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

(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, 2025

(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, 2025**

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 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
Common shares	**2,499,712,463 shares**

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

    Yes [/] No [ ]

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

The 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 exporting 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 25% stake in FDCP, Inc., a can manufacturing company.

In May 2008, 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.

In May 2012, PT IAFI set up PT Van de Zee (PT VDZ), a fishing company in Indonesia 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%. Due to subsequent changes in Indonesian fishing regulations restricting foreign commercial fishing, PT VDZ went through a liquidation process. On August 12, 2024, the voluntary dissolution of PT VDZ was completed, and its registration was removed from the Indonesian Corporate Register based on the certification issued by the Indonesian Ministry of Law and Human Rights of the Republic of Indonesia.

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.

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

ASFII procures tuna from multiple sources and offers a diverse range of processed tuna products, including canned tuna, tuna in pouches, frozen tuna loins, and a premium line marketed under the Bay of Gold brand. The company serves institutional and retail sectors. Institutional cans and pouches are typically used in restaurants, hotels and commissaries. ASFII toll packs for wholesalers, distributors and other food companies under their own brands.

Salmon

ASFII subsidiary BGB specializes in processing various salmon species into smoked or premium cut products for both retail and institutional customers. These products are chilled or frozen and vacuum packed in different cuts and weights. They are sold in retail stores under the Gold Standard and Superfish brands.

Fishmeal

Fishmeal is a by-product of tuna and salmon processing operations. It is commonly used as an additive or primary ingredient in animal feeds. By manufacturing fishmeal, ASFII maximizes the use of fish processing waste, creating value and driving sustainability.

Fish Oil

As part of the tuna recovery process, ASFII extracts precious fish oil from all parts of the pre-cooked tuna especially the head. Fish oil is highly packed with key nutrients needed for animal feed, but can be further refined for human consumption. ASFII currently produces approximately 24,500 kg of crude oil per month, supplying local agricultural businesses and food processors.

REVENUE BREAKDOWN

The percentage contribution of the major product lines to the Group's revenues for the periods ended December 31, 2025, 2024 and 2023, are as follows:

Product	***December 31, 2025***	***December 31, 2024***	***December 31, 2023***
Tuna	93%	94%	94%
Fishmeal (Local)	6%	6%	6%
Salmon	1%	0%	0%
Total	100%	100%	100%

DISTRIBUTION METHODS, SALES AND MARKETING

TUNA

ASFII's Tuna Division is a leading supplier of high-quality processed tuna, serving a diverse global customer base. Most of its products are fully processed, labeled, and shipment-ready and distributed to various international markets.

The Company has expanded its product portfolio through the introduction of new formats, including tuna in pouches and frozen tuna loins, primarily for the export market. For the domestic market, ASFII has launched premium canned tuna and salmon products under its "Bay of Gold" brand, which are distributed nationwide through select supermarket chains in the Philippines.

Currently, canned tuna products are marketed in both domestic and export markets, while frozen tuna loins and pouched tuna products are predominantly exported. Fishmeal is sold mainly within the domestic market with key export markets including Mexico, Vietnam, and Chile.

SALMON

The increasing consumer awareness and growing demand for high-quality salmon present a significant opportunity for growth. In the second half of 2025, Big Glory Bay Salmon and Seafood Company, Inc. resumed its salmon operations following a period of suspension, marking a key step in the Company's expansion and product diversification initiatives.

COMPETITION

Tuna processing, particularly canning, is a highly competitive industry where pricing, product quality, and service are key factors influencing customers' decisions. Industry participants operate under varying business models, with some companies focused on retail or branded consumer products, while others cater primarily to institutional clients through toll manufacturing arrangements or a combination of both.

In the Philippines, there are eight (8) major companies engaged in tuna canning operations, the majority of which are located in General Santos City, with one based in Zamboanga. Key industry players include General Tuna Corporation, Philbest Canning Corporation, Ocean Canning Corporation, Celebes Canning Corporation, Seatrade Canning Corporation, and Permex Producer & Exporter Corporation.

Globally, the largest markets for canned tuna are the European Union, the United States, and Japan, which serve as the primary export destinations for Philippine tuna processors. In addition, emerging markets in the United Kingdom, Middle East and Asia present growth opportunities for the Company to further expand its customer base.

FISH SOURCING

Tuna and Salmon

ASFII is committed to responsible sourcing of its tuna and salmon products. The Company sources its tuna, including Skipjack and Yellowfin species in the Pacific Ocean.

The Company works with suppliers accredited by internationally recognized marine stewardship organizations, including the Marine Stewardship Council, Earth Island Institute, and Greenpeace, supporting its commitment to sustainable and responsible fishing practices.

Big Glory Bay (BGB) salmon products are responsibly sourced from sustainable salmon farms in Chile and Norway.

Key Fishing Areas – Tuna

The Pacific Ocean continues to be the primary catching area for global tuna. According to the WCPFC 21st Regular Session reports (held in late 2024) and the 2024 Overview of Tuna Fisheries, the Western and Central

Pacific Ocean (WCPO) tuna catch for the year 2023–2024 reached an estimated 3.06 million metric tons. This volume represents approximately 55% to 56% of the total global tuna catch, reinforcing the region's leadership in production. When combined with the Eastern Pacific Ocean (EPO), which accounts for roughly 13-15% of the global catch, the total Pacific Ocean contribution remains near 70%. The Indian Ocean remains the second-largest contributor at approximately 20-23%, with the Atlantic Ocean and Mediterranean Sea accounting for the remaining 10-12%.

Key Sourcing Area – Salmon

All of the salmon sold by BGB are sourced from fish farms in Chile and Norway. This ensures a consistent supply of raw materials for the Company's production plans aimed at meeting the rising demand.demand in the Philippines.

CUSTOMERS

The Tuna Division has customers from over 60 countries. ASFII's adherence to global standards particularly for the European Union and Japan make it a preferred business partner for multiple companies.

Big Glory Bay salmon products are sold primarily for institutions and food service clients.

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, 2027 for ASFII and December 31, 2027 for BGB.

ACCREDITATIONS, PATENTS & TRADEMARKS

The Group is accredited by a number of international and domestic rating and accrediting agencies as well as government 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), Sedex Members Ethical Trade Audit (SMETA), 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, 2024, 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 ZELAND" before the Intellectual Property Office of New Zealand.

Bay of Gold Logo	Registration No. 42024524798	Bay of Gold
Bay of Gold	4204522805	BAY OF GOLD
Quicklift	Registration No. 42018011698	QUICKLIFT
Sea Harvest	Registration No. 42023523181	SEA HARVEST
Big Glory Bay	Registration No. 42011004121	BIG GLORY BAY
Gold Standard Salmon	Registration No. 42014502559	Gold Standard Salmon

Prime New Zealand	Registration No. 42017011482	
Wagyu of Salmon	Registration No. 42023523300	
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.

