was no impairment of goodwill recognized during the year. Goodwill was deconsolidated upon divestment of Akaroa.

	December 31, 2021	December 31, 2020
Current Ratio	1.02	0.99
Debt-to-equity Ratio	0.92	1.30

December 31, 2020 compared to December 31, 2019

Balance Sheet Highlights	Years Ended December 31		
<i>Amount in US\$'000</i>	2020	2019	% Change
Cash & cash equivalent	\$1,871	\$7,012	-73%
Receivables	12,114	11,849	2%
Inventories	12,659	13,946	-9%
Other current assets	10,141	8,155	24%
Total Current Assets	\$36,785	\$40,961	-10%
Property & Equipment	16,275	15,486	5%
Total Assets	\$67,808	\$77,039	-12%
Trade and Other Payables	\$6,183	\$9,140	-32%
Bank Loans	22,344	30,917	-28%
Total Current Liabilities	28,709	40,244	-29%
Total Liabilities	36,508	40,748	-10%
Total Stockholders' Equity	31,300	36,291	-14%
Total Liabilities & SE	\$67,808	\$77,039	-12%

There was no impairment of goodwill recognized during the year.

Proceeds from the sales of Spence and disposal/retirement of property, plant and equipment in PT IAFI were mainly used to pay-off loans from local banks and trade payables.

	December 31, 2020	December 31, 2019
Current Ratio	0.99	1.28
Debt-to-equity Ratio	1.30	1.17

Plan of Operation

The Group does not foresee any cash flow or liquidity problem over the next twelve (12) months. It is in compliance with its loan covenant pertaining to debt-to-equity ratio. It is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationship of the Group with entities or other persons created during the reporting period that would have significant impact on the Group's operations and/or financial condition.

As of December 31, 2021, there were no other material events or uncertainties known to management that could have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Known trends, events, 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;
- Significant elements of income or loss that did not arise from the Group's continuing operations; and
- Seasonal aspects that had a material effect on the financial condition or results of operations.

Key performance Indicators

The company uses the following key performance indicators to assess the Company's financial performance from period to period.

	For the period ended December 31				For the 3-month ended March 31
Liquidity and Solvency	2018	2019	2020	2021	2022
Current ratio	1.02	1.28	0.99	1.02	1.00
Debt to equity ratio	1.12	1.17	1.30	0.92	0.76
Profitability					
Revenue growth rate	35%	-13%	-26%	-35%	-25%
Net profit margin	3%	-6%	-16%	-3%	-6%
Return on average stockholders' equity	7%	-15%	-39%	-39%	-2%

The following defines each ratio:

- The current assets to current liabilities ratio are used to measure liquidity. This is computed by dividing total current assets by total current liabilities. The result is expressed in proportion.
- The total liabilities to equity ratio are used to measure debt exposure. It shows the relative proportions of all creditors' claims versus ownership claims. This is computed by dividing total liabilities by total stockholders' equity. The result is expressed in proportion.
- The revenue growth rate is the Group's increase in revenue for a given period. This growth rate is computed from the current revenue less revenue of the previous year, divided by the revenue of the previous year. The result is expressed in percentage.
- The net profit margin is the ratio of the Group's net income attributable to equity holders of the parent versus its net revenue for a given period. This is computed by dividing net income after tax by net revenue. The result is expressed in percentage.
- The return on average stockholders' equity ratio is the ratio of the Group's net income attributable to equity holders of the parent to the average stockholders' equity. This measures the management's ability to generate returns on investments. This is computed by dividing net income attributable to equity holders of the parent by the average stockholders' equity. The result is expressed in percentage.

V. Number of Holders of Each Class of Common Security

As of March 31, 2022, there are 2,499,712,463 outstanding and issued common shares of the Company, exclusive of 287,537 treasury shares. The Company does not have any class of shares other than common shares.

VI. Names of the Top Twenty (20) Shareholders of Each Class

The top twenty (20) stockholders of the Company as of March 31, 2022 are the following:

	Name	No. of shares	% ownership
1.	Strongoak, Inc.	1,382,765,864	55.31%
2.	PCD Nominee Corporation (Filipino)	661,070,459	26.44%
3.	Harvest All Investment Limited	177,261,165	7.09%
4.	Victory Fund Limited	138,474,015	5.54%
5.	PCD Nominee Corporation (Foreign)	63,451,663	2.54%
6.	Albert Hin Kay Hong	39,017,537	1.56%
7.	Bondeast Private Limited	13,023,411	0.52%
8.	Peter Kawsek Jr.	4,538,646	0.18%
9.	Martin Antonio G. Zamora	3,975,370	0.16%
10.	Michael W. Cordova	3,805,000	0.15%
11.	S. Chandra Das	2,604,760	0.10%
12.	Oriental Tin Can & Metal Sheet Mfg	2,210,385	0.09%
13.	FDCP Inc.	1,894,045	0.08%
14.	Tri-Marine International (Pte) Ltd.	1,170,472	0.05%
15.	Damalerio Fishing Corp.	920,656	0.04%
16.	DFC Tuna Venture Corporation	617,248	0.02%
17.	Phil. Fisheries Development Authority	346,207	0.01%
18.	Amadeo Fishing Corp.	294,874	0.01%
19.	Alliance Tuna International Inc.	257,464	0.01%
20.	GENPACCO, Inc.	172,973	0.01%

As of March 31, 2022, foreign ownership of the company's common stock equity stands at 17.36% or 433,896,698 - common shares. Locally owned common stock stands at 82.64% or 2,065,815,765 common shares. Currently, there is no foreign ownership limitation applicable to FOOD.

There is no action to be taken at the 2022 Annual General Shareholders' Meeting with respect to an acquisition, business combination or other reorganization that will affect the amount and percentage of present holdings of the Company's

common equity owned beneficially by (i) any person or group who is known to the Company to be the beneficial owner of more than five percent (5%) of any class of the registrant's common equity; (ii) each director and nominee; and (iii) all directors and officers as a group, and the Company's present commitments to such persons with respect to the issuance of shares of any class of its common equity, if any.

VII. Directors

Board of Directors

Director	Nationality	Position	Age	Year Position was Assumed
Antonio C. Pacis	Filipino	Chairman of the Board	81	2014
Gabriel A. Dee	Filipino	Vice Chairman	57	2018
Raymond K.H. See	Filipino	Director, President & CEO	54	2014
Rena M. Rico-Pamfilo	Filipino	Director	46	2020
Joseph Peter Y. Roxas	Filipino	Director	60	2016
Domingo C. Go	Filipino	Independent Director	61	2020
Dobbin A. Tan	Filipino	Independent Director	58	2016

ANTONIO C. PACIS - 81, Filipino citizen; Chairman of the Board

Mr. Pacis obtained his law degree from the Ateneo Law School in 1965 and his masteral law degree from the Harvard Law School in 1967.

He is on the Board of Directors of Paluwagan NG Bayan Savings Bank, Armstrong Pacific

Co., Inc., Technology Investment Co., Inc. and Central Colleges of the Philippines. He used to serve on the Board of Directors of BDO Unibank for ten years.

He is Chairman of the Board of Directors at Asian Silver Estate, Inc., International Social Service Philippines, Inc., Amigo Holdings, Inc., Asian Waterfront Holdings, Inc., Mantle Holdings, Inc., and Corporate Secretary for Armstrong Securities, Inc., EBC Strategic Holdings Corp., and Paluwagan NG Bayan Savings Bank.

Mr. Pacis has been practicing law since 1965 and continues to practice at Pacis and Reyes Law Office and was a professor of law at the Ateneo Law School.

Mr. Pacis attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Pacis also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

GABRIEL A. DEE - 57, Filipino citizen; Vice-Chairman

Mr. Dee obtained his law degree from the University of the Philippines College of Law in 1988 and his MBA Units at Ateneo De Manila Graduate School of Business from 1990-1992.

He is the Managing Partner of Picazo Buyco Tan Fider & Santos Law Offices from 2006 to date. He is a Director and Corporate Secretary of various listed and unlisted corporations, including several financial institutions. He is also a resource person for various seminars on IPO's, Listings and Estate Planning.

Mr. Dee has been practicing law since 1989. He is a professor of law teaching Corporation Law at the Lyceum College of Law and UP College of Law.

Atty. Dee attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Atty. Dee also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

RAYMOND K. H. SEE - 54, Filipino citizen; Director, President & CEO

Mr. See graduated from De La Salle University in 1989 with a degree in B.S. Industrial Management Engineering, minor in Mechanical Engineering.

Prior to joining the Company, Mr. See was a former executive from Pilipinas Shell Petroleum Corporation. He rose from the ranks in his 24 year stay in the said company. Mr. See was the Senior Vice-President for Operation of the Company before being appointed as President & CEO of the Company on December 8, 2014.

Mr. See attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. See also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

RENA M. RICO-PAMFILO - 46, Filipino citizen; Director

Atty. Rena M. Rico-Pamfilo is a member of the Integrated Bar of the Philippines and is qualified to practice law in the Philippines and in the State of New York, U.S.A. Atty. Rico-Pamfilo graduated from the Ateneo de Manila University with a Bachelor's degree in Management, Major in Legal Management. She obtained her Juris Doctor degree from the Ateneo de Manila School of Law, where she graduated with second honors, and her Master of Laws degree from the National University of Singapore.

At present, Atty. Rico-Pamfilo is the Chief Legal Counsel of Seawood Resources, Inc, and a faculty member at the Ateneo de Manila University School of Law.

Atty. Rico-Pamfilo was a Senior Associate at Romulo Mabanta Buenaventura Sayoc & delos Angeles from January 2007 to 2011. She was also the Assistant Counsel and Assistant Registrar at the Singapore International Arbitration Center from January 2005 to December 2006. She was an Adjunct Assistant Professor, Faculty of Law at the National University of Singapore from January 2006 to December 2006. She worked as Court Attorney IV in the Office of Associate Justice Reynato S. Puno of the Supreme Court of the Philippines from November 2002 to March 2003, and was a Junior Associate at Sycip Salazar Hernandez & Gatmaitan from November 2000 to August 2002.

Atty. Rico-Pamfilo attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Atty. Rico-Pamfilo also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

JOSEPH PETER Y. ROXAS - 60, Filipino citizen; Director

Mr. Roxas graduated from the Ateneo de Manila University in 1983 with a Bachelor's degree in Economics. He also has MBA units from the Ateneo de Manila University Graduate School.

Mr. Roxas is President of Eagle Equities, Inc. since 1996. He is also presently a Director of Kimquan Trading Corporation, a privately held company. He is also a Director of the Association of Securities Analysts of the Philippines since 2000. Mr. Roxas was with R. Coyuito Securities as Assistant Vice President for Research from 1993 to 1995, and Investment Officer from 1987 to 1992.

Mr. Roxas attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Roxas also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

DOBBIN A. TAN - 57, Filipino citizen; Independent Director

Mr. Tan graduated from the Ateneo de Manila University in 1985 with a Bachelor of Science degree in Management Engineering. He obtained his Master's degree in Business Administration from the University of Chicago, Booth School of Business in 2013. Mr. Tan also attended a Management Development Program of the Asian Institute of Management in 1990, and a Strategic Business Economics Program of the University of Asia and the Pacific in 2001.

Mr. Tan is presently Chief Executive Officer of Red Rock IT Security, Inc. and New Sunlife Ventures, Inc. He is also the School Treasurer of Xavier School, Inc. He was Managing Director and Chief Operating Officer of Information Gateway from 2002 to 2012.

Mr. Tan attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Tan also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

DOMINGO C. GO - 61, Filipino Citizen; Independent Director

Mr. Go is an alumnus of the Ateneo de Manila University where he graduated with the degree of Bachelor of Science in Management (Honors Program), and undertook special studies as the recipient of a one-year exchange scholarship program at the International Christian University in Tokyo, Japan. He obtained his Master of Business Administration from the University of the Philippines-Diliman.

Mr. Go is presently a Director of the Financial Executives Institute of the Philippines (FINEX) since 2020, and was also a Director of the FINEX Academy from 2020-2021. He has been a trustee of the Philippine Federation of Japan Alumni, Inc. since July 2015.

Previously, he served as the First Vice President/Head of the Equity Investments Department at the Metropolitan Bank & Trust Company (Metrobank), where he

also formerly held positions at the Merchant Banking Division and the Account Management Group as well as concurrent positions in various investee companies of the Metrobank Group. He was a Director of Northpine Land, Inc., Toyota Manila Bay Corporation, Sumisho Motor Finance Corporation, and Sagara Metro Plastics Industrial Corporation.

Mr. Go is a Fellow of the Institute of Corporate Directors (ICD).

Mr. Go attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. Go also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

Board Attendance, Compensation, Appraisal and Training

The Company's Board has a pre-determined schedule of meetings at the beginning of each calendar year. As necessary, attendance at the Board meetings may be through electronic medium or telecommunications. Details on the Directors' attendance at Board meetings and Committee meetings are as follows:

2021 Board meetings:

Name	05/12	06/4	06/15	06/15	08/11	11/12	11/19	12/20
Antonio C. Pacis <i>Chairman</i>	✓	✓	✓	✓	✓	✓	✓	✓
Gabriel A. Dee <i>Vice Chairman</i>	✓	✓	✓	✓	✓	✓	✓	✓
Raymond K.H. See, <i>Director, President and CEO</i>	✓	✓	✓	✓	✓	✓	✓	✓
Rena M. Rico-Pamfilo <i>Director</i>	✓	✓	✓	✓	✓	✓	✓	✓
Domingo C. Go <i>Independent Director</i>	✓	✓	✓	✓	✓	✓	✓	✓
Joseph Peter Y. Roxas <i>Director</i>	✓	✓	✓	✓	✓	✓	✓	✓
Dobbin A. Tan <i>Independent Director</i>	✓	✓	✓	✓	✓	✓	✓	✓

Audit Committee:

Name	01/26	02/17	04/05	04/08	05/05	06/30	07/02	08/04	11/09	12/14
Rena M. Rico-Pamfilo <i>Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Domingo C. Go <i>Independent Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dobbin A. Tan <i>Independent Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Corporate Governance Committee:

Name	01/26	05/03
Rena M. Rico-Pamfilo <i>Director</i>	✓	✓
Domingo C. Go <i>Independent Director</i>	✓	✓
Joseph Peter Y. Roxas <i>Director</i>	✓	✓
Dobbin A. Tan <i>Independent Director</i>	✓	✓

Total compensation received by each of the Directors on a per diem basis for 2021, is as follows:

Name	Total Compensation (per diem) for 2021 (PhP)
Antonio C. Pacis <i>Chairman</i>	₱ 80,000
Gabriel A. Dee <i>Vice Chairman</i>	₱ 100,000
Raymond K.H. See, <i>Director, President and CEO</i>	₱ 100,000
Rena M. Rico-Pamfilo <i>Director</i>	₱140,000
Domingo C. Go <i>Independent Director</i>	₱ 160,000
Joseph Peter Y. Roxas <i>Director</i>	₱ 110,000
Dobbin A. Tan <i>Independent Director</i>	₱ 160,000

The Company has adopted a policy on Board self-assessment as a body, and as individual committees, to assess if it possesses the right mix of experience and backgrounds. It also conducts a performance assessment of the CEO to evaluate performance and overall compliance with laws, regulations and best practices.

The Charter of the Board of Directors likewise include a policy on the training of Directors, including an orientation program for first-time Directors and relevant annual continuing training for all Directors.

VIII. Executive Officers

Officers	Nationality	Position	Age	Year Position was Assumed
Raymond K.H. See	Filipino	President & CEO	54	2014
Lisa Angela Y. Dejadina	Filipino	SVP – Operational Excellence and Business Development	39	2014
Barbara Anne C. Migallos	Filipino	Corporate Secretary	67	2015
Maria Carolyn C. Angeles	Filipino	Treasurer	51	2021
Phoebe Ann S. Bayona	Filipino	Asst. Corporate Secretary and Compliance Officer	35	2021

RAYMOND K.H. SEE - 54, Filipino citizen; President and CEO

Mr. See graduated from De La Salle University in 1989 with a degree in B.S. Industrial Management Engineering, minor in Mechanical Engineering.

Prior to joining the Company, Mr. See was a former executive from Pilipinas Shell Petroleum Corporation who rose from the ranks in his 24-year stay in the said company. Mr. See was the Senior Vice-President for Operation of the Company before being appointed as President and Chief Executive Officer of the Company on December 8, 2014.

Mr. See attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Mr. See also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

LISA ANGELA Y. DEJADINA - 39, Filipino citizen; Senior Vice President for Operational Excellence and Business Development

Ms. Dejadina has a degree in B.S. Industrial Engineering from the University of the Philippines where she graduated in 2005.

Prior to joining the company, Ms. Dejadina worked at Pilipinas Shell Petroleum Corporation where she covered various roles contributing to ten years of solid work experience in the petroleum industry in the areas of fuel depot operations, Health, Safety, Security and Environment (HSSE) management, and business support functions (business development, logistics, and learning & development).

Ms. Dejadina attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors.

BARBARA ANNE C. MIGALLOS - 66, Filipino citizen; Corporate Secretary

Ms. Migallos graduated cum laude from the University of the Philippines, with a Bachelor of Arts degree, and finished her Bachelor of Laws degree as cum laude (salutatorian) also at the University of the Philippines. She placed third in the 1979 Philippine Bar Examination.

Ms. Migallos was elected as Corporate Secretary of the Company on July 6, 2015. She is Director and Corporate Secretary of Philex Mining Corporation and Philex Petroleum Corporation, and Corporate Secretary of Nickel Asia Corporation and Silangan Mindanao Mining Co., Inc. She is the Managing Partner of the Migallos & Luna Law Offices. Ms. Migallos is also a Director of Mabuhay Vinyl Corporation and Philippine Resins Industries, and Corporate Secretary of Eastern Telecommunications Philippines, Inc. She is a professorial lecturer in Corporations Law, Insurance, Securities Regulation and Credit Transactions at the De La Salle University College of Law. She was a Senior Partner of Roco Kapunan Migallos and Luna Law Offices from 1988 to 2006.

MARIA CAROLYN C. ANGELES – 50, Filipino citizen, Treasurer

Ms. Angeles is a seasoned Certified Public Accountant with more than 25 years of experience. Prior to joining Alliance Select Foods International, Inc., Ms. Angeles worked for the Max's Group of Companies for eight years, where she rose from being an Accounting Head to Senior Finance Business Partner. Ms. Angeles is a member of the Philippine Institute of Certified Public Accountants and is accredited by the Bureau of Internal Revenue and Board of Accountancy.

Ms. Angeles graduated from Polytechnic University of the Philippines in 1992 with a degree in Bachelor in Accountancy. She received her CPA License in the same year.

Ms. Angeles attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors.

PHOEBE ANN S. BAYONA - 35, Filipino citizen, Asst. Corporate Secretary and Compliance Officer

Ms. Bayona received her Juris Doctor degree from the Ateneo De Manila - School of Law in 2012, and was admitted to the Philippine Bar the year after.

Ms. Bayona is an experienced lawyer in the fields of Corporate, Tax, Mergers and Acquisitions, Labor, and Dispute Resolution. She is also a licensed lawyer in Vietnam, and has worked for reputable international law firms there for five years before taking on the role of corporate counsel, and eventually, Assistant Corporate Secretary and Compliance Officer in the Company.

Prior to taking up law, Ms. Bayona received her Bachelor of Science major in Marketing Management degree from De La Salle University-Manila.

Ms. Bayona attended the Advanced Corporate Governance Training with the following topics: Introduction to Corporate Governance, Building Resilience in the Corporate Strategy, and Sustainability in the Boardroom held on April 16 and 19, 2021 provided by the Institute of Corporate Directors. Ms. Bayona also attended the Best Practices in Project Governance for Governing Board held on February 10 and 11, 2022 provided by the Center for Global Best Practices.

IX. Market Price of the Issuer's Common Shares

The common shares of the Company are traded on the PSE under the symbol FOOD. The Company's common stock was first listed on the PSE on November 8, 2006.

The table below sets out the high and low sales prices for the Company's common shares as reported on the PSE for the periods indicated.

	2022		2021		2020		2019	
	High	Low	High	Low	High	Low	High	Low
Q1	0.64	0.58	0.69	0.61	0.68	0.45	1.02	0.95
Q2	-	-	0.67	0.61	0.61	0.50	0.86	0.72

Q3	-	-	0.68	0.62	0.68	0.55	0.78	0.68
Q4	-	-	0.63	0.52	0.75	0.62	0.68	0.51

On March 31, 2022, the last trading day for the month of March 2022, the closing price for FOOD was P0.60 per share.

The number of shareholders of record as of March 31, 2022 owning at least one board lot was 200 and the total number of shares outstanding on that date were 2,499,712,463 net of 287,537 treasury shares.

Public float as of March 31, 2022 was 31.87%.

X. Dividends

The Company is authorized to declare and distribute dividends to the extent it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed profits of a corporation that have not been earmarked for any corporate purposes. A corporation may pay dividends in cash, by distribution of property, or by issuance of shares. Dividends declared in the form of cash or additional shares are subject to approval by the Company's Board of Directors.

In addition to Board approval, dividends declared in the form of additional shares are also subject to the approval of the Company's shareholders representing at least two-thirds (2/3) of the outstanding capital stock. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such shares. SEC approval is required before any property or stock dividends can be distributed. While there is no need for SEC approval for distribution of cash dividends, the declaration of cash dividends must be immediately disclosed to the SEC and the PSE in accordance with the SRC Rule 17.

The Company has not adopted a specific dividend policy. Nevertheless, the Company has declared dividends for the years 2007, 2008, 2009, and 2011.

The Company has not declared dividends for the past three (3) most recent fiscal years.

In the future, the Company intends to continue to pay dividends out of its unrestricted retained earnings. The ability to pay dividends, and the amount of such, however, shall depend on the Company's retained earnings, cash flow requirements, financial condition, capital expenditures, and investment requirements during the relevant period.

XI. Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

There are no recent sales of unregistered or exempt securities, including recent issuances of securities constituting an exempt transaction.

XII. Corporate Governance

The Company believes that corporate governance is a necessary component of what constitutes sound strategic business management, and therefore undertakes all efforts necessary to create awareness within the organization.

The Company's corporate governance principles and practices are principally embodied in the Company's Articles of Incorporation, By-Laws and its amendments, and Manual on Corporate Governance. The Company complies with the Revised Code of Corporate Governance set by the Securities & Exchange Commission (SEC) and the Corporate Governance Guidelines and Listing Rules of the Philippines Stock Exchange (PSE), and endeavors to elevate its corporate governance practices in line with best practices.

The Company's Articles of Incorporation, By-Laws and Manual on Corporate Governance may be viewed on the Company's website (<http://corporate.allianceselectfoods.com/>).

To ensure adherence to corporate governance principles and best practices, the Company has a Compliance Officer that reports directly to the Chairman of the Board. The Compliance Officer constantly monitors and evaluates compliance of the Directors and officers to its Manual on Corporate Governance.

Corporate Governance Updates

On June 1, 2017, in compliance with SEC Memorandum Circular No. 8 Series of 2017, Alliance Select Foods International, Inc. (FOOD) submitted with the SEC its 2017 Corporate Governance Manual. The same was adopted by the Board of Directors of FOOD in a special meeting held on May 30, 2017.

In compliance with SEC Regulations, the Company has consistently filed its Integrated Annual Corporate Governance Report (I-ACGR) with the SEC since 2018 on or before its regulatory deadline. The Company likewise posts these reports on its website on even date.

SEC Number **CS200319138**

File Number

**ALLIANCE SELECT FOODS INTERNATIONAL, INC.
AND ITS SUBSIDIARIES**

(Company's Full Name)

**Suite 3104 A West Tower PSEC Exchange Rd.
Ortigas Business District, Pasig City, Philippines, 1605**

(Company's Address)

632 8637 8800

(Telephone Number)

December 31

(Calendar Year Ending
(month & day))

SEC FORM 17 A

(Form Type)

(Amendment Designation if applicable)

December 31, 2021

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended December 31, 2021
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, National Capital Region, Philippines
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. Suite 3104 A West Tower PSEC Exchange Rd. Ortigas Business District, Pasig City
Address of issuer's principal office

1605
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
2,499,712,463 shares

Common shares, P0.50 par value

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 Philippine Stock Exchange - Common shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes ☒ No ☐

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

Yes ☒ No ☐

Part I – BUSINESS AND GENERAL INFORMATION

Item 1 – BUSINESS

BACKGROUND

Alliance Select Foods International, Inc. (ASFII or the “Parent Company” or the “Company”) is a publicly-listed corporation under Section 17.2 of the Securities Regulation Code (SRC). ASFII was registered with the Philippine Securities and Exchange Commission (SEC) on September 1, 2003 as Alliance Tuna International, Inc. It started commercial operations in 2004 to engage in tuna processing, canning, and the export of canned tuna products from General Santos City, Mindanao, Philippines. On November 8, 2006, the Company’s shares were listed on the Philippine Stock Exchange through an initial public offering. In July 2010, the Company was renamed as “Alliance Select Foods International, Inc.”

The Parent Company’s key business activity is the processing, canning, and export of tuna. It exports its products to Europe, North and South America, Asia, Africa, and the Middle East.

In May 2004, the Company set up a marketing representative office in Bangkok, Thailand, to tap the network of buyers and brokers who use Thailand as a base.

In September 2005, the Company acquired a 40% stake in First Dominion Canning Philippines, Inc. (FDCP), a can manufacturing company. In November 2016, FDCP increased its outstanding shares from 12,500,000 to 20,000,000 common shares. The Company did not subscribe to the additional issuance, thus decreasing the Company’s stake in FDCP to 25%.

In May 2008, PT International Alliance Foods Indonesia (PT IAFI) was established to acquire the assets of an Indonesian tuna cannery located in Bitung in the island of North Sulawesi. The Parent Company owns 99.98% of PT IAFI. A complete renovation of the factory and upgrade of capacity to 90 metric tons per day was undertaken. On October 18, 2019, PT IAFI changed its core business operations to export trading, and sold its fixed assets in North Sulawesi. PT IAFI is currently not in operation.

PT IAFI set up PT Van de Zee (PT VDZ), a fishing company in Indonesia in May 2012 with an initial stake of 80%. In 2014, a new law in Indonesia required that domestic ownership in local entities engaged in fishing be increased to at least 51%. Currently, PT IAFI owns 49% of PT VDZ. Due to subsequent changes in Indonesian fishing regulations restricting foreign commercial fishing, PT VDZ is currently not in operation.

As part of the Parent Company’s product diversification strategy, it invested in a New Zealand based processor of smoked salmon in January 2009. The initial investment of a 39% stake in Prime Foods New Zealand (PFNZ) was later increased to 50% plus 1 share. PFNZ was engaged in the business of processing, manufacturing, and distributing smoked salmon and other seafood under the Prime Smoke and Studholme brand. On October 2015, the Parent Company divested its interest in PFNZ.

In October 2009, the Parent Company and PFNZ established a joint-venture company called Big Glory Bay (BGB) that imports salmon from New Zealand, Chile and Norway, among others, and processes it in General Santos City, Mindanao, Philippines. The smoked salmon products from BGB are sold locally and abroad. In October 2015, the Parent Company accepted PFNZ’s BGB shares as partial payment for PFNZ’s payment obligations to the Parent Company. This resulted in BGB becoming a 100% subsidiary of the Company.

On June 18, 2010, Alliance MHI Properties, Inc. (AMHI), a property holding company, was established. The Parent Company owned a 40% stake in the affiliate, while Mingjing Holdings Inc., (MHI), a Filipino company, owned the remaining 60% stake. On November 11, 2015, the AMHI Board approved ASFII’s application for subscription of preferred shares arising from the increase in authorized capital stock of AMHI. AMHI’s application for increase in capital stock was approved by the Securities and Exchange Commission on December 23, 2015. ASFII now owns 98.89% of AMHI. AMHI’s registered address is at Purok Saydala, Barangay Tambler, General Santos City.

The Parent Company acquired an 80% stake in Akaroa in October 2012. With its principal office in 89 Treffers Road, Wigram, Christchurch, New Zealand, Akaroa is engaged in the business of sea cage salmon farming and is among the pioneers of farmed salmon industry in New Zealand. Akaroa smokes and processes fresh salmon, and has established itself as the premium quality brand in the country over the years. Akaroa has been the recipient of various awards and accolades from New Zealand's food industry. It operates two marine farms in the pristine cold waters of Akaroa Harbor in the country's South Island to rear the King salmon or Chinook salmon. Akaroa holds a 20% stake in Salmon Smolts NZ Ltd., a modern hatchery with high quality and a consistent supply of smolts (juvenile salmon). In November 2021, the Parent Company disposed its interest in Akaroa to a third party for a total consideration of NZD 7.50 million (\$5.06 million), inclusive of payments for dividends and other related costs. The disposal of Akaroa resulted in a gain on sale of \$0.4 million.

In March 2018, the SEC approved the Amendment of Article Seventh of the Company's Articles of Incorporation to reduce the par value of common shares of the Company from One Peso (P1.00) per share to Fifty Centavos (P0.50) per share, and to decrease the authorized capital stock of the Company from Three Billion Pesos (P3,000,000,000.00) divided into Three Billion (3,000,000,000) common shares with par value of One Peso (P1.00) each to One Billion Five Hundred Million Pesos (P1,500,000,000.00) divided into Three Billion (3,000,000,000) common shares with par value of Fifty Centavos (P0.50) each.

PRODUCTS

Tuna

The Group's Tuna Division is mainly from ASFII which sells processed tuna including pouched tuna products, frozen loins and a premium tuna line under the "Bay of Gold" brand. The market for tuna is comprised of the institutional and retail markets. The end users of the institutional cans include restaurants, hotels, and commissaries. The retail pack is sold to wholesalers, distributors, and food companies that have their own brands. Consumers normally purchase the retail can in supermarkets and grocery stores.

Salmon

BGB processes various salmon species and manufactures them into smoked and raw products for retail and institutional consumers. These are frozen and vacuum packed, and sold in different forms and cuts. Products are sold in retail stores under Prime New Zealand, Gold Standard, and Superfish. In 2021, BGB focused in distributing imported salmon products from Akaroa.

Akaroa serves king salmon both for its domestic and international clients. For international markets, Akaroa's products are air-flown and delivered to retailers, distributors or direct customers in Singapore, Japan, USA, Philippines and Hong Kong, among others.

Fishmeal

Fishmeal is the by-product of tuna and salmon processing operations. Fishmeal is sold as additives or primary ingredients for animal feeds.

Fish Oil

ASFII extracts crude fish oil from raw tuna heads, one of the best sources of high-quality fish oil, at the processing plant in General Santos City. This unrefined oil is primarily intended for animal feed, but can also be refined for human consumption. ASFII currently produces around 20,000 kg of crude fish oil per month, which is sold in the local market to agricultural businesses or food processors.

REVENUE BREAKDOWN

The percentage contribution to the Group's revenues broken down into major product lines for each of the three (3) years in the periods ended December 31, 2021, 2020 and 2019 are as follows:

Product	<i>December 31, 2021</i>	<i>December 31, 2020</i>	<i>December 31, 2019</i>
Tuna	74%	83%	70%
Fishmeal (Local)	5%	3%	4%
Salmon	21%	14%	26%
Total	100%	100%	100%

DISTRIBUTION METHODS, SALES AND MARKETING

Tuna

The Tuna Division of ASFII has positioned itself as a supplier of canned tuna to a wide range of buyers and agents. Most of the products are finished and labeled, and are ready for shipment to their respective end-destinations. ASFII diversified its product line. Pouched tuna options and frozen tuna loins were added to its product line for the export market while premium canned tuna and salmon lines consisting of different variants under the Bay of Gold brand were added for the local market. Bay of Gold is present in select supermarkets in the Philippines.

At present, canned tuna is sold in both domestic and export markets while frozen tuna loins and pouched tuna products are sold in the export market. Fishmeal, meanwhile, is sold mainly to the domestic market.

Salmon

BGB's products are sold in major supermarkets in the Philippines. The Company is also expanding its market reach in retail through food service clients.

Akaroa's products are sold mostly to institutional clients and high-end distributors in New Zealand and the Asia-Pacific Region. Akaroa also has an online and supermarket presence in New Zealand.

COMPETITION

Tuna

There are eight (8) major companies engaged in tuna canning in the Philippines. Six are located in General Santos City and one in Zamboanga. These are General Tuna Corporation, Philbest Canning Corporation, Ocean Canning Corporation, Celebes Canning Corporation, Seatrade Canning Corporation, and Permex Producer & Exporter Corporation.

Most Philippine canned tuna processors produce two (2) can sizes: the retail pack and the institutional pack can size.

The United States and European Union (EU) markets account for approximately 75% of world tuna consumption and are the primary markets of Philippine canned tuna companies. Emerging markets such as Middle East and Asia provide opportunities for the Group to diversify its client base.

Tuna processing is a competitive industry in which price, product quality, and service, play an important role in the customer's purchasing decision.

Salmon

In the Philippines, most competitors import smoked salmon to sell in retail outlets. BGB follows a unique business model where it imports premium-grade salmon and delicately processes it in its own smokehouse to sell a premium product from the Philippines. BGB also competes with other larger traders and small-time players to cater to institutional accounts

Akaroa has a number of competitors who have their own marine farms in New Zealand. New Zealand King, its major competitor, is the country's largest salmon farmer. New Zealand King is listed in the New Zealand stock exchange.

FISH SOURCING

Tuna and Salmon

ASFII purchases its tuna from fish suppliers and large traders. Skipjack and Yellowfin tuna are the main raw fish inputs for processed tuna products.

BGB sources its salmon primarily from New Zealand, Chile and Norway. This is then processed into hot or cold smoked salmon. Meanwhile, Akaroa's fresh chilled salmon and smoked products are sourced from its own farms.

Key Fishing Areas – Tuna

A key resource or catching area for tuna is the Pacific Ocean. According to the Western and Central Pacific Fisheries Commission (WCPFC) 2021 Annual Report of the Executive Director, world tuna catch in 2020 from this fishing area accounted for almost 52% of global tuna catch.

Key Sourcing Area – Salmon

Almost all of the salmon sold by BGB and Akaroa are sourced from fish farms in New Zealand, Chile and Norway. This ensures a consistent supply of raw materials for the Company's salmon subsidiaries.

CUSTOMERS

The Tuna Division has a client base spread over 60 countries. Although our business is based on long-term relationships built with our customers, ASFII does not have any major existing multi-year sales contracts.

The salmon products of BGB are sold in the local market to supermarkets and food service clients. Akaroa sells its products domestically and has been growing its export customers to complement the increase in harvest size and diversify its customer base.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

Alliance MHI Properties, Inc. (AMHI)

AMHI owns the land in General Santos, Philippines, where the Group's processed tuna and smoked salmon operating facilities are located, and leases it to ASFII and BGB. The existing lease is until December 31, 2022.

ACCREDITATIONS, PATENTS & TRADEMARKS

The Group is accredited by a number of international rating and accrediting agencies, as well as domestic rating and inspection bodies.

The Group's tuna operations in General Santos, Philippines have passed various tests and standards for the quality of its products.

In addition to the required government permits and licenses such as the local government business and sanitary permits, and regulatory licenses like the Food and Drug Administration licenses (FDA) and Hazard Analysis Critical Control Point System (HACCP's), the Group also adopts globally-acknowledged best practices in its canned tuna and smoked salmon operations. For its tuna operations, the Group has received, among others, certifications of conformity with the United States Food and Drug Administration (USFDA), International Food Standard (IFS), British Retail Consortium (BRC), Kosher (OU), Islamic Da'wah Council of the Philippines (IDCP Halal), Marine Stewardship Council (MSC), Business Social Compliance Initiative (BSCI), Initiative Clause Sociale (ICS) and Earth Island Institute-Dolphin Safe (EII).

For its smoked salmon and other smoked seafood operations, the Group has the requisite government permits and licenses such as FDA License to Operate as Manufacturer, Exporter, Distributor, and Importer, and Halal certifications from Mindanao Halal Authority (MINHA) recognized by the Bureau of Fisheries and Aquatic Resources ("BFAR").

In addition, as of December 31, 2021, the Group also has registered trademarks: "Bay of Gold", "Quicklift", "Sea Harvest", "Big Glory Bay", "Gold Standard Salmon", "Prime New Zealand", "Wagyu of Salmon", "Superfish", and "Instant Chef" before the Intellectual Property Office of the Philippines; and "PRIME SMOKE" and "PRIME NEW ZEALAND" before the Intellectual Property Office of New Zealand.

Bay of Gold	Registration No. 42017011484	
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Quicklift	Registration No. 42018011698	
Sea Harvest	Registration No. 42004008474	SEA HARVEST
Big Glory Bay	Registration No. 42011004121	BIG GLORY BAY
Gold Standard Salmon	Registration No. 42014502559	<i>Gold Standard Salmon</i>
Prime New Zealand	Registration No. 42017011482	
Wagyu of Salmon	Registration No. 42016505298	

Super Fish	Registration No. 42019504525	
Instant Chef	Registration No. 42021518161	
Prime Smoke	Registration No. 964127 Registered in New Zealand Intellectual Property Office	
PRIME NEW ZEALAND	Registration No. 234660 Registered in New Zealand Intellectual Property Office	

Most of ASFII's clients have their own brand names. As industry practice, tuna processing can include labeling services for clients carrying their own brands. As for clients who do not have existing brands or those who are looking for alternative brand names, ASFII offers its house brand, Sea Harvest.

REGULATORY FRAMEWORK/GOVERNMENT APPROVAL

Industry-particular Governmental Laws and Approvals

The Bureau of Fisheries and Aquatic Resources (BFAR) is a line bureau reconstituted under the Department of Agriculture, by virtue of Republic Act No. 8550 (Philippine Fisheries Code of 1998). The Philippine Fisheries Code provides for the development, improvement, management, and conservation of the country's fisheries and aquatic resources.

ASFII received a certification from BFAR authorizing the implementation of the Hazard Analysis Critical Control Point (HACCP) System, a method for food safety standards recognized internationally.

BGB has received a certificate of recognition for the implementation of HACCP System from the BFAR.

ASFII and BGB are registered with the Food and Drug Administration (FDA). ASFII is registered as a Food Manufacturer and exporter until June 3, 2026; while BGB is registered as a food manufacturer and exporter of processed seafood products until May 25, 2026, and as a food distributor, importer, and wholesaler until September 12, 2026.

Akaroa holds certifications from both Titoki and Lucas Bays for specie farming, as well as New Zealand Food Safety Authority.

Environment-particular Governmental Laws and Approvals – Environmental & Safety Issues

The Philippine Environmental Impact Statement System (Presidential Decree No. 1586, as amended) covers projects and undertakings that are classified as environmentally critical as well as projects situated in environmentally critical areas. These projects or undertakings are required to be covered by an Environmental Compliance Certificate (ECC). ASFII's operation of its processing and production facilities is classified as an environmentally critical project.

ASFII has current ECC, Waste Water Discharge permit, and a permit to Operate (Boiler).

In 2020, Greenpeace Southeast Asia's Tuna Cannery Report ranked the Group's Philippine tuna facilities as No.1 rank (Green) with green score of 71.57 in the 2020 Cannery Ranking, leading among the six canneries located in General Santos City, Philippines, and is also among the top five (5) canneries in the region compared with Indonesia and Thailand. In 2018, the Group's Philippine and Indonesian tuna facilities were also ranked as no. 1 in the respective localities, following Sustainability, Sourcing, Traceability, Legality, Driving Change, Equity, and Transparency criteria. In 2019, ASFII received a green rating from Greenpeace.

BGB obtained an Environmental Compliance Certificate on February 12, 2010 which is still valid as of date. In addition to this, BGB also has a Waste Water Discharge Permit which is valid until August 13, 2024. BGB was also registered with the United States Food and Drug Administration (USFDA) on March 26, 2015.

Business-particular Governmental Laws and Approvals: Labor and Employment

The Department of Labor and Employment (DOLE) through the Labor Standard Enforcement Division of DOLE Region XII Office, conducts regular inspections of the General Santos plant to ensure compliance with labor laws, particularly those relating to occupational health and safety.

NUMBER OF EMPLOYEES AND CONTRACTORS

As of December 31, 2021, the Group has a total of 1,136 workers (124 regular employees and 1,012 contractors) from its head office in Pasig City to its tuna and smoked salmon facilities in General Santos City, Philippines.

MAJOR RISK FACTORS

Risks relating to tuna supply

To ensure continued profitability, the Group's tuna operations need timely and adequate access to the primary raw material, tuna. Fish suppliers should be able to catch tuna where it is abundant without any unreasonable restrictions placed on their operations.

In the last few years, there has been a trend toward resource nationalization and environmental sustainability. Both these trends have presented different kinds of challenges. The Group mitigates tuna supply risk by expanding its supplier base, and strengthening its relationships with key fresh and frozen tuna suppliers.

Risk relating to salmon supply

BGB sources its salmon from New Zealand, Chile, and Norway. Salmon farming industry occasionally gets hit by algal blooms that may impact the supply chain. To counter this risk, the Group ensures to import only from reputable and sustainable salmon farms.

Akaroa Salmon New Zealand Ltd. has its own salmon farms and sources all of its salmon raw materials from its farms.

Risks relating to competition and tuna selling prices

Aside from the market price of fish, competition from Philippine and international tuna canners affects the market price of canned tuna. The Tuna Division continuously addresses this situation by ensuring that its position with respect to supply and demand is as close as possible. Further, the Tuna Division is undertaking efficiency improvement initiatives, such as supply chain planning and optimization, and cost reduction to mitigate risks related to competition and tuna selling prices.

Risks relating to competition and salmon selling prices

BGB faces salmon selling price risks from its competitors and suppliers. However, it is able to command a good price because it has established itself as a seller of high-quality smoked salmon.

Akaroa's excellent fish quality and handling means that it can command premium pricing. It has become a preferred vendor by a number of its clients.

Risks relating to quality assurance

Processed tuna and smoked salmon are for human consumption. As such, a high-quality assurance standard for the product is required as product failure can affect human health. The presence of toxins, foreign materials, and the like in the finished products would necessitate the recall of an entire production batch. Product failures would also have an adverse negative effect on manufacturer's reputation.

The Group's quality assurance department is composed of experienced and trained personnel, with specialties ranging from microbiology to fisheries to engineering and sciences. It is responsible for the plant's HACCP plan, Good Manufacturing Practices (GMP), and hygiene compliance.

The risks the Group faces in this area include off-spec products and packaging, failed microbiological results, and substandard laboratory analytical test results. These possible risks are prevented and/or mitigated through a production process that places a premium on best food safety practices and quality procedures.

Risks relating to the leasing of land and facilities

Some properties where ASFII's facilities are located are being leased from related or third parties. The risks associated with this include non-renewal, and renewal of the lease under unfavorable conditions. ASFII mitigates these risks by entering into long term contracts with the landowners.

Risks relating to contractual arrangements

Due to the commodity nature of the tuna industry, buyers will go to the suppliers that provide the best value.

At present, the Company's contractual arrangement with its buyers is undertaken on a "per purchase order" basis with a fixed shipment period. ASFII undertakes to match its contractual obligations with the availability of raw materials as much as possible to minimize its exposure to risks related to contractual arrangements and market volatility.

Risks relating to the COVID-19 pandemic

Due to the global pandemic, ASFII's operations were affected by government guidelines on manpower reduction, social distancing, and travel restrictions among others. However, the Company was able to manage this risk by immediately deploying a Business Continuity Plan (BCP) that covers all aspects of its operations in its plant and offices. This BCP covers a revised manpower plan; foot traffic management; alternative work schedule; and health, sanitation and safety procedures for all employees and essential visitors.

The BCP is in place and the plant continues to operate without any COVID-19-related disruption up to now.

Item 2 – PROPERTIES and LEASE AGREEMENTS

ASFII

The Parent Company leases the land where its canned tuna plant in the Philippines is located from AMHI. It pays monthly fees of ₱0.5 million for the first year of lease agreement with a 5% lease fee increase per annum. Lease period is for five (5) years starting from January 1, 2018.

The Parent Company also leases a warehouse from AMHI, also located at the AMHI compound. It pays monthly fees of ₱0.1 million with a 5% lease fee increase per annum. Lease period for the warehouse is for five (5) years starting from January 1, 2018.

The Parent Company leases its office spaces located at Suite 3104 in the Philippine Stock Exchange Centre West Tower, Pasig City from Greenhills Properties, Inc. for a gross monthly rate of ₱0.2 million for the first year. The term of the lease is a period of five (5) years, commencing on August 2018, renewable upon mutual agreement of the parties.

BGB

BGB's facilities are also located in the same compound where ASFII's tuna processing plants are located in General Santos City, Mindanao, Philippines. BGB is leasing the land with an area of 985.88 sqm from AMHI. The rental cost is ₱0.02 million per month and the lease agreement is for five (5) years starting from January 1, 2018.

AKAROA

Akaroa's factory is situated at 89 Treffers Road, Wigram, Christchurch, New Zealand. Annual rental payment is NZD 0.3 million.

AMHI

AMHI owns land with an area of 68,751 sqm. situated at Purok Saydala, Barangay Tambler, General Santos City, South Cotabato. AMHI leases this land to ASFII and BGB under long-term lease contracts.

Item 3 – LEGAL PROCEEDINGS

The pending and material legal proceedings involving the Company as of December 31, 2021 are as follows:

1. ***Alliance Select Foods International, Inc., represented in this derivative suit by Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Chua v. George E. SyCip, Jonathan Y. Dee, Alvin Y. Dee, Ibarra A. Malonzo, Joanna Y. Dee-Laurel, Teresita Ladanga, and Grace Dogillo, Commercial Case No. 14-220***

On May 27, 2014, shareholders Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Chua filed a derivative suit purportedly on behalf of the Company against former Directors Messrs. George E. SyCip, Jonathan Dee, Alvin Y. Dee and Ibarra Malonzo, and certain senior executives of the Company at that time. The derivative suit prayed, among others, for the appointment of an interim management committee, and to compel an accounting and return of Company funds allegedly diverted to corporations controlled by the family of respondents Messrs. Jonathan and Alvin Dee. On 03 February 2015, the respondents filed a motion praying to declare the application of an interim management committee moot and academic in view of the change in the composition of the Company's Board of Directors and management. The Complainants filed a Motion to Inhibit on February 28, 2015, which was granted by the Pasig RTC Branch 159 on January 5, 2016. The case was eventually re-raffled to Pasig RTC Branch 154 on February 1, 2016.

Subsequently, George SyCip filed a Petition for Certiorari before the Court of Appeals, alleging that the inhibition was improper. The Court of Appeals granted said petition. Upon appeal to the Supreme Court, the Supreme Court affirmed the ruling of the Court of Appeals in its Resolution, dated September 19, 2018 (S.C. G.R. No. 239426), which ruling became final and executory.

Case was remanded back to Pasig RTC 159 for trial pursuant to the Order of the Supreme Court, directing RTC 159 to proceed with the hearing of the case.

2. ***Alliance Select Foods International, Inc. v. Hedy S.C. Yap-Chua and Albert Hong Hin Kay, I.S. No. INV-14F-02786***

On June 11, 2014, the Company, to protect its interests, filed a criminal complaint for Revealing Secrets with Abuse of Office against two of its then directors, Ms. Hedy S.C. Yap-Chua and Mr. Albert Hong Hin Kay, because it had reasonable cause to believe that Ms. Yap-Chua and Mr. Hong revealed to third parties information relating to the Company's financials given to them in confidence, in breach of their fiduciary duty to the Company. The Office of the City Prosecutor of Pasig City dismissed the case, and the Company has since filed its appeal with the Department of Justice, where the case remains pending.

3. ***In the matter of Alliance Select Foods International, Inc., SEC-EPD Case No. 14-3042***

On September 18, 2014, the Company received a letter dated September 12, 2014 from the SEC – Enforcement and Investor Protection Department (SEC-EIPD) directing the Company to submit a written explanation on the allegations of shareholder Mr. Necisto U. Sytengco within fifteen (15) days from receipt of said letter. Mr. Sytengco filed letter-complaints with the SEC alleging that his rights as shareholder were disregarded during the Company's Annual Stockholders' Meeting held on June 16, 2014 because he was barred from entering the venue of said meeting, purportedly in violation of the Revised Code of Corporate Governance (CG Code) provisions on shareholders' rights. On September 23, 2014, or five (5) days from receipt of the SEC letter, the Company filed its letter-response to the SEC explaining that Mr. Sytengco was barred from entering the venue because of his behavior which was disruptive to the meeting.

In an Order dated October 28, 2014, the SEC-EIPD erroneously held that the Company failed to comply with its directive to submit a written explanation, and adjudged the Company liable for the alleged violations of the CG Code. On November 21, 2014, the Company appealed the SEC-EPID Order before the SEC En Banc, where the same remains pending.

