C O V E R   S H E E T
for
FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	3	1	9	1	3	8

C O M P A N Y   N A M E

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

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

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

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

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

Company's Email Address	Company's Telephone Number/s	Mobile Number
sales@allianceselectfoods.com	632 7747-3798	0917 620 5726

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

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Raymond K.H. See	sales@allianceselectfoods.com	632 7747-3798	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.*

SEC Number **CS200319138**
File Number

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
AND ITS SUBSIDIARIES

(Company's Full Name)

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

(Company's Address)

632 7747-3798

(Telephone Number)

December 31

(Calendar Year Ending)
(month & day)

SEC FORM 17-Q

(Form Type)

(Amendment Designation if applicable)

For the Quarter Ended September 30, 2021

(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 **September 30, 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, 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 7747 - 3798**
   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 nine months ended September 30, 2021 (with comparative figures as at December 31, 2020 and for the period ended September 30, 2020, as appropriate) and Selected Notes to the Interim Consolidated Financial Statements are hereto attached as Annex "A".

The unaudited interim 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 nine months ended September 30, 2021, with comparative figures as at December 31, 2020 and for the period ended September 30, 2020, as appropriate.

The table below shows the comparisons of key operating results for the nine-month period ended September 30, 2021 versus the same period in 2020.

	For the Nine Months Ended September 30	
Amount in US$ '000	**2021**	**2020**
Revenue	**$31,228**	**$51,941**
Gross Profit	3,053	4,523
Gross Profit %	***10%***	***9%***
Selling and Administrative Expenses	3,700	4,251
Other Income (Charges) – Net	554	180
Finance Costs	463	793
Loss Before Tax	**(556)**	**(340)**
Income Tax Expense	166	275
Loss for the Period	**(723)**	**(615)**
Attributable to:		
Equity holders of the parent	(868)	(747)
Non-controlling interest	145	132

* *numbers may not add up due to rounding*

Results of operations
Nine months ended September 30, 2021 versus September 30, 2020

The Group's consolidated net revenues of $31.2 million for the nine months ended September 30, 2021 was 40% lower than the revenues of $51.9 million in the same reporting period last year due to lower processed tuna demand, and continuing deferral of its shipments due to high freight rates and lack of vessel space.

The Group registered a gross profit of $3.1 million for the nine months ended September 30, 2021, and a higher gross profit margin of 10% versus 9% in the previous year.

The decrease of 13% in selling and administrative expenses from the reporting period last year was driven by lower distribution costs, and cost savings and control initiatives.

Finance cost significantly decreased by 42% due to lower loan availments and lower borrowing rates.

Other income increased by 208% due to refunds, rebates and collection of other fees.

Financial Position
As at September 30, 2021 versus December 31, 2020

The Group's trade and other receivables balance decreased by 6% of which majority are current and collectible within normal collection cycle.

The decrease in other current assets pertains to reclassification of advances to suppliers to proper accounts.

Decrease in trade and other payables is attributed to payment of suppliers.

Due to related party is expected to mature within one year. The account was reclassified from noncurrent to current liabilities.

Increase in loans payable is due to additional borrowings for working capital requirement.

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	**September 30, 2021**	**December 31, 2020**
Current ratio	0.83	0.99
Debt to equity ratio	1.28	1.30

	For the Nine Months Ended September 30	
Profitability	**2021**	**2020**
Revenue growth rate	-40%	-19%
Net profit margin	-2.78%	-0.61%
Return on average stockholders' equity	-3.78%	-0.64%

The following defines each ratio:

- Current 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

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 November 15, 2021 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	DFA Manila	01-19-2031

Doc. No. 140
Page No. 29
Book No. II
Series of 2021

GINO MARCO P. BAUTISTA
PASIG
SAN JUAN
PATEROS
PHILS.
ROLL NO. 58507

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. 7334739/2-11-2021/Pasig City
IBP No. 157046/2-11-2021/Quezon City
Roll of Attorneys No. 58507
MCLE Compliance No. VI-0025935; 4-29-2019