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. In addition, ASFII and BGB are both BFAR-accredited importers of fish raw materials using accredited cold storage warehouse.

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.

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 newly amended ECC, Waste Water Discharge Permit, Permit to Operate for two Boilers and NWRB Permit for Deepwell.

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 12, 2029. 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. ASFII has a periodic annual third party audit for social compliance, environment, and sustainability through Amfori Business Social Compliance Initiative (BSCI). ASFII's compliance with social and ethical business practices is audited by a third-party certifying body under the SMETA 4-Pillar framework. This audit, recognized internationally by Sedex Members Ethical Trade Audit (SMETA), is a widely accepted standard for assessing and monitoring ethical and responsible business practices, focusing on labor standards, health and safety, environmental impact, and business ethics.

NUMBER OF EMPLOYEES AND CONTRACTORS

As of December 31, 2025, the Group has a total of 1,937 workers (123 regular employees and 1,814 contractors) from its head office in Pasig City to its tuna and smoked salmon facilities in General Santos City, Philippines.

MAJOR RISK FACTORS

Alliance Select Foods International, Inc. ("ASFII" or the "Company") presents the following material risk factors that may have a significant impact on its financial position, operations, and results of operations. These risks are continually monitored and addressed through the Company's enterprise risk management and governance frameworks.

Disruption in Raw Material Supply

The Company sources raw materials, particularly tuna, from both local and foreign suppliers. Disruptions arising from weather-related events, fishing bans, geopolitical issues, and global supply chain challenges may affect the timely and cost-effective procurement of raw materials. Prolonged disruptions can lead to production delays, inventory shortfalls, and increased raw material costs, which could negatively impact the Company's revenue and profitability.

Profitability Risks from Foreign Exchange Fluctuations

ASFII derives a significant portion of its revenues from export sales while a substantial part of its expenses is incurred in Philippine Pesos. Volatility in foreign exchange rates, particularly the US Dollar and Euro against the Peso, can materially affect profitability. Strengthening of the Peso may result in reduced export revenues when converted to local currency, while a depreciating Peso can increase the cost of imported materials and services.

Production Downtime

Operational interruptions due to equipment failure, supply delays, scheduled maintenance, or utility outages may lead to temporary production downtime. Such disruptions may impair the Company's ability to meet customer demand on time, resulting in lost sales opportunities, penalties for delayed deliveries, and higher manufacturing overhead per unit.

Workplace Safety and Labor-Related Issues

The health and safety of the workforce is critical to the Company's productivity and compliance obligations. Labor-related risks, including work stoppages, disputes, or occupational health and safety incidents, may affect operations and reputation. Additionally, non-compliance with labor regulations or international labor standards may expose ASFII to fines, legal liability, or loss of key market access.

Compliance with International Food Safety Standards

As an exporter to major markets such as the Europe, Japan, United Kingdom, and Spain, ASFII is subject to stringent food safety and quality regulations, including HACCP, FDA, EU standards, and various customer audits. Non-compliance may result in export bans, order cancellations, product recalls, or reputational damage. The Company maintains strict quality controls, certifications, and internal audits to minimize this risk.

Reliance on Third-Party Service Providers for Production Operations

To support certain production requirements, ASFII engages third-party service providers for toll processing, logistics, maintenance, and technical support. This reliance introduces operational risks, including service level inconsistencies, quality control issues, delays in output, and dependency on external compliance. Any underperformance or breach by third-party providers may disrupt ASFII's production continuity, compromise product standards, or result in reputational damage. The Company has implemented supplier qualification, performance monitoring, and contingency arrangements to mitigate this risk.

Delays in Cash Conversion Cycle

Extended periods in receivables collection, prolonged inventory turnover, or delayed payments from customers can negatively affect ASFII's cash flow and liquidity. These issues can impair the Company's ability to fund operations, service obligations, or invest in growth initiatives. Management continues to strengthen working capital controls, customer credit evaluations, and inventory management practices.

Risk of Regulatory Non-Compliance

ASFII is subject to laws and regulations governing public companies, food safety, labor practices, environmental protection, taxation, and export compliance. Regulatory changes or non-compliance may result in penalties, legal costs, reputational harm, and limitations on business activities. The Company maintains a legal and compliance team, supported by internal audit and board oversight, to proactively manage regulatory obligations.

IT System Downtime and Cybersecurity Threats

ASFII's operations rely on SAP Business One and other IT platforms for core business functions. IT system failures, unauthorized data access, or cybersecurity breaches could result in operational disruption, financial losses, and data integrity risks. The Company has implemented security protocols, system backups, and continuous monitoring to address these threats.

Climate-Related and Environmental Risks

ASFII is increasingly exposed to environmental and climate-related risks, such as ocean warming, fish migration changes, rising sea levels, and extreme weather conditions. These risks can affect fish catch volumes and supply chain reliability. In response, the Company has adopted sustainability practices, energy-efficient operations, and is evaluating climate risk disclosures in line with emerging global standards.

Item 2 – PROPERTIES and LEASE AGREEMENTS

ASFII

The Parent Company leases the land where its tuna processing plant in the General Santos City is located from AMHI. It pays monthly fees of ₱0.5 million for the first year of lease agreement. Lease period is for five (5) years starting from January 1, 2023.

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 two (2) years, commencing on August 2023, 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 P0.02 million per month and the lease agreement is for one (1) year starting from January 1, 2024 and renewable every year.

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 under long-term lease contract and BGB under short-term lease contract.

Item 3 – LEGAL PROCEEDINGS

The pending and material legal proceedings involving the Company as of December 31, 2025 are as follows:

1. **Alliance Select Foods International, Inc., represented in this derivative suit by Harvest All Investment Limited, Victory Fund Limited, Bond East 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, Regional Trial Court of Pasig City, Branch 159**

On May 27, 2014, shareholders Harvest All Investment Limited, Victory Fund Limited, Bondeast Private Limited, and Hedy S.C. Chua ("Chua") filed a derivative suit 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 Jonathan and Alvin Dee. On February 3, 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 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.

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

The case was remanded back to the Pasig Regional Trial Court Branch 159 ("RTC") for trial, pursuant to the Order of the SC directing the trial court to proceed with the hearing of the case.

As the Company was not impleaded in the said Petition, the Company filed with the RTC a *Motion for Leave to Intervene and to Admit Attached Answer in Intervention with Counterclaims (With Opposition to the Application for a Writ of Preliminary Injunction)* on June 16, 2014. Subsequently, on June 24, 2014, the Company also filed a *Motion for Leave to Admit Attached Supplemental Answer in Intervention*. These, however, were denied by the RTC. The RTC Orders were appealed to, and later reversed by the CA. The CA Decision finding the Company's intervention is proper was appealed to the SC, which remains pending.