4. ***Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, Albert Hong Hin Kay and Hedy S.C. Yap Chua v. Alliance Select Foods International, Inc., George E. SyCip, Jonathan Y. Dee, Raymond K.H. See, Marie Grace T. Vera-Cruz, Antonio C. Pacis, Erwin M. Elechicon and Barbara Anne C. Migallos, Commercial Case No. 15-234***

On August 5, 2015, Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, Albert Hong Hin Kay and Hedy S.C. Yap Chua ("Harvest All et al.") filed a Complaint (with application for the issuance of Writ of Preliminary Mandatory Injunction and Temporary Restraining Order/Writ of Preliminary Injunction) with the Pasig Regional Trial Court ("Pasig RTC"), against Alliance Select Foods International, Inc., its then Directors Messrs. George E. SyCip, Jonathan Y. Dee, Marie Grace T. Vera-Cruz, and Erwin M. Elechicon; and current Directors Raymond K.H. See, and Antonio C. Pacis, and Corporate Secretary Barbara Anne C. Migallos (the "Company") praying, among others, that the Company be restrained from carrying out its Stock Rights Offering, and that the Company be compelled to hold its Annual Stockholders' Meeting prior to the said Stock Rights Offering. The Stock Rights Offering would raise gross proceeds of P1,000,000,000.00 to be used for needed capital expenditures, repayment of loans, installation of a new management information system, and working capital requirements of the Company.

In a Resolution dated August 14, 2015, the Pasig RTC denied the prayer for a Temporary Restraining Order. The Pasig RTC held that Harvest All et al. failed to show that it had a clear and unmistakable right that was or would be violated by the conduct of Annual Stockholders' Meeting after the Stock Rights Offering. The Pasig RTC noted that Temporary Restraining Order is unwarranted because Harvest All et al. were granted the right to subscribe to the Stock Rights Offering to prevent the dilution of shareholdings and voting rights feared by Harvest All et al.

In a Resolution dated 24 August 2015, the Pasig RTC dismissed the Complaint for lack of jurisdiction over the subject matter of the case due to Harvest All et al.'s failure to pay the correct filing fees (the "RTC Resolution").

In the meantime, the offer period for the Stock Rights Offering, which commenced on August 17, 2015, ended on August 26, 2015. On September 7, 2014, the Company's Board scheduled the Company's Annual Stockholders' Meeting on November 17, 2015 with record date on October 20, 2015. The Board of Directors later on decided to reschedule the Annual Stockholders' Meeting to December 16, 2015.

Harvest All et al. filed a Petition for Review with the Court of Appeals to reverse and set aside the RTC Resolution dismissing the Complaint. It also prayed that the Company be restrained from implementing the October 20, 2015 record date of the Annual Stockholders' Meeting, and to compel the Company to set the record date of the Annual Stockholders' Meeting to a date prior to the Stock Rights Offering.

On 15 December 2015, the Court of Appeals issued a Resolution granting Harvest All et al.'s prayer for a Temporary Restraining Order ("TRO"), effective for a period of 60 days from notice, enjoining the parties to maintain and preserve the status quo pending resolution of the Petition for Review, after Harvest All et al. posts the required bond (the "TRO Resolution"). on 16 December 2015, the date of the Meeting. The Company received the TRO on 16 December 2015, a few hours before the Meeting. The Company and the respondent directors and officers filed motions for reconsideration of the TRO Resolution and to dissolve the TRO.

The Court of Appeals rendered a Decision dated February 15, 2016 sustaining the position of the Company that Harvest All et al., should pay the correct filing fees for its Complaint with the Pasig RTC.

Jonathan Dee filed a Petition for Review on Certiorari with the Supreme Court to set aside the ruling of the Court of Appeals and affirm the ruling of the Pasig RTC dismissing the case (SC G.R. No. 224834).

Harvest All et al. on the other hand filed their only Petition for Review on Certiorari with the Supreme Court questioning the ruling of the Court of Appeals that though the case should not be dismissed because Harvest All et al. was not in bad faith in not filing the proper filing fee, the latter should pay the filing fee based on the 2015 SRO, which would amount to approximately Php 20 Million.

The Petitions for Review on Certiorari were consolidated by the Supreme Court. On March 15, 2017, the Supreme Court rendered a Decision in favor of the petition of Harvest All et al., ruling that the intra-corporate controversies may involve a subject matter which is either capable or incapable of pecuniary estimation, and remanded the case back to the RTC to assess the correct filing fees, and upon payment, to proceed with the regular proceedings of the case. The case was remanded back to the Regional Trial Court of Pasig City, Branch 159, under Judge Lingan. Thereafter, the Company filed a Motion for Factual Determination of Mootness, arguing that the cause of action of Plaintiffs is already moot and academic. Defendant Migallos likewise filed a Motion to Dismiss arguing also that the case is already moot and academic.

Plaintiffs however, filed a Motion for Inhibition against Judge Lingan (RTC 159), which said Judge granted. Defendant SyCip filed a Petition for Certiorari and Mandamus with Application for the Issuance of TRO and/or Writ of Preliminary Injunction before the Court of Appeals against Judge Lingan for inhibiting from the case (CA-G.R. SP No. 158324).

Pursuant to the inhibition of Judge Lingan (RTC 159), the case was eventually re-raffled to RTC 265 on April 4, 2019.

On March 4, 2020, the parties received an Omnibus Order, dated February 20, 2020, issued by RTC 265 **dismissing the case** due to forum shopping and being moot and academic.

On July 17, 2020, Harvest All et al. filed a Petition for Review before the Court of Appeals to assail the dismissal of the case. The petition is still pending resolution before the Court of Appeals.

5. ***Hedy S.C. Yap-Chua, for herself and on behalf of Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited vs. Alliance Select Foods International, Inc.,***
SEC MSRD Case No. MSRD-SRD-2021-1

On May 26, 2021, Alliance Select Foods International, Inc. (“Company”) received a summons from the Markets and Securities Regulation Department of the Securities and Exchange Commission (“MSRD-SEC”) resulting from a Complaint, dated November 2, 2020, filed by Hedy S.C. Yap-Chua, for herself and on behalf of Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited (“Complainants”), questioning the lack of mandatory tender offer during the Company’s sale of 430,286,226 shares to Strongoak Inc. through a private placement in May 5, 2014 and the subscription by Strongoak Inc. to additional shares in the Company during a Stock Rights Offering in 2015.

The Company filed its Answer dated June 10, 2021 raising the defenses of prescription; non-applicability of Mandatory Tender Offer Rule as the questioned transactions are covered by express exemptions under the Securities Regulation Code; and forum shopping by the Complainants due to the filing of previous cases against the Company in judicial courts praying for the invalidation of the same share purchases and subscriptions of Strongoak Inc., among others.

The case is still pending before the MSRD-SEC.

Item 4 – SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

I. Annual Stockholders Meeting (for 2021)

- a. Date: 15 June 2021
Time: 1:30 PM
via remote communication via Zoom webinar platform

b. Election of Officers:

Regular Directors:

- | | | |
|--------------------------|---|--------------------------------|
| 1. Antonio C. Pacis | – | 1,715,463,560 cumulative votes |
| 2. Gabriel A. Dee | – | 1,715,470,367 cumulative votes |
| 3. Raymond K.H. See | – | 1,715,479,444 cumulative votes |
| 4. Joseph Peter Y. Roxas | – | 1,715,445,859 cumulative votes |
| 5. Rena M. RicoPamfilo | – | 1,715,419,083 cumulative votes |

Independent Directors:

- | | | |
|-------------------|---|--------------------------------|
| 1. Dobbin A. Tan | – | 1,715,443,135 cumulative votes |
| 2. Domingo C. Go. | – | 1,715,444,498 cumulative votes |

c. Matters Voted Upon:

Item	Yes	No	Abstain	Objection
1. Reading and approval of the Minutes of the 2020 Annual General Meeting of Stockholders held on October 7, 2020	1,715,452,278 (68.63%)	0	332,466,308 (13.30%)	0
2. Approval of the Annual Report and the Audited Financial Statements for the Year ended December 31, 2020.	1,715,452,278 (68.63%)	331,364,351 (13.26%)	0	1,101,957 (.04%)
3. Ratification and Approval of Acts of the Board of Directors and Executive Officers for the Corporate year 2019-2020.	1,715,452,278 (68.63%)	331,364,351 (13.26%)	0	1,101,957 (.04%)
4. Appointment of Reyes Tacandong & Co. as the Company's Independent External Auditor for 2021.	1, 715,452,278 (68.63%)	331,364,351 (13.26%)	0	1,101,957 (.04%)

**All matters reported under Item 4 have also been published in the Company's website at www.allianceselectfoods.com.*

Part II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – MARKET FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company’s common stock equity, its only class of shareholders, is traded on the Philippine Stock Exchange under the stock symbol FOOD. Quarterly High and Low prices for the three (3) fiscal years, without stock adjustments, are as follows:

	2021		2020		2019	
	High	Low	High	Low	High	Low
Q1	0.69	0.61	0.68	0.45	1.02	0.95
Q2	0.67	0.61	0.61	0.50	0.86	0.72
Q3	0.68	0.62	0.68	0.55	0.78	0.68
Q4	0.63	0.52	0.75	0.62	0.68	0.51

On December 29, 2021, the last trading day for the year, the closing price for FOOD was ₱0.62 per share.

The number of shareholders of record as of December 31, 2021 owning at least one board lot is 201 and the total number of shares outstanding on that date were 2,499,712,463 net of 287,537 treasury shares.

Public float as of December 31, 2021 is 31.96%.

Top 20 shareholders as of December 31, 2021 were:

	Name	No. of shares	% ownership
1.	Strongoak, Inc.	1,382,765,864	55.31%
2.	PCD Nominee Corporation (Filipino)	660,780,182	26.43%
3.	Harvest All Investment Limited	177,261,165	7.09%
4.	Victory Fund Limited	138,474,015	5.54%
5.	PCD Nominee Corporation (Foreign)	63,740,940	2.55%
6.	Albert Hin Kay Hong	39,017,537	1.56%
7.	Bondeast Private Limited	13,023,411	0.52%
8.	Peter Kawsek Jr.	4,538,646	0.18%
9.	Zamora, Martin Antonio G.	3,975,370	0.16%
10.	Michael V. Cordova	3,805,000	0.15%
11.	S. Chandra Das	2,604,760	0.10%
12.	Oriental Tin Can & Metal Sheet Mfg	2,210,385	0.09%
13.	FDCP Inc.	1,894,045	0.08%
14.	Tri-Marine International (Pte) Ltd.	1,170,472	0.05%
15.	Damalerio Fishing Corp.	920,656	0.04%

16.	DFC Tuna Venture Corporation	617,248	0.02%
17.	Phil. Fisheries Development Authority	346,207	0.01%
18.	Amadeo Fishing Corp.	294,874	0.01%
19.	Alliance Tuna International Inc.	257,464	0.01%
20.	GENPACCO, Inc.	172,973	0.01%

As of December 31, 2021, foreign ownership of the company's common stock equity stands at 17.37% or 434,185,975 - common shares. Locally owned common stock stands at 82.63% or 2,065,526,488 common shares. Currently, there is no foreign ownership limitation applicable to FOOD.

Item 6 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATION

The following discussion should be read in conjunction with the accompanying consolidated financial statements of Alliance Select Foods International, Inc., and its Subsidiaries (the "Group") which comprise the consolidated statements of financial position as of December 31, 2021, 2020 and 2019 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended. The financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC. PFRS is an International Financial Reporting Standards equivalent.

The consolidated financial statements are presented in United States Dollar, the currency of the primary economic environment in which the Group operates.

CY 2021 COMPARED TO CY 2020

I. FINANCIAL HIGHLIGHTS

<i>Amount in US \$'000</i>	Years Ended December 31		
	2021	2020	% Change
Revenue	\$40,778	\$62,706	-35%
Gross profit	4,915	2,928	68%
Gross margin	12%	5%	
Selling & Administrative Expenses	5,547	10,123	-45%
Finance Cost	841	1,253	-33%
Loss for the year	(1,058)	(10,100)	-90%
Non-controlling interest	214	135	59%
Loss attributable to equity holders of the parent	(1,271)	(10,235)	-88%

Net Profit – Margin	-3%	-16%
EBITDA	1,568	(6,076)
<i>EBITDA</i> margin	4%	-10%
Return on equity (ROE)	-6%	-39%
Earnings - per share	-0.0005	-0.0041
Book value per share	0.0089	0.0094

II. OPERATING PERFORMANCE

The Group's consolidated revenues of \$40.8 million in 2021 were 35% lower than the revenues of \$62.7 million in 2020. During the year, tuna-related products contributed about 79% of total revenues, while the remaining 21% were contributed by salmon-related products. Compared to 2020, the significant decrease in sales volume was due to continued spike in freight rates, 6x higher from pre-pandemic rate, resulting to deferral of shipments. Losses to competition in EU market because of higher freight rates compared to that of Ecuador, and the deconsolidation of Akaroa in November also contributed to the decline in sales.

The Group's gross profit increased to 12% in 2021 from 5% in 2020. This is mainly due to the improvement of production efficiency which resulted from reduced headcount, lower maintenance costs and utility consumption due to capital expenditures investment, and improved recovery rates.

The Group has successfully implemented measures to reduce selling and administrative expenses and has consistently managed costs to partially cushion the impact of low gross profit.

The proceeds from the disposal of Akaroa and cash generated from operations allowed the Group to pay a significant amount of loans, thus reducing the finance cost by 33% from \$1.3 million in 2020 to \$0.8 million in 2021.

The Group incurred net loss of \$1.1 million in 2021, 89% lower than the net loss of \$10.1 million in 2020. This is driven by lower sizeable one-offs, lower selling and administrative expenses resulting from cost containment, savings on interest expense from repayment of loans and net gain on the divestment of Akaroa

III. FINANCIAL CONDITION

Balance Sheet Highlight	Years Ended December 31		
	2021	2020	% Change
<i>Amount in US\$'000</i>			
Cash & cash equivalent	\$4,442	\$2,550	74%
Receivables	4,408	5,444	-19%
Inventories	5,335	9,059	-41%
Other current assets	2,940	2,233	32%
Total Current Assets	\$17,126	\$19,286	-11%
Property & equipment	14,619	16,723	13%
Total Assets	\$38,080	\$49,185	-23%
Trade and other payables	\$3,434	\$7,223	52%
Bank loans	11,297	12,119	-7%
Total Current Liabilities	16,853	19,498	-14%
Total Liabilities	18,244	27,830	-34%
Total Stockholders' Equity	19,836	21,355	-7%
Total Liabilities & SE	\$38,080	\$49,185	-23%

There was no impairment of goodwill recognized during the year. Goodwill was deconsolidated upon divestment of Akaroa.

Amounts as of December 31	2021	2020
Current Ratio	1.02	0.99
Debt-to-equity Ratio	0.92	1.30

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

<i>Amount in US\$'000</i>	Years Ended December 31	
	2021	2020
Operating cash flows before working capital changes	(\$518)	(\$3,999)
Net cash flows from operating activities	2,468	13,186
Net cash flows from investing activities	1,583	(1,264)
Net cash flows from financing activities	(2,207)	(11,283)

Net cash used in investing activities included the following:

<i>Amount in US\$'000</i>	Years Ended December 31	
	2021	2020
Additions to property, plant and equipment	(\$1,021)	(\$1,498)
Proceeds from sale of property, plant and equipment	—	235
Proceeds from sale of investment in a subsidiary	2,604	—

Major components of cash flow provided by financing activities are as follows:

<i>Amount in US\$'000</i>	Years Ended December 31	
	2021	2020
Net payment of bank loans	(\$1,304)	(\$9,809)
Payment of interest	(570)	(1,055)
Due to related parties	—	—

The Group does not foresee any cash flow or liquidity problem over the next twelve (12) months.

As of December 31, 2021, there were no material events or uncertainties known to management that had a material impact on past performance or that could have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Known trends, events, 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;
- Significant elements of income or loss that did not arise from the Group's continuing operations; and Seasonal aspects that had a material effect on the financial condition or results of operations.

V. KEY PERFORMANCE INDICATORS

The Group uses the following key performance indicators to assess the Group's financial performance from period to period.

Key performance indicator	Years ended December 31	
	2021	2020
Revenue growth rate	-35%	-26%
Net profit margin	-3%	-16%
Current ratio	1.02	0.99
Debt to equity ratio	0.92	1.30
Return on average stockholders' equity	-6%	-39%

The following defines each ratio:

- The revenue growth rate is the Group's increase in revenue for a given period. This growth rate is computed from the current revenue less revenue of the previous year, divided by the revenue of the previous year. The result is expressed in percentage.
- The net profit margin is the ratio of the Group's net income attributable to equity holders of the parent versus its net revenue for a given period. This is computed by dividing net income after tax by net revenue. The result is expressed in percentage.
- The total liabilities to equity ratio are used to measure debt exposure. It shows the relative proportions of all creditors' claims versus ownership claims. This is computed by dividing total liabilities by total stockholders' equity. The result is expressed in proportion.
- The return on average stockholders' equity ratio is the ratio of the Group's net income attributable to equity holders of the parent to the stockholders' equity. This measures the management's ability to generate returns on investments. This is computed by dividing net income attributable to equity holders of the parent by the average stockholders' equity. The result is expressed in percentage.

Item 7 – FINANCIAL STATEMENTS

The Audited Financial Statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this form 17-A.

Item 8 – CHANGES AND DISAGREEMENTS WITH ACCOUNTANT AND FINANCIAL DISCLOSURE

None.

Item 9 – INDEPENDENT PUBLIC ACCOUNTANTS AND AUDIT RELATED FEES*Independent Public Accountants*

As endorsed by the Audit Committee in line with Audit Committee's approval policies and procedures for external audit services, the Board of Directors of the Company in its meeting on April 12, 2021 approved the appointment of Reyes Tacandong & Co. as the Company's independent external auditors for the year 2021. On June 15, 2021, the stockholders of the Company ratified the appointment of said auditing firm as independent auditor of the Company for 2021.

Audit Related Fees

The following table sets out the aggregate fee billed for professional services rendered by Reyes Tacandong & Co. for CY 2021 and PYs 2020 and 2019.

Audit and Audit-Related Fees	2021	2020	2019
Regular Audit	₱1,674,400	₱1,506,400	₱ 1,370,000
Other Fees	100,000	150,640	238,100
Total Audit and Audit-Related Fees	₱1,774,400	₱1,657,040	₱ 1,608,100

Part III – CONTROL AND COMPENSATION INFORMATION

Item 10 – DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Board of Directors

Director	Nationality	Position	Age	Year Position was Assumed
Antonio C. Pacis	Filipino	Chairman of the Board	81	2014
Gabriel A. Dee	Filipino	Vice Chairman	57	2018
Raymond K.H. See	Filipino	Director, President & CEO	54	2014
Rena M. Rico-Pamfilo	Filipino	Director	46	2020
Joseph Peter Y. Roxas	Filipino	Director	60	2016
Domingo C. Go	Filipino	Independent Director	61	2020
Dobbin A. Tan	Filipino	Independent Director	58	2016

ANTONIO C. PACIS - 81, Filipino citizen; Chairman of the Board

Mr. Pacis obtained his law degree from the Ateneo Law School in 1965 and his masteral law degree from the Harvard Law School in 1967.

He is on the Board of Directors of Paluwagan NG Bayan Savings Bank, Armstrong Pacific Co., Inc., Technology Investment Co., Inc. and Central Colleges of the Philippines. He used to serve on the Board of Directors of BDO Unibank for ten years.

He is Chairman of the Board of Directors at Asian Silver Estate, Inc., International Social Service Philippines, Inc., Amigo Holdings, Inc., Asian Waterfront Holdings, Inc., Mantle Holdings, Inc., and Corporate Secretary for Armstrong Securities, Inc., EBC Strategic Holdings Corp., and Paluwagan NG Bayan Savings Bank.

Mr. Pacis has been practicing law since 1965 and continues to practice at Pacis and Reyes Law Office and was a professor of law at the Ateneo Law School.

GABRIEL A. DEE - 57, Filipino citizen; Vice-Chairman

Mr. Dee obtained his law degree from the University of the Philippines College of Law in 1988 and his MBA Units at Ateneo De Manila Graduate School of Business from 1990-1992.

He is the Managing Partner of Picazo Buyco Tan Fider & Santos Law Offices from 2006 to date. He is a Director and Corporate Secretary of various listed and unlisted corporations, including several financial institutions. He is also a resource person for various seminars on IPO's, Listings and Estate Planning.

Mr. Dee has been practicing law since 1989. He is a professor of law teaching Corporation Law at the Lyceum College of Law and UP College of Law.

RAYMOND K. H. SEE - 54, Filipino citizen; Director, President & CEO

Mr. See graduated from De La Salle University in 1989 with a degree in B.S. Industrial Management Engineering, minor in Mechanical Engineering.

Prior to joining the Company, Mr. See was a former executive from Pilipinas Shell Petroleum Corporation. He rose from the ranks in his 24-year stay in the said company. Mr. See was the Senior Vice-President for Operation of the Company before being appointed as President and CEO of the Company on December 8, 2014.

RENA M. RICO-PAMFILO - 46, Filipino citizen; Director

Atty. Rena M. Rico-Pamfilo is a member of the Integrated Bar of the Philippines and is qualified to practice law in the Philippines and in the State of New York, U.S.A. Atty. Rico-Pamfilo graduated from the Ateneo de Manila University with a Bachelor's degree in Management, Major in Legal Management. She obtained her Juris Doctor degree from the Ateneo de Manila School of Law, where she graduated with second honors, and her Master of Laws degree from the National University of Singapore.

At present, Atty. Rico-Pamfilo is the Chief Legal Counsel of Seawood Resources, Inc, and a faculty member at the Ateneo de Manila University School of Law.

Atty. Rico-Pamfilo was a Senior Associate at Romulo Mabanta Buenaventura Sayoc & delos Angeles from January 2007 to 2011. She was also the Assistant Counsel and Assistant Registrar at the Singapore International Arbitration Center from January 2005 to December 2006. She was an Adjunct Assistant Professor, Faculty of Law at the National University of Singapore from January 2006 to December 2006. She worked as Court Attorney IV in the Office of Associate Justice Reynato S. Puno of the Supreme Court of the Philippines from November 2002 to March 2003, and was a Junior Associate at Sycip Salazar Hernandez & Gatmaitan from November 2000 to August 2002.

JOSEPH PETER Y. ROXAS - 60, Filipino citizen; Director

Mr. Roxas graduated from the Ateneo de Manila University in 1983 with a Bachelor's degree in Economics. He also has MBA units from the Ateneo de Manila University Graduate School.

Mr. Roxas is President of Eagle Equities, Inc. since 1996. He is also presently a Director of Kimquan Trading Corporation, a privately held company. He is also a Director of the Association of Securities Analysts of the Philippines since 2000. Mr. Roxas was with R. Coyuito Securities as Assistant Vice President for Research from 1993 to 1995, and Investment Officer from 1987 to 1992.

DOBBIN A. TAN - 57, Filipino citizen; Independent Director

Mr. Tan graduated from the Ateneo de Manila University in 1985 with a Bachelor of Science degree in Management Engineering. He obtained his Master's degree in Business Administration from the University of Chicago, Booth School of Business in 2013. Mr. Tan also attended a Management Development Program of the Asian Institute of Management in 1990, and a Strategic Business Economics Program of the University of Asia and the Pacific in 2001.

Mr. Tan is presently the Chief Executive Officer of New Sunlife Ventures, Inc. He was Managing Director and Chief Operating Officer of Information Gateway from 2002 to 2012. Mr. Tan also served as Vice President for Marketing of Dutch Boy Philippines from 2000 to 2002, President of Informatics Computer College from 1997 to 2000, Assistant Vice President for Marketing of Basic Holdings from 1994 to 1997, Operations Manager of DC Restaurant Management Systems from 1990 to 1994, and Senior Financial Analyst/ Corporate Planning Manager for San Miguel Corporation from 1985 to 1990.

DOMINGO C. GO – 61, Filipino Citizen, Independent Director

Mr. Go is an alumnus of the Ateneo de Manila University where he graduated with the degree of Bachelor of Science in Management (Honors Program), and undertook special studies as the recipient of a one-year exchange scholarship program at the International Christian University in Tokyo, Japan. He obtained his Master of Business Administration from the University of the Philippines-Diliman.

Mr. Go is presently a Director of the Financial Executives Institute of the Philippines (FINEX) since 2020, and was also a Director of the FINEX Academy from 2020-2021. He has been a trustee of the Philippine Federation of Japan Alumni, Inc. since July 2015.

Previously, he served as the First Vice President/Head of the Equity Investments Department at the Metropolitan Bank & Trust Company (Metrobank), where he also formerly held positions at the Merchant Banking Division and the Account Management Group as well as concurrent positions in various investee companies of the Metrobank Group. He was a Director of Northpine Land, Inc., Toyota Manila Bay Corporation, Sumisho Motor Finance Corporation, and Sagara Metro Plastics Industrial Corporation.

Mr. Go is a Fellow of the Institute of Corporate Directors (ICD).

Executive/Principal Officers

Officer	Nationality	Position	Age	Year Position was Assumed
Raymond K.H. See	Filipino	President & CEO	54	2014
Lisa Angela Y. Dejadina	Filipino	SVP – Operational Excellence and Business Development	39	2014
Barbara Anne C. Migallos	Filipino	Corporate Secretary	67	2015
Maria Carolyn C. Angeles	Filipino	Treasurer	51	2021
Phoebe Ann S. Bayona	Filipino	Assistant Corporate Secretary and Compliance Officer	35	2021

EXECUTIVE OFFICERS

RAYMOND K.H. SEE – 54, Filipino citizen; President & CEO.

Mr. See graduated from De La Salle University in 1989 with a degree in B.S. Industrial Management Engineering, minor in Mechanical Engineering.

Prior to joining the Company, Mr. See was a former executive from Pilipinas Shell Petroleum Corporation who rose from the ranks in his 24-year stay in the said company. Mr. See was the Senior Vice-President for Operation of the Company before being appointed as President and Chief Executive Officer of the Company on December 8, 2014.

LISA ANGELA Y. DEJADINA – 39, Filipino citizen; Senior Vice President for Operational Excellence and Business Development

Ms. Dejadina has a degree in B.S. Industrial Engineering from the University of the Philippines where she graduated in 2005.

Prior to joining the company, Ms. Dejadina worked at Pilipinas Shell Petroleum Corporation where she covered various roles contributing to ten years of solid work experience in the petroleum industry in the areas of fuel depot operations, Health, Safety, Security and Environment (HSSE) management, and business support functions (business development, logistics, and learning & development).

BARBARA ANNE C. MIGALLOS – 67, Filipino citizen; Corporate Secretary.

Ms. Migallos graduated cum laude from the University of the Philippines, with a Bachelor of Arts degree, and finished her Bachelor of Laws degree as cum laude (salutatorian) also at the University of the Philippines. She

placed third in the 1979 Philippine Bar Examination.

Ms. Migallos was elected as Corporate Secretary of the Company on July 6, 2015. She is Director and Corporate Secretary of Philex Mining Corporation and Philex Petroleum Corporation, and Corporate Secretary of Nickel Asia Corporation and Silangan Mindanao Mining Co., Inc. She is the Managing Partner of the Migallos & Luna Law Offices. Ms. Migallos is also a Director of Mabuhay Vinyl Corporation and Philippine Resins Industries, and Corporate Secretary of Eastern Telecommunications Philippines, Inc. She is a professorial lecturer in Corporations Law, Insurance, Securities Regulation and Credit Transactions at the De La Salle University College of Law. She was a Senior Partner of Roco Kapunan Migallos and Luna Law Offices from 1988 to 2006.

MARIA CAROLYN C. ANGELES – 50, Filipino citizen, Treasurer

Ms. Angeles is a seasoned Certified Public Accountant with more than 25 years of experience. Prior to joining Alliance Select Foods International, Inc., Ms. Angeles worked for the Max's Group of Companies for eight years, where she rose from being an Accounting Head to Senior Finance Business Partner. Ms. Angeles is a member of the Philippine Institute of Certified Public Accountants and is accredited by the Bureau of Internal Revenue and Board of Accountancy.

Ms. Angeles graduated from Polytechnic University of the Philippines in 1992 with a degree in Bachelor in Accountancy. She received her CPA License in the same year.

PHOEBE ANN S. BAYONA – 35, Filipino citizen, Asst. Corporate Secretary and Compliance Officer

Ms. Bayona received her Juris Doctor degree from the Ateneo De Manila - School of Law in 2012, and was admitted to the Philippine Bar the year after.

Ms. Bayona is an experienced lawyer in the fields of Corporate, Tax, Mergers and Acquisitions, Labor, and Dispute Resolution. She is also a licensed lawyer in Vietnam, and has worked for reputable international law firms there for five years before taking on the role of corporate counsel, and eventually, Assistant Corporate Secretary and Compliance Officer in the Company.

Prior to taking up law, Ms. Bayona received her Bachelor of Science major in Marketing Management degree from De La Salle University-Manila.

Significant Employees

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

Involvement in Certain Legal Proceedings

Except as otherwise discussed below and to the best of the Company's knowledge, there has been no occurrence during the past five (5) years to date of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

The pending and material legal proceedings involving the Company's Directors and Officers, as of December 31, 2021 are as follows:

1. Alliance Select Foods International, Inc., represented in this derivative suit by Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Chua v. George E. SyCip, Jonathan Y. Dee, Alvin Y. Dee, Ibarra A. Malonzo, Joanna Y. Dee-Laurel, Teresita Ladanga, and Grace Dogillo, Commercial Case No. 14-220

On May 27, 2014, shareholders Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Chua filed a derivative suit purportedly on behalf of the Company against former Directors Messrs. George E. SyCip, Jonathan Dee, Alvin Y. Dee and Ibarra Malonzo, and certain senior executives of the Company at that time. The derivative suit prayed, among others, for the appointment of an interim management committee, and to compel an accounting and return of Company funds allegedly diverted to corporations controlled by the family of respondents Messrs. Jonathan and Alvin Dee. On 03 February 2015, the respondents filed a motion praying to declare the application of an interim management committee moot and academic in view of the change in the composition of the Company's Board of Directors and management. The Complainants filed a Motion to Inhibit on February 28, 2015, which was granted by the Pasig RTC Branch 159 on January 5, 2016. The case was eventually re-raffled to Pasig RTC Branch 154 on February 1, 2016.

Subsequently, George SyCip filed a Petition for Certiorari before the Court of Appeals, alleging that the inhibition was improper. The Court of Appeals granted said petition. Upon appeal to the Supreme Court, the Supreme Court affirmed the ruling of the Court of Appeals in its Resolution, dated September 19, 2018 (S.C. G.R. No. 239426), which ruling became final and executory.

Case was remanded back to Pasig RTC 159 for trial pursuant to the Order of the Supreme Court, directing RTC 159 to proceed with the hearing of the case.

2. Hedy S.C. Yap-Chua and Albert Hong Hin Kay v. George E. SyCip, Jonathan Y. Dee, Ibarra A. Malonzo, and Avelino M. Sebastian, Jr., Commercial Case No. 14-219

On May 12, 2014, Ms. Hedy S.C. Yap-Chua and Mr. Albert Hong Hin Kay filed a Petition for the Declaration of Nullity of Board Resolutions and Inspection of the Corporate Books and Records, with Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction with the Regional Trial Court of Pasig City ("Pasig RTC") against the Company's former directors, Mr. George E. SyCip, Messrs. Jonathan Y. Dee, Alvin Y. Dee and Ibarra A. Malonzo, and then Corporate Secretary, Mr. Avelino M. Sebastian. Ms. Yap-Chua and Mr. Hong sought to nullify, among others, the resolution of the Board dated May 5, 2014 approving the private placement of Strongoak, Inc. of P563,679,956 into the Company, and the issuance of 430,286,226 of the Company's common shares to Strongoak, Inc. pursuant thereto.

The Company moved to intervene in this case. The RTC Pasig denied such intervention. The Company appealed to the Court of Appeals via a Petition for Review dated July 25, 2014. This was docketed as CA G.R. No. 136402.

On May 23, 2014, the judge issued an order stating that "After a careful consideration of the allegations in the Petition with Prayer for Temporary Restraining Order ("TRO") and/or Writ of Preliminary Injunction, this Court finds that the prayer for the TRO does not appear to be of extreme urgency; hence, the same is hereby BYPASSED." The Petition remains pending before the Pasig RTC.

The Complainants filed a Motion for Inhibition, which was granted by Pasig RTC Branch 159. The case was eventually re-raffled to Pasig RTC Branch 161 on March 21, 2016, where it remains pending as of date.

On March 29, 2016, the Company received the CA Decision dated March 14, 2016, granting the Company's Petition to Intervene in the case. Ms. Yap-Chua et al. filed a motion for reconsideration of the said Decision but was subsequently denied also. The Company received on February 2, 2017 the Petition for Review on Certiorari of Hedy Yap-Chua et al. with the Supreme Court. (SC G.R. No. 226182 [CA-GR. SP No. 136402]).

Meanwhile, in the main case pending with the Pasig RTC, proceedings have been suspended by the Pasig RTC on the ground that there are issues related to the instant case that are pending before the higher courts.

3. People of the Philippines v. Jonathan Y. Dee, Marie Grace T. Vera Cruz, George E. SyCip, Antonio C. Pacis and Raymond K.H. See, Criminal Case Nos. M-PSG-18-02275-CR and M-PSG-18-02276-CR

On February 24, 2015, Ms. Hedy S.C. Yap-Chua filed a Complaint-Affidavit with the Department of Justice ("DOJ") against incumbent Directors Raymond K.H. See and Antonio C. Pacis, and former directors Ms. Marie Grace T. Vera Cruz, Mr. Jonathan Y. Dee and George E. SyCip ("Respondents") for alleged violations of the Corporate Code provisions on the right to inspect company records. The Board approved Ms. Yap-Chua's request to inspect company records, subject to a procedure, which includes the signing of Ms. Yap-Chua's representatives to sign non-disclosure agreements, to ensure an orderly inspection and that proprietary information does not become public. However, the respective lawyers of the Company and Ms. Yap-Chua could not come to an agreement on the said procedure for inspection.

At the special meeting of the Board on September 17, 2014 called at the request of Ms. Yap-Chua and specifically to discuss the matter, the Board, by the vote of the Respondents, resolved to direct the lawyers of the Company and of Ms. Yap-Chua to meet face-to-face to resolve their differences regarding said procedure. Ms. Yap-Chua alleged in her Complaint-Affidavit that the procedure proposed by the Company, and the referral of the matter to the lawyers, was tantamount to a denial of her right to inspect company records.

In a Review Resolution dated March 20, 2018, the DOJ resolved the complaint finding probable cause against the Respondents ruling that the procedure prevented the inspection of the books. Respondents Vera Cruz, Pacis, See and SyCip filed their Motions for Reconsideration. While Respondent Dee filed a Petition for Review before the Secretary of Justice of the DOJ.

Acting on the Motions for Reconsiderations filed before the DOJ, the DOJ issued Resolution dated April 12, 2019 granting the motions for reconsiderations of Respondents See and Pacis dismissing the complaint against them. This eventually led to the dismissal of the cases against Respondents See and Pacis before MTC Pasig in a Consolidated Order dated June 25, 2019.

Petitioners Yap-Chua and Respondents Vera Cruz and SyCip filed their respective Petitions for Review before the Secretary of Justice to assail the Resolution dated April 12, 2019, Petitioners Yap-Chua assailing the dismissal of the complaint against Respondents See and Pacis; while Respondents Vera Cruz and SyCip assailing the finding of probable cause against them.

In March 2020, the MTC issued an Order dismissing the case against Respondents Jonathan Dee, George SyCip and Grace Vera Cruz on the ground of lack of jurisdiction as a result of the amendments introduced by the Revised Corporation Code of the Philippines which became effective in February 2019.

In 2021, the cases were refiled against Respondents Jonathan Dee, Grace Vera Cruz, and George SyCip before the Regional Trial Court.

Meanwhile, the Secretary of Justice issued a Resolution dated December 29, 2021, granting the petitions for review of Respondents Vera Cruz and SyCip and dismissing the charges against the said Respondents on the ground of finding no probable cause. The Resolution also directed the Prosecutor General to effect the withdrawal of any information filed against said Respondents. The petition for review of Petitioners Yap-Chua was also dismissed by the Secretary of Justice.

By reason of the Resolution of the Secretary of Justice, the prosecution in the case pending before the Regional Trial Court against Respondents Jonathan Dee, Grace Vera Cruz, and George SyCip, filed a Motion to Withdraw Information, dated February 14, 2022 and also praying for the dismissal of the case.

4. Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, Albert Hong Hin Kay and Hedy S.C. Yap Chua v. Alliance Select Foods International, Inc., George E. SyCip, Jonathan Y. Dee, Raymund K.H. See, Mary Grace T. Vera-Cruz, Antonio C. Pacis, Erwin M. Elechicon and Barbara Anne C. Migallos, Commercial Cas No. 15-234

On August 5, 2015, Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, Albert Hong Hin Kay and Hedy S.C. Yap Chua (“Harvest All et al.”) filed a Complaint (with application for the issuance of Writ of Preliminary Mandatory Injunction and Temporary Restraining Order/Writ of Preliminary Injunction) with the Pasig Regional Trial Court (“Pasig RTC”), against Alliance Select Foods International, Inc., its then Directors Messrs. George E. SyCip, Jonathan Y. Dee, Marie Grace T. Vera Cruz, and Erwin M. Elechicon, and current Directors Raymond K.H. See, and Antonio C. Pacis, and Corporate Secretary Barbara Anne C. Migallos (the “Company”) praying, among others, that the Company be restrained from carrying out its Stock Rights Offering, and that the Company be compelled to hold its Annual Stockholders’ Meeting prior to the said Stock Rights Offering. The Stock Rights Offering would raise gross proceeds of P1,000,000,000.00 to be used for needed capital expenditures, repayment of loans, installation of a new management information system, and working capital requirements of the Company.

In a Resolution dated August 14, 2015, the Pasig RTC denied the prayer for a Temporary Restraining Order. The Pasig RTC held that Harvest All et al. failed to show that it had a clear and unmistakable right that was or would be violated by the conduct of Annual Stockholders’ Meeting after the Stock Rights Offering. The Pasig RTC noted that Temporary Restraining Order is unwarranted because Harvest All et al. were granted the right to subscribe to the Stock Rights Offering to prevent the dilution of shareholdings and voting rights feared by Harvest All et al.

In a Resolution dated 24 August 2015, the Pasig RTC dismissed the Complaint for lack of jurisdiction over the subject matter of the case due to Harvest All et al.’s failure to pay the correct filing fees (the “RTC Resolution”).

In the meantime, the offer period for the Stock Rights Offering, which commenced on August 17, 2015, ended on August 26, 2015. On September 7, 2014, the Company’s Board scheduled the Company’s Annual Stockholders’ Meeting on November 17, 2015 with record date on October 20, 2015. The Board of Directors later on decided to reschedule the Annual Stockholders’ Meeting to December 16, 2015.

Harvest All et al. filed a Petition for Review with the Court of Appeals to reverse and set aside the RTC Resolution dismissing the Complaint. It also prayed that the Company be restrained from implementing the October 20, 2015 record date of the Annual Stockholders’ Meeting, and to compel the Company to set the record date of the Annual Stockholders’ Meeting to a date prior to the Stock Rights Offering.

On 15 December 2015, the Court of Appeals issued a Resolution granting Harvest All et al.’s prayer for a Temporary Restraining Order (“TRO”), effective for a period of 60 days from notice, enjoining the parties to maintain and preserve the status quo pending resolution of the Petition for Review, after Harvest All et al. posts the required bond (the “TRO Resolution”). On 16 December 2015, the date of the Meeting. The Company received the TRO on 16 December 2015, a few hours before the Meeting. The Company and the respondent directors and officers filed motions for reconsideration of the TRO Resolution and to dissolve the TRO.

The Court of Appeals rendered a Decision dated February 15, 2016 sustaining the position of the Company that Harvest All et al., should pay the correct filing fees for its Complaint with the Pasig RTC.

Jonathan Dee filed a Petition for Review on Certiorari with the Supreme Court to set aside the ruling of the Court of Appeals and affirm the ruling of the Pasig RTC dismissing the case (SC G.R. No. 224834).

Harvest All et al. on the other hand filed their only Petition for Review on Certiorari with the Supreme Court questioning the ruling of the Court of Appeals that though the case should not be dismissed because

Harvest All et al. was not in bad faith in not filing the proper filing fee, the latter should pay the filing fee based on the 2015 SRO, which would amount to approximately Php 20 Million.

The Petitions for Review on Certiorari were consolidated by the Supreme Court. On March 15, 2017, the Supreme Court rendered a Decision in favor of the petition of Harvest All et al., ruling that the intra-corporate controversies may involve a subject matter which is either capable or incapable of pecuniary estimation, and remanded the case back to the RTC to assess the correct filing fees, and upon payment, to proceed with the regular proceedings of the case. The case was remanded back to the Regional Trial Court of Pasig City, Branch 159, under Judge Lingan. Thereafter, the Company filed a Motion for Factual Determination of Mootness, arguing that the cause of action of Plaintiffs is already moot and academic. Defendant Migallos likewise filed a Motion to Dismiss arguing also that the case is already moot and academic.

Plaintiffs however, filed a Motion for Inhibition against Judge Lingan (RTC 159), which said Judge granted. Defendant SyCip filed a Petition for Certiorari and Mandamus with Application for the Issuance of TRO and/or Writ of Preliminary Injunction before the Court of Appeals against Judge Lingan for inhibiting from the case (CA-G.R. SP No. 158324).

Pursuant to the inhibition of Judge Lingan (RTC 159), the case was eventually re-raffled to RTC 265 on April 4, 2019.

On March 4, 2020, the parties received an Omnibus Order, dated February 20, 2020, issued by RTC 265 **dismissing the case** due to forum shopping and being moot and academic.

On July 17, 2020, Harvest All et al. filed a Petition for Review before the Court of Appeals to assail the dismissal of the case. The petition is still pending resolution before the Court of Appeals.

5. Victory Fund Limited, Harvest All Investment Limited, Bondeast Private Limited and Hedy S.C. Yap Chua vs. Jonathan Y. Dee, Alvin Y. Dee, Joanna Y. Dee-Laurel, George E. SyCip, Teresita S. Ladanga, Grace S. Dogillo, Arak Ratborihan, Raymond K.H. See, Marie Grace T. Vera Cruz, Antonio C. Pacis, and John and Jane Does, NPS Docket No. XVI-INV-16B-01028

The complainants, Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Yap Chua (“Complainants”) are minority shareholders of Alliance Select Foods International, Inc. (“Company”) who allege that the respondents, then Directors and Officers Jonathan Y. Dee, Alvin Y. Dee, Joanna Y. Dee-Laurel, George E. SyCip, Teresita S. Ladanga, Grace S. Dogillo, Arak Ratborihan, Marie Grace T. Vera Cruz and current Directors Raymond K.H. See, and Antonio C. Pacis, improperly used the Complainants’ investments in the Company to engage in supposedly illegal activities and transactions. The complaint also stated that damage and prejudice was caused to the complainants as a result of respondents’ actions, which included the alleged diminution of complainants’ property rights due to a supposedly deliberate dilution of the Complainants’ shareholdings in the Company. The Complainants further asserted that their proportionate rights as shareholders were diminished, such as their entitlement to representation in the Board of Directors of the Company.

The Complainants submitted a Supplement to the Joint Complaint-Affidavit to include the supposed damage incurred by the Complainants when they were not elected to the Board of Directors of the Company during the Annual Stockholders Meeting on 01 March 2016.

Meanwhile, Jonathan Dee, Alvin Dee, Joanna Dee-Laurel, and Tess Ladanga (“Perjury Complainants”) filed a complaint for perjury against Yap-Chua, which was consolidated with the above case.

In a Joint Resolution dated July 12, 2016, the Investigating Prosecutor dismissed the complaint for syndicated estafa, falsification of public documents and perjury.

Both Syndicated Estafa and Falsification Complainants and Perjury Complainants filed their respective Petitions for Partial Review with the DOJ.

The DOJ issued a Joint Resolution dated March 31, 2017 denying both petitions for partial review, affirming the dismissal of the complaints.

On Motion for Reconsideration, the DOJ promulgated its March 27, 2018 Resolution dismissing the charges of Syndicated Estafa and Falsification of Public Documents against Raymond K.H. See, Marie Grace T. Vera Cruz and Antonio C. Pacis. On the other hand, while likewise dismissing the charge of Syndicated Estafa and Falsification of Public Documents against the rest of the respondents, the DOJ found probable cause for Estafa against Jonathan Y. Dee, Alvin Y. Dee, Joanna Y. Dee-Laurel, George E. SyCip, Teresita S. Ladanga, Grace S. Dogillo, and Arak Ratborihan.

Jonathan Dee, Alvin Dee, Joanna Dee-Laurel, and Teresita Ladanga filed a joint Motion for Partial Reconsideration, while George SyCip filed his separate Motion for Partial Reconsideration before the DOJ, which are pending before the DOJ.

Complainants Hedy et al. filed a Petition for Certiorari before the Court of Appeals alleging that there is grave abuse of discretion on the part of the DOJ in finding probable cause only to a lower charge of simple estafa instead of syndicated estafa and/or dismissing the charge against Raymond See, Grace Vera Cruz and Antonio Pacis, pending before the Court of Appeals (CA-G.R. SP No. 156008). Thereafter the parties have filed their respective Answers, Replies and other subsequent pleadings. The Court of Appeals issued a Decision, dated June 21, 2021, confirming the finding of probable cause for simple estafa against the other defendants; and also confirming the dismissal of the complaint against Raymond K.H. See, Marie Grace T. Vera Cruz and Antonio C. Pacis on the ground that they were only connected with Alliance Select Foods International, Inc. after the alleged acts constituting estafa were made, clearly showing no participation therein.

Informations were filed before the Regional Trial Court of Makati for simple estafa against former Directors and Officers Jonathan Dee, Alvin Dee, Joanna Dee-Laurel, George SyCip, Teresita Ladanga, Grace Dogillo, Arak Ratborihan, and John and Jane Does, which is pending trial.

Item 11 – EXECUTIVE COMPENSATION

Information on the aggregate compensation paid or accrued during the last five fiscal years and to be paid in the ensuing fiscal year to the Parent Company's Chief Executive Officer and four other most highly compensated executive officers follows:

	Year	Salaries Amounts in P'000	Bonuses/Other Income Amounts in P'000
CEO and the four most highly compensated officers named above	2017	P 14,865	P 215
	2018	P 15,051	P 2,407
	2019	P 16,482	P 1,669
	2020	P 17,266	P 313
	2021	P 16,802	P 311
	2022 (est)	P 17, 529	P 336
Aggregate compensation paid to all officers and directors as a group unnamed	2017	P 19,417	P 679
	2018	P 21,953	P 3,951
	2019	P 23,181	P 2,476
	2020	P 22,639	P 1,034
	2021	P 22,639	P1,324
	2022 (est)	P 25,091	P 1,436

The following are the Parent Company's top five (5) compensated executive officers, stated in no particular order:

Raymond K.H. See	President and CEO
Lisa Angela Y. Dejadina	Senior Vice President for Operations
Ma. Berniefel B. Sarmiento	Supply Chain Optimization Manager
Phoebe Ann S. Bayona	Asst. Corporate Secretary and Compliance Officer
Ma. Carolyn C. Angeles	Head of Finance

Compensation of Directors

Standard Arrangements

Under the amended By-Laws, as compensation, the Board shall receive and allocate an amount of not more than 10% of the Parent company's net income before income tax during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the

approval of the stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

At present, there are no arrangements for compensation for Directors. Directors, however, receive reasonable per diem allowances.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

Item 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following are the number of shares representing more than 5% of the Parent Company's issued and outstanding capital stock as of December 31, 2021:

Title of Class	Name, Address of Record Owner, and Relationship With Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% of Class
Common	Strongoak, Inc. 3rd Floor HRC Center 104 Rada Street Legaspi Village Makati City 1229	Stongoak, Inc.	Filipino	1,382,765,864	55.31%
Common	PCD Nominee Corporation 37 th Fl., Tower One, Enterprise Center, Paseo de Roxas corner Ayala Avenue, Makati City	PCD Nominee Corporation (Filipino)	Filipino	660,780,182	26.43%
Common	Harvest All Investment Ltd. 4304-43F China Resources Bldg., 26 Harbour Road, Wanchai, Hong Kong	Harvest All Investment Ltd.	Chinese / Hong Kong	177,261,165	7.09%
Common	Victory Fund Limited	Victory Fund Limited	Singaporean	138,474,015	5.54%
	Total			2,359,281,226	94.37%

Security ownership of Directors, Officers and Management as of December 31, 2021:

Security Ownership of Directors

Title of Class	Name of Beneficial Owner	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	Citizenship	% of Capital Stock
Common	Antonio C Pacis	400	0	Filipino	0.00%
Common	Joseph Peter Y. Roxas	100,000	356,000/through Eagle Equities, Inc.	Filipino	0.09%
			2,041,000/through Glory Y. Roxas (member of immediate family) – through Eagle Equities, Inc.		
Common	Raymond K. H. See	5,000	10,521/through Asiasec Equities, Inc.	Filipino	0.00%
Common	Gabriel A. Dee	1,000	0	Filipino	0.00%
Common	Rena M. Rico-Pamflo	1,000	0	Filipino	0.00%
Common	Dobbin A. Tan	10,000	0	Filipino	0.00%
Common	Domingo C. Go	1,000	0	Filipino	0.00%
	TOTAL	118,400	2,151,521		0.09%

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	Citizenship	% of Capital Stock
Common	Raymond K.H. See	5,000	10,521/through Asiasec Equities, Inc.	Filipino	0.00%
-	Lisa Angela Y. Dejadina	0	0	Filipino	0.00%
-	Barbara Anne C. Migallos	0	0	Filipino	0.00%
-	Maria Carolyn C. Angeles	0	0	Filipino	0.00%
-	Phoebe Ann S. Bayona	0	0	Filipino	0.00%
	TOTAL	5,000	10,521		0.00%

Voting Trust or Similar Agreements

There are no existing voting trust or similar agreements.