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	**5**	**$2,082,392**	$2,549,861
Trade and other receivables	**6**	**5,090,039**	5,443,846
Inventories	**7**	**7,150,300**	9,059,229
Other current assets	**8**	**1,986,524**	2,233,404
Total Current Assets		**16,309,255**	19,286,340
Noncurrent Assets			
PPE and ROU		**20,479,147**	20,512,830
Goodwill	**4**	**2,050,639**	2,050,639
Deferred tax assets		**6,330,653**	6,479,448
Other noncurrent assets		**801,253**	855,980
Total Noncurrent Assets		**29,661,692**	29,898,897
		$45,970,947	$49,185,237
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	**9**	**$4,308,237**	$7,223,239
Due to related party		**2,057,014**	–
Loans payable	**10**	**13,038,688**	12,119,200
Current portion of lease liabilities		**155,545**	155,545
Total Current Liabilities		**19,559,484**	19,497,984
Noncurrent Liabilities			
Loans payable - net of current portion	**10**	**2,017,472**	2,009,881
Due to related party		**–**	2,178,748
Lease liabilities - net of current portion		**3,770,972**	3,770,972
Net retirement benefits obligation		**400,897**	351,288
Deferred tax liabilities		**20,742**	20,910
Total Noncurrent Liabilities		**6,210,083**	8,331,799
Total Liabilities		**25,769,567**	27,829,783
Equity	**11**		
Capital stock		**26,823,389**	26,823,389
Additional paid-in capital (APIC)		**1,486,546**	1,486,546
Deficit		**(6,900,528)**	(6,032,572)
Other comprehensive income		**1,048,110**	1,164,132
		22,457,517	23,441,495
Treasury shares		**(5,774)**	(5,774)
Equity attributable to equity holders of the Parent Company		**22,451,743**	23,435,721
Non-controlling interests		**(2,250,363)**	(2,080,267)
Total Equity		**20,201,380**	21,355,454
		$45,970,947	$49,185,237

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

	Note	For the Quarter Ended September 30 (Unaudited)		For the Nine Months Ended September 30 (Unaudited)	
		2021	2020	**2021**	2020
NET SALES		**$11,277,334**	$17,211,760	**$31,228,067**	$51,941,336
COST OF GOODS SOLD		**(10,001,645)**	(15,746,783)	**(28,175,401)**	(47,417,995)
GROSS PROFIT		**1,275,689**	1,464,977	**3,052,666**	4,523,341
SELLING AND ADMINISTRATIVE EXPENSES		**(1,368,050)**	(1,444,961)	**(3,700,056)**	(4,251,371)
INTEREST EXPENSE		**(150,155)**	(251,881)	**(463,161)**	(792,624)
OTHER INCOME – Net		**161,220**	8,092	**554,046**	180,325
LOSS BEFORE INCOME TAX		**(81,296)**	(223,773)	**(556,505)**	(340,329)
INCOME TAX EXPENSE		**47,218**	130,114	**166,783**	274,912
NET INCOME (LOSS)		**(128,514)**	(353,887)	**(723,288)**	(615,241)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**(187,331)**	63,066	**(260,510)**	79,333
TOTAL COMPREHENSIVE INCOME (LOSS)		**($315,845)**	($290,821)	**($983,798)**	($535,908)
NET INCOME (LOSS) ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**($214,892)**	($535,205)	**($867,956)**	($746,758)
Noncontrolling interests		**86,378**	181,318	**144,668**	131,517
		($128,514)	($353,887)	**($723,288)**	($615,241)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**($380,952)**	($479,241)	**($1,093,925)**	($663,252)
Noncontrolling interests		**65,107**	188,420	**110,127**	127,344
		($315,845)	($290,821)	**($983,798)**	($535,908)
EARNINGS (LOSS) PER SHARE					
Basic and diluted earnings per share	**12**	**($0.00009)**	($0.00021)	**($0.00035)**	($0.00030)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	For the nine months ended September 30 2021 (Unaudited)	2020 (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
Deficit			
Balance at beginning of period		**(6,032,572)**	4,202,949
Net loss		**(867,956)**	(746,758)
Balance at end of period		**(6,900,528)**	3,456,191
Other Comprehensive Income			
Cumulative Remeasurement on Retirement Obligation			
Balance at beginning and end of period		**98,887**	87,276
Revaluation Reserves			
Balance at beginning and end of period		**275**	275
Cumulative Translation Adjustment			
Balance at beginning of period		**1,064,970**	940,764
Exchange differences on foreign currency translation		**(116,022)**	79,333
Balance at end of period		**948,948**	1,020,097
Total balance at end of period of other comprehensive income		**1,048,110**	1,107,648
Treasury Shares		**(5,774)**	(5,774)
NON-CONTROLLING INTERESTS			
Balance at beginning of period		**(2,080,267)**	(2,235,665)
Total comprehensive income attributable to non-controlling interests		**127,396**	–
Dividends declared by a subsidiary		**(297,492)**	127,344
Balance at end of period		**(2,250,363)**	(2,108,321)
		$20,201,380	$30,759,679