In view of the pending appeal with the SC, the Company filed with the RTC a *Motion to Suspend Proceedings* on December 1, 2016. Petitioners Hong and Chua also filed an *Urgent Motion to Suspend Proceedings* on September 13, 2017. Thus, acting on said motions, the RTC issued an *Order* dated February 12, 2018 suspending the proceedings.

On January 17, 2025, the Company entered into a Compromise Agreement with Albert Hong Hin Kay ("Hong"), Chua, Harvest All Investment Limited, Victory Fund Limited and Bondeast Private Limited (collectively, "Harvest, et al."). Pursuant thereto, Hong and Chua filed their *Manifestation and Motion to Partially Dismiss* dated January 17, 2025, seeking to dismiss the case to the extent that certain reliefs that affect the Company. For its part, the Company filed its *Manifestation and Motion for Leave to Withdraw* dated January 17, 2025 ("Motion to Withdraw"), seeking to withdraw its intervention. Thereafter, the Company, Hong and Chua jointly moved for the dismissal of the pending appeal with the SC in their *Joint Motion to Dismiss* dated January 20, 2025.

On January 23, 2025, Respondents Jonathan Y. Dee and Alvin Y. Dee filed their *Omnibus Motion [1] to be Furnished a Copy of the Settlement Agreement and [2] for Time to file Comment/Opposition* dated January 22, 2025, which prayed that a copy of the Compromise Agreement be submitted. Citing the confidentiality of said agreement, the Company filed its *Comment* dated January 28, 2025, while Hong and Chua filed their *Opposition* dated January 28, 2025.

The RTC granted the Company's Motion to Withdraw. Meanwhile, the remaining parties continue to explore settlement amongst themselves.

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

On June 11, 2014, the Company 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, confidential financial information in breach of their fiduciary duty to the Company. The Office of the City Prosecutor of Pasig City dismissed the case. The Company appealed the dismissal to the Department of Justice, where the case remains pending.

3. 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, GR No. 270392 (CA-G.R. SP No. 165391), Supreme Court

On August 5, 2015, Harvest 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 the Company, its then-Directors Messrs. George E. SyCip, Jonathan Y. Dee, Marie Grace T. Vera-Cruz, Erwin M. Elechicon, Raymond K.H, See and Antonio C. Pacis, and Corporate Secretary Barbara Anne C. Migallos, praying, among others, that the Company be restrained from carrying out its planned Stock Rights Offering, and that the Company be compelled to hold its Annual Stockholders' Meeting prior to the 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.

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

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

In the meantime, the offer period for the Stock Rights Offering ended on August 26, 2015. On September 7, 2014, the Company's Board of Directors 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 et al. filed a Petition for Review with the CA 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 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 et al. posts the required bond (the "TRO Resolution"). The CA issued the TRO the next day, or on December 16, 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 CA rendered a Decision dated February 15, 2016 sustaining the position of the Company that Harvest 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 SC to set aside the ruling of the CA and affirm the ruling of the Pasig RTC dismissing the case. (SC G.R. No. 224834).

Harvest et al. on the other hand filed their only Petition for Review on Certiorari with the SC, questioning the ruling of the CA and asserting that the case should not be dismissed because Harvest et al. was not in bad faith in not filing the proper filing fee.

The Petitions for Review on Certiorari were consolidated by the SC. On March 15, 2017, the SC rendered a Decision in favor of the petition of Harvest 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 SC 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 CA 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 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 et al. filed a Petition for Review before the CA to assail the dismissal of the case. Respondents and Petitioners subsequently filed their respective Comments and Replies to the Petition for Review.

On March 28, 2023, the CA denied the Petition for Review filed by Harvest et. al, and affirmed the Omnibus Order of the Pasig RTC dismissing the Complaint. The CA cited the following grounds: (a) the Petitioners committed forum shopping given that at the time of filing the 2015 case, there was a pending 2014 derivative suit also filed by them (Case No. 1 above) and, (b) the case is rendered moot and academic by supervening events; namely: the holding of the Annual Stockholders 'Meetings for the Years 2015, 2016 and 2017.

On April 28, 2023, Petitioners filed a Motion for Reconsideration to assail the denial of the CA of the Petition for Review, affirming the dismissal of the case before the Pasig RTC. In its Resolution dated October 26, 2023, the CA denied the Motion for Reconsideration of the Petitioners.

Petitioners then filed a Petition for Review on Certiorari before the SC dated December 21, 2023 to assail the Decision and Resolution of the CA affirming the dismissal of the case.

In view of the Compromise Agreement between the Company and Petitioners, the latter filed with the Supreme Court their *Manifestation and Motion* dated January 17, 2025 ("Manifestation and Motion"), which prayed for the dismissal of their Petition. On the same day, the Company filed its *Manifestation* ("Manifestation"), which interposed no objection to such dismissal. On October 27 2025, the Company and Petitioners filed their *Joint Motion to Resolve* ("Joint Motion"). The Manifestation and Motion, Manifestation, and Joint Motion remain pending.

4. 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., CA-G.R. SP No. 176939 (SEC En Banc Case No. 07-22-501), Court of Appeals

On May 26, 2021, the 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 ("Complaint"), 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 for the Company's sale of 430,286,226 shares to Strongoak Inc. through a private placement on May 5, 2014; and also when Strongoak Inc. subscribed to additional shares in the Company during a Stock Rights Offering ("SRO") 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; that the Complainants were given the privilege to subscribe to additional shares; and that the said complaint is a deliberate act of 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.

The SEC-MSRD dismissed the Complaint in a Decision dated May 19, 2022 finding forum shopping and prescription of action. Complainants filed an Appeal Memorandum dated June 3, 2022 to assail the Decision of the SEC-MSRD with the SEC En Banc.

On December 15, 2022, the SEC En Banc reversed the decision of the SEC-MSRD and declared as void subscriptions, the ASFII shares acquired by Strongoak, Inc. under the 2014 Private Placement and 2015 SRO. These shares were ordered to be cancelled from the Stock and Transfer Book ("STB") of the Company whereupon the shares would be considered unsubscribed and allocated for subscription by any person who intends to buy the same provided that he/she complies with all the legal requirements. Once the subscription is fully paid, ASFII shall pay Strongoak the price it paid for the subscriptions that were nullified.

On January 20, 2023, the Company filed its Petition for Review with urgent application for a writ of preliminary injunction and/or temporary restraining order) ("Petition") with the CA. The CA ordered the parties to submit pleadings and to notify the CA of the pendency of any other related cases and proceedings involving the same parties, subject matter and/or issues pending before the CA or other courts.

On February 20, 2023, the Company received a Motion for Writ of Execution filed by the Complainants with the SEC En Banc. This was opposed by the Company via an Opposition filed with the Commission on March 2, 2023.

On March 27, 2023, the Company received a Motion to Intervene and Admit Attached Comment-in-Intervention filed with the CA by the Securities and Exchange Commission through the Office of the Solicitor General. The said Motion is pending with the Court of Appeals.