Changes in Control

There are no existing provisions in the amended Articles of Incorporation and amended By-Laws of the Parent Company, which may cause delay, deferment, or in any manner prevent a change in control of the Parent Company.

Item 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Note 13 of the Notes to Consolidated Financial Statements as of 31 December 2021 on the Group's related party transactions are incorporated by reference. The Group's related party transactions, as reported therein, are under terms that are not less than favorable than those arranged with third parties, and are conducted on an arm's length basis.

Part IV – CORPORATE GOVERNANCE

Item 14 – CORPORATE GOVERNANCE

In compliance with SEC Regulations, the Company filed its 2021 Integrated Annual Corporate Governance Report (IACGR) on June 28, 2021. The Company likewise posted the report on its website on even date.

The Company stays faithful to the recommended best practices as far as Corporate Governance standards are concerned. It participates and follows the standards prescribed by the Securities & Exchange Commission (SEC) and the Philippines Stock Exchange (PSE). The Company filed its revised Manual of Corporate Governance (containing revisions as of July 2014) with the SEC on July 31, 2014. It also filed its Consolidated Changes to the Annual Corporate Governance Report on January 14, 2016. Since then, the Company has filed two (2) amendments to the Company's ACGR to reflect the changes made after the Company's stockholders' meeting held on March 01, 2016. All amendments and changes have been posted in the Company's website before the prescribed deadline.

In addition, the Company has been regularly submitting corporate governance surveys as required by the PSE Memorandum 2010-0574 dated November 26, 2010. Since this requirement came into force, the Company has been participating in these surveys and filing it with the Exchange in a timely manner.

On June 1, 2017, in compliance with SEC Memorandum Circular No. 8 Series of 2017, Alliance Select Foods International, Inc. (FOOD) submitted with the SEC its 2017 Corporate Governance Manual. The same was adopted by the Board of Directors in a special meeting held on May 30, 2017.

The attendance of the Board members during Board of Directors meetings held in CY 2021 was as follows:

	Jan 28	Apr 12	May 12	June 4	June 15 (ASM)	June 15 (Org Mtg)	Aug 11	Nov 12	Nov 19	Dec 20	Atten- dance
Antonio C. Pacis	P	P	P	P	A	A	P	P	P	P	80%
Gabriel A. Dee	P	P	P	P	P	P	P	P	P	P	100%
Raymond K.H. See	P	P	P	P	P	P	P	P	P	P	100%
Rena M. Rico-Pamfilo	P	P	P	P	A	A	P	P	P	P	80%
Joseph Peter Y. Roxas	P	P	P	P	P	P	P	P	P	P	100%
Dobbin A. Tan	P	P	P	P	P	P	P	P	P	P	100%
Domingo C. Go	P	P	P	P	P	P	P	P	P	P	100%

** There were ten (10) meetings held during the year 2021.*

Per the Company's Manual on Corporate Governance, the Board has taken the lead in following recommended standards of Corporate Governance. To reflect its commitment to set, and maintain, high standards of governance, the Board has set up various Board Committees to guide the attainment of corporate goals. These Committees are:

Audit Committee

The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the Company's corporate governance processes relating to:

- (i) The quality and integrity of the company's financial statements and financial reporting process;
- (ii) The adequacy and effectiveness of the Company's internal control systems;

- (iii) Compliance with accounting standards, legal and regulatory requirements, including the Company's disclosure policies and procedures;
- (iv) Independence and performance of the Company's internal and external auditors;
- (v) Evaluation of risk management policies and process.

The Committee is accountable to the Board for its performance and shall prepare the report of the Committee required to be in the Company's annual report.

The Committee's duties and responsibilities include, among others, monitoring the integrity of the financial information provided by the Company, monitoring and assessing the role and effectiveness of the internal audit function, reviewing the external auditors scope of work, reviewing the effectiveness of the system for monitoring compliance with laws and regulations, overseeing interested party transactions, ensuring that the management establishes sound risk management policies and systems and performing any other activities consistent with the committees charter and Company By-Laws etc.

Executive Committee

The primary responsibility of the committee is to act on behalf of the Board on matters that require urgent and prompt action. In cases where the full Board cannot convene, but urgent matters need to be acted upon, the Committee exercises the power of the Board though it is subordinated to and responsible to the full Board at all times.

The committee can act on all matters except change the Company's Articles of Incorporation and By-Laws, adopt an agreement on Mergers & Acquisitions, declare dividends or authorize issuance of stock, amend or rescind previous Board resolutions and recommend sale, lease or exchange of corporate property and assets.

The Committee has to report all the actions it takes to the Board.

Corporate Governance Committee

The committee's primary responsibility is to pre-screen and short-list all candidates nominated to become a member of the Board of Directors. It should also define, or re-define, as the case may be, the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

Its responsibilities also include establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment. Moreover, the committee is to designate amount of remuneration to attract and retain competent corporate officers. Also, the committee should establish a formal and transparent procedure for developing a policy on executive remuneration and fixing the remuneration packages of individual directors.

Other committees of the Company include the Board Risk Oversight Committee and Related Party Transactions Committee.

The Company's Compliance Officer constantly monitors and evaluates compliance of the Directors and Officers to its Manual on Corporate Governance. The Company has fully complied with the requirements of the Manual on Corporate Governance and the company will continue to take steps, as needed, to improve its corporate governance.

Part V – EXHIBITS AND SCHEDULES

Part V – EXHIBITS AND SCHEDULES

Item 15 – EXHIBITS AND REPORTS

(a) Exhibits

The exhibits indicated in the Exhibit Table, are either not applicable to the Company or have been previously submitted.

(b) Reports on SEC Form 17-C

LIST OF REPORTS ON SEC FORM 17- C
(During the last 6-month period covered by the Annual Report)

Date Reported	Subject
June 15, 2021	Alliance Select Holds 2021 Annual Stockholders' Meeting
June 15, 2021	Results of the 2021 Annual Stockholders' Meeting of FOOD.
June 15, 2021	Results of the 2021 Organizational Meeting of the Board of Directors of FOOD.
August 11, 2021	Board Meeting discussed the Financial Highlights for the six months ended June 30, 2021.
August 16, 2021	Press Release: Alliance Select Posts USD20 Million in Net Revenues for 1H2021
August 31, 2021	Resignation of Ma. Cristina C. Villaruz as Assistant Treasurer
November 12, 2021	Board Meeting discussed the Financial Highlights for the three months ended September 30, 2021.
November 15, 2021	Press Release: Alliance Select Posts USD31 Million in Net Revenues for 9M2021
November 19, 2021	Board Meeting taking up divestment of 80% equity investment held by Alliance Select Foods International, Inc. in subsidiary, Akaroa Salmon New Zealand Limited.
November 19, 2021	Acquisition/Disposition of Shares of Another Corporation: Divestment of 80% equity investment held by FOOD in its New Zealand-based subsidiary, Akaroa Salmon New Zealand Limited ("Akaroa Salmon").
November 19, 2021	Press Release: Alliance Select Focuses on Philippine Operations with Sale of New Zealand Subsidiary
December 13, 2021	FOOD's divestment of 80% equity investment in Akaroa Salmon New Zealand Limited was completed.

EXHIBIT TABLE

SECURITIES REGULATION CODE FORMS

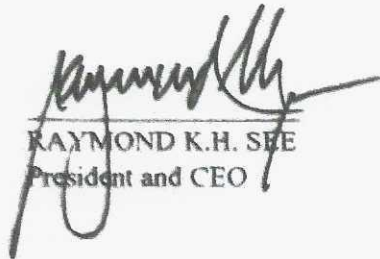
Description
Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession
Instruments Defining the Rights of Security Holders, Including Indentures
Voting Trust Agreement
Annual Report to Security Holders, FORM 17-Q or Quarterly Report to Security Holders
Letter re: Change in Certifying Accountant
Letter re: Change in Accounting Principles
Report Furnished to Security Holders
Subsidiaries of the Registrant
Published Report Regarding Matters Submitted to Vote of Security Holders
Consents of Experts and Independent Counsel (a) Power of Attorney (b) Power of Attorney—Foreign Registrant

Please see Corporation's Audited Financial Statements for the recently completed calendar year from the Corporation's Independent Public Accountant, Reyes Tacandong & Company, and Sustainability Report for the recently completed year as presented by the Corporation.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned thereunto duly authorized.


By:




RAYMOND K.H. SEE
President and CEO



LISA ANGELAY Y. DEJADINA
Senior Vice President of Group Operations



MARIA CAROLYN C. ANGELES
Head of Finance



PHOEBE ANN S. BAYONA
Compliance Officer and Assistant Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
PASIG CITY)

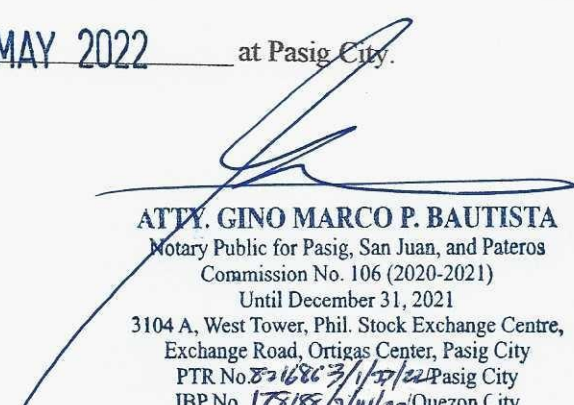
SUBSCRIBED AND SWORN to before me in Pasig City, the affiants exhibiting to me their government issued identifications as follows:

NAME	GOVERNMENT ISSUED ID	
Raymond K.H. See	Passport No. P2678380B	Valid until 29 July 2029
Lisa Angela Y. Dejadina	Driver's License No. N26-06-001272	Valid until 2023/01/05
Maria Carolyn C. Angeles	PRC License No. 88563	Valid until 26 June 2023
Phoebe Ann S. Bayona	Passport No. P6123254B	Valid until 19 Jan 2031

WITNESS MY HAND AND SEAL, this 11 MAY 2022 at Pasig City.

Doc. No. 210
Page No. 43
Book No. II
Series of 2022.




ATTY. GINO MARCO P. BAUTISTA
Notary Public for Pasig, San Juan, and Pateros
Commission No. 106 (2020-2021)
Until December 31, 2021
3104 A, West Tower, Phil. Stock Exchange Centre,
Exchange Road, Ortigas Center, Pasig City
PTR No. 826863/1/22 Pasig City
IBP No. 178188/2/14/22 Quezon City
Roll of Attorneys No. 58507
MCLE Compliance No. VI-0025935; 4-29-2019

Notarial Commission
Extended until June 30, 2022
Resolution Dated September 28, 2021
B.M. No. 3795
Pasig City RTC

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

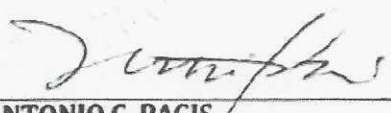
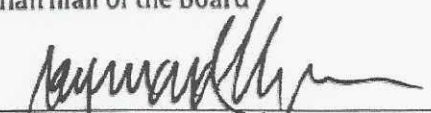

The Management of **ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein as at and for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditors appointed by the stockholders for the years ended December 31, 2021 and 2020, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


ANTONIO C. PACIS
Chairman of the Board
RAYMOND K.H. SEE
President and Chief Executive Officer
MARIA CAROLYN C. ANGELES
Finance Head

Signed this 13th day of April 2022

REPUBLIC OF THE PHILIPPINES)
PASIG CITY)

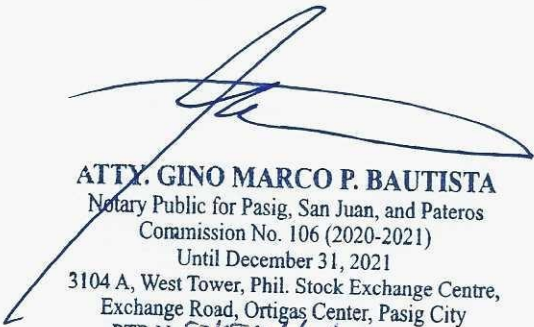
SUBSCRIBED AND SWORN to before me, Pasig City, on 25 APR 2022, the
affiants exhibiting to me their government issued identifications as follows:

NAME	GOVERNMENT ISSUED ID	
Antonio C. Pacis	Passport No. P4501467B	Valid until 22 Jan 2030
Raymond K.H. See	Passport No. P2678380B	Valid until 29 July 2029
Maria Carolyn C. Angeles	Driver's License No. C09-10-003908	Valid until 26 June 2023

WITNESS MY HAND AND SEAL, this 25 APR 2022 at Pasig City.

Doc. No. 209
Page No. 43
Book No. 4
Series of 2022.




ATTY. GINO MARCO P. BAUTISTA
Notary Public for Pasig, San Juan, and Pateros
Commission No. 106 (2020-2021)
Until December 31, 2021
3104 A, West Tower, Phil. Stock Exchange Centre,
Exchange Road, Ortigas Center, Pasig City
PTR No. 826863 / 1/27/22 Pasig City
IBP No. 178188 / 2/14/22 Quezon City
Roll of Attorneys No. 58507
MCLE Compliance No. VI-0025935; 4-29-2019

Notarial Commission
Extended until June 30, 2022
Resolution Dated September 28, 2021
B.M. No. 3795
Pasig City RTC

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	3	1	9	1	3	8
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COMPANY NAME

A	L	L	I	A	N	C	E		S	E	L	E	C	T		F	O	O	D	S		I	N	T	E	R	N	A	T	I	O	N	A	L	,	
	I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		(A		S	U	B	S	I	D	I	A	R	y	

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

S	U	I	T	E		3	1	0	4	A	,		W	E	S	T		T	O	W	E	R	,		P	H	I	L	I	P	P	I	N	E		
S	T	O	C	K		E	X	C	H	A	N	G	E		C	E	N	T	R	E	,		E	X	C	H	A	N	G	E		R	O	A	D	

Form Type

A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

info@allianceselectfoods.com

Company's Telephone Number/s

(02) 8673-8800

Mobile Number

09176205726

No. of Stockholders

237

Annual Meeting (Month / Day)

June 15

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Raymond K.H. See

Email Address

info@allianceselectfoods.com

Telephone Number/s

(02) 7-747-3798

Mobile Number

09176205726

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.



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Alliance Select Foods International, Inc.
Suite 3104A, West Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Avenue, Pasig City

Opinion

We have audited the accompanying consolidated financial statements of Alliance Select Foods International, Inc. (a subsidiary of Strongoak Inc.) and Subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021, 2020 and 2019, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Emphasis of Matter - Novel Coronavirus (COVID-19) Pandemic

We draw attention to Note 1 to the consolidated financial statements, which describes the significant effect of COVID-19 pandemic and the government mandated lockdown on the Group's business operations. The Group, however, believes that it can continue as a going concern under these prevailing conditions with the initiatives it adopted including targeting key accounts, cash management measures, managing costs and improving operational efficiencies.

Our opinion is not modified with regard to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Impairment Assessment of Property, Plant and Equipment and Deferred Tax Assets

The Group's impairment assessment of property, plant and equipment and deferred tax assets were significant to our audit because the aggregate carrying amount of the Group's property, plant and equipment and deferred tax assets amounted to \$20.89 million representing 55% of the total consolidated assets as at December 31, 2021. The assessment process also requires significant judgments and assumptions involving expected future financial performance of the Group. These include estimation of future cash flows that are projected using growth rates and discounted using pretax discount rate, which are highly dependent on management's strategies and business plans. Our audit procedures included, among others, review and evaluation of management's key assumptions used in the impairment analysis, financial projections and external data taking into consideration the historical information experience of the Group and financial impact associated with COVID-19. We also checked the adequacy of the Group's disclosures about the assumptions to which the outcome of the impairment assessment is most sensitive. We also reviewed the adequacy of the Group's disclosures in Notes 2, 3, 9 and 24 to the consolidated financial statements.

Accounting for Disposal and Deconsolidation of a Subsidiary

As disclosed in Note 4 to the consolidated financial statements, the Group has disposed of its 80%-owned subsidiary, Akaroa Salmon (NZ) Ltd. (Akaroa), for a total consideration of \$3.63 million. The accounting for disposal and deconsolidation of Akaroa account balances is significant to our audit because the disposal resulted in a gain of \$389,437 representing 27% reduction in the consolidated net loss for the year and derecognition of goodwill amounting to \$2.05 million. Our audit procedures included, among others, the review of the significant terms and conditions of the disposal, assess compliance of both parties on the terms and conditions of the disposal and review of management's computation of gain on disposal. We gained understanding of the Group's consolidation process, assessed the reliability of the data used for the deconsolidation and checked the deconsolidated accounts and related balances of the disposed subsidiary. We also reviewed the adequacy of the Group's disclosures in accordance with PFRS 10, *Consolidated Financial Statements*, as included in Notes 2, 3, 4 and 19 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Wilson P. Teo.

REYES TACANDONG & Co.



WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-014-2020

Valid until January 1, 2023

PTR No. 8851714

Issued January 3, 2022, Makati City

April 13, 2022

Makati City, Metro Manila

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2021	2020
ASSETS			
Current Assets			
Cash	5	\$4,442,099	\$2,549,861
Trade and other receivables	6	4,408,220	5,443,846
Inventories	7	5,335,281	9,059,229
Other current assets	8	2,939,939	2,233,404
Total Current Assets		17,125,539	19,286,340
Noncurrent Assets			
Property, plant and equipment	9	14,619,255	16,722,712
Right-of-use (ROU) assets	22	62,453	3,790,118
Deferred tax assets	24	6,272,392	6,479,448
Goodwill	4	–	2,050,639
Other noncurrent assets	10	–	855,980
Total Noncurrent Assets		20,954,100	29,898,897
		\$38,079,639	\$49,185,237
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11	\$3,433,658	\$7,223,239
Loans payable	12	11,297,040	12,119,200
Current portion of lease liabilities	22	52,460	155,545
Due to a related party	13	2,069,832	–
Total Current Liabilities		16,852,990	19,497,984
Noncurrent Liabilities			
Noncurrent portion of:			
Loans payable	12	916,667	2,009,881
Lease liabilities	22	14,268	3,770,972
Net retirement benefits obligation	14	417,262	351,288
Deferred tax liabilities	24	42,749	20,910
Due to a related party	13	–	2,178,748
Total Noncurrent Liabilities		1,390,946	8,331,799
Total Liabilities		18,243,936	27,829,783
Equity			
Capital stock	15	26,823,389	26,823,389
Additional paid-in capital (APIC)	15	1,486,546	1,486,546
Deficit		(7,303,949)	(6,032,572)
Other comprehensive income		1,221,450	1,164,132
		22,227,436	23,441,495
Treasury stock	15	(5,774)	(5,774)
Equity attributable to equity holders of the Parent			
Company		22,221,662	23,435,721
Non-controlling interests	15	(2,385,959)	(2,080,267)
Total Equity		19,835,703	21,355,454
		\$38,079,639	\$49,185,237

See accompanying Notes to Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2021	2020	2019
NET SALES	16	\$40,778,376	\$62,706,131	\$84,882,803
COST OF GOODS SOLD	17	(35,863,359)	(59,778,016)	(76,705,419)
GROSS PROFIT		4,915,017	2,928,115	8,177,384
SELLING AND ADMINISTRATIVE EXPENSES	18	(5,547,162)	(10,122,735)	(8,563,943)
	12, 13,			
INTEREST EXPENSE	22	(840,868)	(1,253,181)	(2,035,297)
OTHER INCOME (CHARGES) - Net	19	887,133	(210,824)	(1,132,215)
LOSS BEFORE INCOME TAX		(585,880)	(8,658,625)	(3,554,071)
INCOME TAX EXPENSE	24	471,662	1,441,495	1,577,802
NET LOSS		(1,057,542)	(10,100,120)	(5,131,873)
OTHER COMPREHENSIVE INCOME				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		35,822	144,203	68,108
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Effect of change in tax rate	14	8,237	—	—
Remeasurement gain on retirement benefits, net of tax	14	—	11,611	—
		44,059	155,814	68,108
TOTAL COMPREHENSIVE LOSS		(\$1,013,483)	(\$9,944,306)	(\$5,063,765)
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company		(\$1,271,377)	(\$10,235,521)	(\$5,084,520)
Non-controlling interests		213,835	135,401	(47,353)
		(\$1,057,542)	(\$10,100,120)	(\$5,131,873)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company		(\$1,214,059)	(\$10,099,704)	(\$5,093,041)
Non-controlling interests		200,576	155,398	29,276
		(\$1,013,483)	(\$9,944,306)	(\$5,063,765)
LOSS PER SHARE				
Basic and diluted loss per share	21	(\$0.0005)	(\$0.0041)	(\$0.0020)

See accompanying Notes to Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2021	2020	2019
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Capital Stock	15			
Balance at beginning and end of year		\$26,823,389	\$26,823,389	\$26,823,389
APIC	15			
Balance at beginning and end of year		1,486,546	1,486,546	1,486,546
Retained Earnings (Deficit)				
Balance at beginning of year		(6,032,572)	4,202,949	9,287,469
Net loss		(1,271,377)	(10,235,521)	(5,084,520)
Balance at end of year		(7,303,949)	(6,032,572)	4,202,949
Other Comprehensive Income				
<i>Item that will not be reclassified subsequently to profit or loss</i>	14			
<i>Cumulative Remeasurement Gains on Retirement Benefits Obligation</i>				
Balance at beginning of year		98,887	87,276	87,276
Effect of change in tax rate		8,237	—	—
Remeasurement gain		—	11,611	—
Balance at end of year		107,124	98,887	87,276
<i>Revaluation Reserves</i>				
Balance at beginning of year		275	275	275
Effect of deconsolidation	4	(275)	—	—
Balance at end of year		—	275	275
<i>Item that will be reclassified subsequently to profit or loss</i>				
<i>Cumulative Translation Adjustment</i>				
Balance at beginning of year		1,064,970	940,764	872,656
Exchange differences on foreign currency translation		49,356	124,206	68,108
Balance at end of year		1,114,326	1,064,970	940,764
Total balance at end of year of other comprehensive income		1,221,450	1,164,132	1,028,315
Treasury Stock	15			
Balance at beginning and end of year		(5,774)	(5,774)	(5,774)
NON-CONTROLLING INTERESTS				
Balance at beginning of year		(2,080,267)	(2,235,665)	(2,264,941)
Dividends declared		(297,491)	—	—
Disposal of a subsidiary	4	(208,777)	—	—
Total comprehensive income attributable to non-controlling interests		200,576	155,398	29,276
Balance at end of year		(2,385,959)	(2,080,267)	(2,235,665)
		\$19,835,703	\$21,355,454	\$31,299,760

See accompanying Notes to Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(\$585,880)	(\$8,658,625)	(\$3,554,071)
Adjustments for:				
Depreciation and amortization	9	1,312,574	1,329,238	1,158,583
Reversal of allowance for impairment losses	6, 7	(1,035,672)	(362,796)	(673,181)
Interest expense	12, 13, 22	840,868	1,253,181	2,035,297
Loss (gain) on disposal of a subsidiary	4	(389,437)	—	2,422,707
Loss on inventory write-down	7	237,407	1,385,778	921,936
Net unrealized foreign exchange loss (gain)		(232,416)	196,441	(269,603)
Provisions for impairment losses	18	222,627	1,112,998	27,142
Retirement benefits costs	14	85,265	66,482	93,001
Loss (gain) on disposal/retirement of property, plant and equipment	9	71,111	(234,664)	(1,072,550)
Interest income	5	(4,003)	(950)	(75,099)
Equity in net loss (income) of an associate	10	(3,934)	(85,944)	4,853
Operating income (loss) before working capital changes		518,510	(3,998,861)	1,019,015
Decrease (increase) in:				
Trade and other receivables		397,072	5,622,580	(1,481,949)
Inventories		4,233,769	2,513,234	339,582
Other current assets		(962,300)	7,942,539	(2,040,006)
Other noncurrent assets		8,417	10,354	699,529
Increase (decrease) in trade and other payables		(1,361,108)	1,121,435	(1,447,288)
Net cash generated from (used for) operations		2,834,360	13,211,281	(2,911,117)
Income tax paid		(370,839)	(25,887)	(295,374)
Interest received		4,003	950	75,099
Net cash provided by (used in) operating activities		2,467,524	13,186,344	(3,131,392)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of:				
Subsidiaries, net of cash deconsolidated	4	2,604,066	—	5,861,197
Property, plant and equipment		—	234,664	2,226,080
Acquisitions of property, plant and equipment	9	(1,021,241)	(1,498,459)	(2,853,672)
Net cash provided by (used in) investing activities		1,582,825	(1,263,795)	5,233,605

(Forward)

		Years Ended December 31		
	Note	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loans	28	\$32,142,216	\$28,839,550	\$60,742,942
Payments of:	28			
Loans payable		(33,445,755)	(\$38,648,486)	(\$67,769,210)
Interest		(570,205)	(1,054,669)	(2,000,843)
Lease liabilities	22	(333,448)	(419,731)	(188,704)
Due to a related party		—	—	(91,530)
Advances from related parties	28	—	—	2,000,000
Net cash used in financing activities		(2,207,192)	(11,283,336)	(7,307,345)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH				
		49,081	39,187	64,261
NET INCREASE (DECREASE) IN CASH		1,892,238	678,400	(5,140,871)
CASH AT BEGINNING OF YEAR		2,549,861	1,871,461	7,012,332
CASH AT END OF YEAR	5	\$4,442,099	\$2,549,861	\$1,871,461
COMPONENTS OF CASH				
	5			
Cash on hand		\$11,021	\$12,905	\$14,484
Cash in banks		4,431,078	2,536,956	1,856,977
		\$4,442,099	\$2,549,861	\$1,871,461
SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITIES				
Recognition of:	22			
ROU assets		\$—	\$—	\$4,157,391
Lease liabilities		—	—	4,148,900

See accompanying Notes to Consolidated Financial Statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

General Information

Alliance Select Foods International, Inc. (ASFII or the “Parent Company”), a public 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. The shares of stock of the Parent Company 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 consolidated financial statements include the accounts of ASFII and the following subsidiaries (collectively referred herein as the “Group”) as at December 31, 2021, 2020 and 2019:

Name of Subsidiary	% of Ownership			Nature of Business	Principal Place of Business
	2021	2020	2019		
Big Glory Bay Salmon and Seafood Company, Inc. (BGB)	100	100	100	Salmon and other seafoods processing	Philippines
PT International Alliance Food Indonesia (PT IAFI)	99.98	99.98	99.98	Export trading	Indonesia
Alliance MHI Properties, Inc. (AMHI)	98.89	98.89	98.89	Leasing	Philippines
PT Van De Zee (PT VDZ)	49	49	49	Fishing	Indonesia
Akaroa Salmon (NZ) Ltd. (Akaroa)*	–	80	80	Salmon farming and processing	New Zealand

*Divested in 2021

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. In October 2019, the plant and machinery of PT IAFI were sold to an Indonesian entity. PT IAFI owns 49% of PT VDZ, a fishing company. PT IAFI and PT VDZ ceased operations in 2020 and 2016, respectively.

Akaroa. Akaroa holds 25% stake in Salmon Smolt NZ Ltd. (SSNZ), an entity operating a modern hatchery, which quarantines and consistently supplies high quality smolts (juvenile salmon) for Akaroa’s farm.

Status of Operations

In 2019, the Group incurred net losses of \$5.13 million mainly due to high interest expense arising from bank loans and nonrecurring loss from disposal of a subsidiary amounting to \$2.42 million. In March 2020, the country experienced the novel coronavirus (COVID-19) pandemic resulting in a slowdown in the Philippine economy because of mandated lockdowns all over the country. In response to the COVID-19, the Group starting in 2020, implemented initiatives, which include adopting new distribution channels, targeting key accounts, cash management measures including sourcing and identifying alternatives to improve supply chain and working capital funding, negotiating trading terms with critical suppliers for continuity of supplies and improving efficiencies across all areas of operations. Accordingly, the Group’s net losses decreased from \$10.10 million in

2020 to \$1.06 million in 2021. The Group's interest expense on loans payable also decreased from \$1.90 million in 2019, to \$885,477 in 2020, and \$489,890 in 2021.

It is not practicable to estimate the potential impact of the still prevailing COVID-19 pandemic after the reporting date. Management has determined that the actions it has taken are sufficient to mitigate the impact of the COVID-19 pandemic. Accordingly, the Group has prepared the consolidated financial statements on a going concern basis.

Approval of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 were approved and authorized for issuance by the Board of Directors (BOD) on April 13, 2022, and were reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Significant Accounting and Reporting Policies

The significant accounting policies used in the preparation of the consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The 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) and adopted by the SEC.

Bases of Measurement

The consolidated financial statements are presented in United States (U.S.) Dollar, the functional currency of the primary economic environment in which the Parent Company operates. All values are rounded to the nearest U.S. Dollar, except when otherwise stated.

The consolidated financial statements have been prepared on a historical cost basis, except for net retirement benefits obligation which is measured at the present value of the defined benefits obligation less fair value of plan assets, and lease liabilities which are measured at the present value of future lease payments. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

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. The Group uses observable market data to the extent possible when measuring the fair value of an asset or a liability.

Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 25 to the consolidated financial statements.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended standards:

- Amendment to PFRS 16, *Leases - COVID-19-Related Rent Concessions beyond June 30, 2021* – In 2020, PFRS 16 was amended to provide practical expedient to lessees from applying the requirements on lease modifications for eligible rent concessions that is a direct consequence of COVID-19 pandemic. A lessee may elect not to assess whether eligible rent concessions from a lessor is a lease modification. A lessee that makes this election account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for a change that is not a lease modification, e.g., as a variable lease payment. This amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted, and covers eligible rent concessions until June 30, 2021. The Group applied the practical expedient in its consolidated financial statements for the year ended December 31, 2020.

Due to the continuing impact of the pandemic, another amendment to PFRS 16 was issued in 2021, which allows lessees to extend the application of the practical expedient regarding COVID-19-related rent concessions to reduction in lease payments that are due on or before June 30, 2022. The 2021 amendment is mandatory for entities that elected to apply the previous amendment. Accordingly, the Group has applied the amendment in the current year consolidated financial statements.

The adoption of the foregoing amended PFRS did not have any material effect on the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2021 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent*

Liabilities and Contingent Assets, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.
- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.
- Annual Improvements to PFRS 2018 to 2020 Cycle:
 - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 percent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 percent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.
 - Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether

the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that 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 (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgments*, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.
- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that 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 profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.
- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

The adoption of the foregoing amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements as necessary.

Basis of Consolidation

Subsidiaries. Subsidiaries are entities in which the Parent Company has control. The Parent Company 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 Parent Company controls an entity. The Parent Company 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 Parent Company 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. 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 Parent Company 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 Parent Company 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 Parent Company, presented within equity in the 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, Akaroa and AMHI.

Business Combination and Goodwill

Acquisitions of businesses are accounted for using the acquisition method. The acquisition cost is measured as the sum of the considerations transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Parent Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

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

When the business combination is achieved in stages, any previously held non-controlling interest is re-measured at the date of obtaining control and a gain or loss is recognized in profit or loss.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the Parent Company reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Parent Company retrospectively adjusts the provisional amounts and recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period ends at the date the Parent Company receives the information about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable, but should not exceed one year from the acquisition date.

Goodwill, which arose from the acquisition of Akaroa in 2012, is initially measured at the acquisition date as the sum of the fair value of consideration transferred; the recognized amount of any non-controlling interest in the acquiree; and, if the business combination is achieved in stages, the fair value of existing equity interest in the acquiree less the fair value of net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the bargain purchase gain is recognized directly in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the entity's cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units or groups of units. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

Where goodwill has been allocated to a cash-generating unit or group of cash generating units and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation in determining the gain or loss on disposal. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Financial Assets and Liabilities

Recognition and Measurement

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In

cases where there is no observable market data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Classification

The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group’s business model and its contractual cash flow characteristics.

As at December 31, 2021 and 2020, the Group does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

Classification of Financial Instruments between Liability and Equity. A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2021 and 2020, the Group’s cash, trade and other receivables and other noncurrent receivables presented under “Other noncurrent assets” are classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process. Financial liabilities at amortized cost are included under current liabilities if maturity is within 12 months from reporting date. Otherwise, these are classified as noncurrent liabilities.

As at December 31, 2021 and 2020, the Group's trade and other payables (excluding statutory payable and customers' deposits), loans payable, lease liabilities and due to a related party are classified under this category.

Reclassification

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for expected credit losses (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables (excluding receivable from Prime Foods NZ Limited [PFNZ]), the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized costs (including receivable from PFNZ), the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable

information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in the consolidated statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Inventories

Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value (NRV). Cost incurred in bringing each product to its present location and condition is accounted as follows:

Finished Goods and Work in Process. Costs of inventories are calculated using weighted average method. Costs comprise direct materials and when applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

NRV represents the estimated selling price less estimated costs of completion and costs necessary to make the sale.

Raw Materials and Packaging Supplies. Cost is determined using weighted average method. NRV is the current replacement cost.

When the NRV of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as part of other income or charges in the consolidated statement of comprehensive income.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period when the related revenue is recognized and the related allowance for impairment is reversed.

Other Assets

Other assets that are expected to be realized over no more than 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Advances to Suppliers. Advances to suppliers are recognized whenever the Group pays in advance for its purchase of goods. These advances are measured at transaction price less any impairment in value.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT except receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the consolidated statements of financial position.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. These are measured at face amount less any impairment in value. These are apportioned over the period covered by the payment and recognized in profit or loss when incurred.

Investments in an Associate and Joint Ventures. An associate is an entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% percent of the voting power of another entity.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in an associate and joint ventures are initially carried in the consolidated statement of financial position at cost. Subsequent to initial recognition, investments in an associate and joint ventures are measured in the consolidated financial statements using the equity method.

Under the equity method, the investments in an associate or joint ventures are initially recognized at cost. The carrying amount of the investments is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investments and is neither amortized nor individually tested for impairment.

Upon loss of significant influence over the associate or of joint control over the joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the investment upon loss of significant influence or joint control and the fair value of the retained interest and proceeds from disposal is recognized in profit or loss.

Biological Assets. The Group measures its biological assets on initial recognition and at the end of each reporting period at fair value less costs to sell. Biological assets of the Group comprised solely of consumable female smolts. They are cultured during the developmental phase which lasts for an average period of 14-16 months.

Harvested agricultural produce are also carried at fair value less estimated costs to sell at harvest point.

Gains or losses arising on initial recognition of biological asset at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale of biological asset are included in the consolidated statement of comprehensive income in the period when they arise.

Idle Assets. Idle assets are those which are no longer used in the Group's operations. These are measured at cost less accumulated depreciation and any impairment loss. The Group's idle assets are already fully provided with allowance for impairment loss.

Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation, amortization and any accumulated impairment in value. Land is stated at cost less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working

condition and location for its intended use. The cost of self-constructed assets includes the cost of materials and direct labor, any other directly attributable costs, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items (major components) of property, plant and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property, plant and equipment:

Asset Type	Number of Years
Building	15 - 25
Leasehold improvements	5 (or lease term, whichever is shorter)
Machinery and equipment	15
Transportation equipment	5
Office and plant furniture, fixtures and equipment	5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

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

Intangible Assets

Acquired Intangible Assets. Intangible assets that are acquired by the Group with finite useful lives are initially measured at cost. At the end of each reporting period, items of intangible assets acquired are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes purchased price, including import duties and non-refundable purchase taxes, after

deducting trade discounts and rebates and any directly attributable cost of preparing the intangible asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in the consolidated profit or loss as incurred.

Amortization of Intangible Assets with Definite Useful Lives. Amortization for salmon farming consent and fishing license with finite useful life is calculated based on the cost of the asset less its residual value.

Amortization is recognized in the consolidated statement of comprehensive income on a straight-line basis over the useful life of salmon farming consent and fishing license, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of the salmon farming consent and fishing license for the current and comparative periods is 25 years.

Intangible Asset with Indefinite Useful Life. Intangible asset with indefinite life is not amortized. However, these assets are reviewed annually to ensure the carrying value does not exceed the recoverable amount regardless of whether an indicator of impairment is present. The Group considers its macrocystic consent having an indefinite useful life for the following reasons:

- there has been no established legal or contractual expiration date;
- impracticability of the determination of the intangible assets' economic useful lives; and
- are expected to generate net cash flows for the Group.

Macrocystic consent pertains to resource consent granted by New Zealand government in relation to salmon farming activities.

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

Impairment of Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Goodwill and Other Intangible Assets with Indefinite Useful Lives. The Group assesses goodwill and other intangible assets with indefinite useful lives for impairment annually. Impairment is determined for goodwill and other intangible assets with indefinite useful lives by assessing the recoverable amount of the cash-generating units, to which the goodwill and other intangible assets with indefinite useful lives relate.

Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to these intangible assets cannot be reversed in future periods.

Customers' Deposits

Customers' deposits consist of amounts received by the Group from its customers as advance payments for the sale of goods. These are recorded at face amount under "Trade and other payables" account in the consolidated statements of financial position and recognized as revenue in profit or loss when the goods for which the advances were made are delivered to the customers.

Equity

Capital Stock and APIC. Capital stock is measured at par value for all shares issued. Incremental costs, net of tax, incurred that are directly attributable to the issuance of new shares are recognized in equity as a reduction from related APIC or retained earnings. Excess of proceeds or fair value of consideration received over par value is recognized as APIC.

Deficit. Deficit represents the cumulative balance of the Group's results of operations as at reporting date. Deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provision.

Other Comprehensive Income. Other comprehensive income pertains to cumulative remeasurement gains on retirement benefits obligation, revaluation reserves and cumulative translation adjustments.

Treasury Stock. Own equity instruments which are reacquired are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

Revenue Recognition

The Group generates revenue primarily from the sale of goods. Other revenue sources include rental, interest and other income.

Revenue from Contracts with Customers. Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods. Revenue is recognized, net of sales returns and discounts, when the significant risks and rewards of ownership of the goods have passed to the customers, which is normally upon delivery to and acceptance of the goods by the buyer.

Revenue from other sources is recognized as follows:

Rental Income. Revenue is recognized on a straight-line basis over the term of the lease.

Interest Income. Interest is recognized as it accrues on a time proportion basis using the effective interest method.

Other Income. Income from other sources is recognized when earned during the year.

Contract Balances

Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays a consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

As at December 31, 2021 and 2020, the Group does not have outstanding contract assets.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays a consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made by the customer or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The Group considers its customers' deposits as contract liabilities (see Note 11).

Cost to Obtain a Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. Otherwise, these are treated as expense.

Contract Fulfillment Asset. Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group first considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of these criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

As at December 31, 2021 and 2020, the Group does not have contract fulfillment assets.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Cost of Goods Sold. Cost of goods sold is recognized as expense when the related goods are sold.

Selling and Administrative Expenses. Selling expenses constitute costs incurred to sell and market the goods and services. Administrative expenses constitute costs of administering the business. These are charged to profit or loss in the period when these are incurred.

Interest Expense. Interest is recognized as it accrues on a time proportion basis using the effective interest method.

Other Charges. Expenses from other sources are expensed as incurred.

Leases

The Group assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Group also assesses whether a contract contains a lease for each potential separate lease component.

At the commencement date, the Group recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Assets. At commencement date, the Group measures ROU assets at cost. The cost comprises:

- i. the amount of the initial measurement of lease liabilities;

- ii. any lease payments made at or before the commencement date less any lease incentives received;
- iii. any initial direct costs; and
- iv. an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU assets are recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets ranging from four to 28 years.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liabilities comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the lessee under residual value guarantees; and
- iv. the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

For income tax reporting purposes, payments and receipts under lease agreements are treated as deductible expense and taxable income in accordance with the terms of the lease agreements.

Retirement Benefits

Retirement benefits costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs comprising of current service costs and net interest expense on the retirement benefits liability in profit or loss.

The Group determines the net interest expense on retirement benefits liability by applying the discount rate to the net retirement benefits liability at the beginning of the year, taking into account any changes in the liability during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefits liability, which consist of actuarial gains and losses and the return on plan asset (excluding amount charged in net interest) are recognized immediately in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trusted bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net retirement benefits liability recognized by the Group is the present value of the defined benefit obligation reduced by the fair value of plan asset. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current tax. Current tax liabilities for the current and prior years are measured at the amounts expected to be paid to the taxation authority. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted as at financial reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of unused NOLCO and excess MCIT over RCIT can be utilized.

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

reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws in effect by the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Foreign Currency-denominated Transactions and Translation

Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

Investments in associates and subsidiaries whose functional currency is other than U.S. Dollar are translated to U.S. Dollar using the closing exchange rate prevailing at the reporting date. The Group's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation on non-monetary items in respect of which gains and losses are recognized in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in U.S. Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates at the dates of the transactions are used. Exchange differences, if any, are recognized in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognized, but they are not reclassified to profit or loss.

For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the year such are realized.

Related Party Relationships and Transactions

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions are considered material and/or significant if (i) these transactions amount to 10% or higher of the Group's total assets or, (ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed by the BOD in accordance with the Group's related party transactions policies.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any subsequent event that provides additional information about the Group's financial position at the reporting date is reflected in the consolidated financial statements. Non-adjusting subsequent events are disclosed in the notes to the consolidated financial statements when material.

Earnings (Loss) per Share

The Group presents basic and diluted earnings (loss) per share data for its common shares.

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to common shareholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year. There are no potential dilutive shares.

Operating Segments

For management purposes, the Group is divided into operating segments per product/service (tuna, salmon, and rental) according to the nature of the products and services provided. The Group's identified operating segments are consistent with the segments reported to the BOD, which is the Group's Chief Operating Decision Maker. Financial information on operating segments is presented in Note 27.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, accounting 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, accounting 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.

The Group believes that the following represent a summary of these significant judgments, estimates and assumptions and the related impact and associated risks in the consolidated financial statements:

Determining the Functional Currency. Based on management's assessment, the functional currency of the entities in the Group has been determined to be the U.S. Dollar. The functional currency of certain subsidiaries is the New Zealand Dollar and Philippine Peso. The U.S. Dollar is the currency that mainly influences the operations of most of the entities within the Group.

Determining the Control Over Subsidiaries. Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. Management has determined that by virtue of its majority ownership of voting rights or by the power to cast the majority of votes through its representatives in the BOD of its subsidiaries as at December 31, 2021 and 2020, the Parent Company has the ability to exercise control over these investees.

Determining the Reportable Operating Segments. The Group has determined that it has reportable segments based on the following thresholds:

- a. Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.
- b. The absolute amount of its reported profit or loss is 10% or more, in absolute amount, of
 - (i) the combined reported profit of all operating segments that did not report a loss and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- c. Its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable and separately disclosed if management believes that information about the segment would be useful to users of the consolidated financial statements.

Classifying the Financial Assets and Liabilities. The Group has determined that it shall classify its financial assets at amortized cost on the basis of the following conditions met:

- The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Moreover, the Group has determined that it shall classify its financial liabilities at amortized cost using the effective interest method.

Assessing the Impact of COVID-19 Pandemic. Judgment was exercised in considering the impact of the COVID-19 pandemic on the Group's operation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. The business initiatives that the Group has adopted (see Note 1), are deemed sufficient to mitigate the impact of the COVID-19 pandemic.

Assessing the ECL. The Group's trade and other receivables are subject to the ECL model. While cash are also subject to the impairment requirements of PFRS 9, the assessed impairment loss is not material.

Trade and Other Receivables (excluding Receivable from PFNZ). The Group applies the simplified approach in measuring ECL on trade and other receivables, which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are initially based on the Group's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables including the impact of the COVID-19 pandemic. The Group has identified macroeconomic factors (i.e., gross domestic product growth rates, foreign exchange rates, inflation rate, etc.) that are relevant and accordingly adjust the historical loss rates based on expected changes in these factors.

The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The Group's provision for ECL on trade and other receivables is disclosed in Note 6.

Receivable from PFNZ and Other Financial Assets at Amortized Cost. The Group applies the general approach in measuring ECL, which uses a 12-month or lifetime ECL. An impairment issue arises when there is an objective evidence of impairment, which involves significant judgment. In making this judgment, the Group evaluates financial health of the counterparty and the capacity and willingness to pay, among others.

Based on available information, management assessed that the Group has security and valid claims over PFNZ's assets for the full recovery of the receivable in 2019.

In 2020, the Group intended to pursue its claims against PFNZ but after a careful study and advice from the legal counsel, considering certain developments and comparing the potential award as against the cost, management opted against pursuing the case.

The significant costs and the low probability of obtaining commensurate return on the claim made would not justify the pursuit of the claims against PFNZ. Accordingly, the Group recognized a provision for impairment loss on trade receivables from PFNZ amounting to \$1.13 million in 2020 (see Note 6).

The carrying amounts of the Group's cash, trade and other receivables, and other noncurrent receivables are disclosed in Notes 5, 6 and 10.

Classifying the Lease Commitments - Group as a Lessee. The Group has entered into lease agreements for its office space and manufacturing area. For the Group's non-cancellable lease, the Group recognizes ROU assets and lease liabilities measured at the present value of lease payments to be made over the lease term using the Group's incremental borrowing rate. The Group availed exemption for the short-term leases with terms of 12 months or less. Accordingly, lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

The carrying amounts of ROU assets and lease liabilities are disclosed in Note 22.

Assessing the Extension Options of Lease Commitments. The Group's property leases on office and plant contain extension options exercisable by the Group prior to the end of the contract period to maximize operational flexibility in terms of managing contracts. Extension options are not reflected in measuring lease liabilities in cases when these options are not reasonably certain to be exercised or when the terms and conditions of the renewed contract are uncertain and subject to change considering the economic circumstances under which the Group operates. A reassessment will be made when there is a significant event or significant change in circumstances within its control. There were no reassessments made in 2021 and 2020.

Estimating the ROU Assets and Lease Liabilities. The Group's ROU assets and lease liabilities are initially measured at the present value of lease payments. In determining the appropriate discount rate, the Group considered readily available interest rate implicit in the lease agreements, interest rate on its borrowings, and the term of each lease commitment. The Group determined that the implicit rate in the lease agreement is not readily available and that the interest rate on its borrowings presents the appropriate financing cost in leasing the underlying assets. The incremental borrowing rate used in the lease is the rate that would cause the present value of the lease payments and unguaranteed residual to equal the sum of the fair value of the underlying assets and initial direct costs incurred.

The carrying amounts of ROU assets and lease liabilities are disclosed in Note 22.

Estimating the NRV of Inventories. The NRV of inventories represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale. The Group determines the estimated selling price based on the recent sale transaction of similar goods with adjustments to reflect any changes in economic conditions since the date when the transactions occurred. The Group records provisions for the excess of cost over the net realizable value of inventories. While the Group believes that the estimates are reasonable and appropriate, significant differences in the actual experience or significant changes in estimates may materially affect the profit or loss and equity.

The carrying amount of inventories carried at lower of cost and NRV is disclosed in Note 7.

Estimating the Useful Lives of Property, Plant and Equipment and Intangible Assets. The Group estimates the useful lives of property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimates are based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of these assets are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amount and timing of recording of depreciation expense for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of the Group's property, plant and equipment and intangible assets as at December 31, 2021 and 2020.

The carrying amounts of property, plant and equipment (except land) and intangible assets, net of accumulated depreciation, amortization and impairment losses are disclosed in Notes 9 and 10.