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

	For the nine months ended September 30	
	2021 (Unaudited)	2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**($556,506)**	($340,330)
Adjustments for:		
Depreciation and amortization	**832,488**	762,351
Interest expense	**463,161**	792,624
Retirement benefit	**48,159**	66,572
Foreign exchange loss (gain)	**(47,387)**	(26,455)
Interest income	**(651)**	(3,604)
Provision for impairment	**168,963**	–
Gain on asset disposal	**–**	(236,843)
Operating income before working capital changes	**908,227**	1,014,315
Decrease (increase) in:		
Trade and other receivables	**303,366**	(775,423)
Inventories	**1,790,160**	1,918,235
Other current assets	**226,532**	5,482,563
Other noncurrent assets	**99,157**	(45,250)
Increase (decrease) in trade and other payables	**(3,056,040)**	(878,564)
Net cash from operations	**271,402**	6,715,876
Income tax paid	**(17,147)**	(27,468)
Interest received	**651**	3,604
Net cash flow in operating activities	**254,906**	6,692,012
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(1,030,033)**	(1,099,583)
Proceeds from asset disposal	**–**	236,843
Net cash flow in investing activities	**(1,030,033)**	(862,740)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net loan availments (payments)	**927,080**	(5,673,696)
Payments of interest	**(465,993)**	(792,624)
Net cash flow in financing activities	**461,087**	(6,466,320)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(153,429)**	34,778
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(467,469)**	(602,270)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**2,549,861**	1,871,461
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**$2,082,392**	$1,269,191

See accompanying Notes to Interim Condensed Consolidated Financial Statements

NOTES TO INTERIM CONDENSED 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. Its shares are listed in the Philippine Stock Exchange (PSE) since November 8, 2006.

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

In August 2018, the Parent Company notified the SEC for the change in its registered office address and principal place of business to Suite 3104A, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, Pasig City. The Parent Company has a plant located in General Santos City, Philippines.

Subsidiaries

The condensed consolidated financial statements 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
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 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 was sold to an Indonesian entity.

PT IAFI owns 49% of PT VDZ, a fishing company. PT VDZ ceased operations in 2016.

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.

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 September 30, 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.

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. Goodwill

Goodwill resulted when the Parent Company acquired 80% ownership of Akaroa in 2012. The acquisition enables the Group to stabilize its supply of salmon.

5. Cash and Cash Equivalents

This account consists of cash on hand, cash in banks, and cash equivalents.

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.

6. Trade and Other Receivables

This account consists of:

	2021	2020
Trade receivables	**$5,011,749**	$5,383,729
Others	**2,980,627**	3,145,475
	7,992,376	8,529,204
Less allowance for impairment losses	**(2,902,337)**	(3,085,358)
	$5,090,039	$5,443,846

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.

7. Inventories

This account consists of:

	2021	2020
Finished goods	**$3,919,798**	$3,686,156
Raw materials and packaging supplies	**3,230,502**	5,373,073
	$7,150,300	$9,059,229

8. Other Current Assets

This account consists of:

	2021	2020
Advances to suppliers	**$435,016**	$962,478
Tax credits	**1,026,545**	977,797
Other prepayments	**524,963**	293,129
	$1,986,524	$2,233,404

9. 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.

10. 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.

Loans are from local banks, which are denominated in dollar and peso, bearing annual interest rate ranging from 3.55% to 9.25%.

11. Equity

Capital Stock

Details of the Company's capital stock as at September 30, 2021 and December 31, 2020 are as follows:

	2021		2020	
	Shares	**Amount**	Shares	Amount
Authorized				
Ordinary shares at ₱0.5 and ₱1 par value				
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

12. Loss Per Share

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

	Nine Months Ended September 30	
	2021	**2020**
Net loss attributable to Parent Company	($867,956)	($746,758)
Weighted average number of ordinary shares outstanding	2,499,712,463	2,499,712,463
	($0.00035)	($0.00030)

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

13. 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 new 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.

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 the rights of renewal for two of four years each.

14. **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 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 $7.2 million and $8.0 million as at September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020, the aging analysis of the Group's financial assets is as follows:

	September 30, 2021					
		Past Due Accounts but not Impaired				
	Neither Past Due nor Impaired	**1 - 30 Days Past Due**	**31 - 60 Days Past Due**	**Over 60 Days**	**Impaired Financial Assets**	**Total**
Cash in banks	**$ 2,069,112**	**$–**	**$–**	**$–**	**$–**	**$2,069,112**
Trade and other receivables	**4,019,346**	**946,353**	**54,848**	**69,492**	**2,902,337**	**7,992,376**
	$6,088,458	**$946,353**	**$54,848**	**$69,492**	**$2,902,337**	**$10,061,488**

	December 31, 2020					
		Past Due Accounts but not Impaired				
	Neither Past Due nor Impaired	1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days	Impaired Financial Assets	Total
Cash in banks	$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
	$6,981,934	$100,552	$222,419	$675,897	$3,085,358	$11,066,160

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 September 30, 2021 and December 31, 2020, follows:

	2021	2020
Debt	**$25,769,567**	$27,829,783
Equity	**20,201,380**	21,355,454
Debt-to-Equity Ratio	**$1.28:1**	$1.30:1

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 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.