On June 14, 2023 the Company received a resolution from the SEC En Banc directing that a Writ of Execution be issued to implement the nullification of the ASFII shares acquired by Strongoak, Inc. under the 2014 Private Placement and 2015 SRO.

On June 15, 2023 the Company filed a Motion for Reconsideration with the SEC En Banc and a Manifestation with Urgent Reiterative Motion for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction with the Court of Appeals.

On that same date, the Company received: (a) a letter from Strongoak, Inc. informing FOOD that any attempt to deprive Strongoak of its shareholder rights will be met with legal action; and (b) a Demand Letter and Writ of Execution from the SEC instructing FOOD to cancel in its Stock and Transfer Book, the shares acquired by Strongoak, within 15 days from receipt.

On June 29, 2023, FOOD's Board of Directors instructed the Corporate Secretary to comply with the SEC Demand Letter and Writ of Execution, without prejudice to the outcome of its Petition for Review with the CA.

On June 30, 2023, upon advice of FOOD's Corporate Secretary, FOOD informed the SEC En Banc and CA that the nullification of the FOOD shares acquired by Strongoak would result in a violation of the Philippine Constitution's foreign ownership limits, as FOOD's subsidiary Alliance MHI Properties, Inc. owns the land on which the Company's manufacturing plant in General Santos City is Located.

In view of the Compromise Agreement, Harvest et al., filed with the SEC their *Omnibus Motion* dated January 17, 2024 ("Omnibus Motion"), which sought to withdraw their Complaint and recall the Writ of Execution, while the Company filed with the SEC its *Manifestation,* which interposed no objection to the Omnibus Motion. Thereafter, the Company and Harvest et al. jointly filed their *Joint Manifestation with Motion to Suspend the Proceedings* dated January 20, 2025 ("Motion to Suspend") with the CA.

On February 20, 2025, the CA rendered a *Decision* granting the Company's Petition, thereby dismissing the Complaint against the Company for lack of merit. In view of said Decision, the Motion to Suspend was rendered moot, in the *Resolution* dated April 2, 2025. The *Decision* became final on March 20, 2025, and consequently, the same was recorded in the Book of Entries of Judgment.

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

I. 2025 Annual Stockholders Meeting

a. Date: 17 June 2025
Time: 2:00 PM
via remote communication via Zoom webinar platform

b. Election of Officers:

Regular Directors:

1. Lorenzo Sixto T. Lichauco – 2,036,725,518 cumulative votes
2. Gabriel A. Dee – 2,036,725,518 cumulative votes
3. Jeoffrey P. Yulo – 2,036,725,518 cumulative votes
4. Dobbin A. Tan – 2,036,725,518 cumulative votes

Independent Directors:

5. Domingo C. Go. – 2,036,725,518 cumulative votes
6. Fernando L. Gaspar – 2,036,725,518 cumulative votes
7. Raymund A. Sanchez – 2,036,725,518 cumulative votes

c. Matters Voted Upon:

Item	Yes	No	Abstain	Objection
1. Approval of Minutes of the 2025 Annual General Meeting Of Stockholders Held On June 17, 2025.	2,036,725,518 81.48%	0 0.00%	0 0.00%	0 0.00%
2. Approval of Annual Reports And Audited Financial Statements For 2025.	2,036,725,518 81.48%	0 0.00%	0 0.00%	0 0.00%
3. Ratification and Approval of the acts of The Board of Directors and Executive Officers for the Corporate Year 2025.	2,036,725,518 81.48%	0 0.00%	0 0.00%	0 0.00%
4. Appointment of Reyes Tacandong & Co. as the Company's Independent External Auditor.	2,036,725,518 81.48%	0 0.00%	0 0.00%	0 0.00%

**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 four (4) fiscal years, without stock adjustments, are as follows:

	2025		2024		2023	
	High	**Low**	**High**	**Low**	**High**	**Low**
Q1	0.56	0.44	0.44	0.44	0.56	0.55
Q2	0.45	0.44	0.48	0.44	0.55	0.53
Q3	0.415	0.40	0.395	0.395	0.52	0.51
Q4	0.37	0.37	0.37	0.37	0.51	0.48

On December 19, 2025, the last trading day for the year, the closing price for FOOD was ₱0.37 per share.

The number of shareholders of record as of December 31, 2025 owning at least one board lot is 234 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, 2025 is 43.29%.

Top 20 shareholders as of December 31, 2025 were:

	Name	No. of shares	% ownership
1.	Strongoak, Inc.	1,382,765,864	55.31%
2.	PCD Nominee Corporation (Filipino)	617,543,190	24.70%
3.	PCD Nominee Corporation (Foreign)	439,618,861	17.58%
4.	Albert Hin Kay Hong	39,071,537	1.56%
5.	Peter Kawsek Jr.	4,538,646	0.18%
6.	Michael W. Cordova	3,805,000	0.15%
7.	S. Chandra Das	2,604,760	0.10%
8.	Oriental Tin Can & Metal Sheet Mfg	2,210,385	0.09%
9.	FDCP Inc.	1,894,045	0.08%
10.	Tri-Marine International (PTE) Ltd.	1,170,472	0.05%
11.	Damalerio Fishing Corp.	920,656	0.04%
12.	DFC Tuna Venture Corporation	617,248	0.02%
13.	Phil. Fisheries Development Authority	346,207	0.01%
14.	Amadeo Fishing Corp.	294,874	0.01%
15.	Alliance Tuna International, Inc.	257,464	0.01%
16.	GENPACCO, Inc.	172,973	0.01%
17.	MGTR Fishing	135,399	0.01%
18.	MKSS FOOD INDUSTRY	122,144	0.00%
19.	CENTURY CONTAINER CORP.	110,617	0.00%
20.	JOSEPH PETER YANG ROXAS	100,000	0.00%

As of December 31, 2025, foreign ownership of the company's common stock equity stands at 19.25% or 481,304,305 common shares. Locally owned common stock stands at 80.75% or 2,018,408,158 common shares. Foreign ownership limitation for FOOD is at 40%.

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, 2025, 2024 and 2023 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 Philippine Financial and Sustainability Reporting Standards (formerly Financial Reporting Standards Council (FRSC)) and adopted by the SEC including SEC pronouncements. 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 2025 COMPARED TO CY 2024

I. FINANCIAL HIGHLIGHTS

	Years Ended December 31		
Amount in US $'000	**2025**	**2024**	**% Change**
Revenue	$78,818	$72,466	9%
Gross profit	5,358	8,042	(33%)
Gross margin	**7%**	**11%**	
Selling & Administrative Expenses	5,571	6,208	(10%)
Finance Cost	2,292	1,639	40%
Loss for the year	**(1,769)**	**(3,017)**	**(41%)**
Non-controlling interest	(2)	(16)	(90%)
Loss attributable to equity holders of the parent	(1,767)	(3,001)	(41%)
Net Profit – Margin	**(2%)**	**(4%)**	
EBITDA	1,993	284	
EBITDA margin	0%	0%	
Return on equity (ROE)	**(14%)**	**(22%)**	
Earnings - per share	**(0.0007)**	**(0.0012)**	
Book value per share	**0.0048**	**0.0054**	

II. OPERATING PERFORMANCE

The Group's consolidated revenues of $78.8 million in 2025 were 9% higher than the revenues of $72.5 million in 2024. During the year, tuna-related products contributed the majority of total revenues, while the salmon business is less than 1%. The increase in revenues primarily due to ASFII parent increase in volume of its canned and loins products for export and better fish prices.