Assessing the Impairment of Nonfinancial Assets and Goodwill. The Group assesses impairment on its nonfinancial assets (excluding goodwill and macrocystic consent) whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the greater of the fair value less cost to sell and the value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the assets. The discount rates were derived from the weighted average cost of capital, which takes into account both debt and equity. Management has also considered the COVID-19 impact in the financial forecast used in the value in use calculation.

Goodwill and macrocystic consent are tested for impairment annually and more frequently, when circumstances indicate that the carrying amount may be impaired.

Management has assessed that the amount of allowance for impairment losses of the Group's nonfinancial assets as at December 31, 2021 and 2020 is sufficient. The carrying amounts of these nonfinancial assets are disclosed in Notes 8, 9 and 10.

Estimating the Retirement Benefits Cost. The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 14 to the consolidated financial statements and include, among others, discount rates and salary increase rates.

Information in retirement benefits obligation are disclosed in Note 14.

Recognizing the Deferred Tax Assets. The carrying amount of deferred tax assets at each reporting date is reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The Group did not recognize deferred tax assets amounting to \$3.70 million and \$5.58 million as at December 31, 2021 and 2020, respectively, since the Group's management believes that there may be no sufficient future taxable income against which the benefits of these deferred tax assets can be utilized.

The information on deferred tax assets is disclosed in Note 24.

Evaluating the Provisions and Contingencies. The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting period, net of any estimated amount that may be reimbursed to the Group. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

Provisions recognized are disclosed in Note 18. Pursuant to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, certain information expected to seriously prejudice the position of an entity, subject of the provision need not be disclosed.

Contingent liabilities are only disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

4. Disposal of Subsidiaries and Derecognition of Goodwill

In November 2021, the Parent Company disposed its interest in Akaroa to a third party for a total consideration of NZD 7.50 million (\$5.06 million), inclusive of payments for dividends and other related costs. The disposal of Akaroa resulted in a gain on sale of \$389,437 (see Note 19).

In October 2019, the Parent Company disposed of Spence to a third party for a total consideration of \$10.72 million resulting in a loss of \$2.42 million (see Note 19).

Also, as a result of these disposals, the Group derecognized goodwill of \$2.05 million in 2021 relating to Akaroa and \$7.45 million in 2019 relating to Spence.

The carrying amounts of the assets and liabilities of Akaroa and Spence as at November 30, 2021 and October 31, 2019, respectively, were excluded in the consolidated financial statements. Details of the assets and liabilities that were deconsolidated are as follows:

	Akaroa	Spence
Total assets	\$8,713,610	\$6,669,328
Total liabilities	(7,387,342)	(1,473,627)
Net assets disposed	\$1,326,268	\$5,195,701

The revenue and net income of Akaroa included in the consolidated statements of comprehensive income amounted to \$7.89 million and \$1.15 million, respectively, for the period ended November 30, 2021, revenue and net income of \$6.58 million and \$165,004, respectively, in 2020, and revenue and net loss of \$8.02 million and \$285,826, respectively, in 2019.

The revenue and net income of Spence included in the consolidated statements of comprehensive income amounted to \$14.55 million and \$60,683, respectively, for the period ended October 31, 2019.

5. Cash

This account consists of cash on hand and in banks.

Cash in banks earn interest at the prevailing bank deposit rates.

Interest income from cash in banks amounted to \$4,003, \$950 and \$75,099 in 2021, 2020 and 2019, respectively (see Note 19).

6. Trade and Other Receivables

This account consists of:

	Note	2021	2020
Trade receivable from:			
Third parties		\$4,262,092	\$5,149,544
Related parties	13	234,185	234,185
Receivable from PFNZ		1,063,665	1,063,665
Claims receivables		960,732	960,732
Advances to officers and employees		10,533	2,711
Others		761,530	1,118,367
		7,292,737	8,529,204
Allowance for impairment losses		(2,884,517)	(3,085,358)
		\$4,408,220	\$5,443,846

Trade receivables are generated from the sale of inventories which are noninterest-bearing, unsecured and are generally collectible within 30 to 60 days.

Trade receivables amounting to \$1.91 million and \$1.43 million are used to secure short-term loans from local banks as at December 31, 2021 and 2020, respectively (see Note 12).

Receivables from PFNZ pertain to a restructured debt, secured by PFNZ's tangible and intellectual properties. In 2020, the Group ceased to pursue its claims against PFNZ after a careful study and advice from their legal counsel, considering certain developments and comparing the potential award as against the cost, management opted against further pursuing the case. For the Group, the significant costs and the low probability of obtaining commensurate return on the claim made would not justify the pursuit of the claim. Accordingly, the Group recognized a provision for impairment loss on trade receivables from PFNZ amounting to \$1.13 million in 2020.

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

Breakdown of allowance for impairment losses are as follows:

	2021	2020
Trade receivables	\$588,494	\$789,335
Receivable from PFNZ	1,063,665	1,063,665
Claims receivables	960,732	960,732
Other receivables	271,626	271,626
	\$2,884,517	\$3,085,358

Movements in the allowance for impairment losses are as follows:

	Note	2021	2020
Balance at beginning of year		\$3,085,358	\$2,038,252
Reversal		(210,136)	(63,629)
Provisions	18	9,295	1,110,735
Balance at end of year		\$2,884,517	\$3,085,358

7. Inventories

This account consists of:

	Note	2021	2020
At cost:			
Finished goods	17	\$2,343,741	\$2,647,572
Raw materials		1,893,611	5,057,132
Packaging supplies		186,978	261,448
		4,424,330	7,966,152
At NRV:			
Finished goods		910,951	1,038,584
Raw and packaging materials		—	54,493
		910,951	1,093,077
		\$5,335,281	\$9,059,229

The costs of inventories measured at NRV are as follows:

	Note	2021	2020
Finished goods	17	\$2,230,197	\$2,867,057
Raw and packaging materials		207,566	340,961
		\$2,437,763	\$3,208,018

Movements in the allowance for inventory write-down are as follows:

	Note	2021	2020
Balance at beginning of year		\$2,114,941	\$1,028,330
Provision	18	237,407	1,385,778
Reversal		(825,536)	(299,167)
Balance at end of year		\$1,526,812	\$2,114,941

Reversal of allowance for inventory write-down mainly pertains to inventories condemned and subsequently sold.

Inventories charged to cost of goods sold amounted to \$26.13 million, \$44.92 million and \$60.03 million in 2021, 2020 and 2019, respectively (see Note 17).

8. Other Current Assets

This account consists of:

	2021	2020
Advances to suppliers	\$1,759,779	\$962,478
Input VAT	1,073,189	977,797
Prepayments:		
Taxes	250,308	122,085
Insurance	73,977	37,946
Rent	39,060	97,879
Others	48,594	126,855
	3,244,907	2,325,040
Allowance for impairment losses	(304,968)	(91,636)
	\$2,939,939	\$2,233,404

Advances to suppliers pertain to advance payments for the purchase of raw materials.

Others pertain to payment for subscription and other fees.

Movements of allowance for impairment losses are as follows:

	Note	2021	2020
Balance at beginning of year		\$91,636	\$89,373
Provision	18	213,332	2,263
Balance at end of year		\$304,968	\$91,636

In 2021, the management has assessed that input VAT amounting to \$213,332 is impaired. In 2020, the provision for impairment loss pertains to other prepayments amounting to \$2,263 assessed to be impaired.

9. Property, Plant and Equipment

Movements in this account are as follows:

	December 31, 2021						
	Land	Building and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture, Fixtures and Equipment	Total
Cost							
Balances at beginning of year	\$8,723,817	\$4,872,611	\$9,337,158	\$506,122	\$381,678	\$62,434	\$23,883,820
Additions	—	389,984	527,641	98,739	1,669	3,208	1,021,241
Disposal/retirement	—	(7,741)	(295,385)	(110,239)	(203,990)	(25,610)	(642,965)
Effect of deconsolidation	—	(366,056)	(3,338,848)	(124,767)	(71,307)	—	(3,900,978)
Translation adjustment	100,541	—	—	—	—	—	100,541
Balances at end of year	8,824,358	4,888,798	6,230,566	369,855	108,050	40,032	20,461,659
Accumulated Depreciation and Amortization							
Balances at beginning of year	—	1,645,894	4,772,550	302,810	299,303	32,926	7,053,483
Depreciation and amortization	—	472,911	559,462	30,469	15,626	11,773	1,090,241
Disposal/retirement	—	(7,687)	(245,014)	(110,239)	(184,136)	(24,778)	(571,854)
Effect of deconsolidation	—	(32,039)	(1,667,058)	(92,737)	(45,257)	—	(1,837,091)
Balances at end of year	—	2,079,079	3,419,940	130,303	85,536	19,921	5,734,779
Allowance for Impairment Losses							
Balances at beginning and end of year	—	—	107,625	—	—	—	107,625
Carrying Amounts	\$8,824,358	\$2,809,719	\$2,703,001	\$239,552	\$22,514	\$20,111	\$14,619,255

	December 31, 2020							
	Land	Building and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture, Fixtures and Equipment	Construction- in-Progress	Total
Cost								
Balances at beginning of year	\$8,410,153	\$2,849,262	\$9,652,088	\$389,068	\$367,740	\$181,442	\$1,889,542	\$23,739,295
Additions	—	38,555	1,145,272	40,703	14,131	26,365	233,433	1,498,459
Disposal/retirement	—	(140)	(1,878,953)	—	(208)	—	—	(1,879,301)
Reclassification	—	1,598,501	273,050	—	—	—	(1,871,551)	—
Translation adjustment	313,664	386,433	145,701	76,351	15	(145,373)	(251,424)	525,367
Balances at end of year	8,723,817	4,872,611	9,337,158	506,122	381,678	62,434	—	23,883,820
Accumulated Depreciation and Amortization								
Balances at beginning of year	—	1,381,742	5,199,084	277,519	239,516	87,695	—	7,185,556
Depreciation and amortization	—	236,199	787,297	24,732	37,801	4,735	—	1,090,764
Disposals/retirement	—	(6)	(40,586)	—	(99)	—	—	(40,691)
Translation adjustment	—	27,959	(1,173,245)	559	22,085	(59,504)	—	(1,182,146)
Balances at end of year	—	1,645,894	4,772,550	302,810	299,303	32,926	—	7,053,483
Allowance for Impairment Losses								
Balances at beginning of year	—	—	273,399	—	5,133	—	—	278,532
Disposals/retirement	—	—	(165,774)	—	(5,133)	—	—	(170,907)
Balances at end of year	—	—	107,625	—	—	—	—	107,625
Carrying Amounts	\$8,723,817	\$3,226,717	\$4,456,983	\$203,312	\$82,375	\$29,508	\$—	\$16,722,712

The Group's transportation equipment with net carrying value of \$1,630 and \$8,163 are used as collateral to secure a chattel mortgage as at December 31, 2021 and 2020, respectively (see Note 12).

The depreciation and amortization charged to operations are as follows:

	Note	2021	2020	2019
Property, plant and equipment		\$1,090,241	\$1,090,764	\$1,020,521
ROU assets	22	217,859	233,880	133,393
Other intangible assets	10	4,474	4,594	4,669
		\$1,312,574	\$1,329,238	\$1,158,583
Charged to:				
Cost of goods sold	17	\$1,109,988	\$1,021,465	\$817,814
Selling and administrative expenses	18	202,586	307,773	340,769
		\$1,312,574	\$1,329,238	\$1,158,583

The Group recognized a loss on retirement of property, plant and equipment amounting to \$71,111 in 2021 and gain on disposal/retirement of property, plant and equipment amounting to \$234,664 and \$1.07 million in 2020 and 2019, respectively (see Note 19).

The cost of fully depreciated property, plant and equipment still used in Group's operations amounted to \$1.10 million and \$1.64 million as at December 31, 2021 and 2020, respectively.

10. Other Noncurrent Assets

This account consists of:

	Note	2021	2020
Receivable from Wild Catch Fisheries, Inc. (WCFI)	13	\$2,183,281	\$2,183,281
Investments in joint ventures		553,480	553,480
Idle assets		314,320	314,320
Investment in an associate		—	202,885
Biological assets		—	575,202
Other intangible assets		—	156,671
Others		—	35,083
		3,051,081	4,020,922
Allowance for impairment losses		(3,051,081)	(3,164,942)
		\$—	\$855,980

Receivable from WCFI

Receivable from WCFI includes the receivable from the sale of a fishing vessel and advances for fish deposit. WCFI ceased operations since 2014. These were fully provided with allowance for impairment losses.

Investments in Joint Ventures

Details of investments in joint ventures as at December 31, 2021 and 2020 are as follows:

	Amount
At cost:	
FDCP	\$240,964
WCFI	39,279
Accumulated equity in net earnings	360,189
Share in other comprehensive income	(86,952)
	553,480
Allowance for impairment losses	(553,480)
	\$-

FDCP. FDCP is engaged in manufacturing and wholesale of tin cans. FDCP ceased manufacturing operations in September 2015. The Group has 39% ownership interest in FDCP.

WCFI. WCFI is an entity primarily engaged in commercial fishing within and outside Philippine waters and in the high seas. The Group has 40% ownership interest in WCFI.

Idle Assets

Idle assets pertain to fishing vessels that are no longer used in the Company's operations.

As at December 31, 2021 and 2020, idle assets were fully provided with an allowance. Total allowance for impairment losses for fishing vessels, including allowance for impairment losses previously recognized before reclassification to idle assets, amounted to \$13.91 million.

Investment in an Associate

The Group has an effective 20% ownership interest in SSNZ. SSNZ is engaged in the farming of salmon in South Island of New Zealand and was incorporated in 2008.

AKAROA, through which the Group has indirect ownership in SSNZ, was disposed of in 2021.

Details of the investment are as follows:

	Note	2021	2020
Acquisition cost		\$27,319	\$27,319
Accumulated equity in profits:			
Balance at beginning of year		175,566	89,622
Equity in net income (loss)	19	(3,934)	85,944
Balance at end of year		171,632	175,566
		198,951	202,885
Effect of deconsolidation		(198,951)	-
		\$-	\$202,885

The results of operations of SSNZ amounted to a net loss of \$19,670 in 2021 and net income of \$429,721 in 2020.

Other Intangible Assets

Other intangible assets pertain to macrocystic and salmon farming consents in New Zealand and a fishing license. Movements in this account are as follows:

	Note	2021	2020
Cost		\$269,066	\$269,066
Accumulated Amortization			
Balance at beginning of year		112,395	110,310
Amortization	9	4,474	4,594
Translation adjustment		735	(2,509)
Balance at end of year		117,604	112,395
		151,462	156,671
Allowance for impairment losses		(114,279)	(114,279)
		37,183	42,392
Effect of deconsolidation		(37,183)	–
		\$–	\$42,392

The carrying amount of intangible asset with indefinite useful life, which pertains to macrocystic consent, amounted to \$21,582 at December 31, 2020.

The total carrying amount of intangible assets with definite useful lives, which pertain to salmon farming consent and fishing license, amounted to \$20,810 as at December 31, 2020.

As discussed in Note 4, the disposal of Akaroa resulted in the deconsolidation of Akaroa's assets and liabilities in the 2021 consolidated financial statements.

11. Trade and Other Payables

This account consists of:

	Note	2021	2020
Trade payables:			
Third parties		\$1,997,656	\$4,593,403
Related parties	13	260,957	260,957
Accrued expenses:			
Professional fees		336,389	699,745
Salaries, wages and other benefits		46,499	103,338
Interest		44,662	28,860
Customs, brokerage and demurrage		–	352,287
Warehousing		–	233,074
Others		412,701	799,316
Statutory payable		170,247	108,844
Customers' deposits		143,003	42,997
Others		21,544	418
		\$3,433,658	\$7,223,239

Trade payables are noninterest-bearing and are generally settled within 30 days.

Accrued expenses are noninterest-bearing and are generally settled in the following month.

Other accrued expenses include accruals for business development expenses, security services, commission, and customers' claims.

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

Customers' deposits pertain to advances from customers for the purchase of goods. These are recognized as revenue upon delivery of goods to customers.

12. Loans Payable

Details of the Group's loans payable are as follows:

Short-term Loans

	Nominal interest rate	2021	2020
Local banks	2.25% to 9.59%	\$10,795,942	\$11,985,420
Add current portion of long-term loans		501,098	133,780
		\$11,297,040	\$12,119,200

Loans from local banks represent availments of revolving facilities, export packing credit, export bills purchase, import letters of credit and trust receipts, with terms ranging from three to six months.

Loan Security. Short-term loans from local banks are secured by the Group's trade receivables and transportation equipment as follows:

	Note	2021	2020
Trade receivables	6	\$1,914,829	\$1,431,864
Transportation equipment	9	–	1,642
		\$1,914,829	\$1,433,506

Loans from investment banks are unsecured promissory notes used to finance the Group's working capital requirements, with a renewable 90-day term.

Long-term Loans

	2021	2020
Local banks	\$1,417,765	\$1,507,701
Foreign financing institution	–	635,960
	1,417,765	2,143,661
Less current portion	501,098	133,780
Noncurrent portion	\$916,667	\$2,009,881

Loans from local banks, which are denominated in Peso, bear annual interest rates ranging from 3.83% to 9.25%. As at December 31, 2020, loans from foreign financing institution, which are denominated in New Zealand Dollars, bear an annual interest of 6.95%.

Loan Security. The long-term loans are secured by transportation equipment with carrying amount of \$1,630 and \$6,521 as at December 31, 2021 and 2020, respectively (see Note 9).

Schedule of Principal Payments. Principal payments to be paid within the next financial year and within two to five years amounted to \$501,098 and \$916,667, respectively.

Interest Expense

Interest expense on loans payable amounted to \$489,890, \$885,477 and \$1.90 million in 2021, 2020 and 2019, respectively.

13. Related Party Transactions

The Group, in the normal course of business, has regular transactions with its related parties as summarized below:

Related Party	Note	Amount of Transactions		Outstanding Balance	
		2021	2020	2021	2020
Trade and other receivables	6				
Joint Venture		\$—	\$—	\$234,185	\$234,185
Other noncurrent assets	10				
Joint Venture		\$—	\$—	\$2,183,281	\$2,183,281
Allowance for impairment		—	—	(2,183,281)	(2,182,863)
				\$—	\$418
Trade and other payables	11				
Payable to a Joint Venture		\$—	(\$172,898)	\$260,957	\$260,957
Immediate Parent		—	(169,800)	—	—
				\$260,957	\$260,957
Due to a related party					
Immediate Parent		(\$108,916)	\$178,748	\$2,069,832	\$2,178,748

Nature and Terms of Payment

Trade and Other Receivables. Receivable from joint venture pertains to working capital advances that are due on demand. These are settled in cash.

Trade and Other Payables. Payable to Joint Venture (FDCP) pertains to unpaid tin can requirements. Payable to Immediate Parent pertains to various operating expenses. The outstanding balances are unsecured, noninterest-bearing and have no repayment terms. These are settled in cash.

Due to a Related Party. Payable to Immediate Parent pertains to borrowed funds amounting to \$2.0 million, which bears 6.31% annual interest and payable on a lump sum basis in cash in 2022. Effective November 2020, the interest rate was reduced to 4.57%. Movement in 2021 and 2020 pertains to the foreign currency adjustment.

The ultimate parent company is Seawood Resources, Inc., a domestic company engaged in investment activities.

Intercompany transactions eliminated in the consolidation pertain to due to/from related parties and rental. Total due to/from related parties eliminated as at December 31, 2021 and 2020 amounted to \$5.78 million and \$15.07 million, respectively. Total rental receivable and payable eliminated as at December 31, 2021 and 2020 amounted to \$108,626.

Related interest expense aggregated \$96,117, \$88,294 and \$39,092 in 2021, 2020 and 2019, respectively.

The remuneration of the key management personnel of the Group is composed of short-term and retirement benefits. Short-term employee benefits amounted to \$486,863, \$477,162 and \$496,178 in 2021, 2020 and 2019, respectively. Retirement benefits amounted to \$277,790, \$33,446 and \$36,744 in 2021, 2020 and 2019, respectively.

14. Retirement Benefits Obligation

The Group values its defined benefit obligation using the projected unit credit method. The benefit shall be payable to retirees who are at least 60 years old and with at least five years of credited service to the Group.

The Group has executed a Trust Agreement with a reputable local bank to establish the Group's retirement plan. The Group did not obtain an updated actuarial valuation in 2021 because management has assessed that the effect on the consolidated financial statements of the difference between the retirement benefits cost recognized by the Group and that resulting from an updated actuarial valuation is not significant. The latest actuarial valuation was as at December 31, 2020.

Retirement benefits costs are as follows (see Note 20):

	2021	2020	2019
Current service cost	\$73,295	\$44,389	\$82,822
Net interest expense	11,970	22,093	10,179
	\$85,265	\$66,482	\$93,001

The amounts included in the consolidated statements of financial position arising from the Group's obligations in respect of its retirement benefits obligation are as follows:

	2021	2020
Present value of defined benefit obligation	\$453,958	\$394,900
Fair value of plan assets	(36,696)	(43,612)
	\$417,262	\$351,288

Movements in the present value of defined benefit obligation are as follows:

	2021	2020
Balance at beginning of year	\$394,900	\$327,657
Current service cost	73,295	44,389
Unrealized foreign exchange loss (gain) - translation adjustment	(21,893)	16,103
Interest cost	11,970	25,242
Retirement benefits paid	(4,314)	—
Remeasurement gains:		
Changes in financial assumptions	—	104,535
Experience adjustments	—	(123,026)
	\$453,958	\$394,900

Movements in the fair value of plan assets are as follows:

	2021	2020
Balance at beginning of year	\$43,612	\$40,182
Retirement benefits paid	(4,314)	–
Translation adjustment	(2,468)	2,185
Remeasurement loss	(1,522)	(1,903)
Interest income	1,388	3,148
	\$36,696	\$43,612

The analysis of the fair value of plan assets at the reporting dates is as follows:

	2021	2020
Cash	\$3,128	\$165
Debt instruments	33,674	43,447
Other assets	5	62
Fees payables	(76)	(4)
Withholding taxes payable	(35)	(58)
	\$36,696	\$43,612

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2021	2020	2019
Discount rate	3.82%	3.82%	5.05%
Expected rate of salary increases	5.00%	5.00%	6.00%

The sensitivity analyses on the retirement benefits obligation (RBO) as at December 31, 2021 and 2020 below have been determined based on possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Basis Points	2021	2020
Discount rate	+1.00%	(\$53,921)	(\$46,159)
	-1.00%	65,570	56,131
Salary increase rate	+1.00%	63,653	54,490
	-1.00%	(53,800)	(46,055)
Employee turnover	+1.00%	8,513	7,288
	-1.00%	(8,513)	(7,288)

The cumulative remeasurement gains on retirement benefits obligation recognized in equity as at December 31 follows:

	2021	2020	2019
Balance at beginning of year	\$98,887	\$87,276	\$87,276
Effect of change in tax rate	8,237	–	–
Remeasurement gain	–	11,611	–
Balance at end of year	\$107,124	\$98,887	\$87,276

The cumulative remeasurement gains on retirement benefit obligation recognized in other comprehensive income follow:

	Accumulated Remeasurement Gain	Deferred Tax	Net
Balance as at January 1, 2021	\$164,740	(\$49,422)	\$115,318
Effect of change in tax rate	–	8,237	8,237
Balance as at December 31, 2021	\$164,740	(\$41,185)	\$123,555
Balance as at January 1, 2020	\$148,153	(\$44,446)	\$103,707
Remeasurement gain	16,587	(4,976)	11,611
Balance as at December 31, 2020	\$164,740	(\$49,422)	\$115,318
Balance as at January 1 and December 31, 2019	\$148,153	(\$44,446)	\$103,707

The Group does not have expected contributions to the plan for the next annual reporting period.

The table below shows the maturity profile of the undiscounted benefit payments as at December 31, 2021:

	Amount
Less than one year	\$6,591
One year to less than five years	78,340
Five years to less than ten years	217,780
Ten years to less than fifteen years	215,101
Fifteen years to less than twenty years	846,574
Twenty years and above	1,901,576

The average duration of the benefit obligation is 19 years as at December 31, 2021 and 2020.

15. Equity

Capital Stock

Details of the Parent Company's capital stock as at December 31, 2021, 2020 and 2019 are as follows:

	Shares	Amount
Authorized		
Ordinary shares at ₱0.50 par value a share	3,000,000,000	₱1,500,000,000
Issued and Outstanding		
Balance at beginning and end of year	2,500,000,000	\$26,823,389
Treasury shares at cost	(287,537)	(5,774)
	2,499,712,463	\$26,817,615
Issued and Outstanding		
Balance at beginning and end of year	2,500,000,000	₱1,385,698,647
Treasury shares at cost	(287,537)	(143,769)
	2,499,712,463	₱1,385,554,878

The Parent Company's track record of registration of securities is as follows:

	Issue/Offer Price	Registration/Issue Date	Number of Shares Issued
Initial public offering	₱1.35	November 8, 2006	535,099,610
Stock dividends	—	December 17, 2007	64,177,449
Stock rights offer (SRO)	1.00	July 25, 2011	272,267,965
Stock dividends	—	January 25, 2012	137,500,000
Private placement	1.60	December 14, 2012	60,668,750
Private placement	1.31	May 5, 2014	430,286,226
SRO	1.00	October 28, 2015	1,000,000,000
			2,500,000,000

As at December 31, 2021 and 2020, APIC amounted to \$1.49 million.

The total number of shareholders of the Parent Company as at December 31, 2021 and 2020 is 237 and 240, respectively.

The Group's non-controlling interests represent ownership of the minority shareholders in the following entities as at December 31, 2021, 2020 and 2019:

	2021	2020	2019
AMHI	1.11%	1.11%	1.11%
PT IAFI & PT VDZ	0.02%	0.02%	0.02%
AKAROA	—	20%	20%

Non-controlling interests amounted to \$2.39 million and \$2.08 million as at December 31, 2021 and 2020, respectively.

The summarized financial information of subsidiary with significant non-controlling interest as at and for the years ended December 31, 2020 and 2019 follows:

	2020	2019
Total assets	\$10,227,696	\$7,266,881
Total liabilities	17,859,992	5,589,477
Equity (capital deficiency)	(7,632,296)	1,677,404
Net income (loss)	445,336	(218,546)

As at December 31, 2021, there was no subsidiary with significant non-controlling interest.

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 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 December 31, 2021 and 2020 follows:

	2021	2020
Debt	\$18,243,936	\$27,829,783
Equity	19,835,703	21,355,454
Debt-to-Equity Ratio	\$0.92:1	\$1.30:1

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. The public ownership is about 32% as at December 31, 2021 and 2020.

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.

16. Net Sales

Net sales are disaggregated to the following major product lines:

	2021	2020	2019
Canned tuna	\$29,201,148	\$49,713,813	\$59,902,745
Salmon	8,451,595	8,676,394	22,637,987
Fishmeal	2,254,147	2,042,190	–
Others	871,486	2,273,734	2,342,071
	\$40,778,376	\$62,706,131	\$84,882,803

Others pertain mainly to sale of whole fish and by-products.

Net sales generated by the foreign subsidiaries comprise 19%, 10% and 24% of the total revenue of the Group in 2021, 2020 and 2019, respectively.

Sales of goods are recognized as revenue at the point of delivery.

17. Cost of Goods Sold

This account consists of:

	Note	2021	2020	2019
Raw materials used		\$25,191,370	\$40,739,002	\$62,679,025
Direct labor	20	4,019,662	6,176,152	8,717,521
Manufacturing overhead:				
Warehousing		1,538,469	2,029,501	1,928,449
Depreciation and amortization	9	1,109,988	1,021,465	817,814
Fuel, light and water		840,699	1,518,523	1,416,267
Labor	20	743,413	1,077,822	920,427
Rent	22	9,930	80,721	334,613
Others		1,469,137	2,953,152	2,537,795

(Forward)

	Note	2021	2020	2019
Total manufacturing costs		₱34,922,668	₱55,596,338	₱79,351,911
Finished goods, beginning		5,514,629	9,696,307	7,049,815
Total cost of goods manufactured		40,437,297	65,292,645	86,401,726
Finished goods, ending	6	(4,573,938)	(5,514,629)	(9,696,307)
		\$35,863,359	\$59,778,016	\$76,705,419

Other manufacturing overhead consists of repairs and maintenance, outside services and insurance, among others.

18. Selling and Administrative Expenses

This account consists of:

	Note	2021	2020	2019
Salaries, wages and other benefits	20	\$1,612,485	\$1,686,419	\$2,598,831
Outside services		1,207,405	1,412,765	936,660
Rent and utilities		437,415	262,673	350,196
Taxes and licenses		274,685	436,188	559,981
Loss on inventory write-down	7	237,407	1,385,778	921,936
Provisions for impairment losses		222,627	1,112,998	27,142
Insurance		212,336	180,512	254,708
Depreciation and amortization	9	202,586	307,773	340,769
Advertising, marketing and commissions		120,006	566,299	766,931
Customs, brokerage and demurrage		83,237	1,201,786	347,717
Freight and transportation		60,274	784,645	927,000
Materials and supplies		36,894	43,318	89,814
Others		839,805	741,581	442,258
		\$5,547,162	\$10,122,735	\$8,563,943

Provisions for impairment losses pertains to trade and other receivables and other current assets (see Notes 6 and 8).

19. Other Income (Charges)

This account consists of:

	Note	2021	2020	2019
Gain (loss) on disposal of a subsidiary	4	\$389,437	\$—	(\$2,422,707)
Bank charges		(111,462)	(190,516)	(304,925)
Foreign exchange gain (loss)		110,700	(172,555)	323,919
Gain (loss) on disposal/retirement of property, plant and equipment	9	(71,111)	234,664	1,072,550
Interest income	5	4,003	950	75,099
Equity in net income (loss) of an associate	10	(3,934)	85,944	(4,853)
Others - net		569,500	(169,311)	128,702
		\$887,133	(\$210,824)	(\$1,132,215)

Others pertain to shutdown costs, sale of scrap materials and duty rebates.

20. Salaries, Wages and Other Benefits

This account consists of:

	Note	2021	2020	2019
Short-term employee benefits		\$6,290,295	\$8,873,911	\$12,143,778
Retirement benefits	14	85,265	66,482	93,001
		\$6,375,560	\$8,940,393	\$12,236,779
Charged to:				
Cost of goods sold	17	\$4,763,075	\$7,253,974	\$9,637,948
Selling and administrative expenses	18	1,612,485	1,686,419	2,598,831
		\$6,375,560	\$8,940,393	\$12,236,779

21. Loss Per Share

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

	2021	2020	2019
Net loss attributable to Parent Company	(\$1,271,377)	(\$10,235,521)	(\$5,084,520)
Weighted average number of ordinary shares outstanding	2,499,712,463	2,499,712,463	2,499,712,463
	(\$0.0005)	(\$0.0041)	(\$0.0020)

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

As at December 31, 2021, 2020 and 2019, the Parent Company has no dilutive potential share.

22. Significant Agreements

Short-term Leases

The Group entered into operating leases with third parties for its forklifts, container van, warehouse and vehicles. 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.

Rent expense is distributed as follows:

	Note	2021	2020	2019
Cost of goods sold	17	\$9,930	\$80,721	\$334,613
Selling and administrative expenses		115,124	209,168	129,689
		\$125,054	\$289,889	\$464,302

Long-term Leases

ASFII entered into a lease agreement for its head office space with a new third party lessor on July 16, 2018, effective until July 15, 2023 and renewable upon mutual agreement of the parties. The monthly rental for the first two (2) years of \$4,171 is subject to an annual escalation of 5%.

On October 14, 2019, Akaroa entered into a lease agreement with a third party for certain premises located at 69 Treffers Road, Wigram, Christchurch, New Zealand with an annual rental of \$301,500 for 20 years with the rights of renewal for two of four years each. As a result of the disposal of the Group's investment in AKAROA, previously recognized ROU assets and lease liabilities were deconsolidated.

Movements in ROU assets follow:

	Note	2021	2020
Cost			
Balance at beginning of year		\$4,157,391	\$4,157,391
Effect of deconsolidation		(3,970,032)	–
Balance at end of year		187,359	4,157,391
Accumulated amortization			
Balance at beginning of year		367,273	133,393
Amortization	9	217,859	233,880
Effect of deconsolidation		(460,226)	–
Balance at end of year		124,906	367,273
Carrying Amount		\$62,453	\$3,790,118

The balance of and movements in lease liabilities follow:

	2021	2020
Balance at beginning of year	\$3,926,517	\$4,059,680
Effect of deconsolidation	(3,782,707)	–
Rental payments	(333,448)	(419,731)
Interest	254,861	279,410
Effect of foreign exchange loss	1,505	7,158
Balance at end of year	66,728	3,926,517
Less current portion	52,460	155,545
Noncurrent portion	\$14,268	\$3,770,972

The incremental borrowing rate applied to the lease liabilities ranges from 3.00% to 9.54%. ROU assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments. The difference between the lease liabilities and ROU assets at initial recognition was adjusted to the opening retained earnings.

The amounts recognized in profit or loss are as follows:

	Note	2021	2020
Interest		\$254,861	\$279,410
Amortization	9	217,859	233,880
Rental		125,054	289,889
		\$597,774	\$803,179

The future minimum lease payments and present value as at December 31, 2021 are as follows:

	Minimum Lease Payments	Present Value
Not later than one year	\$56,157	\$52,460
Later than one year but not more than five years	14,382	14,268
	\$70,539	\$66,728

23. Corporate Social Responsibility

The Parent Company has implemented a corporate social responsibility program to focus on the local workers' community welfare, as well as to promote a clean and healthy environment together with energy conservation. The Parent Company started a partnering arrangement with the Mindanao State University (General Santos City campus) for a Bay of Gold scholarship, which aims to provide financial assistance to Marine Biology students of this campus.

In 2020, the Parent Company provided relief to the pupils and families in Changco Elementary School, General Santos City and donated tuna products to local government units in Region XII in the light of the pandemic. In 2021, the Parent Company continued its support to the school by donating materials for their water connection system.

24. Income Taxes

Components of income tax expense charged to profit or loss are as follows:

	2021	2020	2019
Current	\$242,616	\$34,387	\$156,085
Deferred	229,046	1,407,108	1,421,717
	\$471,662	\$1,441,495	\$1,577,802

Deferred Tax

The components of the Group's deferred tax assets and deferred tax liabilities are as follows:

	2021	2020
Deferred tax assets:		
Allowance for impairment losses on:		
Trade and other receivables and other noncurrent assets	\$5,787,546	\$5,688,307
Property, plant and equipment	25,352	30,422
Allowance for inventory write-down	359,803	613,295
Retirement benefits obligation	99,691	99,837
Excess of depreciation and interest over rental payments	–	12,866
Unrealized foreign exchange loss	–	34,721
	\$6,272,392	\$6,479,448

	2021	2020
Deferred tax liabilities:		
Unrealized foreign exchange gain	\$24,351	\$–
Cumulative remeasurement gain on retirement benefits obligation	14,918	17,895
Accrued rent	3,480	3,015
	\$42,749	\$20,910

Details of other deductible temporary differences for which no deferred tax assets were recognized are as follows:

	2021	2020
NOLCO	\$2,009,171	\$2,086,630
Allowance on impairment on trade and other receivables and other noncurrent assets	1,460,547	3,126,050
Excess MCIT over RCIT	206,893	345,863
Allowance for inventory write-down	17,520	21,188
Retirement benefits obligation	3,700	5,550
Unrealized foreign exchange gain	77	(2,947)
Excess of depreciation and interest over rental payments	42	84
	\$3,697,950	\$5,582,418

The management has assessed that there will be no sufficient future taxable income against which the benefits of the above deferred tax assets can be utilized.

The details of the Group's NOLCO, which can be claimed as deduction from taxable income, are as follows:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2021	\$1,729,397	\$–	\$–	\$1,729,397	2026
2020	6,166,022	–	–	6,166,022	2025
2019	304,015	–	–	304,015	2022
2018	485,396	–	(485,396)	–	2021
	\$8,684,830	\$–	(\$485,396)	\$8,199,434	

The details of the Group's MCIT, which can be claimed as deduction from income tax payable are as follows:

Inception Year	Amount	Expired	Change in tax rate	Balance	Expiry Year
2021	\$34,297	\$–	\$–	\$34,297	2024
2020	34,385	–	(7,157)	27,228	2023
2019	145,368	–	–	145,368	2022
2018	166,110	(166,110)	–	–	2021
	\$380,160	(\$166,110)	(\$7,157)	\$206,893	

On March 26, 2021, RA No. 11534 or the "Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act" (the "Act") was signed into law by the President of the Philippines. Under the Act, domestic corporations will be subject to 25% or 20% RCIT depending on the amount of total assets and total amount of taxable income. In addition, MCIT shall be computed at 1% of gross income for

a period of three years. The changes in the income tax rates retrospectively became effective beginning July 1, 2020.

For financial reporting purposes, the changes in income tax rates were not used in preparing the financial statements as at and for the year ended December 31, 2020.

The effects of the reduction in tax rates in 2020 were applied in the 2021 tax expense, as required by PAS 12, *Income Taxes*. Details of adjustments are as follows:

	Current	Deferred	Total
Income tax expense	\$251,196	(\$1,610,763)	(\$1,359,567)
Effect of change in tax rates	(8,580)	1,839,809	1,831,229
Adjusted income tax expense	\$242,616	\$229,046	\$471,662

The reconciliation of income tax expense (benefit) computed at the statutory income tax rate and at effective income tax rates follows:

	2021	2020	2019
Benefit from income tax computed at statutory tax rate	(\$146,470)	(\$2,597,588)	(\$1,066,221)
Changes in unrecognized deferred tax assets	(1,884,468)	3,594,605	829,971
Effect of change in tax rates	1,831,229	—	—
Effect of consolidation	327,239	78,178	278,294
Tax effects of:			
Expired NOLCO	121,349	91,014	1,527,639
Expenses exempt from taxation	57,437	174,900	4,080
Income exempt from taxation	(1,001)	(494)	(1,794)
Interest expense	237	193	681
Expired MCIT	166,110	100,687	5,152
	\$471,662	\$1,441,495	\$1,577,802

The Parent Company, BGB and AMHI were subjected to MCIT aggregating \$34,297, \$34,385 and \$144,109 in 2021, 2020 and 2019, respectively.

25. Fair Value of Financial Assets and Liabilities

The table below presents the carrying amounts and fair value of the Group's financial assets and financial liabilities as at December 31, 2021 and 2020.

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash	\$4,442,099	\$4,442,099	\$2,549,861	\$2,549,861
Trade and other receivables	4,408,220	4,408,220	5,443,846	5,443,846
	\$8,850,319	\$8,850,319	\$7,993,707	\$7,993,707

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
At amortized cost:				
Trade and other payables*	\$3,120,408	\$3,120,408	\$7,071,398	\$7,071,398
Loans payable	12,213,707	12,213,707	14,129,081	14,129,081
Lease liabilities	66,728	66,728	3,926,517	3,926,517
Due to a related party	2,069,832	2,069,832	2,178,748	2,178,748
	\$17,470,675	\$17,470,675	\$27,305,744	\$27,305,744

*Excluding customers' deposits and statutory payable

The following methods and assumptions are used to estimate the fair value of the Group's financial assets and liabilities:

Cash, Trade and Other Receivables (excluding Receivable from PFNZ), Trade and Other Payables (excluding Statutory Payable and Customers' Deposits) and Due to a Related Party. The carrying amounts of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments. These financial assets and liabilities are classified under Level 3 of the fair value hierarchy groups of the consolidated financial statements.

Receivable from PFNZ, Lease Liabilities and Loans Payable. The fair values of these financial instruments are determined based on the discounted cash flow analysis using effective interest rates for similar types of instruments. The fair values of these financial instruments are estimated using significant and unobservable inputs (Level 3 hierarchy).

Generally, an increase or decrease in the incremental after-tax cash flows will result in an increase or decrease in the fair value of these financial asset and liabilities. An increase or decrease in discount rate will result in a decrease or increase in the fair value of these financial asset and liabilities.

The fair value hierarchy groups the financial instruments into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers to other levels in 2021 and 2020.

26. Financial Risk Management Objectives and Policies

The Group's financial instruments consist of cash, trade and other receivables, receivable from WCFI, trade and other payables (excluding statutory payable and customers' deposit), loans payable, lease liabilities and due to a related party. The main purpose of these financial instruments is to finance the Group's operations.

The Group is exposed to credit risk, market risk and liquidity risk. 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 table below shows the gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements:

	2021	2020
Cash in bank	\$4,431,078	\$2,536,956
Trade and other receivables	7,292,737	8,529,204
Receivable from WCFI	2,183,281	2,183,281
	\$13,907,096	\$13,249,441

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 December 31, 2021 and 2020, the amount of cash in bank 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.

Impairment. For trade and other receivables (excluding receivable from PFNZ), an impairment analysis is performed at each reporting date using a lifetime expected loss allowance to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

For other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

As at December 31, 2021 and 2020, the aging analysis of the Group's financial assets is as follows:

2021						
	Neither Past Due nor Impaired	Past Due Accounts but not Impaired			Impaired Financial Assets	Total
		1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days		
Cash in banks	\$4,431,078	\$—	\$—	\$—	\$—	\$4,431,078
Trade and other receivables	3,686,409	200,129	51,147	470,535	2,884,517	7,292,737
Receivable from WCFI	—	—	—	—	2,183,281	2,183,281
	\$8,117,487	\$200,129	\$51,147	\$470,535	\$5,067,798	\$13,907,096

2020						
	Neither Past Due nor Impaired	Past Due Accounts but not Impaired			Impaired Financial Assets	Total
		1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days		
Cash in banks	\$2,536,956	\$—	\$—	\$—	\$—	\$2,536,956
Trade and other receivables	4,444,978	100,552	222,419	675,897	3,085,358	8,529,204
Receivable from WCFI	—	—	—	—	2,183,281	2,183,281
	\$6,981,934	\$100,552	\$222,419	\$675,897	\$5,268,639	\$13,249,441

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.

The carrying amounts of the Group's Philippine Peso and New Zealand Dollar denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	2021		2020	
	Philippine Peso	U.S. Dollar Equivalent	Philippine Peso	U.S. Dollar Equivalent
Cash	₱17,345,211	\$341,616	₱40,744,730	\$848,442
Trade and other receivables	15,734,964	309,902	16,550,551	344,638
Trade and other payables	19,202,524	378,196	92,718,198	1,930,704
Lease liabilities	3,365,199	66,728	2,729,819	56,844
Loans payable	55,750	1,098	369,825	7,701

	2021		2020	
	New Zealand Dollar	U.S. Dollar Equivalent	New Zealand Dollar	U.S. Dollar Equivalent
Cash	\$33,216	\$23,303	\$28,920	\$20,750
Trade and other receivables	–	–	591,576	424,456
Trade and other payables	75,294	52,824	673,405	483,168
Loans payable	–	–	840,105	602,775
Lease liabilities	–	–	5,446,840	3,908,108
Due to a related party	–	–	318,723	228,684

Management's Assessment of the Reasonableness of Possible Change in Foreign Exchange Rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items adjusted and translated at period end for a 4% change in 2021 and 2020, in foreign currency rates.

Foreign Currency Sensitivity Analysis. The sensitivity analysis includes all of the Group's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in net profit when the U.S. Dollar strengthens against the relevant currency. For the weakening of the U.S. Dollar against the relevant currency, there would be an equal and opposite impact on the net profit and the balances on the following table would be negative.

The following table details the Group's sensitivity to a 4% change in the U.S. Dollar, with all the variables held constant, in 2021 and 2020:

	Effect on Income for the Year	
	2021	2020
Cash	\$14,597	\$34,768
Trade and other receivables	12,396	30,764
Trade and other payables	17,241	(96,555)
Loans payable	44	(24,419)
Lease liabilities	2,669	(158,598)
Due to a related party	–	(9,147)
	\$46,947	(\$223,187)

Interest Rate Risk. Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Group's interest rate risk relates to debt instruments such as bank and mortgage loans. The interest rates on these liabilities are disclosed in Note 12.

Management believes that any variation in the interest will not have a material impact on the net profit of the Group. Bank and mortgage loans amounting to \$12.21 million and \$14.13 million as at December 31, 2021 and 2020, respectively, agreed at interest rates ranging from approximately 3.25% to 5.40% for bank loans and 6.50% to 9.59% per annum for long-term loans; expose the Group to fair value interest rate risk.

The Group has no floating interest rate. The Group is not exposed to cash flow interest rate 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:

- To ensure that adequate funding is available at all times;
- To meet commitments as they arise without recurring unnecessary costs; and
- To be able to assess funding when needed at the least possible cost.

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal.

2021				
	Weighted Average Effective Interest Rate	Within One Year	More than One Year	Total
Trade and other payables*	–	\$3,120,408	\$–	\$3,120,408
Loans payable	3.00% - 9.59%	11,297,040	916,667	12,213,707
Lease liabilities	9.54%	52,460	14,268	66,728
Due to a related party	4.57% - 6.31%	2,069,832	–	2,069,832
Future interest	3.00% - 9.59%	125,289	78,034	203,323
		\$16,665,029	\$1,008,969	\$17,673,998

*Excluding statutory payable and customers' deposits

2020				
	Weighted Average Effective Interest Rate	Within One Year	More than One Year	Total
Trade and other payables*	–	\$7,071,398	\$–	\$7,071,398
Loans payable	3.00% - 9.59%	12,119,200	2,009,881	14,129,081
Lease liabilities	9.54%	155,545	3,770,972	3,926,517
Due to a related party	4.57% - 6.31%	–	2,178,748	2,178,748
Future interest	3.00% - 9.59%	556,947	4,428,091	4,985,038
		\$19,903,090	\$12,387,692	\$32,290,782

*Excluding statutory payable and customers' deposit

27. Operating Segment Information

The primary segment reporting format is presented based on the business segments in which the Group's risks and rates of return are affected predominantly by differences in the products and services provided. The Group is organized into three major operating business segments (tuna, salmon and rental) in 2021, 2020 and 2019 which is consistent with how the Group's management internally monitors and analyzes financial information.

Revenue from by-products and other products is attributable to tuna and salmon operating segments.

Financial information about reportable segments are as follows:

	December 31, 2021			
	Tuna	Salmon	Rental	Total
Segment revenue	\$32,326,781	\$8,451,595	\$140,685	\$40,919,061
Inter-segment revenue	–	–	(140,685)	(140,685)
Net revenue	\$32,326,781	\$8,451,595	\$–	\$40,778,376
Segment results				
Gain (loss) before income tax	(\$833,216)	\$419,201	(\$171,865)	(\$585,880)
Provision for income tax	251,039	221,641	(1,018)	471,662
Net loss	(\$1,084,255)	\$197,560	(\$170,847)	(\$1,057,542)
Total assets	\$28,192,247	\$1,154,124	\$8,733,268	\$38,079,639
Total liabilities	\$18,066,076	\$55,991	\$121,869	\$18,243,936
Net cash flows from:				
Operating activities	\$2,580,622	210,790	(\$323,888)	\$2,467,524
Investing activities	1,667,239	(84,414)	–	1,582,825
Financing activities	(2,361,402)	(165,578)	319,788	(2,207,192)
Other information:				
Depreciation and amortization	\$749,634	\$562,940	\$–	\$1,312,574
	December 31, 2020			
	Tuna	Salmon	Rental	Total
Segment revenue	\$54,029,737	\$8,676,394	\$140,685	\$62,846,816
Inter-segment revenue	–	–	(140,685)	(140,685)
Net revenue	\$54,029,737	\$8,676,394	\$–	\$62,706,131
Segment results				
Loss before income tax	(\$7,416,896)	(\$1,196,655)	(\$45,074)	(\$8,658,625)
Provision for income tax	1,345,478	94,705	1,312	1,441,495
Net loss	(\$8,762,374)	(\$1,291,360)	(\$46,386)	(\$10,100,120)
Total assets	\$40,009,880	\$5,970,781	\$3,204,576	\$49,185,237
Total liabilities	\$18,848,842	\$6,339,829	\$2,641,112	\$27,829,783
Net cash flows from:				
Operating activities	\$12,798,971	\$568,102	(\$180,729)	\$13,186,344
Investing activities	(1,263,795)	–	–	(1,263,795)
Financing activities	(12,192,525)	731,158	178,031	(11,283,336)
Other information:				
Depreciation and amortization	\$629,344	\$699,894	\$–	\$1,329,238

	December 31, 2019			
	Tuna	Salmon	Rental	Total
Segment revenue	\$62,240,501	\$22,733,372	\$134,791	\$85,108,664
Inter-segment revenue	—	(91,070)	(134,791)	(225,861)
Net revenue	\$62,240,501	\$22,642,302	\$—	\$84,882,803
Segment results				
Loss before income tax	(\$3,003,765)	(\$469,804)	(\$80,502)	(\$3,554,071)
Provision for income tax	1,421,243	155,424	1,135	1,577,802
Net loss	(\$4,425,008)	(\$625,228)	(\$81,637)	(\$5,131,873)
Total assets	\$52,603,463	\$12,160,789	\$3,043,760	\$67,808,012
Total liabilities	(\$22,738,855)	(\$11,294,319)	(\$2,475,078)	(\$36,508,252)
Net cash flows from:				
Operating activities	(\$6,272,095)	(\$1,060,291)	(\$162,746)	(\$7,495,132)
Investing activities	9,623,248	(25,900)	—	9,597,348
Financing activities	(8,558,629)	1,090,409	160,875	(7,307,345)
Other information:				
Depreciation and amortization	\$671,075	\$487,508	\$—	\$1,158,583
Other noncash income - net	(264,884)	(42,935)	—	(307,819)

Geographical information about reportable segments follows:

	December 31, 2021				
	Philippines	Indonesia	USA	New Zealand	Total
Segment sales	\$33,030,886	\$—	\$—	\$7,888,175	\$40,919,061
Inter-segment revenue	(140,685)	—	—	—	(140,685)
Total net sales	\$32,890,201	\$—	\$—	\$7,888,175	\$40,778,376
Segment noncurrent assets*	\$11,075,569	\$—	\$—	\$—	\$11,075,569
Inter-segment noncurrent assets	3,543,686	—	—	—	3,543,686
Total noncurrent assets	\$14,619,255	\$—	\$—	\$—	\$14,619,255

*Includes property, plant and equipment and other noncurrent assets.