Despite favorable fish prices, the Group's gross profit margin declined to 7.6% in 2025 from 11.1% in 2024. This decrease was mainly attributable to an unfavorable product mix, higher production costs, and a decline in fresh fish purchases.

As a result, the Group recorded a net loss before tax of $1.6 million in 2025, an improvement compared to the $2.5 million net loss before tax in 2024.

III. FINANCIAL CONDITION

Amount in US$'000	2025	2024	% Change
	Years Ended December 31		
Cash & cash equivalent	$1,012	$801	26%
Receivables	20,312	11,808	72%
Inventories	17,858	17,642	1%
Other current assets	9,948	5,220	91%
Total Current Assets	**$49,129**	**$35,471**	**39%**
Property & equipment	14,393	14,203	1%
Total Assets	**64,324**	**50,491**	**27%**
Trade and other payables	$10,172	$14,065	-28%
Bank loans	36,705	20,257	81%
Total Current Liabilities	**49,894**	**34,342**	**45%**
Total Liabilities	**52,443**	**36,880**	**42%**
Total Stockholders' Equity	**11,881**	**13,611**	**-13%**
Total Liabilities & SE	**64,324**	**50,491**	**27%**

Amounts as of December 31	2025	2024
Current Ratio	0.98	1.03
Debt-to-equity Ratio	4.41	2.71

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

Amount in US$'000	Year Ended December 31 2025	2024
Operating cash flows before working capital changes	1,044	3,425
Net cash flows from operating activities	(15,779)	4,737
Net cash flows from investing activities	(1,089)	(1,055)
Net cash flows from financing activities	17,069	(4,399)

Net cash used in investing activities included the following:

	Year Ended December 31	
Amount in US$'000	**2025**	**2024**
Additions to property, plant and equipment	(1,459)	(1,055)
Proceeds from sale of property, plant and equipment	370	0
Proceeds from sale of investment in a subsidiary	0	0

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

	Year Ended December 31	
Amount in US$'000	**2025**	**2024**
Net payment of bank loans	0	(2,671)
Payment of interest	(2,238)	(1,649)

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

As of December 31, 2025, 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**	
	2025	**2024**
Revenue growth rate	9%	28%
Net profit margin	(2%)	(4%)
Current ratio	0.98	1.03
Debt to equity ratio	4.41	2.71
Return on average stockholders' equity	(14%)	(22%)

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 11, 2025 approved the appointment of Reyes Tacandong & Co. as the Company's independent external auditors for the year 2025. On June 17, 2025, the stockholders of the Company will ratify the appointment of said auditing firm as independent auditor of the Company for 2025.

Audit Related Fees
The following table sets out the aggregate fee billed for professional services rendered by Reyes Tacandong & Co. for CY 2024, 2023 and 2022.

Audit and Audit-Related Fees	**2025**	**2024**	**2023**
Regular Audit	₱1,550,000	₱1,550,000	₱1,500,000
Other Fees	155,000	155,000	150,000
Total Audit and Audit-Related Fees	**₱1,705,000**	**₱1,705,000**	**₱1,650,000**

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
Lorenzo Sixto T. Lichauco	Filipino	Chairman of the Board	69	2022
Gabriel A. Dee	Filipino	Vice Chairman	61	2018
Jeoffrey P. Yulo	Filipino	Director, President & CEO	55	2022
Dobbin A. Tan	Filipino	Director	62	2016
Domingo C. Go	Filipino	Independent Director	65	2020
Fernando L. Gaspar	Filipino	Independent Director	74	2023
Raymund A. Sanchez	Filipino	Independent Director	55	2025

LORENZO SIXTO T. LICHAUCO - 69, Filipino; Chairman of the Board

Mr. Lichauco is the President and Managing Director of Seawood Resources, Inc., an investment holding company. He has extensive experience in the securities industry, having previously headed the Philippine stockbroking operations of Peregrine Securities Philippines, Inc., Crosby Securities, CLSA Securities, HSBC Securities, and Maybank-ATR-Kim Eng Securities.

He also briefly led the Asset Management Group of the Government Service Insurance System (GSIS), the country's state pension fund, and managed equity portfolio investments for Security Bank Corporation.

Mr. Lichauco currently serves as Chairman of Mizu Resources and as a Director of Resins, Inc. He is llikewise an Independent Director and Vice Chairman of SB Equities, Inc.

He holds a Master of Business Administration from George Washington University, Washington D.C. and a Bachelor of Arts degree in Economics from Westminster College, Pennsylvania.

GABRIEL A. DEE - 61, Filipino; Vice-Chairman

Mr. Dee is the Managing Partner and a name partner of Picazo Buyco Tan Fider Santos & Dee Law Offices. He serves as Director and Corporate Secretary of various listed and unlisted corporations, including several financial institutions. He is also a resource person for professional seminars on initial public offerings, listings, and estate planning.

Atty. Dee has been in active legal practice since 1989. He teaches Corporation and Securities Law at the University of the Philippines College of Law and the Tañada-Diokno College of Law of De La Salle University.

He obtained his Bachelor of Laws from the University of the Philippines College of Law and his Master of Laws from the University of California, Berkeley School of Law.

JEOFFREY P. YULO - 55, Filipino; Director, President and Chief Executive Officer

Mr. Yulo is the President and Chief Executive Officer of Alliance Select Foods International, Inc. Prior to this, he served as Chief Operating Officer of Goldilocks Bakeshop, Inc. from January 2020 to October 2021, and as Chief Operating Officer and Assistant Country Director for Cargill Joy Poultry Meats Production, Inc. from June 2018 to April 2019.

He previously held leadership roles at Coca-Cola FEMSA, serving as Commercial Projects Director for Latin America and Project Management Director for the Philippines from 2015 to 2018. He was also General Manager for GlaxoSmithKline 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. and Wrigley Philippines, Inc., where he held various positions and was appointed National Sales Director in 2004. He began his career with Unilever Philippines, Inc. as National Merchandising Manager.

Mr. Yulo holds a Bachelor's degree in Marketing Management from Colegio de San Agustin.

DOBBIN A. TAN - 62, Filipino; Director

Mr. Tan is the Chief Executive Officer of Rising Tide Digital, Inc. He also serves as School Treasurer of Xavier School, Inc. and as an Independent Director of Philequity Funds.