	December 31, 2020				
	Philippines	Indonesia	USA	New Zealand	Total
Segment sales	\$56,262,917	\$—	\$—	\$6,583,899	\$62,846,816
Inter-segment revenue	(140,685)	—	—	—	(140,685)
Total net sales	\$56,122,232	\$—	\$—	\$6,583,899	\$62,706,131
Segment noncurrent assets*	\$10,994,194	\$—	\$—	\$2,608,994	\$13,603,188
Inter-segment noncurrent assets	3,799,938	—	—	175,566	3,975,504
Total noncurrent assets	\$14,794,132	\$—	\$—	\$2,784,560	\$17,578,692

*Includes property, plant and equipment and other noncurrent assets.

December 31, 2019					
	Philippines	Indonesia	USA	New Zealand	Total
Segment sales	\$64,970,403	\$313,364	\$14,550,192	\$5,274,705	\$85,108,664
Inter-segment revenue	(134,791)	—	—	(91,070)	(225,861)
Total net sales	\$64,835,612	\$313,364	\$14,550,192	\$5,183,635	\$84,882,803
Segment noncurrent assets*	\$10,688,751	\$—	\$273,719	\$2,481,379	\$13,443,849
Inter-segment noncurrent assets	3,613,148	—	—	—	3,613,148
Total noncurrent assets	\$14,301,899	\$—	\$273,719	\$2,481,379	\$17,056,997

*Includes property, plant and equipment and other noncurrent assets.

The Group has no revenue from transactions with a single external customer accounting for 10% or more of its revenues from external customers.

28. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including cash and noncash changes:

	Note	Financing Cash Flows						2021
		2020 deconsolidation	Effect of	Availments	Expense	Payments	Foreign exchange gain	
Loans payable	12	\$14,129,081	(\$611,835)	\$32,142,216	\$—	(\$33,445,755)	\$—	\$12,213,707
Due to a related party	13	2,178,748	—	—	—	—	(108,916)	2,069,832
Lease liabilities	22	3,926,517	(3,782,707)	—	254,861	(333,448)	1,505	66,728
Interest payable		28,860	—	—	586,007	(570,205)	—	44,662
		\$20,263,206	(\$4,394,542)	\$32,142,216	\$840,868	(\$34,349,408)	(\$107,411)	\$14,394,929

	Note	Financing Cash Flows					2020
		2019	Availments	Expense	Payments	Foreign exchange loss	
Loans payable	12	\$23,938,017	\$28,839,550	\$—	(\$38,648,486)	\$—	\$14,129,081
Due to a related party	13	2,000,000	—	—	—	178,748	2,178,748
Lease liabilities	22	4,059,680	—	279,410	(419,731)	7,158	3,926,517
Interest payable		109,758	—	973,771	(1,054,669)	—	28,860
		\$30,107,455	\$28,839,550	\$1,253,181	(\$40,122,886)	\$185,906	\$20,263,206



**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Alliance Select Foods International, Inc.
Suite 3104A, West Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Avenue, Pasig City

We have audited the accompanying consolidated financial statements of Alliance Select Foods International, Inc. (a subsidiary of Strongoak Inc.) and Subsidiaries as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, on which we have rendered our report dated April 13, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that Alliance Select Foods International, Inc. has two hundred twenty-two (222) and two hundred twenty-five (225) stockholders owning one hundred (100) or more shares each as at December 31, 2021 and 2020, respectively.

REYES TACANDONG & Co.

WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-014-2020

Valid until January 1, 2023

PTR No. 8851714

Issued January 3, 2022, Makati City

April 13, 2022
Makati City, Metro Manila

INDEPENDENT AUDITORS REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
 Alliance Select Foods International, Inc.
 Suite 3104A, West Tower
 Philippine Stock Exchange Centre
 Exchange Road, Ortigas Avenue, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alliance Select Foods International, Inc. (a subsidiary of Strongoak Inc.) and Subsidiaries (the "Group") as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, and have issued our report thereon dated April 13, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 and no material exceptions were noted.

REYES TACANDONG & Co.



WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

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PTR No. 8851714

Issued January 3, 2022, Makati City

April 13, 2022
 Makati City, Metro Manila

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

FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2021

Below is a schedule showing financial soundness indicators of the Group as at December 31, 2021, 2020 and 2019 and for the years ended December 31, 2021, 2020 and 2019.

Ratio	Formula	2021	2020	2019
Current ratio				
	Current assets	\$17,125,539	\$19,286,340	\$36,785,169
	Divide by: Current liabilities	16,852,990	19,497,984	28,709,312
	Current Ratio	1.02	0.99	1.28
Acid test ratio				
	Current assets	\$17,125,539	\$19,286,340	\$36,785,169
	Less: Inventories	5,335,281	9,059,229	12,659,074
	Other current assets	2,939,939	2,233,404	10,141,102
	Quick assets	8,850,319	7,993,707	13,984,993
	Divide by: Current liabilities	16,852,990	19,497,984	28,709,312
	Acid Test Ratio	0.53	0.41	0.49
Solvency ratio				
	Loss before tax	(\$585,880)	(\$8,658,625)	(\$3,554,071)
	Add: Depreciation and amortization	1,312,574	1,329,238	1,158,583
	Net income (loss) before depreciation and amortization	726,694	(7,329,387)	(2,395,488)
	Divide by: Total liabilities	18,243,936	27,829,783	36,508,252
	Solvency Ratio	0.04	(0.26)	(0.07)
Debt-to-equity ratio				
	Total liabilities	\$18,243,936	\$27,829,783	\$36,508,252
	Divide by: Total equity	19,835,703	21,355,454	31,299,760
	Debt-to-Equity Ratio	0.92	1.30	1.17
Asset-to-equity ratio				
	Total assets	\$38,079,639	\$49,185,237	\$67,808,012
	Divide by: Total equity	19,835,703	21,355,454	31,299,760
	Asset-to-Equity Ratio	1.92	2.30	2.17
Interest rate coverage ratio				
	Loss before tax	(\$585,880)	(\$8,658,625)	(\$3,554,071)
	Add: interest expense	840,868	1,253,181	2,035,297
	Pretax income (loss) before interest	254,988	(7,405,444)	(1,518,774)
	Divide by: Interest expense	840,868	1,253,181	2,035,297
	Interest Rate Coverage Ratio	0.30	(5.91)	(0.75)

Ratio	Formula	2021	2020	2019
Return on equity				
	Net loss attributable to equity holders of the Parent Company	(\$1,271,377)	(\$10,235,521)	(\$5,084,520)
	Equity:			
	Beginning of year	21,355,454	31,299,760	36,290,739
	End of year	19,835,703	21,355,454	31,299,760
	Divide by: Average equity	20,595,579	26,327,607	33,795,250
	Return on Equity	(0.06)	(0.39)	(0.15)
Return on assets				
	Net loss	(\$1,057,542)	(\$10,100,120)	(\$5,131,873)
	Total assets:			
	Beginning of year	49,185,237	67,808,012	77,038,652
	End of year	38,079,639	49,185,237	67,808,012
	Divide by: Average assets	43,632,438	58,496,625	72,423,332
	Return on Assets	(0.02)	(0.17)	(0.07)
Net profit margin				
	Net loss	(\$1,057,542)	(\$10,100,120)	(\$5,131,873)
	Sales	40,778,376	62,706,131	84,882,803
	Net Profit Margin	(0.03)	(0.16)	(0.06)



REPORT OF INDEPENDENT AUDITORS' ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Alliance Select Foods International, Inc.
Suite 3104A, West Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Avenue, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alliance Select Foods International, Inc. (a subsidiary of Strongoak Inc.) and Subsidiaries (the "Group") as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, and have issued our report thereon dated April 13, 2022.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration for the year ended December 31, 2021
- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code Rule 68 as at December 31, 2021
- Conglomerate Map as at December 31, 2021

These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audits of the consolidated basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & Co.

WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782; Valid until April 13, 2024

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Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-014-2020

Valid until January 1, 2023

PTR No. 8851714

Issued January 3, 2022, Makati City

April 13, 2022
Makati City, Metro Manila

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

**SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF PARENT COMPANY'S RETAINED
EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Deficit available for dividend declaration at beginning of year, as adjusted	(\$11,722,661)
Less net loss actually realized during the year:	
Net loss during the year closed to retained earnings	332,829
Movement in deferred tax assets and liabilities	242,253
Deficit available for dividend declaration at end of year	(\$12,297,743)

Reconciliation:	
Deficit at end of year	(\$6,066,947)
Net deferred tax assets at end of year	(6,230,796)
Deficit available for dividend declaration at end of year	(\$12,297,743)

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

SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II OF THE REVISED SRC RULE 68
DECEMBER 31, 2021

Table of Contents

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>1</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	<u>2</u>
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	<u>3</u>
D	Long-Term Debt	<u>4</u>
E	Indebtedness to Related Party (Long-Term Loans from Related Companies)	<u>5</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>6</u>

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

FINANCIAL ASSETS
DECEMBER 31, 2021

Description	Number of Shares or Principal Amount of bonds and notes	Amount Shown in the Statement of Financial Position	Income received and accrued
Cash in banks	—	\$4,431,078	\$4,003
Trade receivables	—	4,262,092	—
Receivable from PFNZ	—	1,063,665	—
Due from related parties	—	234,185	—
Other nontrade receivables	—	761,530	—
	—	\$10,752,550	\$4,003

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

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
DECEMBER 31, 2021

Name and Designation of Debtor	Balance at Beginnning of Year	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at End of Year
Advances to employees	\$2,711	\$7,822	\$-	\$-	\$10,533	\$-	\$10,533

SCHEDULE C

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

AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Amounts Collected	Amounts Written off	Other changes Additions (Deductions)	Current	Not Current	Balance at End of Year
Due from related parties:								
Parent	\$11,446,461	\$—	\$—	\$—	\$—	\$11,446,461	\$—	\$11,446,461
Subsidiaries	3,627,159	393,012	—	—	—	4,020,171	—	4,020,171
	\$15,073,620	\$393,012	\$—	\$—	\$—	\$15,466,632	\$—	\$15,466,632

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

LONG-TERM DEBT
DECEMBER 31, 2021

Title of Issue and Type of Obligation	Amount Shown as Current	Amount Shown as Long-Term	Total
Bank loans – secured	\$11,297,040	\$916,667	\$12,213,707

Note: The terms, interest rate, collaterals and other relevant information are shown in Note 12 of the Consolidated Financial Statements.

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

INDEBTEDNESS TO RELATED PARTY (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2021

Name of Related Party	Balance at Beginning of Year	Balance at End of Year
Parent	\$2,178,748	\$—

Note: The terms, interest rate, and other relevant information are shown in Note 13 of the Consolidated Financial Statements.

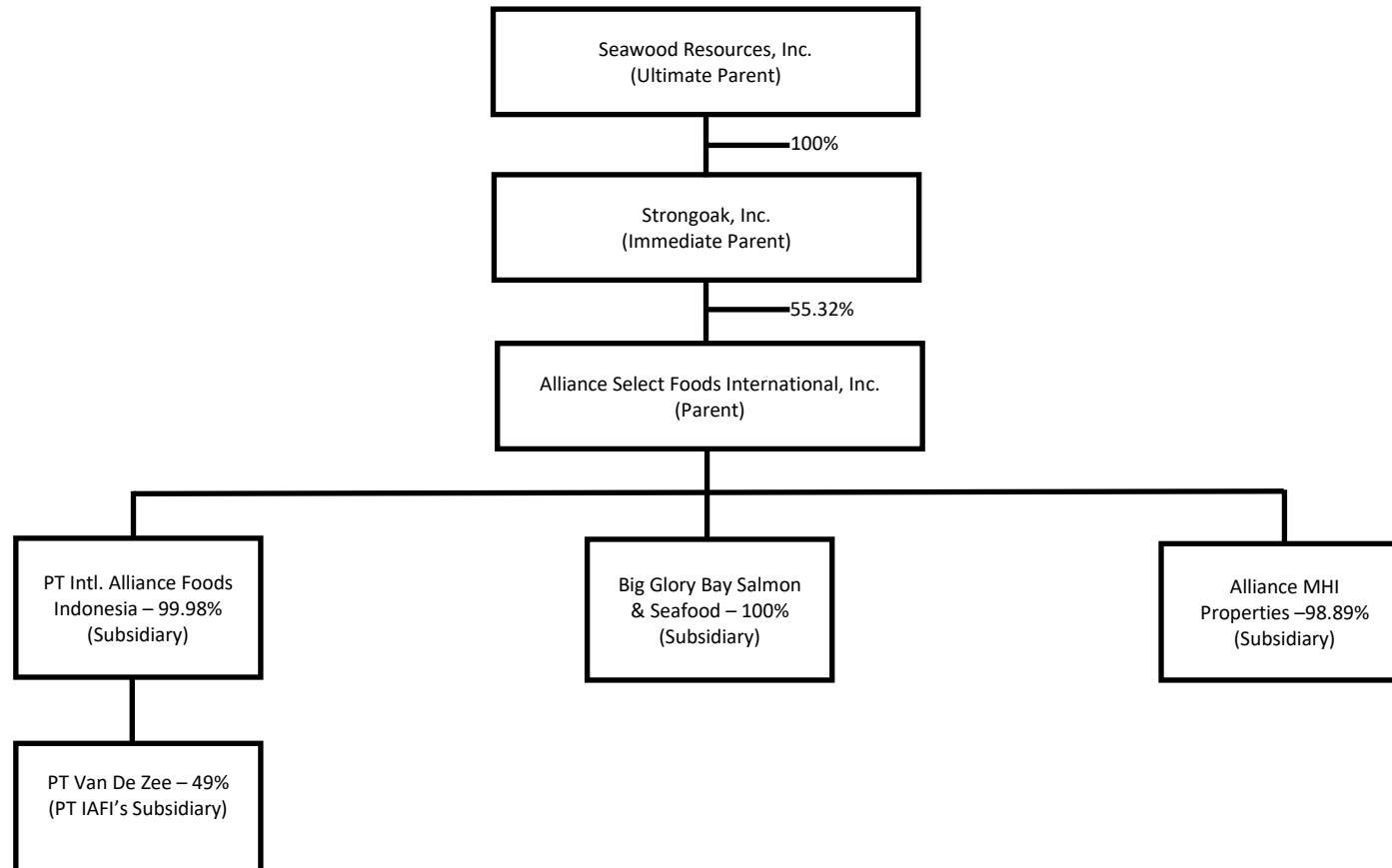
ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
(A Subsidiary of Strongoak Inc.)

CAPITAL STOCK
DECEMBER 31, 2021

<i>Title of Issue</i>	<i>Number of Shares Authorized</i>	<i>Number of Shares Issued and Outstanding as Shown Under the Related Statement of Financial Position Caption</i>	<i>Number of Shares Reserved for Options, warrants, Conversion and Other Rights</i>	<i>Number of shares held by</i>		
				<i>Related Parties</i>	<i>Directors, Officers and employees</i>	<i>Others</i>
Common stock – ₱0.50 par value	3,000,000,000	2,499,712,463	–	1,700,741,296	2,568,531	796,402,636

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

CORPORATE STRUCTURE
DECEMBER 31, 2021



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 227-409-243-000
Name	: ALLIANCE SELECT FOODS INTERNATIONAL, INC.
RDO	: 127
Form Type	: 1702
Reference No.	: 462200047309830
Amount Payable (Over Remittance)	: -2,078,432.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2021
Date Filed	: 04/18/2022
Tax Type	: IT

[[BIR Main](#) | [eFPS Login](#) | [User Menu](#) | [Help](#)]



Guidelines and Instructions | Help
Reference No : 462200047309830
Date Filed : April 18, 2022 05:57 PM
Batch Number : 0

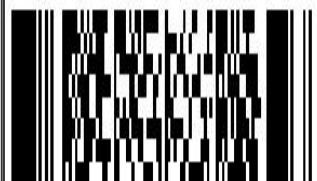


Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR
Use Only: BCS/
Item:

BIR Form No.
1702-RT
January 2018(ENCS)
Page 1

Annual Income Tax Return
For Corporation, Partnership and Other Non-Individual
Taxpayer Subject Only to REGULAR Income Tax Rate
Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X".
Two Copies MUST be filed with the BIR and one held by the taxpayer.



1702-RT 01/18ENCS P1

1 For ☒ Calendar ☐ Fiscal

2 Year Ended (MM/20YY)

12

3 Amended Return?

☐ Yes ☒ No

4 Short Period Return?

☐ Yes ☒ No

5 Alphanumeric Tax Code (ATC)

IC055

Minimum Corporate Income Tax (MCIT) ☒

IC010 ☒

DOMESTIC CORPORATION IN GENERAL ☒

Part I - Background Information

6 Taxpayer Identification Number (TIN) - - -

7 RDO Code

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)

ALLIANCE SELECT FOODS INTERNATIONAL, INC.

9A Registered Address (Indicate complete registered address)

SUITE 3104A WEST TOWER PHIL. STOCK EXCHANGE CENTRE CITY OF PASIG, NCR, SECOND DIS

9B ZipCode

10 Date of Incorporation/Organization (MM/DD/YYYY)

11 Contact Number

NO VALUE FROM SOURCE

12 Email Address

mccvillaruz@allianceselectfoods.com

13 Method of Deductions

☒ Itemized Deductions [Section 34 (A-J), NIRC]

☐ Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable

(Do NOT enter Centavos)

14 Total Income Tax Due (Overpayment) (From Part IV Item 43)

15 Less: Total Tax Credits/Payments (From Part IV Item 55)

16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)

Add Penalties

17 Surcharge

18 Interest

19 Compromise

20 Total Penalties (Sum of Items 17 to 19)

21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)

If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable)

☐ To be refunded ☐ To be issued a Tax Credit Certificate (TCC) ☒ To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)

22 Number of

Signature over printed name of President/Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Assistant Treasurer				Attachments
Title of Signatory	<input type="text"/>	TIN	<input type="text"/>	Title of Signatory	<input type="text"/>	TIN	<input type="text"/>	<input type="text" value="4"/>

Part III - Details of Payment						
Particulars	Drawee Bank/Agency		Number		Date (MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo						0
24 Check						0
25 Tax Debit Memo						0
26 Others (Specify Below)						
						0

Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)	Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)
<div></div>	

Attachments

Add Attachment

Remove Attachment

Prev

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01

 of 04

Next

Print

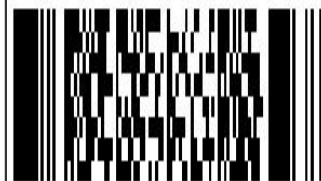
Payment Details

Proceed to Payment



BIR Form No.
1702-RT
January 2018(ENCS)
Page 2

Annual Income Tax Return
Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to
REGULAR Income Tax Rate



1702-RT 01/18ENCS P2

Taxpayer Identification Number (TIN)	Registered Name
227 -409 -243 -000	ALLIANCE SELECT FOODS INTERNATIONAL, INC.

Part IV - Computation of Tax (Do NOT enter Centavos)	
27 Sales/Receipts/Revenues/Fees	1,600,534,868
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)	1,600,534,868
30 Less: Cost of Sales/Services	1,552,966,631
31 Gross Income from Operation (Item 29 Less Item 30)	47,568,237
32 Add: Other Taxable Income Not Subjected to Final Tax	88,287,075
33 Total Taxable Income (Sum of Items 31 and 32)	135,855,312

Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	212,903,640	
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0	
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0	
37 Total Deductions (Sum of Items 34 to 36)	212,903,640	

OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	

39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)	(77,048,328)
--	--------------

40 Applicable Income Tax Rate	25 %
-------------------------------	------

41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)	0
42 MCIT Due (2% of Item 33)	1,358,553
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)	1,358,553

Less: Tax Credits/Payments (attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	2,976,599
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	336,416
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	123,970
50 Foreign Tax Credits, if applicable	0
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0
52 Special Tax Credits (To Part V Item 58)	0
Other Credits/Payments (Specify)	

53		0	
54		0	
<div></div>			
55 Total Tax Credits/Payments <i>(Sum of Items 44 to 54) (To Part II Item 15)</i>			3,436,985
56 Net Tax Payable / (Overpayment) <i>(Item 43 Less Item 55)) (To Part II Item 16)</i>			(2,078,432)
Part V - Tax Relief Availment			
57 Special Allowable Itemized Deductions <i>(Item 35 of Part IV x Applicable Income Tax Rate)</i>			0
58 Add: Special Tax Credits <i>(From Part IV Item 52)</i>			0
59 Total Tax Relief Availment <i>(Sum of Items 57 and 58)</i>			0

Attachments

Add Attachment

Remove Attachment

Prev

Page: 02 of 04

Next

Print

Payment Details

Proceed to Payment

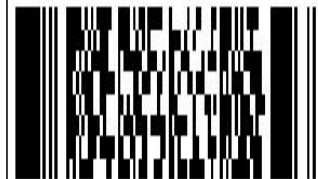


BIR Form No.

1702-RT

January 2018(ENCS)

Page 3

Annual Income Tax ReturnCorporation, Partnership and Other Non-Individual Taxpayer Subject Only to
REGULAR Income Tax Rate

1702-RT 01/18ENCS P3

Taxpayer Identification Number (TIN)

227 -409 -243 -000

Registered Name

ALLIANCE SELECT FOODS INTERNATIONAL, INC.

Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	1,982,916
6 Entertainment, Amusement and Recreation	5,634,451
7 Fringe Benefits	0
8 Interest	28,400,401
9 Losses	3,520,777
10 Pension Trust	0
11 Rental	8,300,024
12 Research and Development	0
13 Salaries, Wages and Allowances	54,913,541
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	10,183,522
16 Transportation and Travel	3,777,293
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s), if necessary]	
a Janitorial and Messengerial Services	0
b Professional Fees	0
c Security Services	0
d OUTSIDE SERVICES	49,318,006
e INSURANCE	8,002,166
f REALIZED LOSS ON FOREIGN EXCHANGE	7,185,383
g ADVERTISING, MARKETING AND COMMISSION	5,327,384
h BANK CHARGES	4,638,042
i OTHERS	21,719,734



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Add Attachment

18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17i) (To Part IV Item 34)

212,903,640

Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

Description	Legal Basis	Amount
1		0

2			0
3			0
4			0
<div><div></div></div>			
<div></div>			
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5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)			0

Attachments

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Prev

Page: 03 of 04

Next

Print

Payment Details

Proceed to Payment



BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN)		Registered Name
227 -409 -243 -000		ALLIANCE SELECT FOODS INTERNATIONAL, INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	135,855,312
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	212,903,640
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(77,048,328)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4 2021	77,048,328	0
5 2020	284,739,792	0
6	0	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4 0	0	77,048,328
5 0	0	284,739,792
6 0	0	0
7 0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)

Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2020	0	1,077,946	1,077,946
2 2019	0	7,050,998	7,050,998
3 2018	0	8,347,669	8,347,669

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	1,077,946
2 0	0	0	7,050,998
3 0	0	0	8,347,669

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)

1	Net Income/(Loss) per books	29,477,117
Add: Non-deductible Expenses/Taxable Other Income		
2	PROVISION FOR IMPAIRMENT LOSS ON INVENTORIES	5,851,012
3	OTHERS	4,898,271
<div></div>		
3.1	PROVISION FOR IMPAIRMENT LOSS ON TRADE RECEIVABLES	460,205
3.2	DONATIONS	169,674
3.3	INTEREST EXPENSE	46,837
3.4	RETIREMENT BENEFIT COSTS	4,221,555
		<div>AddDeleteAdd Attachment</div>
4	Total (Sum of Items 1 to 3)	40,226,400
Less: A) Non-Taxable Income and Income Subjected to Final Tax		
5	DIVIDEND INCOME FROM FOREIGN SUBSIDIARY	58,837,684
6	OTHERS	58,437,044
<div></div>		
6.1	GAIN ON REVERSAL OF IMPAIRMENT	44,873,206
6.2	EXCESS OF AMORTIZATION AND INTEREST OVER RENTALS	1,368,583
6.3	INTEREST INCOME	187,350
6.4	UNREALIZED GAIN ON FOREIGN EXCHANGE	12,007,905
		<div>AddDeleteAdd Attachment</div>
B) Special Deductions		
7		0
8		0
<div></div>		
		<div>AddDeleteAdd Attachment</div>
9	Total (Sum of Items 5 to 8)	117,274,728
10	Net Taxable Income/(Loss) (Item 4 Less Item 9)	(77,048,328)

Attachments

Add Attachment

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COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	3	1	9	1	3	8
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COMPANY NAME

A	L	L	I	A	N	C	E		S	E	L	E	C	T		F	O	O	D	S		I	N	T	E	R	N	A	T	I	O	N	A	L	,
	I	N	C	.		(A		S	u	b	s	i	d	i	a	r	y		o	f		S	T	R	O	N	G	O	A	K		I	N	C
.)																																		

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

S	u	i	t	e		3	1	0	4	-	A	,		W	e	s	t		T	o	w	e	r	,		P	h	i	l	i	p	p	i	n	e
	S	t	o	c	k		E	x	c	h	a	n	g	e	,		E	x	c	h	a	n	g	e		R	o	a	d	,		O	r	t	i
	g	a	s		A	v	e	.	,		P	a	s	i	g		C	i	t	y															

Form Type

A	S	F	S
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A
---	---	---

COMPANY INFORMATION

Company's Email Address

psbayona@allianceselectfoods.com

Company's Telephone Number/s

(02) 8-637-8800

Mobile Number

0917-620-5726

No. of Stockholders

237

Annual Meeting (Month / Day)

15th day of June

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Raymond K.H. See

Email Address

info@allianceselectfoods.com

Telephone Number/s

(02) 8-637-8800

Mobile Number

0917-620-5726

CONTACT PERSON'S ADDRESS

Suite 3104-A, West Tower, Philippine Stock Exchange, Exchange Road, Ortigas Ave., 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.



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
ALLIANCE SELECT FOODS INTERNATIONAL, INC.
Suite 3104-A, West Tower
Philippine Stock Exchange
Exchange Road, Ortigas Ave., Pasig City

Report on the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of ALLIANCE SELECT FOODS INTERNATIONAL, INC. (a subsidiary of STRONGOAK INC.) (the "Company"), which comprise the separate statements of financial position as at December 31, 2021 and 2020, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2021, 2020 and 2019 and notes to separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021, 2020 and 2019 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Emphasis of Matter - Novel Coronavirus (COVID-19) Pandemic

We draw attention to Note 1 to the separate financial statements, which describes the significant effect of COVID-19 pandemic and the government mandated lockdown on the Company's business operations. The Company, however, believes that it can continue as a going concern despite operating under these prevailing conditions with the initiatives it adopted including targeting key accounts, cash management measures, managing costs and improving operational efficiencies.

Our opinion is not modified with regards to this matter.



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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

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

REYES TACANDONG & Co.

WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-014-2020

Valid until January 1, 2023

PTR No. 8851714

Issued January 3, 2022, Makati City

April 13, 2022

Makati City, Metro Manila

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2021	2020
ASSETS			
Current Assets			
Cash	4	\$4,345,932	\$2,036,583
Trade and other receivables	5	4,376,082	4,358,766
Inventories	6	5,326,238	8,584,651
Due from related parties	13	4,336,166	4,974,663
Other current assets	7	2,751,850	1,875,562
Total Current Assets		21,136,268	21,830,225
Noncurrent Assets			
Investments in subsidiaries	8	6,471,798	8,798,598
Property, plant and equipment	9	5,147,975	5,413,878
Net deferred tax assets	24	6,230,796	6,473,049
Other noncurrent assets	10	1,699,263	1,738,885
Total Noncurrent Assets		19,549,832	22,424,410
		\$40,686,100	\$44,254,635
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11	\$3,425,072	\$5,911,593
Current portion of:			
Loans payable	12	11,297,040	11,892,842
Lease liabilities	22	203,689	186,341
Due to Parent Company	13	2,069,832	—
Total Current Liabilities		16,995,633	17,990,776
Noncurrent Liabilities			
Noncurrent portion of:			
Loans payable	12	916,667	1,501,151
Lease liabilities	22	14,268	231,468
Due to Parent Company	13	—	2,178,748
Net retirement benefit obligation	14	398,763	332,789
Total Noncurrent Liabilities		1,329,698	4,244,156
Total Liabilities		18,325,331	22,234,932
Equity			
Capital stock	15	26,823,389	26,823,389
Additional paid-in capital (APIC)	15	1,486,546	1,486,546
Deficit		(6,066,947)	(6,399,776)
Other comprehensive income	14	123,555	115,318
		22,366,543	22,025,477
Treasury stock - at cost	15	(5,774)	(5,774)
Total Equity		22,360,769	22,019,703
		\$40,686,100	\$44,254,635

See accompanying Notes to Separate Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2021	2020	2019
NET SALES	16	\$32,326,854	\$54,039,860	\$62,232,185
COST OF GOODS SOLD	17	(30,620,037)	(52,567,789)	(57,332,771)
GROSS PROFIT		1,706,817	1,472,071	4,899,414
SELLING AND ADMINISTRATIVE EXPENSES	18	(3,436,256)	(7,236,625)	(4,796,877)
GAIN ON DISPOSAL OF INVESTMENT IN A SUBSIDIARY	8	1,305,576	—	983,994
INTEREST EXPENSE	12	(583,153)	(940,513)	(1,938,307)
OTHER INCOME (CHARGES) - Net	19	1,602,380	(418,836)	570,999
INCOME (LOSS) BEFORE INCOME TAX		595,364	(7,123,903)	(280,777)
PROVISION FOR INCOME TAX	24			
Current		20,282	28,631	135,944
Deferred		242,253	1,316,847	1,007,593
		262,535	1,345,478	1,143,537
NET INCOME (LOSS)		332,829	(8,469,381)	(1,424,314)
OTHER COMPREHENSIVE INCOME				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Effect of change in tax rate	14	8,237	—	—
Remeasurement gain on retirement benefits cost, net of tax	14	—	11,611	—
TOTAL COMPREHENSIVE INCOME (LOSS)		\$341,066	(\$8,457,770)	(\$1,424,314)
INCOME (LOSS) PER SHARE				
Basic and diluted income (loss) per share	21	\$0.00013	(\$0.00339)	(\$0.00057)

See accompanying Notes to Separate Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)

SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2021	2020	2019
CAPITAL STOCK	15			
Balance at beginning and end of year		\$26,823,389	\$26,823,389	\$26,823,389
APIC	15			
Balance at beginning and end of year		1,486,546	1,486,546	1,486,546
RETAINED EARNINGS (DEFICIT)				
Balance at beginning of year		(6,399,776)	2,069,605	3,493,919
Net income (loss)		332,829	(8,469,381)	(1,424,314)
Balance at end of year		(6,066,947)	(6,399,776)	2,069,605
OTHER COMPREHENSIVE INCOME	14			
Balance at beginning of year		115,318	103,707	103,707
Effect of change in tax rate		8,237	—	—
Remeasurement gain on retirement benefit obligation		—	11,611	—
Balance at end of year		123,555	115,318	103,707
TREASURY STOCK – at cost				
Balance at beginning and end of year	15	(5,774)	(5,774)	(5,774)
		\$22,360,769	\$22,019,703	\$30,477,473

See accompanying Notes to Separate Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)

SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		\$595,364	(\$7,123,903)	(\$280,777)
Adjustments for:				
Gain on disposal of investment in a subsidiary	8	(1,305,576)	—	(983,994)
Depreciation and amortization	9	861,097	740,806	584,738
Interest expense	12	603,820	973,157	1,979,226
Loss on inventory write-down	6	118,176	1,384,937	874,601
Unrealized foreign exchange loss (gain)	19	(97,403)	145,127	128,697
Retirement benefits cost	14	85,265	62,866	89,825
Loss on retirement of property and equipment	19	71,111	—	—
Interest income	4	(58,251)	(110,220)	(138,094)
Provision for impairment losses	18	9,295	46,500	—
Gain on reversal of allowance	13	—	(446,182)	(18,128)
Gain on disposal of transportation equipment	9	—	—	(3,110)
Operating income (loss) before working capital changes		882,898	(4,326,912)	2,232,984
Decrease (increase) in:				
Trade and other receivables		(26,611)	5,345,368	(318,689)
Inventories		3,140,237	1,549,687	(92,132)
Other current assets		(821,462)	7,603,573	(1,833,701)
Other noncurrent assets		137,025	(232,514)	(77,405)
Increase (decrease) in trade and other payables		(2,641,406)	1,431,504	(1,748,161)
Net cash generated from (used for) operations		670,681	11,370,706	(1,837,104)
Income taxes paid		(75,108)	(103,924)	(173,488)
Interest received		58,251	110,220	138,094
Net cash flows from operating activities		653,824	11,377,002	(1,872,498)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of:				
Investments in subsidiaries	8	3,632,376	—	10,224,940
Property, plant and equipment	9	—	—	11,896
Additions to property, plant and equipment	9	(666,305)	(815,283)	(2,052,555)
Collections from related parties		483,593	1,126,554	604,939
Net cash flows from investing activities		3,449,664	311,271	8,789,220

(Forward)

Years Ended December 31				
	Note	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Bank loans	27	(\$33,322,502)	(\$38,693,300)	(\$68,325,571)
Interest	27	(558,762)	(1,008,672)	(1,968,462)
Lease liabilities	22	(55,091)	(52,662)	(49,109)
Promissory notes		—	—	(3,000,000)
Proceeds from:				
Availment of loans	27	32,142,216	28,839,550	60,647,571
Advances from Parent Company	13	—	—	2,000,000
Issuance of promissory notes		—	—	3,000,000
Net cash flows from financing activities		(1,794,139)	(10,915,084)	(7,695,571)
NET INCREASE (DECREASE) IN CASH		2,309,349	773,189	(778,849)
CASH AT BEGINNING OF YEAR		2,036,583	1,263,394	2,042,243
CASH AT END OF YEAR		\$4,345,932	\$2,036,583	\$1,263,394
COMPONENTS OF CASH				
	4			
Cash on hand		\$1,583	\$2,895	\$1,988
Cash in banks		4,344,349	2,033,688	1,261,406
		\$4,345,932	\$2,036,583	\$1,263,394
SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITIES				
Rental payable offset against due from related parties	13	\$154,904	\$148,074	\$134,510
Recognition of:				
Lease liabilities		—	—	652,392
Right-of-use (ROU) assets		—	—	633,208

See accompanying Notes to Separate Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)

NOTES TO SEPARATE FINANCIAL STATEMENTS

1. Corporate Information

General Information

ALLIANCE SELECT FOODS INTERNATIONAL, INC. (ASFII or the “Company”), a public corporation under Section 17.2 of the Securities Regulation Code, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 1, 2003. The Company is primarily engaged in the business of manufacturing, canning, processing, importing and exporting of food products such as marine, aquaculture and other processed seafood. Its shares are listed on the Philippine Stock Exchange (PSE) since November 8, 2006.

The Company is 55.32% owned by STRONGOAK INC. (Strongoak or the “Parent Company”), a domestic company engaged in investment activities.

Investments in Subsidiaries

The Company has investments in the following subsidiaries as at December 31, 2021 and 2020:

Name of Subsidiary	% of Ownership		Nature of Business	Principal Place of Business
	2021	2020		
Big Glory Bay Salmon and Seafood Company, Inc. (BGB)	100	100	Salmon and other seafoods processing	Philippines
PT International Alliance Food Indonesia (PT IAFI)	99.98	99.98	Export trading	Indonesia
Alliance MHI Properties, Inc. (AMHI)	98.89	98.89	Leasing	Philippines
Akaroa Salmon (NZ) Ltd. (Akaroa)*	–	80	Salmon farming and processing	New Zealand

**Divested in 2021*

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

PT IAFI. PT IAFI was established under the Indonesian Foreign Capital Investment Law. In October 2019, the plant and machinery of PT IAFI was sold to an Indonesian entity. PT IAFI owns 49% of PT VDZ, a fishing company. PT IAFI and PT VDZ ceased operations in 2020 and 2016, respectively.

Akaroa. Akaroa holds 25% stake in Salmon Smolt NZ Ltd. (SSNZ), an entity operating a modern hatchery, which quarantines and consistently supplies high quality smolts (juvenile salmon) for Akaroa’s farm.

Status of Operations

Since March 2020, the country has experienced the novel coronavirus (COVID-19) pandemic resulting to a slowdown in the Philippine economy because of mandated lockdowns all over the country. The Company incurred a net loss of \$8.5 million in 2020. In response to these matters, the Company implemented initiatives, which include adopting new distribution channels, targeting key accounts, cash management measures including sourcing and identifying alternatives to improve supply chain and working capital funding, negotiating trading terms with critical suppliers for continuity of supplies and improving efficiencies across all areas of operations. Accordingly, the Company reported a net income of \$332,829 in 2021.

It is not practicable to estimate the potential impact of the prevailing COVID-19 pandemic after the reporting date. Management has determined that the actions that it has taken are sufficient to mitigate the impact of the COVID-19 pandemic and has therefore prepared the separate financial statements on a going concern basis.

Approval of Separate Financial Statements

The separate financial statements as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 were approved and authorized for issuance by the Board of Directors (BOD) on April 13, 2022, and were reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Significant Accounting and Reporting Policies

The significant accounting policies used in the preparation of separate financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The separate financial statements of the Company have been prepared on a going concern basis and in accordance with Philippine Financial Reporting Standards (PFRSs). This financial reporting framework includes all applicable PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the SEC.

The Company also prepares and issues consolidated financial statements in compliance with PFRSs for the same period as the separate financial statements. These may be obtained at the registered office address of the Company or at the SEC.

Bases of Measurement

The separate financial statements are presented in United States (U.S.) Dollar, the functional and presentation currency of the Company. All amounts are rounded to the nearest U.S. Dollar, except when otherwise indicated.

The separate financial statements have been prepared on a historical cost basis, except for net retirement benefit obligation which is measured at the present value of the defined benefits obligation less fair value of plan assets, and lease liabilities which are measured at the present value of future lease payments. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

Fair value is the amount for which an asset could be exchanged, a liability settled or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The Company uses observable market data to the extent possible when measuring the fair value of an asset or a liability.

Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 25 to the separate financial statements.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS –

- Amendment to PFRS 16, *Leases - COVID-19-Related Rent Concessions beyond June 30, 2021* – In 2020, PFRS 16 was amended to provide practical expedient to lessees from applying the requirements on lease modifications for eligible rent concessions that is a direct consequence of COVID-19 pandemic. A lessee may elect not to assess whether eligible rent concessions from a lessor is a lease modification. A lessee that makes this election account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for a change that is not a lease modification, e.g., as a variable lease payment. This amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted, and covers eligible rent concessions until June 30, 2021. The Company applied the practical expedient in its financial statements for the year ended December 31, 2020.

Due to the continuing impact of the pandemic, another amendment to PFRS 16 was issued in 2021, which allows lessees to extend the application of the practical expedient regarding COVID-19-related rent concessions to reduction in lease payments that are due on or before June 30, 2022. The 2021 amendment is mandatory for entities that elected to apply the previous amendment. Accordingly, the Company has applied the amendment in the current year financial statements.

The adoption of the foregoing amended PFRS did not have any material effect on the Company's separate financial statements. Additional disclosures have been included in the notes to the separate financial statements, as applicable.

Amended PFRSs Issued but Not Yet Effective

Relevant amended PFRSs, which are not yet effective as at December 31, 2021 and have not been applied in preparing the separate financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments will replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement will ensure that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarified that an acquirer shall not recognize contingent assets acquired in a business combination. The amendments should be applied prospectively.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applied the amendments.
- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated. Earlier application is permitted.
- Annual Improvements to PFRS 2018 to 2020 Cycle:
 - Amendment to PFRS 9, *Financial Instruments - Fees in the '10 percent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 percent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendments. Earlier application is permitted.

- Amendment to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that 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 (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgments*, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.
- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that 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 profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRSs is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Financial Assets and Liabilities

Recognition and Measurement

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statement of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable market data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company’s business model and its contractual cash flow characteristics.

As at December 31, 2021 and 2020, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

Classification of Financial Instruments between Liability and Equity. A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2021 and 2020, the Company's cash, trade and other receivables, due from related parties and refundable lease deposits (presented under "Other noncurrent assets") are classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2021 and 2020, the Company's trade and other payables (excluding customers' deposits and statutory payable), loans payable, lease liabilities and due to Parent Company are classified under this category.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

Impairment of Financial Assets at Amortized Cost

The Company records an allowance for expected credit loss (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, the Company has applied the general approach and ECL computation is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the separate statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the separate statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the separate statement of financial position.

Inventories

Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value (NRV). Cost incurred in bringing each product to its present location and condition is accounted as follows:

Finished Goods. Costs of finished goods include direct materials and when applicable, direct labor and manufacturing overhead that have been incurred in bringing the inventories to their present location and condition. NRV represents the estimated selling price less estimated costs of completion and costs necessary to make the sale.

Raw and Packaging Materials and Parts and Supplies. Cost is determined using weighted average method. Costs include all costs directly attributable to the acquisition. NRV is the current replacement cost

At each reporting date, inventories are assessed for impairment. When the NRV 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 profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as part of other income in the separate statement of comprehensive income.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the year when the related revenue is recognized and the related allowance for impairment is reversed.

Other Assets

Other assets that are expected to be realized over no more than 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Advances to Suppliers. Advances to suppliers are recognized whenever the Company pays in advance for its purchase of goods. These advances are measured at transaction price less any impairment in value. These are charged to the appropriate asset account upon receipt of goods.

Value-Added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except for receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from the taxation authority is presented as "Input VAT".

In accordance with the Revenue Regulations (RR) No. 16-2005, as amended by RR No. 13-2018, input VAT on purchases or imports of the Company of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost exceeding ₱1.0 million (exclusive of VAT) in each of the calendar month is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT represents the unamortized amount of input VAT on capital goods.

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

Prepayments. Prepayments (excluding prepaid taxes) are expenses paid in advance and recorded as assets before these are utilized. These are apportioned over the period covered by the payment and recognized in profit or loss when incurred. These are measured at face amount less any impairment in value.

Prepaid taxes are amounts withheld from collections of revenue or receivable and are deductible from income tax payable in the same year the revenue was recognized. These also include excess cash payment on income tax payable. Prepaid taxes in excess of income tax payable are carried forward to the succeeding year. These are measured at face amount, less any impairment in value. These can be utilized as payment for future income tax payable.

Idle Assets. Idle assets are those which are no longer used in the Company's operations. These are measured at cost less accumulated depreciation and any impairment loss. The Company's idle assets are already fully provided with allowance for impairment loss.

Investments in Subsidiaries and Joint Ventures

The Company's investments in subsidiaries and joint ventures are carried in the separate statement of financial position at cost, less any impairment in value. A subsidiary is an entity in which the Company has control. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Control is generally accompanied by a shareholding of more than one-half of voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Company controls an entity. The Company 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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment is derecognized when it is sold or disposed of. Gains or losses arising from derecognition of an investment in a subsidiary are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

Property, Plant and Equipment

Property, plant and equipment (excluding CIP and ROU assets) are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The cost of self-constructed assets includes the cost of materials and direct labor, any other directly attributable costs, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items (major components) of property, plant and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property, plant and equipment:

Asset Type	Number of Years
Building	15 to 25
Machinery and equipment	15
Leasehold improvements	5 or lease term, whichever is shorter
Transportation equipment	5
Office and plant furniture, fixtures and equipment	5
Fishmeal facility	20

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Fully depreciated and amortized assets are retained in the accounts until they are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

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

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization for property, plant and equipment, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges for property, plant and equipment are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Customers' Deposits

Customers' deposits consist of amounts received by the Company from its customers as advance payments for the sale of goods. These are recorded at face amount under "Trade and other payables" account in the separate statements of financial position and recognized as revenue in profit or loss when the goods for which the advances were made are delivered to the customers.

Equity

Capital Stock and Additional Paid-In Capital (APIC). Capital stock is measured at par value for all shares issued. Incremental costs, net of tax, incurred that are directly attributable to the issuance of new shares are recognized in equity as a reduction from related APIC or retained earnings. Proceeds or fair value of the consideration received in excess of par value are recognized as APIC.

Retained Earnings (Deficit). Retained earnings (deficit) represent the cumulative balance of the Company's results of operations as at reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provision.

Other Comprehensive Income. Other comprehensive income pertains to remeasurement gain on retirement benefit obligation.

Treasury Stock. Treasury stock represents Company's own equity instruments which are reacquired are recognized at cost and deducted from equity. Upon reissuance of treasury stock, the "Treasury stock" account is credited at cost. The excess of proceeds from reissuance over the cost of treasury stock is credited to APIC. The excess of cost of treasury stock over the proceeds from reissuance is debited to APIC but only to the extent of previously set-up APIC for the same class of shares of stock. Otherwise, the excess is debited against retained earnings or charged to deficit.

Income Recognition

Revenue

The Company generates revenue primarily from sale of goods.

Revenue from Contracts with Customers. Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

Revenue from sale of goods is recognized, net of returns and discounts, when the significant risks and rewards of ownership of the goods have passed to the customers, which is normally upon delivery to and acceptance of the goods by the customers.

Other Income

The Company's other sources of income are recognized as income when earned. Interest income is recognized, net of final tax, on a time proportion basis using the effective interest method.

Contract Balances

Receivables. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays a consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

As at December 31, 2021 and 2020, the Company does not have outstanding contract assets.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays a consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made by the customer or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

The Company considers its customers' deposits as contract liabilities (see Note 11).

Cost to Obtain a Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Company expects to recover them. Otherwise, these are treated as expense.

Contract Fulfillment Asset. Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Company first considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to contract fulfillment costs, the Company applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of these criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

As at December 31, 2021 and 2020, the Company does not have contract fulfillment assets.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen which can be measured reliably.

Cost of Goods Sold. Cost of goods sold is recognized as expense when the related goods are sold.

Selling and Administrative Expenses. Selling expenses constitute costs incurred to sell and market the goods and services. Administrative expenses constitute costs of administering the business. These are recognized in profit or loss in the period when these are incurred.

Interest Expense. Interest expense is recognized in a time proportion basis using the effective interest method.

Other Charges. Expenses from other sources are expensed as incurred.

Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Company also assesses whether a contract contains a lease for each potential separate lease component.

At the commencement date, the Company recognizes ROU assets and lease liabilities for all leases, except for short-term leases and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Assets. At the commencement date, the Company measures ROU assets at the assets' carrying value as if PFRS 16 had been applied since the commencement date of the lease. The cost comprises:

- i. any lease payments made at or before the commencement date less any lease incentives received;
- ii. any initial direct costs; and
- iii. an estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets, which is five years.

Lease Liabilities. At commencement date, the Company measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the lessee under residual value guarantees; and
- iv. the exercise price under a purchase option that the Company is reasonably certain to exercise; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. Lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments or changes in lease payments in which the practical expedient on COVID-19 related rent concessions is applied.

For income tax reporting purposes, payments and receipts under lease agreements are treated as deductible expense and taxable income in accordance with the terms of the lease agreements.

Retirement Benefits

Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs comprising of current service costs and net interest expense on the retirement benefit obligation in profit or loss.

The Company determines the net interest expense on retirement benefit obligation by applying the discount rate to the net retirement benefit obligation at the beginning of the year, taking into account any changes in the liability during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefit obligation, which consist of actuarial gains and losses and the return on plan asset (excluding amount charged in net interest) are recognized immediately in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net retirement benefit obligation recognized by the Company is the present value of the defined benefit obligation reduced by the fair value of plan asset. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit obligation.