He previously served as Managing Director and Chief Operating Officer of Information Gateway from 2002 to 2012. Prior to this, he was 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 and Corporate Planning Manager at San Miguel Corporation from 1985 to 1990.

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

DOMINGO C. GO - 65, Filipino, Lead Independent Director

Mr. Go is an Independent Director and Chairman of the Audit Committee of Mitsubishi Motors Finance Philippines, Inc. In addition, he is a Director of the Financial Executives Institute of the Philippines (FINEX) for 2026/2027 (where he was also a Director from 2020-2021) and a Director of the FINEX Academy for 2026/2027 (where he also served as a Director from 2020 to 2021). He was a Trustee of the FINEX Research and Development Foundation, Inc. in 2025. At present, he serves as the Director in charge of the Partnerships Committee as well as the Arts & Culture Committee of FINEX. He is likewise a Trustee of the Philippine Federation of Japan Alumni, Inc. (since July 2015) and served as its President from 2022 to 2024.

Mr. Go previously headed the Equity Investments Department of Metropolitan Bank & Trust Company (Metrobank), where he also held roles in its Merchant Banking Division and Account Management Group. He concurrently served in various investee companies of the Metrobank Group. He was the Vice Chairman of Northpine Land, Inc. and Chairman of its Executive Committee. He was also a Director of Toyota Manila Bay Corporation, Sumisho Motor Finance Corporation, SMBC Metro Investment Corporation, and Sagara Metro Plastics Industrial Corporation, among others. He was also the Corporate Secretary of Toyota Motor Philippines Corporation, Toyota Financial Services Philippines Corporation, First Metro Investment Corporation, and Global Business Power Corporation.

Mr. Go is a Life Fellow of the Institute of Corporate Directors (ICD). He graduated from Ateneo de Manila University with a Bachelor of Science degree in Management (Honors Program) and was a recipient of a one-year exchange scholarship at International Christian University in Tokyo, Japan. He holds a Master of Business Administration from the University of the Philippines (Diliman).

FERNANDO L. GASPAR - 74, Filipino, Independent Director

Mr. Gaspar previously served as President and Chief Executive Officer of Falconer Aircraft Management, Inc. and Aviation Concepts Technical Services, Inc., from which he retired in 2025. He currently serves as Chairman of the Board of the Ortoll Group of Companies, and as Board Advisor and Director of Radiowealth Finance Corporation.

From 2016 to 2020, Mr. Gaspar was President and Chief Executive Officer of Roxas and Company, Inc., a listed company engaged in real estate development, hospitality, and coconut processing. From 2008 to 2016, he served as Senior Vice President and Chief Administrative Officer of International Container Terminal Services, Inc. (ICTSI), where he oversaw container terminal inspections worldwide and led expansion and operational improvement projects.

Earlier in his career, Mr. Gaspar worked with Alvarez & Marsal, a New York-based turnaround firm. He was also Chief Executive Officer of the Kuok Group of Companies (Philippines). Mr. Gaspar likewise held senior management positions at San Miguel Corporation across the Philippines, Hong Kong, China, and Vietnam.

From 2020 to 2022, Mr. Gaspar organized and served as President and Chief Executive Officer of Kerry Group Philippines Foundation, Inc., the charitable arm of the Kuok Group.

Mr. Gaspar holds a Bachelor of Science degree in Chemical Engineering from De La Salle University, Manila.

RAYMUND A. SANCHEZ – 55, Filipino, Independent Director

Mr. Sanchez is the Chairman of RAS Leadership Consultancy, a leadership advisory and executive coaching firm that partners with organizations to strengthen leadership, align strategy, and drive sustainable growth. It caters largely to multinational companies and large family-owned businesses.

He is a keynote speaker and leadership scholar, bringing over 30 years of corporate experience across various industries and functional areas.

Mr. Sanchez began his career in an entry-level role and rose to positions of increasing leadership responsibility across multinational corporations, pharmaceutical and FMCG companies, and family-owned businesses. His previous roles include Sales Director of Novartis Healthcare, Vice President of Getz Brothers, Country Manager of Reckitt Benckiser, Sales Director for Asia South of The Hershey Company, President of UN Media Group, President of The Generics Pharmacy, and President of CMG Retail Group.

Mr. Sanchez coaches C-level executives and emerging leaders of both multinational and local companies and serves as an advisor to founders and chief executive officers. He is a Certified Leadership Coach and Facilitator of the Extreme Leadership Institute in Kansas City, Missouri and has been conferred the title of Certified High Performance Coach (CHPC) by the High Performance Institute in Portland, Oregon.

Mr. Sanchez graduated from Silliman University with a degree in Business Administration. He is an Executive Scholar in General Management from the Kellogg School of Management, Northwestern University, and completed the Advanced Management Program of the MIT Sloan School of Management.

Executive/Principal Officers

Officer	Nationality	Position	Age	Year Position was Assumed
Jeoffrey P. Yulo	Filipino	President & CEO	55	2022
Eldwin S. Umusig	Filipino	VP-Operations	52	2022

Kyle David A. Dee	Filipino	Corporate Secretary		2025
Genevi Dianah L. Dumalag	Filipino	Head of Finance	37	2025
Jackson Emil G. Lumaban	Filipino	VP - Sales	42	2023
Maria Resa S. Celiz	Filipino	Assistant Corporate Secretary and Chief Compliance Officer	60	2023

EXECUTIVE OFFICERS

JEOFFREY P. YULO - 55, Filipino citizen; Director, President & CEO

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

Mr. Yulo was the Chief Operating Officer of Goldilocks Bakeshop, Inc. 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 Philippines, 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 the National Merchandising Manager.

ELDWIN S. UMUSIG – 52, Filipino citizen; Vice President for Operations

Eldwin S. Umusig is a graduate of Ateneo de Davao University, and a licensed Chemical Engineer with over 30 years of experience in food manufacturing operations across Southeast Asia and the Pacific. His main focus is strengthening operations and supply chain systems, improving efficiency, and supporting long-term business growth.

He has held leadership roles across production, quality assurance, supply chain management, compliance and process improvement, contributing to facility start-ups, capability building, and cross-functional alignment. He brings practical and results-oriented leadership, working with international teams and ensuring compliance with global food safety standards while maintaining cost efficiency.

KYLE DAVID A. DEE - Corporate Secretary.

Atty. Kyle David A. Dee is a Senior Associate at Picazo Buyco Tan Fider Santos & Dee, the law firm engaged by the Company to provide corporate secretarial services. He is the son of Atty. Gabriel A. Dee, the Firm's Managing Partner and a name partner, who also serves as the Company's Vice Chairperson of the Board.

Atty. Kyle specializes in corporate law, with significant experience in capital market transactions and registration and listing of securities and debt instruments, mergers and acquisitions, competition law and financing transactions. He has been involved in various landmark projects, including the largest initial public offering in the Philippines, the acquisition of one of the country's major media and telecommunications companies, and the investment into one of the country's major healthcare providers.