The Company contributes to the retirement fund based on the actuarial valuation report. The contributions to the retirement plan consist of annual normal cost and amortization of any unfunded past service liability. The Company is not required to contribute when the fair value of plan assets exceeds the present value of retirement benefit obligation.

Actuarial valuation is made with sufficient regularity by a qualified actuary so that the amounts recognized in the separate financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income (Loss) per Share

The Company presents basic and diluted income (loss) per share data for its common shares.

Basic income (loss) per share is calculated by dividing the net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares issued and outstanding during the year. There are no potential dilutive shares.

Income Taxes

Current tax. Current tax liabilities for the current and prior years are measured at the amounts expected to be paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at financial reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of unused NOLCO and excess MCIT can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws in effect by the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to offset the amounts and it can be demonstrated without undue cost or effort that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Foreign Currency-denominated Transactions and Translation

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate at the reporting date. All differences are taken to the separate statement of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the year such are realized.

Related Party Relationships and Transactions

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transactions are considered material and/or significant if (i) these transactions amount to 10% or higher of the Company's total assets or, (ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Company's total assets. Details of transactions entered into by the Company with related parties are reviewed by the BOD in accordance with the Company's related party transactions policies.

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties, regardless of whether a price is charged.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the separate financial statements but are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed in the notes to separate financial statements when an inflow of economic benefits is probable.

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 event that provides additional information about the Company's financial position at the reporting period is reflected in the separate financial statements. Non-adjusting subsequent events are disclosed in the notes to separate financial statement, when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's separate financial statements requires management to make judgments, estimates and use assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. The judgments and estimates used in the separate financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company 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. In particular, the COVID-19 pandemic and the resulting adverse effects to the global economic conditions, as well as to the Company's operations, may impact future estimates including, but not limited to, allowance for ECL, fair value measurements, impairment of nonfinancial assets, recognition of deferred tax assets, actuarial losses on retirement benefit plans and discount rate assumptions.

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

The Company believes that the following represent a summary of these significant judgments, estimates and assumptions and the related impact and associated risks in the separate financial statements.

Determining the Functional Currency. Management has determined that the functional currency of the Company is the U.S. Dollar, which is the currency of the primary economic environment in which the Company operates in and it is also the currency that mainly influences the operations of the Company.

Classifying Financial Assets and Liabilities. The Company has determined that it shall classify its financial assets at amortized cost on the basis of the following conditions met:

- The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Moreover, the Company has determined that it shall classify its financial liabilities at amortized cost using the effective interest method.

Classifying Lease Commitments - Company as a Lessee. The Company has entered into leases for its forklifts, container vans, warehouse, plant and office. For short-term leases, lease payments are recognized as expense on a straight-line basis over the lease term (see Note 22). For long term leases, the Company recognizes ROU assets and lease liabilities measured at the present value of lease payments to be made over the lease term using the Company's incremental borrowing rate.

Information on the Company's ROU assets presented under "Property, plant and equipment" and lease liabilities are disclosed in Notes 9 and 22, respectively.

Assessing the Impact of COVID-19 Pandemic. Judgment was exercised in considering the impact of the COVID-19 pandemic on the Company's operation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. The business initiatives that the Company has adopted (see Note 1) are deemed sufficient to mitigate the impact of the COVID-19 pandemic.

Assessing the ECL on Trade Receivables. The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance. To measure the ECL, these receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are initially based on the Company's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables including the impact of the COVID-19 pandemic. The Company has identified the Gross Domestic Product (GDP) of the locations in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Information about the ECL on the Company's trade receivables is disclosed in Note 26.

The carrying amount of trade and other receivables and provision for and allowance for credit losses on trade and other receivables are disclosed in Note 5.

Assessing the ECL on Other Financial Assets at Amortized Cost. The Company determines the allowance for ECL using general approach. The Company calculates ECL for its other financial assets at amortized cost at initial recognition by considering the occurrences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and,
- actual or expected significant adverse changes in the operating results of the counterparty.

No provision for credit losses on other financial assets at amortized cost was recognized in 2021, 2020, and 2019.

The carrying amounts of the Company's cash in banks, due from related parties and refundable lease deposits (presented under "Other noncurrent assets") are disclosed in Notes 4, 10 and 13.

Estimating the NRV of Inventories. The NRV of inventories represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale for finished goods, and current replacement costs for raw and packaging materials and parts and supplies.

The Company determines the estimated selling price for inventories based on the recent sale transaction of similar goods with adjustments to reflect any changes in economic conditions since the date the transactions occurred. The Company records provisions for the excess of cost over NRV of inventories. While the Company believes that the estimates are reasonable and appropriate, significant differences in the actual experience or significant changes in estimates may materially affect the profit or loss and equity.

The carrying amounts of inventories carried at lower of cost and NRV are disclosed in Note 6.

Estimating the Useful Lives of Property, Plant and Equipment. The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimates are based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property, plant and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amount and timing of recording of depreciation and amortization expense for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of the Company's property, plant and equipment in 2021, 2020 and 2019.

The carrying amount of property, plant and equipment is disclosed in Note 9.

Estimating the ROU Assets and Lease Liabilities. The Company's ROU assets and lease liabilities are initially measured at the present value of lease payments. In determining the appropriate discount rate, the Company considered readily available interest rate implicit in the lease agreements, interest rate on its borrowings and the term of each lease commitment. The Company determined that the implicit rate in the lease agreement is not readily available and that the interest rate on its borrowings represents the appropriate financing cost in leasing the underlying assets. The incremental borrowing rate used in the lease is the rate that would cause the present value of the lease payments and unguaranteed residual to equal the sum of the fair value of the underlying assets and initial direct costs incurred.

The carrying amounts of ROU assets presented under "Property, plant and equipment" and lease liabilities are disclosed in Notes 9 and 22, respectively.

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the greater of the fair value less cost to sell and the value in use.

The recoverable amount of property, plant and equipment represents the assets' value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the assets.

No provision for impairment loss was recognized for other current assets and property, plant and equipment in 2021, 2020 and 2019. The carrying amounts of other current assets and property, plant and equipment are disclosed in Notes 7 and 9.

Provision for impairment loss recognized on investment in PT IAFI in 2017 and carrying amounts of investments in subsidiaries are disclosed in Note 8.

Estimating the Retirement Benefit Costs. The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions, which include, among others, discount rates and salary increase rates may differ from actual developments in the future. Due to the complexities involved in the valuation and its long-term nature, the retirement benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The discount rate assumption is based on the Bankers Association of the Philippines PHP Bloomberg Valuation Reference Rates benchmark reference curve for the government securities market considering average years of remaining working life of the employees as the estimated term of the defined benefit obligation.

The Company's retirement benefit obligation is disclosed in Note 14.

Recognizing the Deferred Tax Assets. The carrying amounts of deferred tax assets at each reporting date are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits from unused NOLCO and excess MCIT is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenue and expenses.

Information on the Company's recognized and unrecognized deferred tax assets are disclosed in Note 24.

4. Cash

This account consists of:

	2021	2020
Cash on hand	\$1,583	\$2,895
Cash in banks	4,344,349	2,033,688
	\$4,345,932	\$2,036,583

Cash in banks earn interest at the prevailing bank deposit rates.

Interest income was derived from the following:

	Note	2021	2020	2019
Cash		\$3,784	\$1,556	\$5,501
Due from related parties	13	54,467	108,664	132,593
		\$58,251	\$110,220	\$138,094

5. Trade and Other Receivables

This account consists of:

	Note	2021	2020
Trade receivables from:			
Third parties		\$4,167,198	\$3,975,226
Related party	13	234,185	234,185
Others		500,594	849,002
		4,901,977	5,058,413
Allowance for impairment losses		(525,895)	(699,647)
		\$4,376,082	\$4,358,766

Trade receivables are noninterest-bearing and are generally collected within 90 days.

Other receivables include claims receivable for tax refund and advances to employees subject to salary deduction.

Movements in the allowance for impairment are as follows:

	Note	2021	2020
Balance at beginning of year		\$699,647	\$653,147
Reversal of impairment		(183,047)	–
Provision for impairment loss	18	9,295	46,500
Balance at end of year		\$525,895	\$699,647

Trade receivables amounting to \$1.91 million and \$1.43 million are used to secure short-term loans from local banks as at December 31, 2021 and 2020, respectively (see Note 12).

6. Inventories

This account consists of:

	Note	2021	2020
At cost:			
Finished goods	17	\$2,343,741	\$2,558,035
Raw and packaging materials		1,893,611	4,996,732
Parts and supplies		186,978	241,962
At NRV -			
Finished goods		901,908	787,922
		\$5,326,238	\$8,584,651

The costs of inventories stated at NRV are as follows:

	Note	2021	2020
Finished goods	17	\$2,202,285	\$2,798,967
Raw and packaging materials		138,835	33,272
		\$2,341,120	\$2,832,239

Movements in the allowance for inventory write-down are as follows:

	Note	2021	2020
Balance at beginning of year		\$2,044,317	\$909,801
Reversal		(723,281)	(250,421)
Provision	18	118,176	1,384,937
Balance at end of year		\$1,439,212	\$2,044,317

Reversal of allowance for inventory write-down mainly pertains to inventories condemned and subsequently sold.

Inventories charged to cost of goods sold amounted to \$23.07 million, \$42.37 million, and \$47.00 million in 2021, 2020 and 2019, respectively (see Note 17).

7. Other Current Assets

This account consists of:

	2021	2020
Advances to suppliers	\$1,699,779	\$926,674
Input VAT	807,351	706,919
Prepayments:		
Insurance	73,977	36,082
Rental	39,060	99,279
Taxes	36,139	54,826
Subscriptions	33,092	21,627
Others	62,452	30,155
	\$2,751,850	\$1,875,562

8. Investments in Subsidiaries

Details of investments are as follows:

Name of Subsidiaries	2021	2020
BGB	\$6,177,761	\$6,177,761
PT IAFI	4,999,000	4,999,000
AMHI	294,037	294,037
Akaroa	—	2,326,800
	11,470,798	13,797,598
Allowance for impairment loss	(4,999,000)	(4,999,000)
	\$6,471,798	\$8,798,598

In 2021, the Company sold its interest in Akaroa for a total consideration of NZD 7.50 million (\$5.06 million), inclusive of payments for dividends and other related costs. The disposal of Akaroa resulted in a gain on sale of \$1.31 million.

In 2019, the Company sold its investment in Spence & Company Ltd. (Spence), a company domiciled in the United States of America (USA) and engaged in salmon and other seafood processing, for a total consideration of \$10.22 million. The sale resulted in a gain of \$983,994, net of \$488,819 related expenses.

Dividends. In 2021, the Company earned and received dividend from Akaroa amounting to \$1.19 million (see Note 19).

Financial Information

The summarized financial information of subsidiary with significant non-controlling interest are as follows:

	2020	2019
Total assets	\$5,221,606	\$7,266,881
Total liabilities	2,574,551	5,589,477
Equity	2,647,055	1,677,404
Net income (loss)	253,749	(218,546)

As at December 31, 2021, there is no subsidiary with significant non-controlling interest.

9. Property, Plant and Equipment

The composition of and movements in this account are as follows:

	2021								
	Building	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture, Fixtures and equipment	Fishmeal Facility	ROU Assets	Total
Cost									
Balance at beginning of year	\$1,435,102	\$4,795,169	\$239,581	\$349,403	\$448,467	\$67,445	\$1,601,900	\$633,208	\$9,570,275
Additions	3,937	556,520	2,232	98,739	1,669	3,208	—	—	666,305
Retirement	(3,991)	(295,385)	(3,751)	(110,239)	(203,990)	(25,610)	—	—	(642,966)
Balance at end of year	1,435,048	5,056,304	238,062	337,903	246,146	45,043	1,601,900	633,208	9,593,614
Accumulated Depreciation and Amortization									
Balance at beginning of year	783,165	2,257,374	77,802	212,046	307,013	55,040	56,355	306,196	4,054,991
Depreciation and amortization	87,488	460,091	24,177	28,753	15,584	11,773	80,133	153,098	861,097
Retirement	(3,937)	(245,014)	(3,751)	(110,239)	(184,136)	(24,778)	—	—	(571,855)
Balance at end of year	866,716	2,472,451	98,228	130,560	138,461	42,035	136,488	459,294	4,344,233
Allowance for Impairment Losses									
Balance at beginning and end of year	—	101,406	—	—	—	—	—	—	101,406
Carrying Amount	\$568,332	\$2,482,447	\$139,834	\$207,343	\$107,685	\$3,008	\$1,465,412	\$173,914	\$5,147,975

	2020									
	Building	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture, Fixtures and equipment	Fishmeal Facility	CIP	ROU Assets	Total
Cost										
Balance at beginning of year	\$1,435,102	\$4,001,920	\$238,575	\$308,700	\$439,271	\$60,098	\$—	\$1,638,118	\$633,208	\$8,754,992
Additions	—	518,548	1,006	40,703	9,196	7,347	5,050	233,433	—	815,283
Reclassification	—	274,701	—	—	—	—	1,596,850	(1,871,551)	—	—
Balance at end of year	1,435,102	4,795,169	239,581	349,403	448,467	67,445	1,601,900	—	633,208	9,570,275
Accumulated Depreciation and Amortization										
Balance at beginning of year	702,522	1,881,920	52,863	191,610	281,870	50,302	—	—	153,098	3,314,185
Depreciation and amortization	80,643	375,454	24,939	20,436	25,143	4,738	56,355	—	153,098	740,806
Balance at end of year	783,165	2,257,374	77,802	212,046	307,013	55,040	56,355	—	306,196	4,054,991
Allowance for Impairment Losses										
Balance at beginning and end of year	—	101,406	—	—	—	—	—	—	—	101,406
Carrying Amount	\$651,937	\$2,436,389	\$161,779	\$137,357	\$141,454	\$12,405	\$1,545,545	\$—	\$327,012	\$5,413,878

The cost of fully depreciated property, plant and equipment still used in Company's operations amounted to \$815,392 and \$1.1 million as at December 31, 2021 and 2020, respectively.

Transportation equipment with carrying amounts \$1,630 and \$8,163 as at December 31, 2021 and 2020, respectively are held as security to long-term loans (see Note 12).

In 2021, the Company retired several property and equipment resulting in a loss of \$71,111 (see Note 19).

In 2019, the Company disposed a transportation equipment with carrying amount of \$8,786 and recognized a gain amounting to \$3,110 (see Note 19).

Depreciation and amortization charged to operations are as follows:

	Note	2021	2020	2019
Cost of goods sold	17	\$779,411	\$650,515	\$485,259
Selling and administrative expenses	18	81,686	90,291	99,479
		\$861,097	\$740,806	\$584,738

10. Other Noncurrent Assets

This account consists of:

	Note	2021	2020
Receivable from Wild Catch Fisheries, Inc. (WCFI)	13	\$2,183,281	\$2,183,281
Refundable lease deposits	22	1,699,263	1,738,885
Idle assets		314,320	314,320
Investments in joint ventures	13	280,243	280,243
		4,477,107	4,516,729
Allowance for impairment losses		(2,777,844)	(2,777,844)
		\$1,699,263	\$1,738,885

Receivable from WCFI

Receivable from WCFI pertains to the proceeds from the sale of a fishing vessel and advances for fish deposit. WCFI ceased operations since 2014. This was fully provided with allowance for impairment loss.

Refundable Lease Deposits

Refundable lease deposits pertain to lease deposits for plant and office (see Note 22).

Idle Assets

Idle assets pertain to fishing vessels that are no longer used in the Company's operations.

Idle assets were fully provided with an allowance as at December 31, 2021 and 2020. The total allowance for impairment losses on fishing vessels, including allowance for impairment losses previously recognized before reclassification to idle assets, amounted to \$13.93 million.

Investments in Joint Ventures

FDCP, Inc. (FDCP). FDCP is engaged in manufacturing and wholesale of tin cans. The Company has 39% ownership interest in FDCP. FDCP ceased manufacturing operations in September 2015.

WCFI. WCFI is an entity primarily engaged in commercial fishing within and outside Philippine waters and in the high seas. The Company has 40% ownership interest in WCFI. WCFI ceased operations in 2014.

The Company's investments in joint ventures are fully provided with allowance for impairment losses.

11. Trade and Other Payables

This account consists of:

	Note	2021	2020
Trade payables to:			
Third parties		\$1,908,478	\$3,672,746
Related parties	13	260,957	260,957
Accrued expenses		952,751	1,881,543
Statutory payable		159,883	53,350
Customers' deposits		143,003	42,997
		\$3,425,072	\$5,911,593

Trade payables are noninterest-bearing and are generally settled within 30 days.

Details of accrued expenses are as follows:

	Note	2021	2020
Professional fees		\$297,995	\$357,682
Customs, brokerage and demurrage		122,852	352,287
Salaries, wages and other benefits		47,212	97,903
Outside services		45,254	342,063
Interest	27	44,662	28,860
Warehousing		—	233,074
Others		394,776	469,674
		\$952,751	\$1,881,543

Other accrued expenses mainly pertain to provision and insurance.

Statutory payable includes amounts payable to government agencies and are normally settled in the following month.

12. Loans Payable

Short-term Loans

	Currency	Nominal interest rate	2021	2020
Local banks	USD	2.25% to 9.59%	\$10,795,942	\$11,886,292
Current portion of long-term loans			501,098	6,550
			\$11,297,040	\$11,892,842

The loans from local banks, with terms ranging from three to six months, pertain to working capital loans and availments of revolving facilities in the form of export packing credit, export bills purchase, import letters of credit and trust receipts.

Loan Security. Short-term loans from local banks are secured by the Company's trade receivables and transportation equipment as follows:

	Note	2021	2020
Trade receivables	5	\$1,914,829	\$1,431,864
Transportation equipment	9	–	1,642
		\$1,914,829	\$1,433,506

Loans from investment bank are unsecured promissory notes used to finance the Company's working capital requirements, with a renewable 90-day term.

Long-term Loans

	2021	2020
Local banks	\$1,417,765	\$1,507,701
Less current portion	501,098	6,550
	\$916,667	\$1,501,151

Loans from local banks bear annual interest rates ranging from 3.55% to 9.25%.

Loan Security. The long-term loans are secured by transportation equipment with carrying amounts of \$1,630 and \$6,521 as at December 31, 2021 and 2020 respectively (see Note 9).

Interest Expense

Interest expense is recognized from the following:

	Note	2021	2020	2019
Short-term loans		\$435,535	\$720,290	\$1,775,591
Due to Parent Company	13	96,117	115,118	63,927
Long-term loans		42,912	92,366	21,123
Lease liabilities	22	29,256	45,383	56,475
Notes payable	13	–	–	62,110
		\$603,820	\$973,157	\$1,979,226

Interest expense on lease liabilities amounting to \$20,667, \$32,644 and \$40,919 in 2021, 2020 and 2019, respectively, is presented as part of "Others" under "Cost of goods sold" in the separate statements of comprehensive income (see Note 17).

13. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as summarized below.

Related Party	Note	Amount of Transaction		Outstanding Balance	
		2021	2020	2021	2020
Trade Receivables	5				
Joint venture		\$—	\$—	\$234,185	\$234,185
Due from Related Parties					
Subsidiaries		(\$608,922)	(\$1,274,628)	\$10,568,873	\$11,177,795
Allowance for impairment loss		(29,575)	446,182	(6,232,707)	(6,203,132)
				\$4,336,166	\$4,974,663
Other Noncurrent Assets					
Joint ventures	10	\$—	\$—	\$2,463,524	\$2,463,524
Subsidiary		(101,537)	89,788	1,624,064	1,725,601
Allowance for impairment loss		—	—	(2,463,524)	(2,463,524)
				\$1,624,064	\$1,725,601
Trade Payables	11				
Joint venture		\$—	(\$172,898)	\$260,957	\$260,957
Parent Company		—	(163,300)	—	—
				\$260,957	\$260,957
Due to Parent Company		(\$108,916)	\$178,748	\$2,069,832	\$2,178,748

Trade Receivables. The receivable from FDCP pertains to return of purchased tin cans with damages.

Due from Related Parties. The Company has advances to its subsidiaries for working capital requirements. The outstanding balances are either interest-bearing or noninterest-bearing and are payable in cash upon demand. The Company recognized a gain on reversal of allowance amounting to \$446,182 in 2020.

Interest income recognized on these advances follows (see Note 4):

Due from:	Interest Rate	2021	2020	2019
BGB	1.00%-3.00%	\$38,470	\$79,286	\$97,985
Akaroa	7.00%	11,806	14,162	21,128
AMHI	7.50%	4,191	15,216	13,480
		\$54,467	\$108,664	\$132,593

The Company has a management agreement with Spence. Management fees amounted to \$343,264 in 2019 (see Note 19). The outstanding balance is noninterest-bearing and is payable on demand.

Other Noncurrent Assets. Refundable lease deposit to AMHI resulted from a long-term lease contract (see Note 22).

Trade Payables. The Company purchased some of its tin can requirements from FDCP. Trade payable to AMHI pertains to unpaid rentals. Payable to Parent Company pertains to various operating expenses. The outstanding balances are unsecured, noninterest-bearing and have no repayment terms. These are settled in cash, except for rental payable amounting to \$154,904 and \$148,074 which was offset against due from AMHI in 2021 and 2020, respectively (see Note 22).

Notes Payable. In 2019, the Company issued a long-term promissory note to Spence amounting to \$3.0 million. Proceeds from disposal of Spence in the same year were used to settle the liability in full.

Interest expense amounted to \$62,110 in 2019 (see Note 12).

Due to Parent Company. In 2019, the Company borrowed additional funds from its Parent Company amounting to \$2.0 million, which bears a 6.31% annual interest and payable in lump sum in 2022. Effective November 2020, the interest rate was reduced to 4.57%.

Interest expense amounted to \$96,117, \$115,118 and \$63,927 in 2021, 2020 and 2019, respectively (see Note 12).

The ultimate parent company is Seawood Resources, Inc., a domestic company engaged in investing activities.

The remuneration of the key management personnel of the Company is composed of short-term and post-employment benefits. Short-term employee benefits amounted to \$486,863, \$477,162, and \$496,178 in 2021, 2020 and 2019, respectively. Post-employment benefits amounted to \$277,790, \$33,446 and \$36,744 in 2021, 2020 and 2019, respectively.

14. Retirement Benefit Obligation

The Company values its defined benefit obligation using the projected unit credit method. The benefit shall be payable to employees who retire from service who are at least 60 years old and with at least five years of continuous service.

The most recent actuarial valuation was made as at December 31, 2020 by an independent actuary. The Company did not obtain an actuarial valuation as at December 31, 2021 because the Company believes that the difference between the retirement liability as determined by an actuarial valuation and retirement liability recorded is not significant.

Retirement benefit costs recognized in the separate statements of comprehensive income in respect of this defined benefit plan are as follows (see Note 18):

	2021	2020	2019
Service cost:			
Current service cost	\$73,295	\$41,579	\$80,279
Net interest expense	11,970	21,287	9,546
	\$85,265	\$62,866	\$89,825

The amounts of net retirement benefit obligation presented in the separate statements of financial position are as follows:

	2021	2020
Present value of defined benefit obligation	\$435,459	\$376,401
Fair value of plan assets	(36,696)	(43,612)
	\$398,763	\$332,789

Movements in the present value of defined benefit obligation are as follows:

	2021	2020
Balance at beginning of year	\$376,401	\$311,912
Current service cost	73,295	41,579
Unrealized foreign exchange loss (gain)	(21,893)	16,965
Interest cost	11,970	24,436
Retirement benefits paid	(4,314)	–
Remeasurement loss (gain):		
Arising from experience adjustments	–	(123,026)
Arising from changes in financial assumptions	–	104,535
Balance at end of year	\$435,459	\$376,401

Movements in the fair value of plan assets are as follows:

	2021	2020
Balance at beginning of year	\$43,612	\$40,182
Retirement benefits paid	(4,314)	–
Unrealized foreign exchange gain (loss)	(2,468)	2,185
Loss on plan assets	(1,522)	(1,903)
Interest income	1,388	3,148
Balance at end of year	\$36,696	\$43,612

The analysis of the fair value of plan assets is as follows:

	2021	2020
Cash	\$3,128	\$165
Debt instruments	33,674	43,447
Other assets	5	62
Fees payables	(76)	(4)
Withholding taxes payable	(35)	(58)
	\$36,696	\$43,612

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	2021	2020	2019
Discount rate	3.82%	3.82%	5.05%
Expected rate of salary increases	5.00%	5.00%	6.00%

The sensitivity analysis on the defined benefits obligations is as follows:

	Basis Points	2021	2020
Discount rate	+1.00%	(\$53,921)	(\$46,159)
	-1.00%	65,570	56,131
Salary increase rate	+1.00%	63,653	54,490
	-1.00%	(53,800)	(46,055)
Employee turnover	+1.00%	8,513	7,288
	-1.00%	(8,513)	(7,288)

The cumulative remeasurement gain on retirement benefit obligation recognized in other comprehensive income follows:

	Cumulative Remeasurement Gain	Deferred Tax	Net
Balance as at January 1, 2021	\$164,740	(\$49,422)	\$115,318
Change in tax rate	—	8,237	8,237
Balance as at December 31, 2021	\$164,740	(\$41,185)	\$123,555
Balance as at January 1, 2020	\$148,153	(\$44,446)	\$103,707
Remeasurement gain	16,587	(4,976)	11,611
Balance as at December 31, 2020	\$164,740	(\$49,422)	\$115,318
Balance as at January 1 and December 31, 2019	\$148,153	(\$44,446)	\$103,707

The table below shows the maturity profile of the undiscounted benefit payments as at December 31, 2021:

	Amount
Less than one year	\$6,591
One year to less than five years	78,340
Five years to less than ten years	217,780
Ten years to less than fifteen years	215,101
Fifteen years to less than twenty years	846,574
Twenty years and above	1,901,576

The average duration of the benefit obligation is 19 years as at December 31, 2021 and 2020.

15. Equity

Details of the Company's capital stock as at December 31, 2021 and 2020 are as follows:

	Shares	Amount
Authorized		
Ordinary shares at ₱0.50 par value	3,000,000,000	₱1,500,000,000
Issued and Outstanding		
Issued	2,500,000,000	\$26,823,389
Treasury stock at cost	(287,537)	(5,774)
Issued and outstanding	2,499,712,463	\$26,817,615

The Company's track record of registration of securities is as follows:

	Issue/Offer Price	Registration/Issue Date	Number of Shares Issued
Initial public offering	₱1.35	November 8, 2006	535,099,610
Stock dividends	—	December 17, 2007	64,177,449
Stock rights offer (SRO)	1.00	July 25, 2011	272,267,965
Stock dividends	—	January 25, 2012	137,500,000
Private placement	1.60	December 14, 2012	60,668,750
Private placement	1.31	May 5, 2014	430,286,226
SRO	1.00	October 28, 2015	1,000,000,000
			2,500,000,000

As at December 31, 2021 and 2020, APIC amounted to \$1.49 million.

The Company has 237 and 240 stockholders as at December 31, 2021 and 2020, respectively.

Capital Management

The primary objective of the Company'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 Company 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 Company considers the equity presented in the separate statements of financial position as its core capital.

For the purpose of the Company's capital management, capital includes issued capital, APIC and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments when there are changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt-to-equity ratio, which is total debt divided by total equity.

The debt-to-equity ratio is as follows:

	2021	2020
Debt	\$18,325,331	\$22,234,932
Equity	22,360,769	22,019,703
Debt-to-Equity Ratio	0.82:1	1.01:1

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. The public ownership is 32% as at December 31, 2021 and 2020.

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

16. Net Sales

This account consists of:

	2021	2020	2019
Canned tuna	\$29,201,221	\$51,766,126	\$59,589,381
By-products	2,254,147	2,042,190	2,342,071
Whole fish	871,486	231,544	300,733
	\$32,326,854	\$54,039,860	\$62,232,185

Revenue from sale of goods is recognized at a point in time, which is upon delivery.

Details of the Company's revenue based on geographical markets are as follows:

	2021	2020	2019
International	\$29,170,529	\$51,549,428	\$59,508,091
Local	3,156,325	2,490,432	2,724,094
	\$32,326,854	\$54,039,860	\$62,232,185

17. Cost of Goods Sold

This account consists of:

	Note	2021	2020	2019
Raw materials used		\$22,260,065	\$38,701,735	\$49,914,051
Direct labor	20	2,261,135	4,408,028	4,568,102
Manufacturing overhead:				
Warehousing		1,538,469	2,029,501	1,926,508
Indirect labor		934,607	1,548,884	1,315,670
Depreciation and amortization	9	779,411	650,515	485,259
Rental	22	528,720	7,821	6,908
Fuel		411,517	552,683	644,972
Light and water		290,769	549,144	585,328
Others		804,368	455,566	798,895
Total manufacturing costs		29,809,061	48,903,877	60,245,693
Finished goods, beginning	6	5,357,002	9,020,914	6,107,992
Total cost of goods manufactured		35,166,063	57,924,791	66,353,685
Finished goods, ending	6	(4,546,026)	(5,357,002)	(9,020,914)
		\$30,620,037	\$52,567,789	\$57,332,771

Other manufacturing overhead consists of interest expense on lease liabilities, repairs and maintenance, outside services, and insurance, among others.

18. Selling and Administrative Expenses

This account consists of:

	Note	2021	2020	2019
Salaries, wages and other benefits	20	\$1,109,118	\$1,178,194	\$1,161,195
Outside services		996,102	1,165,137	556,632
Taxes and licenses		205,682	391,325	503,993
Insurance		161,624	103,557	92,621
Rental and utilities		148,421	223,644	179,762
Representation and entertainment		113,802	315,236	239,368
Loss on inventory write-down	6	118,176	1,384,937	874,601
Advertising, marketing and commission		107,600	146,280	253,206
Retirement benefit costs	14	85,265	62,866	89,825
Customs, brokerage and demurrage		82,659	1,200,486	468,220
Depreciation and amortization	9	81,686	90,291	99,479
Freight and transportation		76,292	416,587	172,204
Materials and supplies		21,440	28,674	27,207
Provision for impairment loss on trade and other receivables	5	9,295	46,500	—
Donations		3,427	74,400	—
Others		115,667	408,511	78,564
		\$3,436,256	\$7,236,625	\$4,796,877

19. Other Income (Charges)

This account consists of:

	Note	2021	2020	2019
Dividend income	8	\$1,188,376	\$–	\$–
Unrealized foreign exchange gain (loss)		97,403	(145,127)	(128,697)
Bank charges		(93,677)	(179,353)	(270,469)
Gain (loss) on:	9			
Retirement of property and equipment		(71,111)	–	–
Disposal of transportation equipment		–	–	3,110
Interest income	4	58,251	110,220	138,094
Realized foreign exchange gain (loss)		13,230	(53,586)	416,725
Management fees	13	6,474	–	343,264
Others - net		403,434	(150,990)	68,972
		\$1,602,380	(\$418,836)	\$570,999

20. Salaries, Wages and Other Benefits

This account consists of:

	Note	2021	2020	2019
Short-term employee benefits	17,18	\$3,370,253	\$5,586,222	\$5,729,297
Post-employee benefits	14	85,265	62,866	89,825
		\$3,455,518	\$5,649,088	\$5,819,122

21. Income (Loss) Per Share

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

	2021	2020	2019
Net income (loss) for the year	\$332,829	(\$8,469,381)	(\$1,424,314)
Weighted average number of ordinary shares outstanding	2,499,712,463	2,499,712,463	2,499,712,463
	\$0.00013	(\$0.00339)	(\$0.00057)

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

In 2021, 2020 and 2019, the Company has no dilutive potential share.

22. Lease Agreements

Short-term Leases

The Company 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 rental. The leases are renewable upon mutual agreement between parties.

Rental is distributed as follows:

	Note	2021	2020	2019
Cost of goods sold	17	\$528,720	\$7,821	\$6,908
Selling and administrative expenses		112,549	165,516	124,261
		\$641,269	\$173,337	\$131,169

Long-term Leases

Plant. On January 25, 2013, a long-term lease contract was executed by and between the Company and AMHI. The term shall be for a period of five years from January 1, 2013 until December 31, 2017, renewable every five years thereafter, upon terms and conditions mutually agreeable to the parties. Based on the contract, the rental fee shall be \$56,572, subject to an annual escalation of 5% or the national inflation rate as published by the Philippine Statistics Authority (PSA), whichever is higher.

On January 1, 2017, the lease contract was amended. Based on the amended contract, the lease term is five years and the rental fee shall be \$11,634 per month, subject to annual escalation of 5% or the national inflation rate as published by the PSA, whichever is higher, starting on the third year of the contract. The contract was renewed in 2018 with same terms.

Office. The Company 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. The monthly rental for the first two (2) years shall be \$4,171, subject to an annual escalation of 5%.

Refundable lease deposits for plant and office amounted to \$1.70 million and \$1.74 million as at December 31, 2021 and 2020, respectively (see Note 10). This is to be returned upon expiration of the lease term.

The balance of and movements in lease liabilities are as follows:

	Note	2021	2020
Balance at beginning of year		\$417,809	\$547,604
Offsetting with due from a related party		(154,904)	(148,074)
Rental payments		(55,091)	(52,662)
Interest	12	29,256	45,383
Effect of foreign exchange loss (gain)		(19,113)	25,558
Balance at end of year		217,957	417,809
Less current portion		203,689	186,341
Noncurrent portion		\$14,268	\$231,468

Lease liabilities were measured by discounting the remaining lease payments using the incremental borrowing rate of 9.54%.

The amounts recognized in profit or loss is as follows:

	Note	2021	2020	2019
Rental		\$641,269	\$173,337	\$131,169
Amortization	9	153,098	153,098	153,098
Interest	12	29,256	45,383	56,475
		\$823,623	\$371,818	\$340,742

The future minimum lease payments and present value as at December 31, 2021 and 2020 are as follows:

	2021		2020	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
Within one year	\$214,060	\$203,689	\$216,505	\$186,341
After one year but not more than five years	14,382	14,268	242,603	231,468
	228,442	217,957	459,108	417,809
Finance charges	(10,485)	–	(41,299)	–
	\$217,957	\$217,957	\$417,809	\$417,809

23. Corporate Social Responsibility

The Company has implemented a corporate social responsibility program to focus on the local workers' community welfare, as well as to promote a clean and healthy environment together with energy conservation. In 2019, the Company started partnering with Mindanao State University (General Santos City campus) to launch the Bay of Gold scholarship, which aims to provide financial assistance to Marine Biology students of this campus.

In 2020, in light of the pandemic, the Company provided relief to the pupils and families in Changco Elementary School, General Santos City and donated tuna products to local government units in Region XII in the light of the pandemic. In 2021, the Company continued its support to the school by donating materials for their water connection system.

24. Income Taxes

Current Tax

The current income tax expense in 2021, 2020 and 2019 represents MCIT amounting to \$20,282 \$28,631 and \$135,944, respectively.

On March 26, 2021, RA No. 11534 or the "Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act" (the "Act") was signed into law by the President of the Philippines. Under the Act, domestic corporations will be subject to 25% or 20% RCIT depending on the amount of total assets or total amount of taxable income. In addition, MCIT shall be computed at 1% of gross income for a period of three years. The changes in the income tax rates retrospectively became effective beginning July 1, 2020.

The income tax rates used in preparing the separate financial statements as at and for the year ended December 31, 2021 are 25% and 1% for RCIT and MCIT, respectively.

The effects of the reduction in tax rates were applied in the 2021 tax expense, as required by PAS 12, *Income Taxes*. Details of adjustments are as follows:

	Current	Deferred	Total
Income tax expense	\$27,439	(\$1,353,937)	(\$1,326,498)
Effect of change in tax rate	(7,157)	1,596,190	1,589,033
Adjusted income tax expense	\$20,282	\$242,253	\$262,535

Deferred Tax

The components of the Company's net deferred tax assets are as follows:

	2021	2020
Allowance for impairment losses on:		
Other noncurrent assets	\$4,097,895	\$4,917,474
Due from PT IAFI	1,558,177	560,939
Receivables	131,474	209,894
Property, plant and equipment	25,352	30,422
Allowance for inventory write-down	359,803	613,295
Retirement benefit obligation recognized in:		
Profit or loss	99,691	99,837
Other comprehensive income	(15,252)	(17,895)
Unrealized foreign exchange loss (gain)	(24,351)	46,217
Excess of amortization and interest over rental payments	(1,993)	12,866
	\$6,230,796	\$6,473,049

The Company did not recognize the following deferred tax assets since the management believes that future taxable income will not be available to allow the deferred assets to be utilized:

	2021	2020
NOLCO	\$1,827,651	\$1,726,326
MCIT	184,857	327,392
Allowance for impairment of Due from PTI AFI	–	1,300,000
	\$2,012,508	\$3,353,718

As at December 31, 2021, the Company has NOLCO amounting to \$1.56 million and \$5.75 million which can be claimed as deduction from taxable income until 2026 and 2025, respectively.

The details of the Company's MCIT, which can be utilized as a credit against future income tax payable, are as follows:

Year Incurred	Amount	Expired	Change in tax rate	Balance	Expiry Year
2021	\$27,439	\$–	\$–	\$27,439	2024
2020	28,631	–	(7,157)	21,474	2023
2019	135,944	–	–	135,944	2022
2018	162,817	(162,817)	–	–	2021
	\$354,831	(\$162,817)	(\$7,157)	\$184,857	

The reconciliation of provision for (benefit from) income tax computed at the statutory income tax rate and at effective income tax rate follows:

	2021	2020	2019
Provision for (benefit from) income tax computed at statutory tax rate	\$148,841	(\$2,137,171)	(\$84,233)
Change in tax rates	1,589,033	—	—
Change in unrecognized deferred tax assets	(1,341,210)	3,217,774	(9,056)
Tax effects of:			
Nontaxable income	(297,094)	—	—
Interest income already subjected to final tax	(946)	(467)	(1,650)
Nondeductible expenses	857	170,188	681
Nondeductible interest expense	237	193	—
Expired NOLCO	—	—	1,237,375
Expired MCIT	162,817	94,961	420
Provision for income tax computed at effective tax rate	\$262,535	\$1,345,478	\$1,143,537

25. Fair Value of Financial Assets and Liabilities

The table below presents the carrying amounts and fair value of the Company's financial assets and financial liabilities as at December 31, 2021 and 2020.

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash	\$4,345,932	\$4,345,932	\$2,036,583	\$2,036,583
Trade and other receivables	4,376,082	4,376,082	4,358,766	4,358,766
Due from related parties	4,336,166	4,336,166	4,974,663	4,974,663
Refundable lease deposits	1,699,263	1,699,263	1,738,885	1,738,885
	\$14,757,443	\$14,757,443	\$13,108,897	\$13,108,897
Financial Liabilities				
At amortized cost:				
Trade and other payables*	\$3,122,186	\$3,122,186	\$5,815,246	\$5,815,246
Loans payable	12,213,707	12,213,707	13,393,993	13,393,993
Lease liabilities	217,957	217,957	417,809	417,809
Due to Parent Company	2,069,832	2,069,832	2,178,748	2,178,748
	\$17,623,682	\$17,623,682	\$21,805,796	\$21,805,796

*Excluding customers' deposits and statutory payable

The following methods and assumptions are used to estimate the fair value of the Company's financial assets and liabilities:

Cash, Trade and Other Receivables, Due from Related Parties, Trade and Other Payables (excluding Customers' Deposits and Statutory Payable) and Due to Parent Company. The carrying amounts of these financial instruments (except approximate their fair values due to the relatively short-term maturity of these financial instruments. These financial assets and liabilities are classified under Level 3 of the fair value hierarchy groups of the separate financial statements.

Refundable Lease Deposits, Lease Liabilities and Loans Payable. The fair value of these financial assets and liabilities approximate the carrying amounts. Management assessed that the effect of discounting is not material. These financial assets and liabilities are classified under Level 3 of the fair value hierarchy groups of the separate financial statements.

Generally, an increase or decrease in the incremental after-tax cash flows will result in an increase or decrease in the fair value of lease liabilities and loans payable. An increase or decrease in discount rate will result in a decrease or increase in the fair value of these financial liabilities.

The fair value hierarchy groups the financial assets and liabilities into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers among levels in 2021, 2020 and 2019.

26. Financial Risk Management Objectives and Policies

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

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

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: foreign currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company has transactional currency exposures arising from purchase and construction contract transactions denominated in currencies other than the reporting currency. The Company does not enter into forward contracts to hedge currency exposures. To mitigate the Company's exposure to foreign currency risk, foreign currency cash flows and fluctuations in the foreign exchange rates are monitored.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	2021		2020	
	Philippine Peso	U.S. Dollar Equivalent	Philippine Peso	U.S. Dollar Equivalent
Cash	₱13,970,430	\$273,930	₱35,105,870	\$731,022
Trade and other receivables	20,834,724	408,524	8,750,415	182,213
Due from related parties	125,854,383	2,467,733	118,507,942	2,467,733
Refundable lease deposits	83,506,474	1,699,263	83,506,474	1,783,885
Trade and other payables*	39,268,674	769,974	70,264,180	1,463,136
Lease liabilities	11,115,807	217,957	20,064,442	417,809
Loans payable	55,998	1,098	808,611	16,838
Due to Parent Company	105,561,432	2,069,832	104,630,000	2,178,748

* Excluding customers' deposits and statutory payable

Foreign Currency Sensitivity Analysis. The sensitivity analysis includes all of the Company's foreign currency-denominated monetary assets and liabilities. A positive number indicates an increase in income before tax when the U.S. Dollar strengthens against the relevant currency. For the weakening of the U.S. Dollar against the Philippine Peso, there would be an equal and opposite impact on the income before tax.

The following table demonstrates the sensitivity to a 2% and 4% change in USD exchange rates, with all other variables held constant, in 2021 and 2020, respectively:

	Effect on Income Before Tax	
	2021	2020
Cash	\$5,479	\$31,434
Trade and other receivables	8,170	7,835
Due from related parties	49,355	106,113
Refundable lease deposits	33,985	74,772
Trade and other payables*	(15,399)	(62,915)
Lease liabilities	(4,359)	(17,966)
Loans payable	(22)	(724)
Due to Parent Company	(40,000)	(80,000)
	\$37,209	\$58,549

*Excluding customers' deposits and statutory payable

Interest Rate Risk. Interest rate risk is the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate.

The Company does not have any variable interest financial instruments carried at amortized cost as at December 31, 2021 and 2020.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company 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 table below shows the gross maximum exposure of the Company to credit risk before taking into consideration collateral and other credit enhancements:

	2021	2020
Cash in banks	\$4,344,349	\$2,033,688
Trade and other receivables	4,901,977	5,058,413
Due from related parties	10,568,873	11,177,795
Receivable from WCFI	2,183,281	2,183,281
Refundable lease deposits	1,699,263	1,738,885
	\$23,697,743	\$22,192,062

Risk Management. Credit risk is managed on a group basis. The Company deals only with reputable banks and customer to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Company 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.

Sales to customers are required to be settled in cash, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

	Neither Past Due nor Impaired			
	High Grade (12-month ECL)	Standard Grade (Lifetime ECL - not credit-impaired)	Impaired (Lifetime ECL - credit impaired)	Total
Cash in banks	\$4,344,349	\$—	\$—	\$4,344,349
Trade and other receivables	—	4,376,082	525,895	4,901,977
Due from related parties	—	4,336,166	6,232,707	10,568,873
Receivable from WCFI	—	—	2,183,281	2,183,281
Refundable lease deposits	1,699,263	—	—	1,699,263
	\$6,043,612	\$8,712,248	\$8,941,883	\$23,697,743

	Neither Past Due nor Impaired			
	High Grade (12-month ECL)	Standard Grade (Lifetime ECL - not credit-impaired)	Impaired (Lifetime ECL - credit impaired)	Total
Cash in banks	\$2,033,688	\$—	\$—	\$2,033,688
Trade and other receivables	—	4,358,766	699,647	5,058,413
Due from related parties	—	4,974,663	6,203,132	11,177,795
Receivable from WCFI	—	—	2,183,281	2,183,281
Refundable lease deposits	1,738,885	—	—	1,738,885
	\$3,772,573	\$9,333,429	\$9,086,060	\$22,192,062

As at December 31, 2021 and 2020, the amount of cash and refundable lease deposits are neither past due nor impaired and were classified as “*High Grade*”, while trade and other receivables and due from related parties were classified as “*Standard Grade*”. Impaired trade and other receivables, due from related parties and receivable from WCFI were classified as “*Substandard Grade*”.

The credit quality of such loans and receivables is managed by the Company using the internal credit quality ratings as follows:

- *High Grade.* Pertains to counterparty who is not expected by the Company 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.
- *Impaired.* Impaired financial assets are those which are considered worthless. These are accounts which have the probability of impairment based on historical trend.

Impairment. For trade receivables, the Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance. To measure the ECL, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are initially based on the Company's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP of the locations in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

For other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company's provision for impairment loss is disclosed in Notes 5 and 13.

Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

December 31, 2021				
Contractual Cash Flows				
	Weighted Average Effective Interest Rate	Less than 1 Year	1 to 5 Years	Total
Trade and other payables*	–	\$3,122,186	\$–	\$3,122,186
Loans payable	2.25% - 3.55%	11,297,040	916,667	12,213,707
Lease liabilities	9.54%	214,060	14,382	228,442
Due to Parent Company	4.57% - 6.31%	2,069,832	–	2,069,832
Future interest	2.25% - 9.59%	125,289	78,034	203,323
		\$16,828,407	\$1,009,083	\$17,837,490

* Excluding customers' deposits and statutory payable

December 31, 2020				
Contractual Cash Flows				
	Weighted Average Effective Interest Rate	Less than 1 Year	1 to 5 Years	Total
Trade and other payables*	–	\$5,815,246	\$–	\$5,815,246
Loans payable	3.00% - 9.59%	11,892,842	1,501,151	13,393,993
Lease liabilities	9.54%	216,505	242,603	459,108
Due to Parent Company	4.57% - 6.31%	–	2,178,748	2,178,748
Future interest	3.00% - 9.59%	292,798	299,814	592,612
		\$18,217,391	\$4,222,316	\$22,439,707

* Excluding customers' deposits and statutory payable

27. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Company's liabilities arising from financing activities, including cash and noncash changes:

		Financing Cash Flows			Non-cash Changes		
					Foreign Exchange		
	2020	Availments	Payments	Interest Expense	Loss	Offsetting	2021
Loans payable	\$13,393,993	\$32,142,216	(\$33,322,502)	\$–	\$–	\$–	\$12,213,707
Due to Parent Company	2,178,748	–	–	–	(108,916)	–	2,069,832
Lease liabilities	417,809	–	(55,091)	29,256	(19,113)	(154,904)	217,957
Interest payable	28,860	–	(558,762)	574,564	–	–	44,662
	\$16,019,410	\$32,142,216	(\$33,936,355)	\$603,820	(\$128,029)	(\$154,904)	\$14,546,158

		Financing Cash Flows			Non-cash Changes		
					Foreign Exchange		
	2019	Availments	Payments	Interest Expense	Loss	Offsetting	2020
Loans payable	\$23,247,743	\$28,839,550	(\$38,693,300)	\$–	\$–	\$–	\$13,393,993
Due to Parent Company	2,000,000	–	–	–	178,748	–	2,178,748
Lease liabilities	547,604	–	(52,662)	45,383	25,558	(148,074)	417,809
Interest payable	109,758	–	(1,008,672)	927,774	–	–	28,860
	\$25,905,105	\$28,839,550	(\$39,754,634)	\$973,157	\$204,306	(\$148,074)	\$16,019,410



**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
ALLIANCE SELECT FOODS INTERNATIONAL, INC.
Suite 3104-A, West Tower
Philippine Stock Exchange
Exchange Road, Ortigas Ave., Pasig City

We have audited the accompanying separate financial statements of ALLIANCE SELECT FOODS INTERNATIONAL, INC. (a subsidiary of STRONGOAK INC.) (the "Company") as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, on which we have rendered our report dated April 13, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has two hundred twenty-two (222) and two hundred twenty-five (225) stockholders owning one hundred (100) or more shares each as at December 31, 2021 and 2020, respectively.

REYES TACANDONG & Co.

WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-014-2020

Valid until January 1, 2023

PTR No. 8851714

Issued January 3, 2022, Makati City

April 13, 2022
Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION**

The Stockholders and the Board of Directors
ALLIANCE SELECT FOODS INTERNATIONAL, INC.
Suite 3104A, West Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Avenue, Pasig City

We have audited in accordance with Philippine Standards on Auditing the separate financial statements of ALLIANCE SELECT FOODS INTERNATIONAL, INC. (a subsidiary of STRONGOAK INC.) (the "Company") as at December 31, 2021 and 2020, and for the years ended December 31, 2021, 2020 and 2019, and have issued our report thereon dated April 13, 2022. Our audits were made for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The accompanying Supplementary Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2021 is the responsibility of the Company's management. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and is not part of the basic separate financial statements. The information in this schedule has been subjected to the auditing procedures applied in our audits of the basic separate financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

REYES TACANDONG & Co.

WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-014-2020

Valid until January 1, 2023

PTR No. 8851714

Issued January 3, 2022, Makati City

April 13, 2022
Makati City, Metro Manila

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)

**SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2021**

Deficit available for dividend declaration at beginning of year, as adjusted	(\$11,722,661)
Less net loss actually realized during the year:	
Net income during the year closed to retained earnings	332,829
Movement in deferred tax assets	242,253

Deficit available for dividend declaration at end of year	(\$12,297,743)
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Reconciliation:

Deficit at end of year	(\$6,066,947)
Net deferred tax assets at end of year	(6,230,796)

Deficit available for dividend declaration at end of year	(\$12,297,743)
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ALLIANCE SELECT FOODS
INTERNATIONAL, INC.

SUSTAINABILITY *REPORT* 2021



<http://corporate.allianceselectfoods.com>

Message to our Stakeholders



Dear Stakeholders,

It is with great honor that I present to you the Company's efforts on sustainability for the year 2021.

The Company's main theme for the year is "***Ako Mismo!***". This is to encourage our people within the Company as well as our stakeholders to launch initiatives and exert efforts, big or small, that would benefit the Company and themselves. This theme is in line with the Company's value of Concern which we define as "*malasakit sa trabaho, na nag-uugat sa malasakit sa sarili at kapwa.*"

With "***Ako Mismo!***" as our main thrust, our people are empowered and not deterred by the financial difficulties encountered by the Company in the year 2021. Our people are even more determined to soar higher and overcome these bumps. Endeavors to improve production efficiency and recovery rates, as well as lower maintenance costs and utility consumption are implemented and experienced organization wide. With these combined efforts and with the world slowly going back to normal, we are positive that we will realize prosperous years ahead.

I am also happy to update that our manufacturing plant in General Santos City is now using solar power. The Company signed a long-term agreement with a provider of a rooftop solar PV (photovoltaic) installation to power the needs of our manufacturing plant with renewable energy. The plant is now covered with a 600 kWp solar power system that generates 800 MWh of electricity each year, which in turn reduces carbon emissions by over 4,100 tons annually, equivalent to taking more than 800 cars off the road. This is a milestone that the Company is very proud of!

Year by year, we are inspired to continue to find ways to stay true to our sustainability goals of operating mindfully and being socially accountable. With your continuous support, we have no doubt that these goals are within our reach.

Thank you for your always steadfast support in our journey.

Sincerely Yours,



RAYMOND K.H. SEE
President and CEO

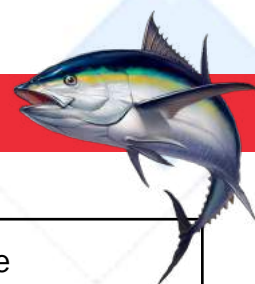
Materiality Process



Alliance Select Foods International, Inc. and its subsidiaries are dedicated with focus on execution to advance our sustainability policies and practices. As we invoke our advocacy for responsible stewardship of our oceans and marine life (environment), we highlight as well the importance of economic and social sustainability.

This Report will articulate the challenges, efforts and opportunities that the Company faces in relation to sustainability and its operations. It will show how the Company balances its resources in order to arrive at a synergized environment with sustainability in its pinnacle.

Materiality Matrix for Sustainability Issues



Influence to Stakeholders' Assessment and Decision Making	High	<ul style="list-style-type: none"> - Operations and Resources Efficiency - Supply Chain Management - Customer Service and Management 	<ul style="list-style-type: none"> - Corporate Governance - Economic Contribution (direct or indirect) - Tuna Procurement Practices - Product Quality - Employee Training and Development - Business Continuity
	Medium	<ul style="list-style-type: none"> - Employee Benefits - Relationship with Community - Data Privacy - Water, Energy Resource and Waste Management - Climate Change - Crisis Management 	<ul style="list-style-type: none"> - Occupational Health and Safety - Employee Welfare (especially during the pandemic)
		Medium	High
Significance of economic, environmental and social impacts			



Name of the Organization:

Alliance Select Foods International, Inc.

Location of Headquarters:

**Suite 3104 A West Tower PSEC Exchange Rd., Ortigas
Business District, Pasig City, 1605**

Alliance Select Foods International, Inc. (ASFII or the “Parent Company”), a public 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.



Our Subsidiaries

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 (PTIAFI)	99.98	Export Trading	Indonesia
Alliance MHI Properties, Inc. (AMHI)	98.89	Leasing	Philippines
Akaroa Salmon (NZ) Ltd. (Akaroa)*	80	Salmon farming and processing	New Zealand
PT Van De Zee (PT VDZ)	49	Fishing	Indonesia

BGB

BGB has plant facilities that are located in Barangay Tambler, General Santos City. BGB imports salmon from New Zealand, Chile and Norway, among others. The smoked salmon products from BGB are sold locally and abroad.

PTIAFI and PTVDZ

PTIAFI was established under the Indonesian Foreign Capital Investment Law and is primarily engaged in canned fish processing exclusively for international market.

On October 18, 2019, PT AIFI changed its core business operations to export trading, and sold its fixed assets in North Sulawesi, Bitung, Indonesia. PTIAFI is currently not in operation.

PTIAFI 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.

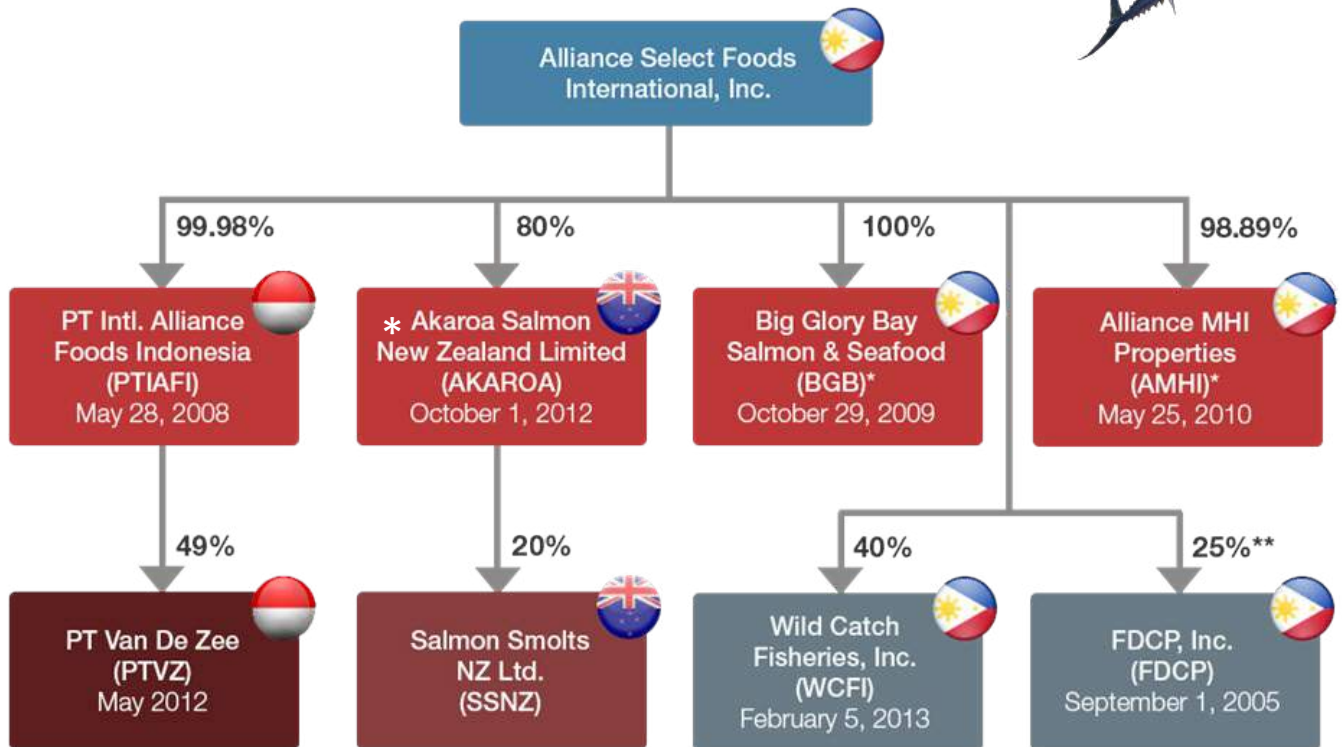
AMHI

AMHI is a property holding company registered at Purok Saydala, Brgy. Tambler, General Santos City.

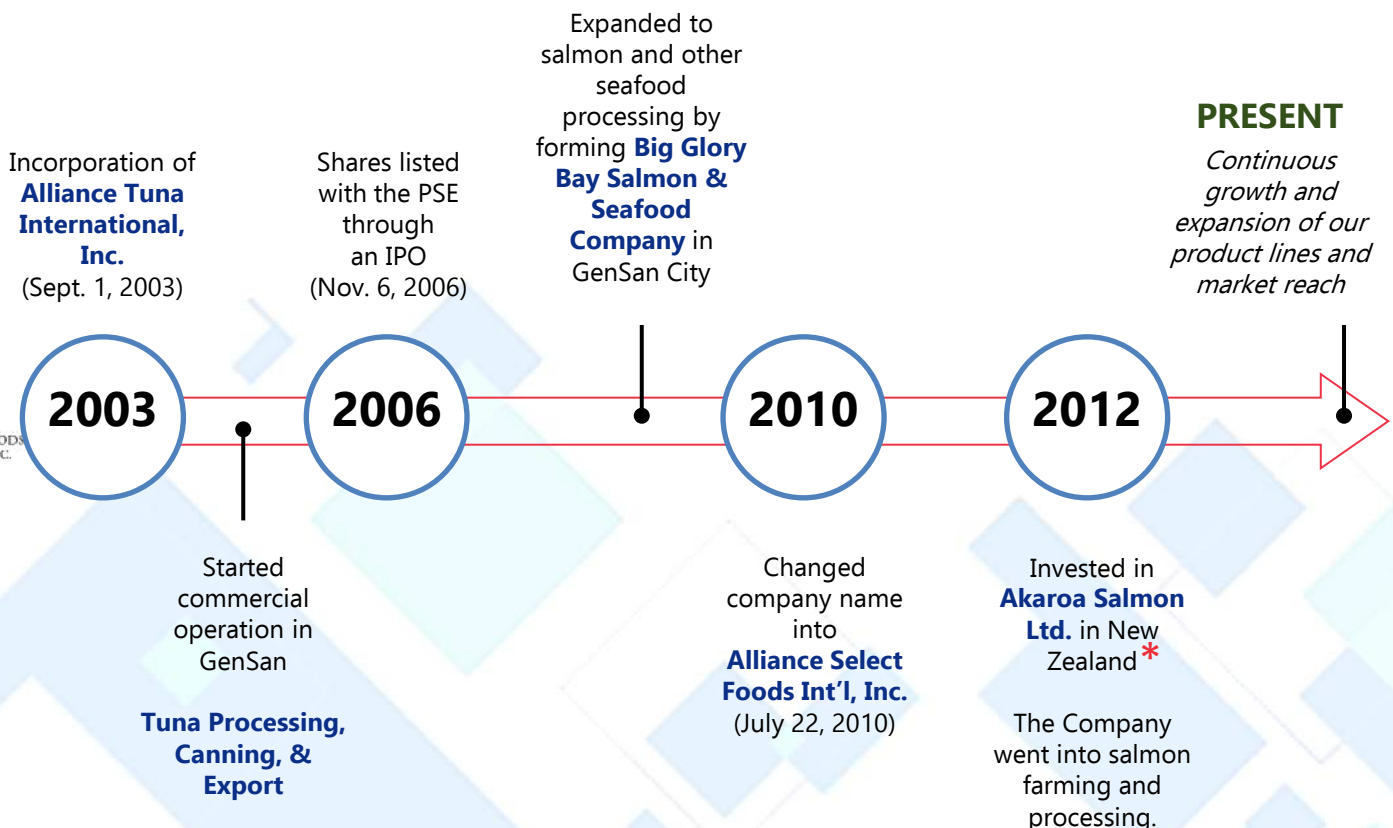
Akaroa*

The Company acquired an 80% stake in Akaroa in October 2012. With its principal office in 89 Treffers Road, Wigram, Christchurch, New Zealand, Akaroa is engaged in the business of sea cage salmon farming and is among the pioneers of farmed salmon industry in New Zealand. Akaroa smokes and processes fresh salmon, and has established itself as the premium quality brand in the country over the years. Akaroa has been the recipient of various awards and accolades from New Zealand's food industry. It operates two marine farms in the pristine cold waters of Akaroa Harbor in the country's South Island to rear the King salmon or Chinook salmon. In November 2021, the Company sold its shares in Akaroa.

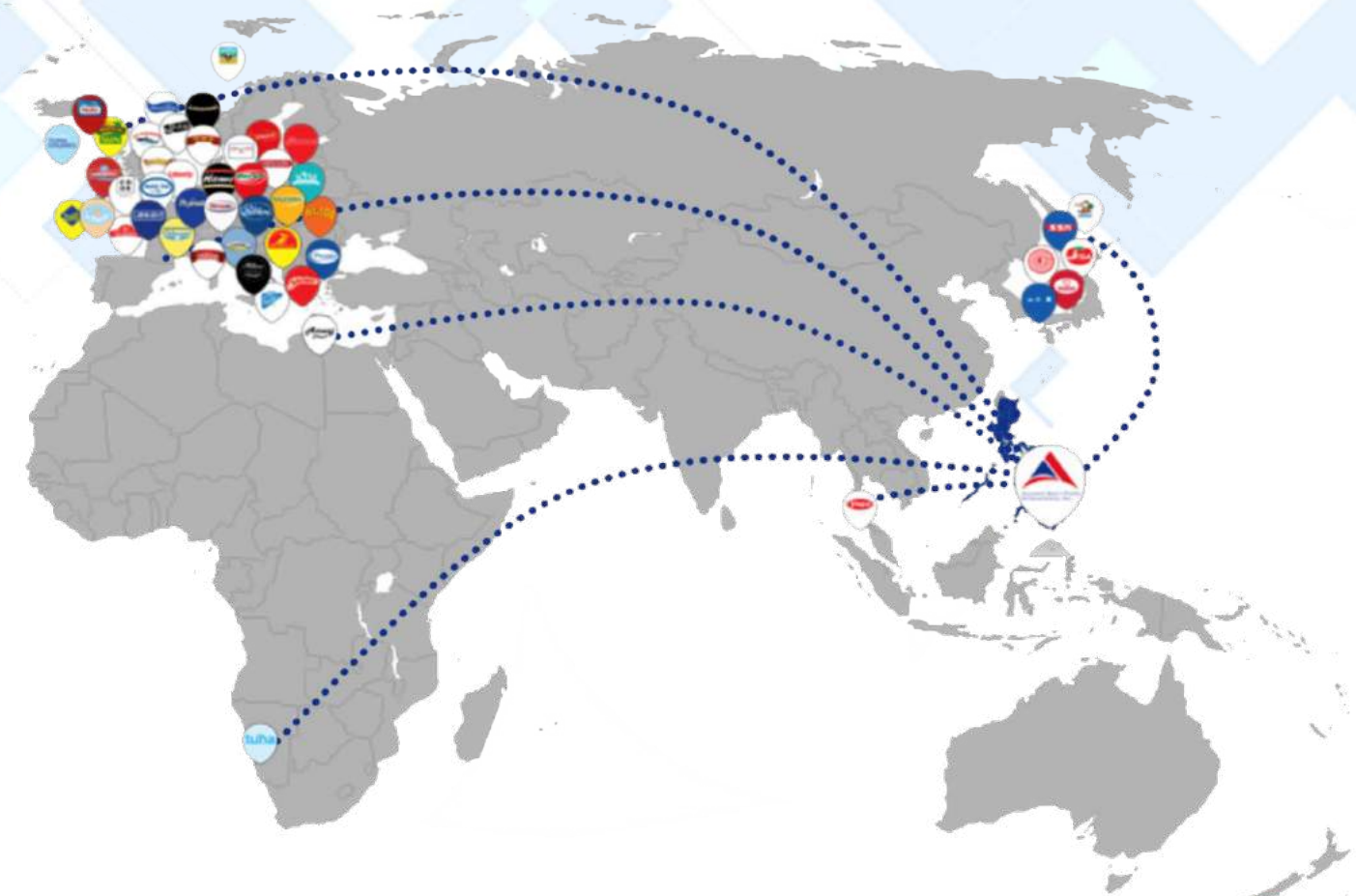
Group Corporate Structure



Our History



*ASFI divested its shares in Akaroa in November 2021



The Parent Company's key business activity is the processing, canning, and export of tuna. It exports its products to Europe, America, Asia, Africa, and the Middle East.

THE BRANDS WE PRODUCE



Our Location



Head Office

Suite 3104-A, West Tower, PSEC
Exchange Rd., Ortigas Business
District, Pasig City, PH (1605)
Telephone: +632 8637 8800

GenSan Plant

Purok Saydala, Brgy. Tambler, General
Santos City, PH (9500)
Telephone: +6383 552 3047



Certifications





Our Mission



PEOPLE

We develop and train our people to help them have a **better life** as we grow.



PERFORMANCE

We aim to deliver strong **profits** across all our businesses through **quality** products and services.



PLANET

We give back to the community through **sustainable** development projects and **responsible** operating practices.

Our Vision

We aim to be the trusted partner for world-class seafood products providing maximum value for our people, customers, and shareholders.



The Company's Core Values are Integrity, Accountability, Concern, and Teamwork.

Our Policies are aligned with these values and help everyone to comply with all relevant laws and regulations.

ASFII Core Values

Integrity: *pagiging tapat sa ating katungkulan -- sa trabaho, sa bahay, o sa buhay man*

Accountability: *handang pangatawanan at panagutan ang ating mga gawain*

Concern: *malasakit sa trabaho, na nag-uugat sa malasakit sa sarili at sa kapwa*

Teamwork: *pagtutulungan tungo sa iisang layunin para sa kapakinabangan ng lahat*

Our Products



Tuna

The Group's Tuna Division is mainly from ASFII which sells processed tuna including pouched tuna products, frozen loins and a premium tuna line under the "Bay of Gold" brand. The market for tuna is comprised of the institutional and retail markets. The end users of the institutional cans include restaurants, hotels, and commissaries. The retail pack is sold to wholesalers, distributors, and food companies that have their own brands. Consumers normally purchase the retail can in supermarkets and grocery stores.

Salmon

BGB processes various salmon species and manufactures them into smoked and raw products for retail and institutional consumers. These are frozen and vacuum packed, and sold in different forms and cuts. Products are sold in retail stores under Prime New Zealand, Gold Standard, and Superfish. In 2021, BGB focused in distributing imported salmon products from Akaroa.

Akaroa serves king salmon both for its domestic and international clients. For international markets, Akaroa's products are air-flown and delivered to retailers, distributors or direct customers in Singapore, Japan, USA, Philippines and Hong Kong, among others.

Fishmeal

Fishmeal is the by-product of tuna and salmon processing operations. Fishmeal is sold as additives or primary ingredients for animal feeds.

Fishoil

ASFII extracts crude fish oil from raw tuna heads, one of the best sources of high-quality fish oil, at the processing plant in General Santos City. This unrefined oil is primarily intended for animal feed, but can also be refined for human consumption. ASFII currently produces around 20,000 kg of crude fish oil per month, which is sold in the local market to agricultural businesses or food processors.





Distribution Methods, Sales and Marketing

Tuna

The Tuna Division of ASFIL has positioned itself as a supplier of canned tuna to a wide range of buyers and agents. Most of the products are finished and labeled, and are ready for shipment to their respective end-destinations. ASFIL diversified its product line. Pouched tuna options and frozen tuna loins were added to its product line for the export market while premium canned tuna and salmon lines consisting of seven variants under the Bay of Gold brand were added for the local market. Bay of Gold is present in select supermarkets in the Philippines. They are also now available on Lazada and Shopee.

At present, canned tuna is sold in both domestic and export markets while frozen tuna loins and pouched tuna products are sold in the export market. Fishmeal, meanwhile, is sold mainly to the domestic market.



Salmon

BGB's products are sold in major supermarkets in the Philippines. The Company is also expanding its market reach in retail through food service clients.

Akaroa products are sold mostly to institutional clients and high-end distributors in New Zealand and the Asia Pacific region. Akaroa also has an online and supermarket presence in New Zealand. ASFIL divested its shares in Akaroa in November 2021.



Fish Sourcing



Tuna and Salmon

ASFII purchases its tuna from fish suppliers and large traders. Skipjack and Yellowfin tuna are the main raw fish inputs for processed tuna products.

BGB sources its salmon primarily from New Zealand, Chile and Norway. This is then processed into hot or cold smoked salmon. Meanwhile, Akaroa's fresh chilled salmon and smoked products are sourced from its own farms.

Key Fishing Areas – Tuna

A key resource or catching area for tuna is the Pacific Ocean. According to the Western and Central Pacific Fisheries Commission's (WCPFC) Tuna Fisheries Yearbook 2018, world tuna catch in 2018 from this fishing area accounted for almost 67% of global tuna catch. The Western Pacific Ocean accounted for 54% of the total, while the Eastern Pacific Ocean accounted for another 13% of the global tuna catch. The Pacific Ocean is followed by the Indian Ocean and accounts for 23% of the catch with the Atlantic Pacific accounting for the balance of 11%.

Key Sourcing Area – Salmon

Almost all of the salmon processed by BGB and Akaroa are sourced from fish farms in New Zealand, Chile and Norway. This ensures a consistent supply of raw materials for the Company's salmon subsidiaries.



Reporting Period: **2021**

Highest Ranking Person responsible for this report:
Lisa Y. Dejadina – Senior Vice President, Operations



ECONOMIC PERFORMANCE



**SUSTAINABILITY
REPORT
2021**



Operating Performance

The Group's consolidated revenues of \$40.8 million in 2021 were 35% lower than the revenues of \$62.7 million in 2020. During the year, tuna-related products contributed about 79% of total revenues, while the remaining 21% were contributed by salmon-related products. Compared to 2020, the significant decrease in sales volume was due to continued spike in freight rates, which is six times (6x) higher than pre-pandemic rates, resulting to deferral of shipments. Losses to competition in European Union (EU) market because of higher freight rates compared to that of Ecuador, and the deconsolidation of Akaroa in November also contributed to the decline in sales.

The Group's gross profit increased to 12% in 2021 from 5% in 2020. This is mainly due to the improvement of production efficiency: a) reduced headcount, lower maintenance costs and utility consumption from the installation of cost reducing machineries and equipment; and b) better recovery rates.

The Group has successfully implemented measures to reduce selling and administrative expenses and has consistently managed costs to partially cushion the impact of low gross profit.

The Group incurred net loss of \$1.1 million in 2021, 89% lower than the net loss of \$10.1 million in 2020. This is driven by:

- Lower sizeable one-offs;
- Lower selling and administrative expenses resulting from cost containment;
- 33% savings on interest expense from repayment of loans; and
- Net gain on the divestment of Akaroa

Disclosure



KEY PERFORMANCE INDICATORS

The Group uses the following key performance indicators to assess the Group's financial performance from period to period.

Years ended December 31		
Key Performance Indicator	2021	2020
Revenue growth rate	-35%	-26%
Net profit margin	-3%	-16%
Current ratio	1.02	0.99
Debt to equity ratio	0.92	1.3
Return on average stockholders' equity	-6%	-39%

DIRECT ECONOMIC VALUE GENERATED & DISTRIBUTED

Disclosure	In US\$ '000
Direct economic value generated (revenue)	40,778
Direct economic value distributed:	
Normalized operating costs	5,087
Employee wages and benefits	1,612
Interest payments to loan provider	570
Investments to community (e.g. donations, CSR)	13



ALLIANCE SELECT FOODS
INTERNATIONAL INC.



PERFORMANCE

Year on year, the management of ASFII launches themes that motivate employees to support and align their individual and department goals with the Company's bottom line targets.

In 2021, the mantra was **"AKO, MISMO!"** – a reminder to everyone to have initiative in everything that they do for the Company and for themselves.

This is also in line with the Company's value of **Concern** which is **"malasakit sa trabaho, na nag-uugat sa malasakit sa sarili at sa kapwa."**



ANTI-CORRUPTION

It is our mandate to never seek, accept or give bribes, facilitate payments, kickbacks or other improper payment. We also ensure that we operate with appropriate transparency in all our business dealings.

We take appropriate steps and adopt appropriate transparency in our approach to ensure that our directors and employees do not, directly or indirectly, offer, promise, give, accept or demand a bribe or other undue advantage to obtain business gain or any other improper advantage. We do not offer, nor give in to demands, to make illicit or illegal payments to agents, public officials or employees of business partners or anybody else that we do business with. We engage and remunerate agents and other third parties only for their legitimate services.

We expect our employees to demonstrate honesty, integrity and fairness in all aspects of business dealings and exercise appropriate standards of professionalism and ethical conduct in all activities. Likewise, we expect the same approach from our business partners and suppliers.

Hospitality and Gifts

All directors, officers and employees, who receive hospitality and gifts, are required to disclose it to the Company. Management or the Board approves hospitality and gift proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. All gifts or hospitality with value of P2,001 and above are not allowed.

Before accepting or giving a gift or hospitality, our employees are enjoined to consider:

Purpose - Will this compromise myself or the Company?

Appropriateness - Is this against our Company policies?

Conflict of interest - Is it attached to any formative contracts or renewals?

Risks - Will there be ill consequences on the Company if I accept?

If the answer to any of the questions above is YES, the employee must not accept the gift/hospitality.

Reporting Suspected Bribery

The Company has a Whistleblowing Policy which is in line with the Company's commitment to uphold the highest ethical standards among its directors, officers, and employees. This Policy aims to encourage every employee as well as its suppliers, business partners, contractors and sub-contractors, who have credible information, to report to the Company any suspected bribery without fear of reprisal, harassment, victimization, or misuse of disciplinary proceedings.

ANTI-CORRUPTION

Action by the Company

We promote employee awareness of, and compliance with, Company policies against bribery and corruption through proper dissemination of policies and procedures to both newly inducted and tenured employees.

We also adopt a management control system that discourages bribery and corruption; as well as financial and tax accounting and auditing practices that prevent the establishment of “off the books” secret accounts, or creation of documents that do not properly and fairly record correct transactions.

We take any allegation of corruption or bribery seriously. Any credible information that relates to bribery or corruption will be investigated. An employee who may be involved may be suspended from his/her/their duties while the investigation is being carried out. When proven guilty, the employee may be terminated from employment.

The Company is likewise ready to terminate any contract with any person, including consultants or contractors, who are found to have committed an act of bribery or corruption, in relation to their business with the Company.

Training on Anti-Corruption Policies and Procedures



Disclosure	Quantity
Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to	100%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%
Percentage of directors and management that have received anti-corruption training	100%
Percentage of employees that have received anti-corruption training	100

Incidents of Corruption

The Company has zero incidents of corruption (which resulted to removal, dismissal, disciplinary action, and/or termination) involving directors, employees, or business partners.

SUSTAINABILITY REPORT 2021



ENVIRONMENTAL PERFORMANCE





PLANET

Alliance Select Foods International, Inc. and its subsidiaries advocate green productivity and sustainability in its operations. This is evident in the Company's thrust and active effort to reduce its carbon footprint and improve its resources management across its supply chain.

Agencies such as GreenPeace Southeast Asia and DENR have recognized ASFII for its green initiatives.





Alliance Select Foods International, Inc. has a valid Environmental Compliance Certificate (ECC), Waste Water Discharge Permit, as well as Permit to Operate (Boiler), and is fully compliant with all environment and safety regulations.

ASFI's manufacturing plant is located in Barangay Tambler, General Santos City. Its processing and production operations are classified as environmentally critical project under The Philippine Environmental Impact Statement System (Presidential Decree No. 1586, as amended). Section 4 of this P.D. 1586 states that **"No person, partnership, or corporation shall undertake or operate any such declared environmentally critical project or area without first securing an ECC"**. An ECC is a decision document issued by the Department of Natural Resources (DENR) – Environmental Management Bureau (EMB) Division after its positive review of the Company's processes in relation to the environment. It certifies that the proponent has complied with requirements of the Environmental Impact System and is committed to implement its Environmental Management Plan.

GREENPEACE RANKING

ASFII is the only Greenpeace-green-rated cannery in the Philippines.

Every two (2) years, Greenpeace Southeast Asia ranks the tuna canneries in the Asian region. In 2018, Greenpeace Southeast Asia's Tuna Cannery Report ranked both the Group's Philippine and Indonesian tuna facilities as No. 1 in their respective localities, following Sustainability, Sourcing, Traceability, Legality, Driving Change, Equity, and Transparency criteria.

In 2020, ASFII's tuna facility in General Santos City ranked No. 1 again in the Cannery Ranking in the Philippines. ASFII leads among the six (6) canneries located in General Santos City, Philippines, and is ranked No. 3 in the Southeast Asian region. ASFII also held its status as the sole cannery in the Philippines who received a Green Rating from the Greenpeace.

ASFII is again aiming to get another high ranking in the Greenpeace Southeast Asia rankings in 2022.

In 2020, ASFII's tuna facility in General Santos City ranked No. 1 again in the Cannery Ranking in the Philippines and No. 3 in Southeast Asia. ASFII also held its status as the sole cannery in the Philippines who received a Green Rating.

RANKING BY FISHING GEAR AND SPECIES USED

NO	COUNTRY	NAME OF CANNERY	2020 SCORING	POLE & LINE	HANDLINE	FAO FREE PURSE SEINE	PURSE SEINE	LONGLINE	SHOOTING	YELLOWFIN	BIGEYE	BONITO	TONGGOL	KANAKAMA	ALBACORE
01	PT, Citra Raja Ampat Canning		73.40												
02	Super C Chef brand of Sea Value PLC		72.48												
03	Alliance Select Foods International		71.57												
04	PT, Samudra Mandiri Sentosa		70.56												
05	Aro of Slam Makro manufactured by Pataya		66.12												
06	PT, Sinar Pure Foods International		63.83												
07	Nautikus brand of Pataya Foods		60.84												
08	General Tuna Corporation		59.27												
09	PT, Deho Canning Company		59.16												
10	Tops by Thai Union for Central Food Retail, Co.		58.72												
11	Seatrade Canning Corporation		58.45												
12	PT, Aneka Tuna Indonesia		57.61												
13	RD Manufacturing Group		54.89												
14	Ocean Canning Corporation		54.50												
15	Sealect brand of Thai Union		54.27												
16	Ayam produced by Thai Union		52.10												
17	Tesco produced for Tesco Lotus by Unilever, Sea Value PLC.		51.21												
18	Celebes Canning Corporation		50.84												
19	TIGI brand of Tropical Canning		45.06												
20	Rosa brand of H-I-Q Food Products		37.72												

CANNERIES & BRANDS WERE RANKED ON A SCALE OF 1-100

ALLIANCE SELECT FOODS INTERNATIONAL

71.57

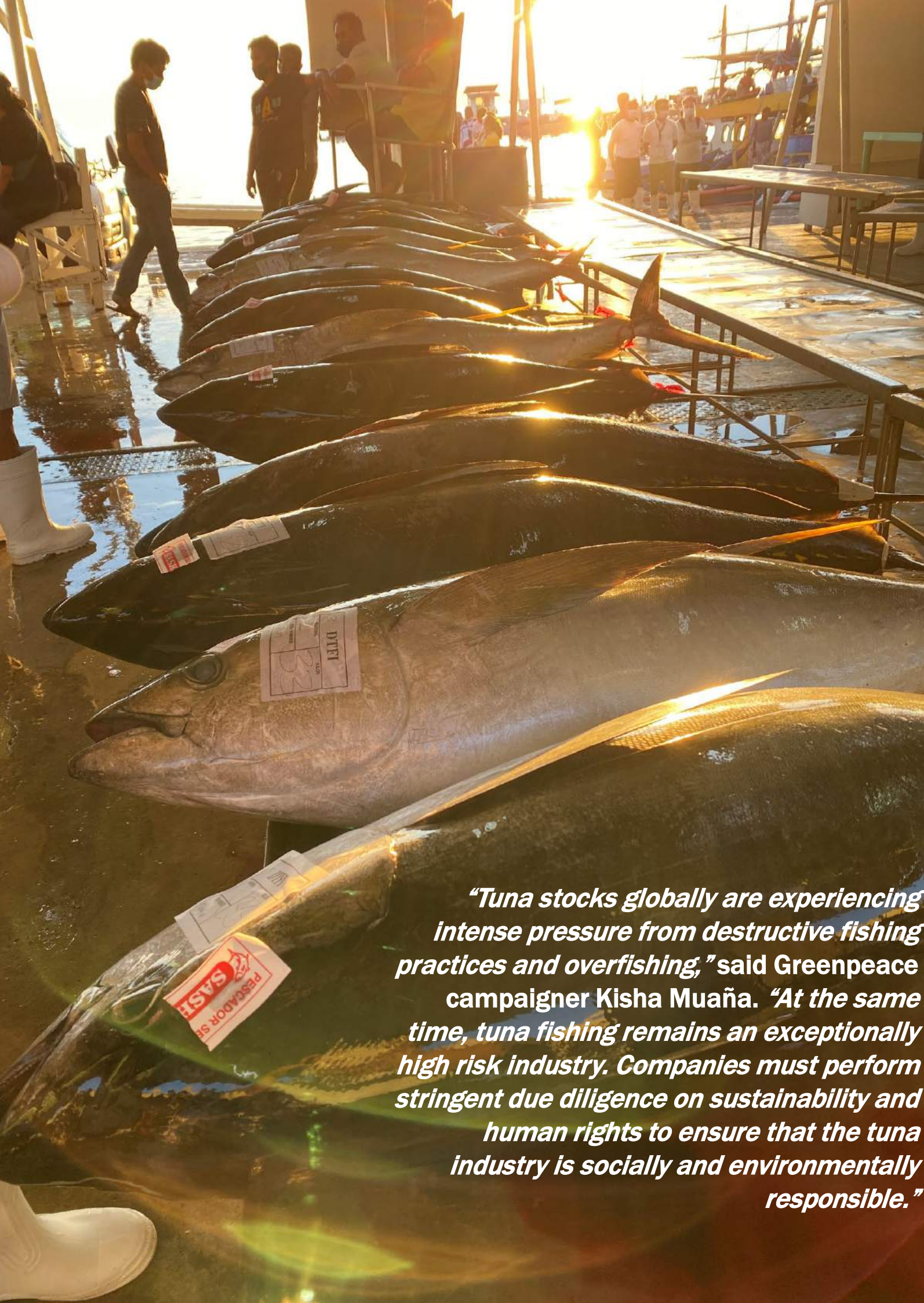
PHILIPPINES

Alliance Select, makers of the Bay of Gold brand, has a strong traceability system in place that is reviewed by a third-party auditor. The company is sourcing skipjack (82%), yellowfin (16.9%), bigeye (1%) and bonito (0.19%). Around 85% are caught using the more sustainable FAO-free fishing method, and the remaining 15% are caught by purse seine vessels.

In addition to species and fishing gears used, the company's tuna procurement policy also contains a provision against IUU fishing and transshipment at sea, and provisions which provide for "safe and fair working conditions," "equitable" fishing agreements, ethical fishing methods, and strict human rights standards.

Greenpeace Southeast Asia urges Alliance Select to advocate publicly for the ratification of the Work in Fishing Convention, not only in the Philippines but in the supplying countries as well.

The company needs more work in the Driving Change criteria. We strongly recommend proactive involvement in comprehensive Fisheries Improvement Projects in the Philippines. It should bolster its due diligence on labor by establishing an effective, anonymous grievance mechanism accessible by fishers from its direct supplier vessels, and by engaging with trade unions or representative workers organizations in the sector. D.O. 158-16, passed in 2016,¹⁶ is a national law governing "Rules and regulations governing the working and living conditions of fishers on board fishing vessels engaged in commercial fishing operation." As it has yet to be fully implemented across the country, we recommend that Alliance Select ensure that Philippine suppliers conform with D.O. 158-16.



“Tuna stocks globally are experiencing intense pressure from destructive fishing practices and overfishing,” said Greenpeace campaigner Kisha Muaña. “At the same time, tuna fishing remains an exceptionally high risk industry. Companies must perform stringent due diligence on sustainability and human rights to ensure that the tuna industry is socially and environmentally responsible.”



COASTAL CLEAN-UP PROGRAM

Sarangani Bay was declared a protected seascape on March 5, 1996 by virtue of Presidential Proclamation No. 756.

ASFIL joined the Department of Environmental and Natural Resources (DENR) in celebrating the seascape's 25th Founding Anniversary on March 5, 2021. With the theme "***Protected by the People, For the People***", ASFIL together with its subsidiary, Alliance MHI Properties, Inc., led DENR's activity of Baywide Coastal Cleanup at ASFIL's Foreshore leased area.

In September 18, 2021, ASFIL yet again joined the International Coastal Cleanup. With a theme of "***Understand and Beat Marine Pollution***", ASFIL employees participated in the world's largest volunteer effort to take good care of the ocean's health. They join thousands of individuals around the globe to better understand and beat marine pollution.

ASFII also supports The Ocean Conservancy ("TOC"), formerly known as the Center for Marine Conservation. The TOC is a non-profit environmental advocacy group based in Washington D.C., USA that aims to protect the ocean's wildlife.

The International Coastal Clean-up, one of its global initiatives since 1986, is supported by the Philippine Government through Presidential Proclamation No. 470. This PD declares every third Saturday of the month of September as the International Coastal Clean-up Day.

ASFII regularly participates in the International Coastal Clean-up Day. In 2017, ASFII joined the "*Sama-sama para sa Malinis na Karagatan*", and in 2019, the "*Bayan ko, Linis ko*", to clean its coastal lines covering a total of 3,949 sq. meters of foreshore.

OTHER PROGRAMS



Reduction of Paper Use

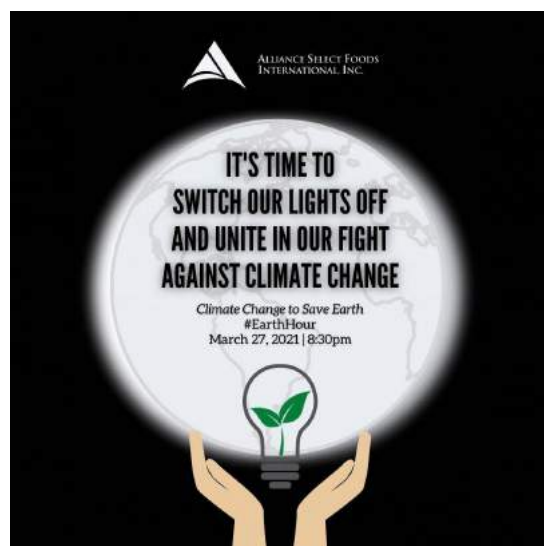
ASFII is actively and continuously in search for opportunities to reduce its paper consumption. In 2020, the Company migrated most of its printed forms to online format. Additionally, to combat the spread of COVID-19 within the plant premises, ASFII makes use of Online Health Declaration Form and a QR code system for its contact tracing.

Ban on Water Bottles

The Company also forbids the use of disposable water bottles at its cafeteria. Employees and workers of ASFII's service providers are encouraged to bring reusable water bottles, which they can refill using drinking water stations around the plant.

Earth Hour Participation

In an effort to join the global community in its advocacy to conserve energy, ASFII joined the latest Earth Hour last March 26, 2022 and avoided the use of electricity, covering its plant in darkness for an hour in its effort to help improve the environment.



MAKING USE OF SOLAR POWER

ASFII has gone solar! Last March 2022, ASFII has started using solar energy after the installation of its solar energy facility in its General Santos Plant. It is now equipped with a 600 kWp solar power system installed by Total Energies. The approximate 800 MWh of electricity generated by the system each year will reduce carbon emissions by over 4,100 tons annually, equivalent to taking more than 800 cars off the road.

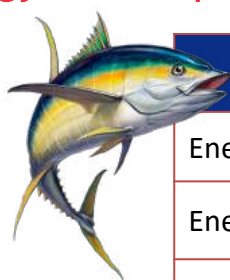
With the use of solar energy, ASFII lessened its use of non-renewable energy derived from fossil fuel such as coal and natural gas, which the latter when burned releases greenhouse gases into the atmosphere. By sourcing a portion of ASFII's electricity use from solar power, ASFII reduced its dependence on non-renewable sources of energy and in the process reduced its impact on climate change by minimizing the air pollution and carbon emissions, thus shrinking its carbon footprint, and in the long-run do its part in fighting climate change and protecting the health of the people.





Resource Management

Energy Consumption Within the Organization



Disclosure	Quantity
Energy Consumption (renewable sources)	No Data
Energy Consumption (gasoline)	Not Monitored
Energy Consumption (LPG)	Not Monitored
Energy Consumption (diesel)	2,133.29 GJ
Energy Consumption (electricity)	3,617,600 kWh

ASFII's main use of electricity in its tuna canning operations is from the use of production machineries and equipment, cold storage utilities, and packaging machines. The Company's logistics team relies mainly on gasoline and diesel for the vehicles they use to transport raw materials and products.

When there is shortage of electricity, the Plant uses its diesel-powered generators for back-up power.

As the Company expands its plant operations and installs new equipment, its electricity consumption increases as well, but not without benefits. An example is the Fish Oil Extraction Equipment which is part of its Fish Meal By-Product processing. This equipment slightly increased the energy consumption of the Company, but it helps reduce the waste that goes to the Wastewater Treatment Facility, as this recovers fish oil from the waste. Both Fish Oil and Fish Meal are produced from solid scrap raw materials.

ASFII has started using solar energy to lessen its use of electricity and diesel last March 2022. It has also started using LED lights which have helped reduce energy consumption.



Water Consumption Within the Organization

Disclosure	Quantity
Water withdrawal	399,448 Cubic Meters
Water consumption	399,448 Cubic Meters
Water recycled and reused	Not Monitored

ASFII mainly sources its water from deep-well submersible pumps that provide abundant water to the Company. The water generated from these wells are used by the equipment and machineries in our daily operations as well as by our employees for their personal hygiene.

These deep wells have the necessary water permits from the National Water Resources Board. Being the main source of water, the Company regularly checks and maintains these wells to avoid any disruption in our operations.

To reduce usage of water, the Company recycles more. We improved our fish thawing process by using a combination of air and water to thaw fish – this minimizes water usage and shortens thawing time. We have also purchased new water hoses with smaller diameters to control water output. Lastly, we use Tray Washers instead of manually washing trays in production which reduces water consumption by as much as 65%.



Materials Used by the Organization

ASFII sources its fish (tuna and salmon) – its main raw material – from fisheries using the most updated best practices methods that are environmentally and socially responsible. Although fish depletion in our oceans and increase in by-catch of sharks, dolphins, juvenile fish and sea turtles, among others, remain industry issues, ASFII maintains its stance to reduce by-catch of these species.

ASFII's continuously commits to improve transparency, traceability, sustainability, equity and social responsibility. The Company likewise supports non-entanglement Fish Aggregating Devices (FAD) and FAD-free tuna, as well as non-transshipment practices at sea without an observer.

Lastly, ASFII does not involve itself in whaling operations, dolphin drive fisheries, shark fin fisheries; the sale, import, export, brokerage of whale and dolphin meat, sea turtle meat and body parts, or shark fins; nor the processing of marine mammal body parts, sea turtle body parts or shark fins.

Disclosure	Quantity
Renewable	N/A
Non-renewable	N/A
Percentage of recycled input materials used to manufacture the organization's primary products and services	
Cans	5%
Papers (paper labels, cartons)	10%
Plastics (shrink films, raw materials, packaging, drums/carboys)	20%
Bottles (laboratory chemicals)	20%
Fish by-products (fish meal and fish oil)	35%



Ecosystem and Biodiversity and Effluents



Disclosure	Quantity
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4
Habitats protected or restored	0.3949 ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A ha

Operational Facilities	Location
Waste Water Treatment Facility	Within titled property
Wharf Port	Within SAPA Coverage
Fence	Within SAPA Coverage
Materials Recovery Facility	Within tiled property

The Company puts all its efforts in treating its wastewater by using a portion of its leased foreshore area for its clean water discharge. This ensures that its effluents are properly treated for safe release back to the ocean. The Company also schedules pH monitoring of its water in its sedimentation tank.

ASFII ensures its wastewater treatment facility is well-maintained and regularly checked. However, when sudden breakdown of equipment or unavoidable circumstances happen, the Company uses pumps, motors and primary sedimentation tanks to contain the waste.

Effluents are produced by the Company in processing tuna and salmon products, such as in thawing of frozen fish, butchering of fish process (i.e., cutting big-sized fish into smaller sizes), misting of cooked fish, and sanitizing operations of its facilities. Discharge of effluents are treated in the Water Treatment Plant and is periodically monitored to meet the standards set by the Department of Environment and Natural Resources (DENR).

Another effort of the Company to have a more efficient recycling and wastewater treatment is the usage of the collected sludge in the wastewater treatment facility as fertilizer in its vegetable garden around the plant compound. Harvested vegetables from this garden are used to make healthy meals that are served to the employees.



ASFII also has a Pollution Control Officer (PCO) who regularly submits the Self Monitoring Report (SMR) to the DENR for monitoring of biological oxygen demands (BOD) and chemical oxygen demands (COD) of discharged water.

Disclosure	Quantity
Total volume of water discharged	144,175 Cubic Meters
Percent of wastewater recycled.	Not Monitored



Air Emissions & Pollutants

Disclosure	Quantity
Direct (Scope 1) GHG Emissions	11,551 Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	N/A
Emissions of ozone-depleting substances (ODS)	N/A

ASFII's equipment that mainly contributes to air emissions and pollution are its boilers and generators. The Company conducts regular maintenance and inspection of these equipment in order to curb the release of greenhouse gases. In addition, we also conduct bi-annual air emission testing based on regulatory standards to regulate air pollutants. We also installed a pollution control device in our chimney called "scrubbers" to further reduce the emission of greenhouse gases.

The Company also requires its suppliers to provide a Certificate of Analysis of Fuel (coal) to ensure that its Proximate Analysis shows low content of sulfur and ash. Lastly, the Company goes through a semi-annual Source Emission Testing conducted by accredited third party testers in compliance with DENR requirements.

ASFII is at present studying the use of biogas fuel for its boilers instead of using coal as another way to lessen the use of non-renewable energy to help improve our environment.

Disclosure	Quantity
NO _x	152 kg
SO _x	664 kg
Persistent organic pollutants (POPs)	N/A
Volatile organic compounds (VOCs)	N/A
Hazardous air pollutants (HAPs)	292 kg
Particulate matter (PM)	141 kg



Solid Waste



Disclosure	Quantity
Total Solid Waste generated	5890 kg
Reusable	390 kg
Recyclable	110 kg
Composted	430 kg
Incinerated	N/A
Residual/landfilled	5,100 kg

The main solid waste produced by ASFII are the rejected cans, cartons, and plastic shrink wraps used in producing canned tuna and other seafood products. However, these are minimal and the Company disposes of these materials through appropriate recyclers.

To reduce its solid waste, ASFII reuses or recycles materials, such as scrap metals from oil barrels for fabrications within the plant. The Company also reuses metals from oil barrels in making queue lines, contactless sanitizer dispensers, and other fixtures within the plant. We also donate the rejected cans, cartons, plastics, and wooden pallets to the Local Government of General Santos City, who then uses these as raw materials for their projects, such as tree planting activities.

To promote waste segregation, labeled trash bins are available around strategic locations within the plant. These bins are sorted into four different types of waste, namely: infectious, biodegradable, non-biodegradable and recyclable.

Lastly, the Company also endeavors to improve its composting pit for its disposal of biodegradable waste.



Hazardous Waste

Disclosure	Quantity
Total weight of hazardous waste generated	
D406 (Batteries)	35 pieces
D407 (Bulbs)	370 pieces
I101 (Used Oil)	536 kg
Total weight of hazardous waste transported	
D406 (Batteries)	200 pieces
D407 (Bulbs)	8,000 pieces
I101 (Used Oil)	2,200 kg

As a manufacturer of canned tuna and other seafood products, ASFII produces hazardous waste, such as used oil, batteries, and fluorescent light bulbs.

In compliance with the mandate of the General Santos City local government, ASFII does not incinerate these waste products, but disposes or recycles them accordingly. The Company also allotted a room to store these Hazardous Waste, which is monitored and maintained monthly, and reported to the Environmental Management Bureau (under the DENR) quarterly.

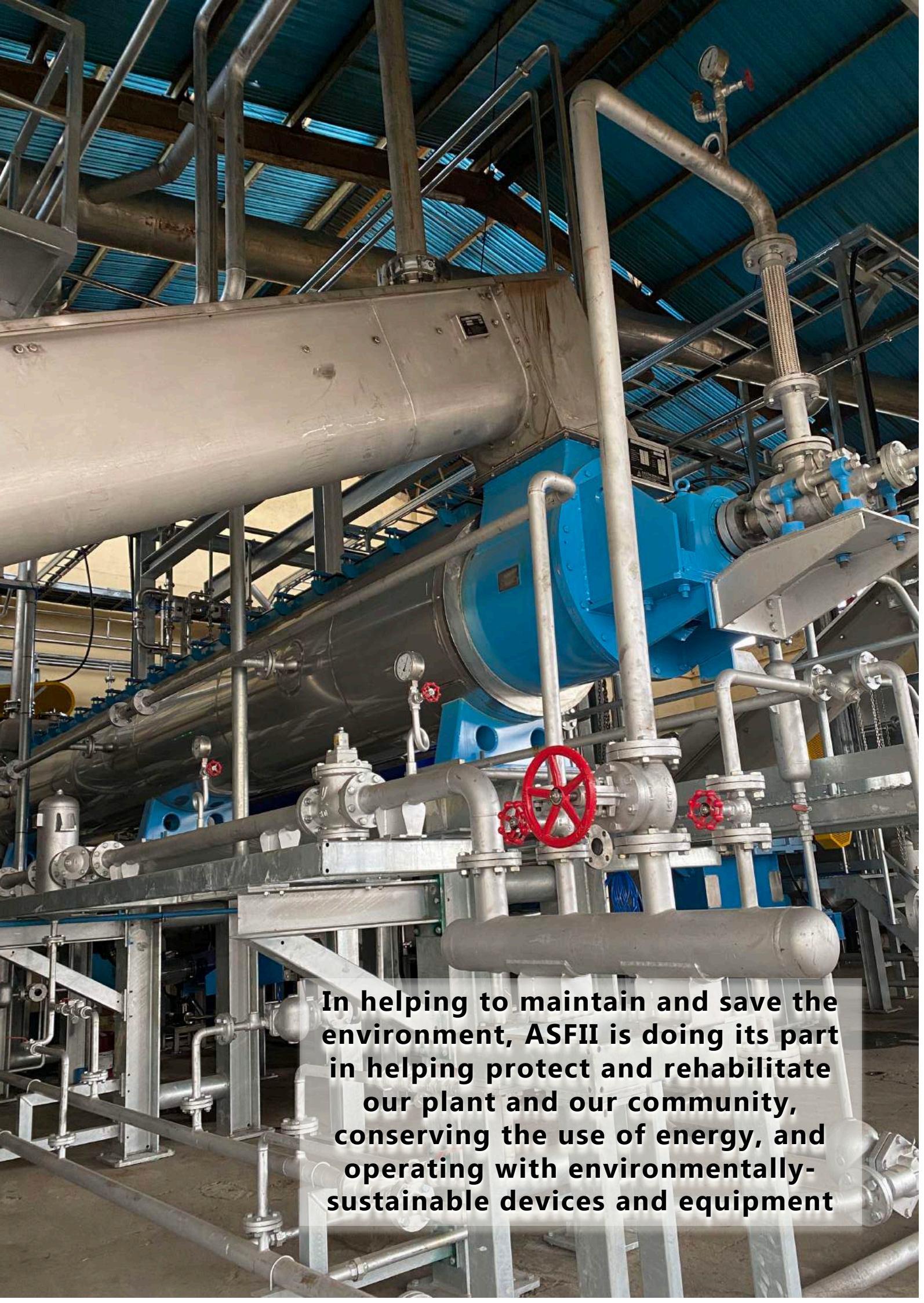
In May 2021, the Company entered into an agreement with a waste treater/transporter in order to collect, transport, treat and dispose of hazardous waste materials from the Company's storage facility to its own Treatment Storage and Disposal Facility.

In 2020, the Company experienced an increase in Infectious Waste which includes used masks, napkin, tissues, cotton, and syringe brought about by the COVID-19 pandemic. The Company makes sure that there is a provision for this type of waste, and that it is properly segregated from the other types of waste. Around the plant, labeled trash bins are located in strategic locations, which include a bin specifically for infectious waste.

Non-Compliance with Environmental Laws and Regulations

Disclosure	Quantity
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0
No. of cases resolved through dispute resolution mechanism	0





In helping to maintain and save the environment, ASFII is doing its part in helping protect and rehabilitate our plant and our community, conserving the use of energy, and operating with environmentally-sustainable devices and equipment

SUSTAINABILITY REPORT 2021



SOCIAL PERFORMANCE

42:04



Raymond



Daren



Maria Rona



Emel John



Joan



Sean Marcus





PEOPLE

Alliance Select Foods International, Inc. and its subsidiaries encourage employees' participation in creating a symbiotic environment to realize the Company's goals. With such aim, the Company establishes policies and programs that cover (a) health, safety, and welfare; (b) training and development; and (c) reward or compensation to encourage employees to perform better and feel motivated to take a more dynamic role in the Company.

ASFII in the Pandemic



Years 2020-2021 have been especially challenging for the Company due to the COVID-19 pandemic. When the government of the Philippines declared localized lockdowns in March 2020, the Company's head office in Pasig City was forced to implement work-from-home arrangements. Months after, when COVID positive cases started to surge in General Santos City, ASFII's plant had to execute flexible working arrangements to curb the spread of the novel disease.

To face the abrupt changes brought by this pandemic on all aspects of the Company operations, a business continuity committee - coined **"Plan B"** - was formed. This Committee is composed of heads and personnel from all departments to keep everyone abreast of the times and with the new rules and regulations being enacted from time-to-time by both the national and local governments.

To combat the spread of COVID-19 within the plant, Plan B enacted immediate measures in compliance with Department of Health and Department of Trade and Industry's joint guidelines. This included the implementation of social distancing rules within the plant, strict wearing of masks and face shields, running stringent sanitation, multi-level screening procedures in all entry / exit points of the plant, and ensuring traceability for contact-tracing. Plan B further served as the contract tracer of COVID-19 positive cases inside the plant. **It also became the venue for brainstorming initiatives and activities that help keep our workers safe and their morale upright during this pandemic.** Some of the initiatives that were born out of Plan B were employee programs, such **"Mobile Palengke"** and **"Free Shuttle Service"** in the plant.

The Company also understands the impact of the pandemic on our workers' lives. Thus, in addition to annual leaves, the Company added an additional seven-day fully paid Quarantine Leave for those employees who were exposed to, or ill from, COVID-19. The Company also implemented flexible arrangement schedules, such as rotation of employees, to lessen the headcount within the plant premises. The Company also helped its employees secure the relief assistance called CAMP or **"COVID-19 Adjustment Measures Program"** offered by the Department of Labor and Employment, where affected workers were granted a one-time monetary assistance of PHP5,000.

Employee Management

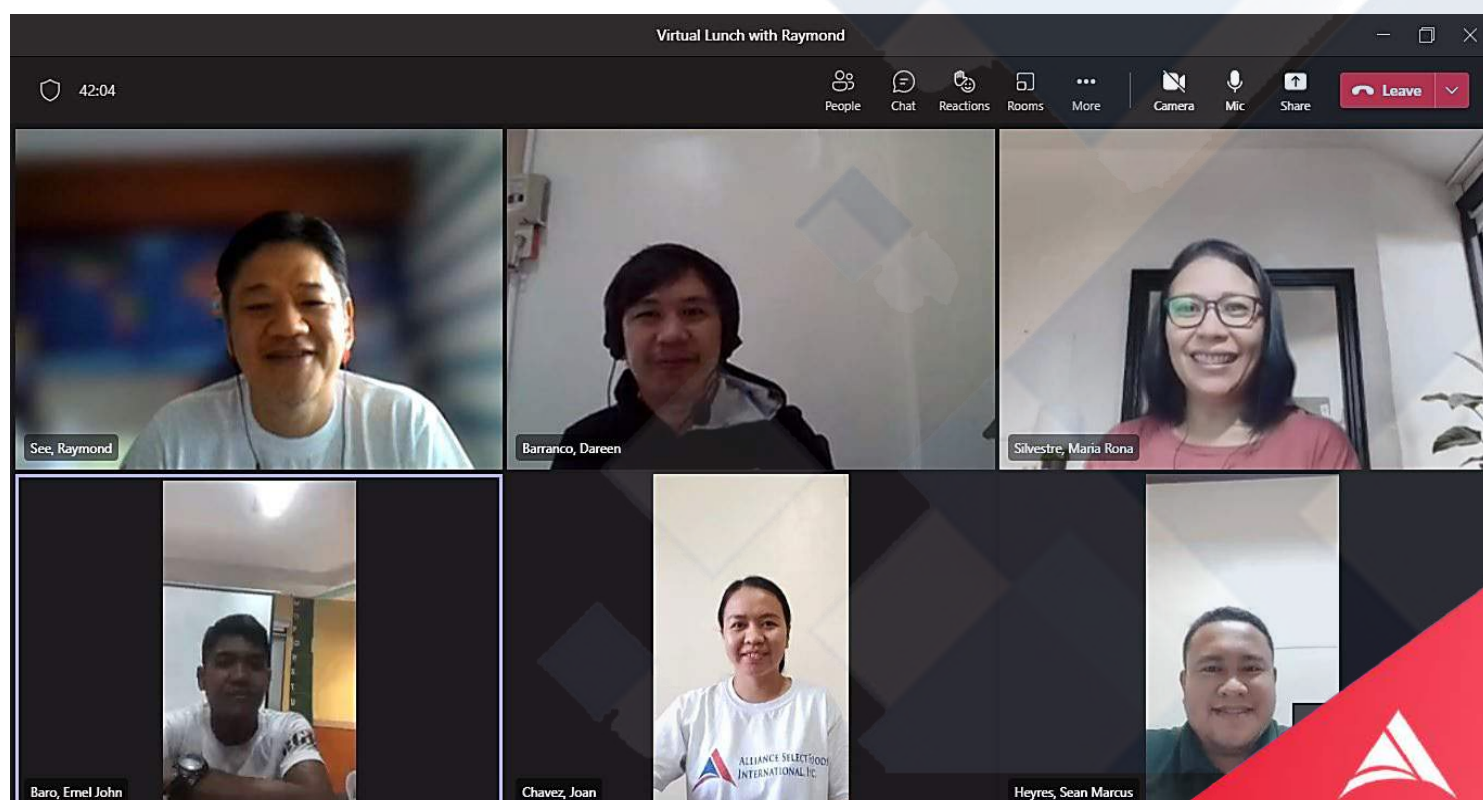
We develop and train our people to help them have a better life as we grow. We aim to have a competitive edge in attracting valuable talents within the industry by creating a desirable workplace underpinned by people empowerment, staff engagement, and targeted performance.

To realize this objective, we commit to develop the full potential of our business enablers – our people. We relentlessly pursue the principles of fair treatment, equality, teamwork, entrepreneurship, and opportunity as foundations of our Human Resource-decisions to help every employee achieve professional and personal growth.

The management ensures fair and consistent treatment of employees through compliance with established Company policies and procedures. Any unacceptable behavior is managed according to relevant Company policies and rules under the law to guarantee employee's rights to due process.

Employee Data

Disclosure	Quantity	Units
Total number of employees in the Philippines (direct and indirect employees)	1,101	
A. Number of female employees	582	#
B. Number of male employees	519	#
Attrition rate	24.40%	rate
Ratio of lowest paid employee against minimum wage	0	ratio





Employee Compensation and Benefits

We recognize the value of our employees. The Company pays wages for regular working hours, overtime hours, and night differentials pursuant to the minimum standards provided under the law in a manner most convenient to workers.

The Company offers its full-time staff a range of benefits, including HMO, group life insurance, annual leaves, bereavement leaves, emergency loans as well as retirement benefits. Also available to employees are personal development and training programs designed to enhance their skills.

List of Benefits	Y/N	% of female employee who availed for the year	% of male employee who availed for the year
SSS	Y	27	22
PhilHealth	Y	1	.04
Pag-ibig	Y	25	16
Parental leaves	Y	1	0
Vacation leaves	Y	5	6
Sick leaves	Y	1	1
Bereavement leave	Y	1	2
Medical benefits (aside from PhilHealth)	Y	1	1
Housing assistance (aside from Pag-Ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	N	0	0
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	Y	2.72	11.48
Flexible-working hours	Y	2.72	11.48
FREE Shuttle service during pandemic	Y	1	1
Emergency loans at no interest	Y	1	5

2021
Health
Awareness
Seminar

COVID-19 vaccine updates

APRIL 28, 2021
(WEDNESDAY)

9:00 - 9:30 AM



DR. ANTHONY CANDA
Occupational Health Physician
Resource Speaker

Click the link below to join the webinar



LIVE Webinar DRUG-FREE Workplace

17
SEPTEMBER

3:30
PM



Dr. Angelie "Angie" Dugasan
ASFII Occupational Health Physician
Resource Speaker

You may join via **ZOOM**, just click the link below!



STRESS MANAGEMENT Webinar

July 23 (Friday)
9:00 AM to 10:00 AM

Dr. Jerry Trinidad
Resource Speaker

You may join via **ZOOM**, just click the link below!



In partnership with

Intellicare
YOUR INTELLIGENT HEALTH CHOICE



MENTAL HEALTH Webinar

July 28 (Wednesday)
9:00 AM to 10:00 AM

Resource Speaker
Dr. Nicole Anne "Aika" Buenavista
Certified Lifestyle Medicine Physician
Occupational Health Physician
Health and Wellness Speaker
Telemedicine Consultant



You may join via **ZOOM**, just click the link below!

CHAIR Yoga

Webinar

MONDAY
AUGUST 2, 2021
10:00 AM



Sheila Hinaut
Instructor

In partnership with
Intellicare
YOUR INTELLIGENT HEALTH CHOICE

You may join via **ZOOM**, just click the link below!



WEIGHT LOSS | Webinar

Monday
August 9, 2021
10:00 AM



In partnership with

Intellicare
YOUR INTELLIGENT HEALTH CHOICE

You may join via **ZOOM**, just click the link below!



NICOLE ANNE "AIKA" BUENAVISTA, MD, DIPBLM

Certified Lifestyle Medicine Physician
Occupational Health Physician
Health and Wellness Speaker
Telemedicine Consultant

Aside from statutory and other Company benefits, ASFII is in constant search of projects and activities that can be shared with all of its workers to keep them motivated. We make our employee programs competitive by benchmarking them with other industries.

In 2021, the Company, in partnership with Intellicare provided a series of webinars to help boost employee morale.

Shuttle Service

Our employees and workers enjoy the safety and convenience of a Company-provided shuttle service as they travel to and from the plant. For some of our workers' shuttle units, we partnered with local public transport drivers to give them a steady source of income during the pandemic.

In picture is Sierwin Salmon, who lives in Katangawan (more than 30km away from our plant in Tambler); he is thankful for this convenient initiative by the Company.





Vegetable Gardening

Employees planted vegetables during their gardening activity on June 6, 2020. Harvested produce from this garden is still being served for free to our employees. This project aims to help employees maintain healthy minds and bodies (especially in the time of COVID-19).

Kirsten Exim, an employee-participant, stated, “This activity is an opportunity to bond with my colleagues and to sustain the Company’s goal to keep employees healthy.”



Employee Training and Development

The Company carries out a continuing practical and positive program of training and development for all its employees. This is to ensure maximum efficiency in the performance of their functions, duties, and responsibilities as well as to improve their morale.

Efficiency is crucial in the performance of our workers – managers at all levels are enjoined to identify the training needs of their people to improve their performance.



Disclosure	Quantity
Total training hours provided to employees (direct employees)	
A. Female employees	81 hours
B. Male employees	81 hours
Average training hours provided to employees	
A. Female employees	7.5 hours/employee
B. Male employees	7.5 hours/employee



Labor-Management Relations

The Company has no Collective Bargaining Agreement with its employees as of December 31, 2021. However, the Company respects the right of its workers to form unions or other kinds of worker's associations and to engage in collective bargaining.

Disclosure	Quantity
% of employees covered with Collective Bargaining Agreement	0
Number of consultations conducted with employees concerning employee-related policies	N/A

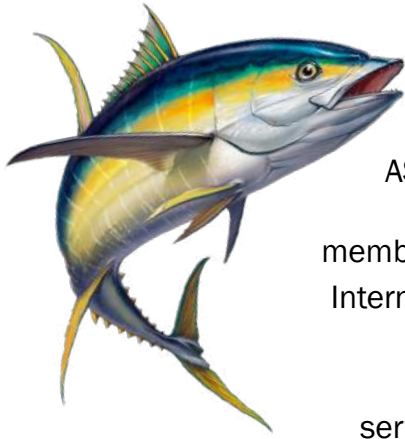
To ensure unhampered operations, the Company strictly complies with labor standards and internal safety policies. Management keeps its doors open for discussion with its workers. Workers are likewise keep informed of the programs and initiatives of the Company to encourage collaboration. Reward system is also in place to keep workers engaged and involved.

Diversity & Equal Opportunity

The Company addresses employment in the vulnerable sector that is usually not given a lot of attention or opportunity. We have a policy on non-discrimination of workers, and we encourage discussion with sectors that can deploy people regardless of their gender, condition, or ethnicity.

Disclosure	Quantity
% of female workers in the workforce	16%
% of male workers in the workforce	12%
Number of employees from indigenous communities and/or vulnerable sector	312

We aim to be more productive and creative as the workforce becomes more diverse and gender-inclusive by setting avenues for employees to collaborate and discuss ideas freely.



AEMCO

ASFII Employees Multi-Purpose Cooperative (AEMCO) is a multi-purpose, non-agricultural cooperative open for membership to all regular employees of Alliance Select Foods International, Inc. **As of December 31, 2021, AEMCO has 81 members.** Their business activities include lending at affordable interest rates to its members and service providers, and selling of ASFII's products within the plant.

In 2021, the Company entered into an agreement with AEMCO, where the latter became the Company's cafeteria concessionaire.





Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

We are committed to provide a safe working environment to foster the well-being and health of each employee and those that are affected by our undertakings. It is Company policy to uphold the dignity of every individual.

The Company believes that the health and safety of the employees are of utmost importance. We train our people on our safety policies regularly to lessen or eradicate the occurrence of incidents. All employees are also required to notify the management immediately should incidents occur for immediate response.

Disclosure	Quantity
Safe Man-Hours	969,000 man hours
No. or work-related injuries	15
No. of work-related fatalities	0
No. of work-related ill-health	0
No. of safety drills	2

The Company directs all its employees to protect the Company's property and facilities. Thus, employee trainings on (1) performance of duties; (2) safe working conditions; (2) safe facilities; and (4) protective equipment are regularly provided.

When the workers feel safe in the Plant, the Company experiences increase in productivity and savings from incident-related costs. When workers feel secure, they are more focused at work and more effective at what they do!



STOP

DECIDE → STOP → OBSERVE → ACT → REPORT

**REPORT UNSAFE ACTS AND CONDITIONS OR
COMMEND SAFE ACTS AND PRACTICES ANYTIME.**

STOP REPORT

In 2020, the Company launched STOP Report in an effort to encourage employees to “stop” and observe their surroundings for unsafe conditions, practices, and acts; commendation for best practices may also be submitted.

The Best STOP Reports for each month are announced and rewarded.

Date:	04 Nov 2021	Unsafe Acts / Conditions	Action/s Taken
Name of Stopper:	Roy Bazar	No segregation of waste (cans, cartons and face mask mixed) and improper disposal of can lids (good stocks)	Inform area owner for proper disposal of waste and raw materials
Company:	ASFII		
Area Observed:	Seaming Area		
Name of Person/Equipment Observed:			



Date:	04 Nov 2021	Unsafe Acts / Conditions	Action/s Taken
Name of Stopper:	Queenie Besonia	Possible cause of tripping and result to minor injury	Report to Engineering Head for information and actions
Company:	ASFII		
Area Observed:	Back of Production Area near Fishmeal Plant		
Name of Person/Equipment Observed:	Fishmeal Operators/Engineering		



STOP
DECIDE → STOP → OBSERVE → ACT → REPORT

STOP
DECIDE → STOP → OBSERVE → ACT → REPORT

Date:	18 Nov 2021	Unsafe Acts / Conditions	Action/s Taken
Name of Stopper:	Arlene Ypil	Tap not turn off after using	Turned-off
Company:	ASFII		
Area Observed:	Receiving Fz fish dumping area		
Name of Person/Equipment Observed:			



Date:	16 Dec 2021	Unsafe Acts / Conditions	Action/s Taken
Name of Stopper:	Marilou Nason	Labelling Door with plastic yellow curtain not visible if forklift pass by. Specially during loading.	Plastic yellow curtain not visible if forklift pass by specially during loading. Labelling machine is near at the door way
Company:	ASFII		
Area Observed:	Labelling		
Name of Person/Equipment Observed:			



STOP
DECIDE → STOP → OBSERVE → ACT → REPORT

STOP
DECIDE → STOP → OBSERVE → ACT → REPORT



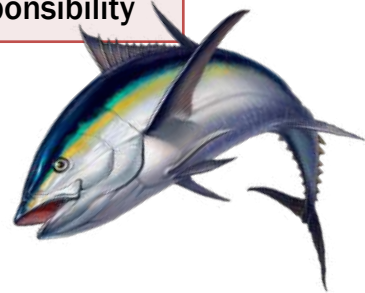
Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

The Company is aware of our responsibilities to our shareholders, employees, suppliers, customers, and society as a whole, especially to our neighboring communities.

To this end, we have operating principles under the broad heading of Ethical Policy, which covers the following:

Topic	Y/N	If Yes, cite reference in the company policy
Forced Labor	Y	HRD-006 Corporate Social Responsibility
Child Labor	Y	HRD-006 Corporate Social Responsibility
Human Rights	Y	HRD-006 Corporate Social Responsibility



Supply Chain Management

Social and Ethical Responsibility Requirement from Third Party Contractors

We ensure that our tuna supply chain is socially and ethically responsible. This means ensuring safe and fair working conditions, ensuring equitable fishing agreements, maintaining strict human rights standards for all products sourced, and employing fishing methods that are ethically acceptable within the global standards set by various global organizations and NGOs.

Our policy on Social and Ethical Responsibility may be accessed via http://corporate.allianceselectfoods.com/wp-content/uploads/2020/04/FINAL-PUR-03-Tuna-Procurement-Policy_Alliance-rev-v5.pdf

A. Ethical Responsibility

- **DOLPHIN SAFE** – We exclusively purchase and distribute canned tuna products only from suppliers that has a Dolphin Safe corporate policy confirmed and approved by Earth Island Institute’s International Monitoring Program (IMP) and/or the European Dolphin Safe Monitoring Organization (EDSMO).
- **SHARK FINNING** – We, including our subsidiaries and affiliates worldwide, do not participate in, or profit from, nor are connected with companies involved in whaling operations, dolphin drive fisheries, shark fin fisheries; nor the sale, import, export, brokerage of whale/dolphin meat, sea turtle meat/body parts, or shark fins; nor the processing of marine mammal body parts, sea turtle body parts or shark fins.

B. Social Responsibility

- **SLAVERY AT SEA AND DECENT WORKING CONDITIONS IN FISHING** - It is our Company policy that all our suppliers provide a fishing crew manifest for each fishing vessel. We refuse to source tuna from vessels that collect guarantee deposits from its crew.
- **FAIR LABOUR PRACTICES** - We adhere to fair labor practices that assure that the Company and its suppliers are socially-accountable and adopt policies and standards that protect and safeguard its workers. ASFII ensures that its suppliers also adhere to its policies and standards, such as:
 - **No Forced or Bonded Labour** - ASFII and its suppliers firmly prohibit any form of forced or bonded servitude, trafficked and non-voluntary labour.
 - **No Child Labour** – ASFII prohibits hiring any worker below the minimum legal age. ASFII ensures that the suppliers it transacts with do not hire underaged labor and crew for their sea-based fishing work.



Social and Ethical Responsibility Requirement from Third Party Contractors

- **Support of International Labour Organization Core Conventions** – ASFII and its suppliers adhere and support the following International Labour Organization Core Conventions for workers; protection against Forced and Child Labor, and promotion of workers' rights:
 - Forced and Child Labour:**
 - ILO C29 Convention on Forced Labour, 1930.
 - ILO C105 Abolition of Forced Labour Convention, 1957.
 - ILO C138 Minimum Age Convention, 1973.
 - ILO C182 Worst Forms of Child Labour, 1999.
 - Promote and Exercise Workers' Right:**
 - ILO C87 Freedom of Association and Protection of the Right to Organize, 1948.
 - ILO C98 Right to Organize and Collective Bargaining, 1949
 - ILO C100 Equal Remuneration, 1951.
 - ILO C111 Discrimination (Employment and Occupation), 1958.
- **Renumeration** – ASFII gives the appropriate salary rates to employees and does not violate against the minimum wage rate required by law. ASFII ensures that the suppliers it contracts with pay their crew at least the minimum wage required by law.
- **No Precarious Employment** – ASFII hires and ensures that its suppliers hire workers on the basis of documented contracts providing for security of tenure and according to the law, which are completely understood by the workers, and contain specific provisions on rights and conditions of work, renumeration, hours of work, and benefits among others.
- **No Discrimination** – ASFII provides equal opportunities and does not discriminate against workers. ASFII employs handicapped workers, and employees from different religious belief and tribes. ASFII ensures that the suppliers it deals with treat their workers and crew equally despite differences in race, nationality, legal status, or religion.
- **Rights of Freedom of Association and Grievance** – ASFII and its suppliers respect the rights of its workers to associate and engage in any form of grievance to express their workers' Rights. ASFII and its suppliers assure that its respective workers are provided with an operative grievance machinery where they can give grievance without fear of any form of reprisal.



Social and Ethical Responsibility Requirement from Third Party Contractors



- **Decent Working Hours** – ASFII observes the law regarding prescribed hours of work. ASFII ensures that it deals with suppliers that provide each of their crew adequate amount of resting hours for the protection and safety of the crew.
- **Ethical Business Behavior** – ASFII does not tolerate any act of corruption, extortion, embezzlement, or bribery. ASFII also prohibits and requires that its suppliers do not engage in corruption, extortion, embezzlement, or bribery as well. ASFII and its suppliers require strict compliance with the legal requirements of its trade.
- **Occupational Health and Safety** – ASFII and its suppliers ensure a healthy and safe working environment by assessing risk and taking all necessary measures to eliminate or reduce it. ASFII and its suppliers require safe and healthy working conditions with proper lighting, noise reduction, and sanitation, with access to proper medical service, clean food, and drinkable water.
- **Special Protection for Young Workers** – ASFII and its suppliers do not employ, nor subcontract, individuals who have not attained the age of majority. Young individuals who wish to acquire training with ASFII are supervised and mentored.
- **Protection of the Environment and Fishing Ground** – ASFII, its employees, and its suppliers encourage the conservation of our natural resources such as energy and water, balancing the ecosystem, and the preservation of fishing ground. ASFII is a constant awardee of GREEN Rating from the Department of Environment and Natural Resources (DENR), therefore, we are committed to environmental protection and sustainable management of resources through full compliance with applicable local and international environmental regulations. ASFII and its products are certified by Marine Steward Council (MSC). ASFII supports the sustainability program and Fisheries Improvement Program (FIP). We require our Suppliers to abide by all the National Fisheries Regulation (BFAR) and International regulations including conservation measures implemented by the Regional Fisheries Management Organization (RFMO).

Relationship with Community

We believe that it is to our mutual advantage to support the communities that provide our opportunity to do business and also support people and communities outside our locality with the aim of making their lives better and giving the opportunities they may otherwise not have.

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)*	Does the particular operation have impact on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Providing equal employment opportunities	General Santos City & Pasig City	ASFII employs more or less 15 differently-abled workers in our processing lines.	A portion of our workforce comes from the ethnic groups in the region.	N/A	N/A

We are positive that as ASFII grows, the livelihood opportunities that will be open for our neighboring community will likewise grow. We aim to continue providing equal employment and opportunity to the community, regardless of their ethnicity, gender, and physical ability.



Relationship with Community

CORPORATE SOCIAL RESPONSIBILITY

The Company gives back to the community with the following programs:

Bay of Gold Scholarship Program

The BOG Scholarship Program was launched in 2019 to promote a better marine environment for the people of General Santos City.

With every purchase of some of our products, such as the Bay of Gold Select Tuna and Bay of Gold Canned Salmon products, our five scholars become one step closer to achieving their golden dream of securing the splendor of our seas for generations to come.

A Heart of Gold!

Support the Bay of Gold scholars &
help sustain our oceans with every
purchase of our products!



In November 2021, ASFI signed a new Memorandum of Agreement with its new batch of Bay of Gold scholars namely, Jericho Corpuz Adtoon, Christine Joy Jaen, Kyenna Claire, Airalin Torrefiel, and Kate Margarette Lim. These scholars are BS Marine Biology or BS Fisheries students of Mindanao State University. They will receive financial assistance from ASFI that will fully cover their school fees, plus other allowances. The scholars also received products from the Company as an aid to their families in the time of COVID-19.



One scholar shared,

“As a Bay of Gold scholar, laking pasasalamat ko sa binigay nilang canned tuna at pagbisita... Upang kumustahin ang aming kalagayan.”



Adopt-a-School: Changco Elementary School

In giving back to the community, ASFII participates in the Adopt-A-School Program of the Government that encourages private companies in assisting public schools in delivering better quality education. ASFII adopted the Changco Elementary School in Barangay Siguel in General Santos City in 2020 to assist the school in addressing the shortage in resources to provide competitive quality education.

In 2020, employees distributed more relief goods to families of the pupils of Changco Elementary School to help them cope with the economic impact of the pandemic. In 2021, the Company continued its support to the school by donating materials for their water connection system.

Our Commitment

It is the Company's goal to be socially responsible in all its dealings with the communities where it operates. It ensures that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of their comprehensive and balanced development.

The Company recognizes and places importance on the interdependence between business and society. It promotes a mutually beneficial relationship that allows the Company to grow its business, whilst contributing to the advancement of the society where it operates.

The Company undertakes to comply with all existing regulations and employ value chain processes that takes into consideration economic, environmental, social and governance safeguards. In considering sustainability concerns, the Company shall play an active role alongside the Government and other sectors in contributing solutions to complex global challenges like poverty, inequality, unemployment and climate change.





Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No available data	N

Creating value for our customers and business partners is the core objective and driver of the Company's bottom line.

Customer satisfaction impacts the Group's overall revenue, thus the Company endeavors to meet customers' expectations, serve their demands, and attend to their complaints, if there is any.

Customer service has always been a huge part of the training of our in-store partners. The Company is improving its Customer Service Program that will demonstrate how we can monitor the satisfaction level of our customers, and how we should respond to their expectations, demands and complaints. The Company also provides a quick feedback mechanism from our customers via email, our website, as well as social media presence.

The Company wishes to lead the customers to become sustainable shoppers and choose healthy and more nutritious food. The Company is preparing a Food Safety Program and other sustainable programs that will help care of our customers' health.



Customer Management

Health and Safety



Disclosure	Quantity
No. of substantiated complaints on product or service health and safety	0
No. of complaints addressed	0

We are fully compliant with the government requirements on food processing. We provide our customers with quality materials and ingredients, and employ well-controlled processes and sanitary conditions.

With this commitment to our customers, sanitation maintenance is a shared responsibility by everyone in our command chain to continue its efforts towards above-reproach sanitary conditions and practices..

Being in the food business, it is possible that our products may cause allergies and other health-related incidents. To address this, every worker in our Company is informed of possible food contaminants and food safety hazards (physical, chemical, biological); sources of microbial contamination (environmental, handling and processing); and good manufacturing practices.



Marketing and Labeling

Disclosure	Quantity
No. of substantiated complaints on marketing and labeling	0
No. of complaints addressed	0

End customers rely on the labeling of our products for its safety, nutrition, taste, and effectiveness. The Company recognizes the impact of incorrect labelling which may lead to injuries to our customers. The Company ensures that all FDA requirements and approvals for marketing and labeling of products are complied with. Apart from third party and FDA audits, the Company also puts traceability measures to ensure that incidents related to it are accurately captured and promptly resolved.





Customer Privacy and Data Security

Disclosure	Quantity
No. of substantiated complaints on customer privacy	0
No. of complaints addressed	0
No. of customers, users and account holders whose information is used for secondary purposes	0
No. of data breaches, including leaks, thefts, and losses of data	0

The Company is fully compliant with the Data Privacy Act of 2012, and has a registered Data Protection Officer in the name of Ma. Berniefel B. Sarmiento.

In 2021, the Company formally conducted its Data Privacy Impact Assessment throughout the organization, and successfully disseminated its Data Privacy Policy to its employees. The Company website also provides a Data Privacy Notice to inform its visitors of how the Company processes their data.

To further safeguard the processing of personal information of its stakeholders, the Company continuously invests in reliable technology to protect its systems from hacking and other manipulations.



Creating value for our customers and business partners is the core objective and driver of the Company's bottom line.



UN Sustainable Development Goals

Product or Service Contribution to UN SDGs

TUNA PROCUREMENT

Societal Value / Contribution to UN SDGs

Our goal is to source all of our Tuna stocks only from healthy (not overfished, not listed as threatened on the International Union for Conservation of Nature (IUCN) Red List, and demonstrating good management quality) and well-managed stocks, from fisheries using the most current best practices in methods, by-catch reduction and environmentally-responsible, socially-responsible, and reasonably-priced for our consumers. To achieve these goals, we are committed to improve transparency, traceability, sustainability, equity/social responsibility, and compliance. We will support the International Seafood Sustainability Foundation's (ISSF) common ground philosophy for Tuna Sustainability (<http://issf-foundation.org/what-wedo/areas-of-focus/tuna-conservation/>). We will make a concerted effort to actively promote the products that meet or exceed the benchmarks set in this procurement policy. We will also work with other stakeholders such as the fishing industry, the community, environmental conservation groups, and the Government to achieve our goals of sourcing sustainable tuna.

Potential Negative Impact of Contribution

Ineffective practices may still contribute to overfishing of particular tuna species.

Management Approach to Negative Impact

Management ensures that all Tuna Sourcing activities are conducted properly and follow a stringent guideline as outlined in its Procurement policy. These established processes and procedures undergo regular audits by Greenpeace, and to this end, ASFII has consistently ranked as the No. 1 green-rated cannery in 2018 and 2020.



BAY OF GOLD TUNA PRODUCTS

Societal Value / Contribution to UN SDGs	Local house brand available in all major retailers and supermarkets that is FAD-free, dolphin safe and compliant with fair labor practices and social responsibility best practices.
Potential Negative Impact of Contribution	Ineffective practices may still contribute to overfishing of particular tuna species.
Management Approach to Negative Impact	Management undergoes regular audits to ensure stringent conformance to industry best practices.

BAY OF GOLD SCHOLARSHIP

Societal Value / Contribution to UN SDGs	Portion of sales revenue is donated to fund scholarships for students of Mindanao State University pursuing degrees in Fisheries and Agriculture.
Potential Negative Impact of Contribution	Beneficiaries of the scholarships may choose to engage in careers in different industries once they graduate.
Management Approach to Negative Impact	ASFII regularly engages with the scholars to help instill values and best practices to build awareness for responsible stewardship of the environment.

COVER SHEET

for INTERIM FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	3	1	9	1	3	8
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COMPANY NAME

A	L	L	I	A	N	C	E		S	E	L	E	C	T		F	O	O	D	S		I	N	T	E	R	N	A	T	I	O	N	A	L	,	
	I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		(A		S	u	b	s	i	d	i	a	r	y	

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

S	u	i	t	e		3	1	0	4	A	,		W	e	s	t		T	o	w	e	r	,		P	h	i	l	i	p	p	i	n	e		
S	t	o	c	k		E	x	c	h	a	n	g	e		C	e	n	t	r	e	,		E	x	c	h	a	n	g	e		R	o	a	d	
,		O	r	t	i	g	a	s		A	v	e	n	u	e	,		P	a	s	i	g		C	i	t	y									

Form Type

1	7	-	Q
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Department requiring the report

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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

sales@allianceselectfoods.com

Company's Telephone Number/s

632-8637-8800

Mobile Number

+63917-620-5726

No. of Stockholders

236

Annual Meeting (Month / Day)

June 15

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Atty. Phoebe Ann S. Bayona

Email Address

sales@allianceselectfoods.com

Telephone Number/s

(02) 8637-8800

Mobile Number

+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.

**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, 2022

(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, 2022
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, P0.50 par value

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, 2022 (with comparative figures as at December 31, 2021 and for the period ended March 31, 2021) 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, 2022, with comparative figures as at December 31, 2021 and for the period ended March 31, 2021, as appropriate.

The table below shows the comparisons of key operating results for the three-month period ended March 31, 2022 versus the same period in 2021.

Amount in US\$ '000	For the Three Months Ended March 31	
	2022	2021
Revenue	\$6,420	\$8,575
Gross Profit	508	816
Gross Profit %	8%	10%
Selling and Administrative Expenses	847	1,173
Other Income (Charges) – Net	40	42
Finance Costs	91	149
Loss Before Tax	(390)	(464)
Income Tax Expense	4	43
Loss for the Period	(394)	(506)
Attributable to:		
Equity holders of the parent	(\$394)	(\$521)
Non-controlling interest	0	15
	(\$394)	(\$506)

** numbers may not add up due to rounding*

Results of operations

Three months ended March 31, 2022 versus March 31, 2021

The Group’s consolidated net revenues for the first quarter of 2022 is 25% lower than the revenues in the same reporting period last year due to deferral of shipments from lack of vessel space, and deconsolidation of Akaroa in November 2021. Total number of deferred shipments amounted to 40 full container loads (FCL).

Selling and administrative expenses is lower by 28% versus the same reporting period last year mainly from reduction in salaries and wages, repairs and maintenance costs, and software maintenance costs.

Finance cost significantly decreased by 39% due to significant payment of loans.

Financial Position

As at March 31, 2022 versus December 31, 2021

The Group's decrease in cash by 69% is attributed to payment of loans.

Trade and other receivables dropped by 13% due to collection.

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

Significant payment of outstanding loans decreased the loans payable.

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, 2022	December 31, 2021
Current ratio	1.00	1.02
Debt to equity ratio	0.76	0.92

For the Three Months Ended March 31

Profitability	2022	2021
Revenue growth rate	-25%	-46%
Net profit margin	-6%	-6%
Return on average stockholders' equity	-2%	-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


PHOEBE ANN S. BAYONA
Compliance Officer and Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 11 MAY 2022 at PASIG CITY affiants exhibiting to me their government issued identification cards, as follows:

NAMES	GOV'T. ISSUED ID NO.	DATE OF ISSUE	PLACE OF ISSUE	EXPIRATION
Maria Carolyn C. Angeles	PRC License - 88563	06-21-2020	Las Pinas City	06-26-2023
Phoebe Ann S. Bayona	Passport - P6123254B	01-20-2021	DEA Manila	01-19-2031

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Page No. 144
Book No. II
Series of 2022.




ATTY. GINO MARCO P. BAUTISTA

Notary Public for Pasig, San Juan, and Pateros
Commission No. 106 (2020-2021)

Until December 31, 2021

3104 A, West Tower, Phil. Stock Exchange Centre,
Exchange Road, Ortigas Center, Pasig City

PTR No. 8216863/1/27/22 Pasig City

IBP No. 178178/2/14/22 Quezon City

Roll of Attorneys No. 58507

MCLE Compliance No. VI-0025935; 4-29-2019

Notarial Commission
Extended until June 30, 2022
Resolution Dated September 28, 2021
B.M. No. 3795
Pasig City RTC

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	4	\$1,372,384	\$4,442,099
Trade and other receivables	5	3,836,925	4,408,220
Inventories	6	5,110,274	5,335,281
Other current assets	7	3,139,429	2,939,939
Total Current Assets		13,459,012	17,125,539
Noncurrent Assets			
PPE and ROU		14,516,822	14,681,708
Deferred tax assets		6,272,392	6,272,392
Total Noncurrent Assets		20,789,214	20,954,100
		\$34,248,226	\$38,079,639
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	8	\$3,333,011	\$3,433,658
Loans payable	9	8,081,587	11,297,040
Current portion of lease liabilities		52,460	52,460
Due to related parties		2,011,729	2,069,832
Total Current Liabilities		13,478,787	16,852,990
Noncurrent Liabilities			
Loans payable - net of current portion	9	791,667	916,667
Lease liabilities - net of current portion		14,268	14,268
Net retirement benefits obligation		418,653	417,262
Deferred tax liabilities		41,041	42,749
Total Noncurrent Liabilities		1,265,629	1,390,946
Total Liabilities		14,744,416	18,243,936
Equity			
	10		
Capital stock		26,823,389	26,823,389
Additional paid-in capital (APIC)		1,486,546	1,486,546
Deficit		(7,697,953)	(7,303,949)
Other comprehensive income		1,282,790	1,221,450
		21,894,772	22,227,436
Treasury shares		(5,774)	(5,774)
Equity attributable to equity holders of the Parent			
Company		21,888,998	22,221,662
Non-controlling interests		(2,385,188)	(2,385,959)
Total Equity		19,503,810	19,835,703
		\$34,248,226	\$38,079,639

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	
	Note	2022 (Unaudited)	2021 (Unaudited)
NET SALES		\$6,420,516	\$8,575,331
COST OF GOODS SOLD		(5,912,024)	(7,759,407)
GROSS PROFIT		508,492	815,924
SELLING AND ADMINISTRATIVE EXPENSES		(846,989)	(1,172,879)
INTEREST EXPENSE		(91,417)	(149,174)
OTHER INCOME (CHARGES) – Net		39,767	42,435
LOSS BEFORE INCOME TAX		(390,147)	(463,694)
INCOME TAX EXPENSE		3,775	42,778
NET LOSS		(393,922)	(506,472)
OTHER COMPREHENSIVE LOSS			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		62,029	(64,049)
TOTAL COMPREHENSIVE LOSS		(\$331,893)	(\$570,521)
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company		(\$394,004)	(\$521,006)
Noncontrolling interests		82	14,534
		(\$393,922)	(\$506,472)
TOTAL COMPREHENSIVE INCOME (LOSS)			
ATTRIBUTABLE TO:			
Equity holders of the Parent Company		(\$332,664)	(\$573,091)
Noncontrolling interests		771	2,570
		(\$331,893)	(\$570,521)
EARNINGS (LOSS) PER SHARE			
Basic and diluted earnings (loss) per share	12	(\$0.00016)	(\$0.00021)

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

		Three Months Ended March 31,	
	Note	2022	2021
		(Unaudited)	(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			
<i>Cumulative Remeasurement on Retirement Obligation</i>			
Balance at beginning and end of period		107,124	98,887
<i>Revaluation Reserves</i>			
Balance at beginning and end of period		—	275
<i>Cumulative Translation Adjustment</i>			
Balance at beginning of year		1,114,326	1,064,970
Exchange differences on foreign currency translation		61,340	(52,085)
Balance at end of period		1,175,666	1,012,885
Total balance at end of year of other comprehensive income		1,282,790	1,112,047
Retained Earnings (Deficit)			
Balance at beginning of year		(7,303,949)	(6,032,572)
Net income (loss)		(394,004)	(521,006)
Balance at end of period		(7,697,953)	(6,553,578)
Treasury Shares	11	(5,774)	(5,774)
NON-CONTROLLING INTERESTS			
Balance at beginning of year		(2,385,959)	(2,080,267)
Total comprehensive income attributable to non-controlling interests		771	2,570
Dividends declared by a subsidiary		—	(297,492)
Balance at end of period		(2,385,188)	(2,375,189)
		\$19,503,810	\$20,487,441

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	
	2022	2021
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(\$390,147)	(\$463,694)
Adjustments for:		
Depreciation and amortization	205,215	392,147
Interest expense	91,417	145,164
Foreign exchange gain	(49,663)	(3,578)
Interest income	(79)	(350)
Operating income (loss) before working capital changes	(143,257)	69,689
Decrease (increase) in:		
Trade and other receivables	624,614	(1,424,019)
Inventories	225,008	227,793
Other current assets	(203,142)	(719,160)
Other noncurrent assets	55,877	78,290
Decrease in trade and other payables	(100,225)	(829,515)
Net cash from operations	458,875	(2,596,922)
Income tax paid	(4,889)	(8,094)
Interest received	79	350
Net cash from operating activities	454,065	(2,604,666)
CASH FLOWS FROM AN INVESTING ACTIVITY		
Additions to property, plant and equipment	(40,329)	(406,137)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net loan availments (payments)	(3,340,452)	3,178,308
Payments of interest	(91,417)	(145,164)
Net cash from financing activities	(3,431,869)	3,033,144
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(51,582)	(61,141)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,069,715)	(38,800)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,442,099	2,549,861
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\$1,372,384	\$2,511,061

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 55.31% of ASFII. Strongoak is a domestic company engaged in investment activities.

Subsidiaries

The condensed consolidated financial statements as at March 31, 2022 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
Akaroa Salmon (NZ) Ltd. (Akaroa)*	-	Salmon farming and processing	New Zealand

**In November 2021, the Parent Company divested its 80% investment in Akaroa*

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.

Akaroa. Akaroa holds 25% stake in Salmon Smolt NZ Ltd. (SSNZ), an entity operating a modern hatchery, which quarantines and consistently supplies high quality smolts (juvenile salmon) for Akaroa’s farm. In 2021, the Company sold its shares in Akaroa for a total consideration of NZD 7.5 million (US\$5.1 million). Part of the consideration are payments for dividends. Gain on sale amounted of \$1.31 million.

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) and adopted by the SEC.

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, 2021, 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, Akaroa and AMHI. Non-controlling interest in Akaroa was deconsolidated in November 2021.

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. In particular, the COVID-19 pandemic and the resulting adverse effects to the global economic conditions, as well as to the Group's operations, may impact future estimates including, but not limited to, the allowance for ECL, valuation of inventories, fair value measurements, impairment of nonfinancial assets, recognition of deferred tax assets, actuarial gains or losses on retirement benefits obligation and discount rate assumptions.

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, 2022	December 31, 2021
Trade receivables	\$3,672,754	\$4,496,277
Others	3,048,476	2,796,460
	6,721,230	7,292,737
Less allowance for impairment losses	(2,884,305)	(2,884,517)
	\$3,836,925	\$4,408,220

Trade receivables are generated from the sale of inventories and are generally collectible within 30 to 60 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, 2022	December 31, 2021
Finished goods	\$3,313,123	\$3,254,692
Raw materials	1,606,048	1,893,611
Packaging supplies	191,103	186,978
	\$5,110,274	\$5,335,281

7. Other Current Assets

This account consists of:

	March 31, 2022	December 31, 2021
Advances to suppliers	\$1,861,211	\$1,699,779
Input VAT	1,117,907	1,073,189
Other prepayments	160,311	166,971
	\$3,139,429	\$2,939,939

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.

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 2.25% to 9.25%.

10. Equity

Capital Stock

Details of the Company's capital stock as at March 31, 2022 and December 31, 2021 are as follows:

	2022		2021	
	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	
	2022	2021
Net income (loss) attributable to Parent Company	(\$394,004)	(\$521,006)
Weighted average number of ordinary shares outstanding	2,499,712,463	2,499,712,463
	(\$0.00016)	(\$0.00021)

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, warehouse and vehicles. 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 \$8.1 million and \$11.7 million as of March 31, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, the aging analysis of the Group's financial assets is as follows:

March 31, 2022						
	Neither Past Due nor Impaired	Past Due Accounts but not Impaired			Impaired Financial Assets	Total
		1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days		
Cash in banks	\$1,359,339	\$—	\$—	\$—	\$—	\$1,359,339
Trade and other receivables	2,777,640	507,466	271,538	280,281	2,884,305	6,721,230
	\$4,136,979	\$507,466	\$271,538	\$280,281	\$2,884,305	\$8,080,569

December 31, 2021						
	Neither Past Due nor Impaired	Past Due Accounts but not Impaired			Impaired Financial Assets	Total
		1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days		
Cash in banks	\$4,431,078	\$—	\$—	\$—	\$—	\$4,431,078
Trade and other receivables	3,686,409	200,129	51,147	470,535	2,884,517	7,292,737
	\$8,117,487	\$200,129	\$51,147	\$470,535	\$2,884,517	\$11,723,815

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, 2022 and December 31, 2021, follows:

	2022	2021
Debt	\$14,744,416	\$18,243,936
Equity	19,503,810	19,835,703
Debt-to-Equity Ratio	\$0.76:1	\$0.92:1

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.