He is experienced in general contract review and legal due diligence, and handles corporate housekeeping and provides legal advice to various banking, real estate and infrastructure companies, including compliance with rules and regulations of the Securities and Exchange Commission, Philippine Stock Exchange, Bangko Sentral ng Pilipinas, and others.

Atty. Kyle graduated cum laude from the University of the Philippines - Diliman, where he obtained his Bachelor of Science in Business Administration. He completed his law studies at the University of the Philippines College of Law in Diliman and was admitted to the Bar in 2022.

GENEVI DIANAH L. DUMALAG - 37, Head of Finance.

A Certified Public Accountant, Ms. Dumalag was the Finance Head of Seedbox Technologies, Inc. and Seedbox Securities, Inc. from 2023 to 2025. She is an Accounting professor at the New Era University where she teaches Financial Management and Business Analytics. Ms. Dumalag was the Management Accounting Director of the Standard Hospitality Group, and Senior Finance Manager for Foreign Franchised Brands of Jollibee Foods Corporation. Prior to that, Ms. Dumalag was a Finance Officer of PLDT Global Corporation.

Ms. Dumalag is a strategic and results-driven finance executive, with leadership experience in end-to-end financial operations that include accounting, taxation, compliance, budgeting, financial planning & analysis, and treasury functions. She obtained her BS Accountancy degree from New Era University.

JACKSON EMIL G. LUMABAN – 42, Filipino citizen; Vice President for Sales.

Mr. Lumaban is a results-driven sales executive with over 18 years of experience in business and customer development, and sales management. Throughout his career, Mr. Lumaban has demonstrated a proven track record of driving revenue growth, building high performance sales teams, and cultivating strong relationships with clients and partners.

Mr. Lumaban began his career at Century Pacific Food, Inc., where he quickly rose through the ranks due to his exceptional sales and business development acumen and strategic vision. During his time at Century Pacific, Mr. Lumaban led numerous successful sales initiatives that significantly increased market presence and revenue for the company.

After his tenure at Century Pacific, Mr. Lumaban joined San Miguel Foods, Inc, a subsidiary of San Miguel Corporation. As Assistant Vice President for Export and International Sales, Mr. Lumaban was instrumental in developing and implementing sales strategies that expanded their food products' presence in various international markets.

He holds a Bachelor of Science degree in Business Economics from the University of the Philippines Diliman.

MARIA RESA S. CELIZ – 60, Filipino citizen, Assistant Corporate Secretary and Chief Compliance Officer

Ms. Celiz obtained her Juris Doctor degree from the Ateneo de Manila University, her MA in International Relations from Boston University and BA Political Science degree from the University of the Philippines in Diliman.

For 23 years, Ms. Celiz was a legal counsel of Goldilocks Bakeshop, Inc. and its related companies. From 2010 to 2012, Ms. Celiz was Legal Counsel and Chief of Staff of the Metropolitan Manila Development Authority. For 15 years, she was an associate lawyer of Pacis & Reyes, Attorneys. She is a professor at the Lyceum of the Philippines University College of Law.

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 are no pending and material legal proceedings involving the Company's Directors and Officers as of December 31, 2025.

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**
1) CEO and the four most highly compensated officers named above	2019	₱16,482	₱1,699
	2020	17,266	313
	2021	16,803	311
	2022	26,373	351
	2023	27,115	600
	2024	29,190	2,415
	2025	36,043	7,977
2) Aggregate compensation paid to all officers and directors as a group unnamed	2019	23,181	2,476
	2020	22,639	1,034
	2021	22,639	1,324
	2022	30,563	1,290
	2023	33,129	1,399
	2024	24,381	1,757
	2025	26,327	3,679

The following are the Parent Company's top five (5) compensated executive officers:

Jeoffrey P. Yulo	President and CEO
Eldwin S. Umusig	Vice President for Operations
Maria Resa S. Celiz	Assistant Corporate Secretary and Chief Compliance Officer
Jackson Emil G. Lumaban	Vice President for Sales
Genevi Dianah L. Dumalag	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, 2025:

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	Strongoak, Inc.	Filipino	1,382,765,864	55.31%

Common	PCD Nominee Corporation (Filipino) 37th Fl., Tower One, Enterprise Center, Paseo de Roxas corner Ayala Avenue, Makati City	PCD Nominee Corporation (Filipino)	Filipino	617,543,190	24.70%
Common	PCD Nominee Corporation (Foreign) 37th Fl., Tower One, Enterprise Center, Paseo de Roxas corner Ayala Avenue, Makati City	PCD Nominee Corporation (Foreign)	Foreign	439,618,861	17.58%
	Total			**2,439,927,915**	**97.59%**

Security ownership of Directors, Officers and Management as of December 31, 2025:

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	Lorenzo Sixto T. Lichauco	30,000	29,983,000 /through BDO Securities Corporation	Filipino	1.20%
Common	Gabriel A. Dee	1,000	0	Filipino	0.00%
Common	Jeoffrey P. Yulo	10,000	2,000,000/ through Asiasec Equities, Inc,	Filipino	0.10%
Common	Raymund A. Sanchez	10,000	0	Filipino	0.10%
Common	Dobbin A. Tan	10,000	0	Filipino	0.00%
Common	Domingo C. Go	1,000	0	Filipino	0.00%
Common	Fernando L. Gaspar	10,000	0	Filipino	0.00%
	TOTAL	**72,000**	**31,983,000**		**1.4%**

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
-	Genevi Dianah L. Dumalag	0	0	Filipino	0.00%
-	Eldwin S. Umusig	0	0	Filipino	0.00%
-	Barbara Anne C. Migallos	0	0	Filipino	0.00%
-	Jackson Emil G. Lumaban	0	0	Filipino	0.00%
-	Maria Resa S. Celiz	0	0	Filipino	0.00%
	TOTAL	**0**	**0**		**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 2025 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 2024 Integrated Annual Corporate Governance Report (IACGR) on May 29, 2025. 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.

On June 1, 2017, in compliance with SEC Memorandum Circular No. 8 Series of 2017, Alliance Select Foods International, Inc. (FOOD) submitted to 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 2025* is as follows:

	April 11	**May 2**	**June 17 (Org Mtg)**	**July 15**	**Aug 12**	**Nov 10**	**Dec 11**	**Attendance**
Lorenzo Sixto T. Lichauco	P	P	P	P	P	P	P	100%
Gabriel A. Dee	A	P	P	P	P	P	P	86%
Jeoffrey P. Yulo	P	P	P	P	P	P	A	100%
Joseph Peter Y. Roxas	P	P	N/A	N/A	N/A	N/A	N/A	100%
Dobbin A. Tan	P	P	P	P	P	P	P	100%
Domingo C. Go	P	P	P	P	P	P	P	100%
Fernando L. Gaspar	A	P	P	P	P	P	P	86%
Raymund A. Sanchez	N/A	N/A	P	P	P	P	A	80%

** There were seven (7) meetings held during the year 2025. Mr. Joseph Peter Y. Roxas ended his term on June 17, 2025. On the same day, Mr. Raymund A. Sanchez was elected as Independent Director.*

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:

<u>Audit Committee</u>

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.

Item 15 – EXHIBITS AND REPORTS

(a) Exhibits

The exhibits indicated in the Index to Exhibits, 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
December 12, 2025	Appointment of Atty. Kyle David A. Dee as Corporate Secretary
December 12, 2025	Appointment of Genevi Dianah Lao-Dumalag as Head of Finance
November 13, 2025	Press Release: Alliance Select NIAT up by 83% in 3Q 2025
November 11, 2025	Approval of Third Quarter Performance and Financial Report
November 11, 2025	Press Release: Alliance Select NIAT up by 78% in 3Q 2025
November 4, 2025	Resignation of Treasurer/ Chief Financial Officer
October 30, 2025	Resignation of Corporate Secretary
August 13, 2025	FOOD Board of Directors discussed and noted the Company's Second Quarter Performance and Financial Report.
August 13, 2025	Press Release: Alliance Select maintains profitability despite softer revenue, margin pressure in 1H
June 18, 2025	Election of Mr. Raymund A. Sanchez as Independent Director
June 18, 2025	Mr. Joseph Peter Y. Roxas ends his Term as Director of Alliance Select Foods International, Inc.
June 18, 2025	Results of the 2025 Organizational Meeting of the Board of Directors.
June 18, 2025	Results of 2025 Annual Stockholders' Meeting of Alliance Select Foods International, Inc. (FOOD)
June 18, 2025	Press Release: Alliance 2024 Net Revenue Grows by 28%, Gross Profit by 30%

EXHIBIT TABLE

SECURITIES REGULATION CODE FORMS

	Description	**17-A**	**2024 17-A Filing**
3	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	x	N/A

5	Instruments Defining the Rights of Security Holders, Including Indentures	x	N/A
8	Voting Trust Agreement	x	N/A
10	Annual Report to Security Holders, FORM 17-Q or Quarterly Report to Security Holders—n1	x	Please refer to First Quarter 17-Q
13	Letter re: Change in Certifying Accountant--n2	x	N/A
15	Letter re: Change in Accounting Principles	x	N/A
16	Report Furnished to Security Holders	x	Please refer to First Quarter 17Q
18	Subsidiaries of the Registrant	x	Please refer to latest Amended General Information Sheet, with corresponding jurisdiction of incorporation
19	Published Report Regarding Matters Submitted to Vote of Security Holders	x	N/A
20	Consents of Experts and Independent Counsel	x-n3	N/A
21	(a) Power of Attorney (b) Power of Attorney—Foreign Registrant	x	N/A
29	Additional Exhibits	x	Consolidated 2024 ACGR, pursuant to SEC Advisory dated 12 March 2015

n1 In the case of SEC Form 17-A, where the annual report to security holders is incorporated by reference into the text of FORM 17-A. Note: SRC Rule 12.2 prohibits information from being incorporated by reference to the prospectus.

n2 If required pursuant to Part III, paragraph B(3) of this Annex C.

n3 Where the opinion of the expert or independent counsel has been incorporated by reference to a previously filed SEC Form 12-1 registration statement.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this Report is signed on behalf of the issuer by the undersigned thereunto duly authorized.

By:

JEOFFREY P. YULO
President and Chief Executive Officer

GENEVI DIANAH L. DUMALAG
Head of Finance

Ma. Resa S. Celiz

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

SUBSCRIBED AND SWORN to before me this 15 APR 2026 at PASIG CITY affiants exhibiting to me their government-issued identification cards, as follows:

NAMES	GOVERNMENT ISSUED ID NO.	DATE ISSUED	PLACE ISSUED
JEOFFREY P. YULO	Passport No. P7151575B	07-08-2021	DFA San Pablo
GENEVI DIANAH L. DUMALAG	Driver's License B02-22-000516	02-21-2022	LTO
MARIA RESA S. CELIZ	Passport No. P0649417C	06-27-2022	DFA Manila

ATTY. ROMEO MANUEL JOSHUA R. MOVIDO
Notary Public for Pasig City
Unit 701 Manila Luxury Condominium, Pearl Drive
cor. Gold Loop, Ortigas Center Pasig City
Roll of Attorney No. 66667
Appointment No. 116 (2025-2026) valid until 31 December 2026
IBP Member No. 1046696 Q.C./June 23, 2024
PTR No. 3963771; Jan 8, 2026; Pasig City
MCLE Compliance No. VIII-0027774/valid until 14 April 2028

Doc. No 515;
Page No. 102;
Book No. XXXVIII
Series of 2026.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

FOR FINANCIAL STATEMENTS

The Management of **ALLIANCE SELECT FOODS INTERNATIONAL, INC. and SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2025, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors is responsible in overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

LORENZO SIXTO T. LICHAUCO
Chairman of the Board

JEOFFREY P. YULO
President and Chief Executive Officer

GENEVI DIANAH L. DUMALAG
Head of Finance

Signed this 13th day of April 2026

Head Office: 3104 West Tower PSEC, Ortigas Center, San Antonio Pasig City, Metro Manila, Philippines 1605
Plant: Purok Saydala, Tambler, General Santos City, Philippines 9500
www.allianceselectfoods.com

REPUBLIC OF THE PHILIPPINES)
PASIG CITY)

SUBSCRIBED AND SWORN TO BEFORE ME, A NOTARY PUBLIC THIS 30 APR 2026 day of APRIL, 2026, the Affiants exhibiting to me their evidence of identity with details below:

	ID TYPE /NO./ DATE AND PLACE ISSUED
LORENZO SIXTO T. LICHAUCO	**DRIVER'S LICENSE NO. 1-74-028833**
JEOFFREY P. YULO	**PASSPORT NO. P7151375B/07-08-2021/DFA SAN PABLO**
GENEVI DIANAH L. DUMALAG	**DRIVER'S LICENSE NO. B02-22-000516**

Doc No. 467;
Book No. 92;
Page No. XXXIX;
Series of 2026

ATTY. ROMEO MANUEL JOSHUA R. MOVIDO
Notary Public for Pasig City
Suite 07 Unit G06 West Tower, Tektite Towers,
Exchange Road, Pasig City
Roll of Attorney No. 66667
Appointment No. 116 (2025-2026) valid until 31 December 2026
IBP Member No. 539938 Pasig/ 28 February 2026
PTR No. 3039044; 09 Jan. 2026; Pasig City
MCLE Compliance No. VIII-0027774 valid until 14 April 202

C O V E R   S H E E T
for
AUDITED 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
AACFS	CRMD	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
PSECompliance@allianceselectfoods.com	(02) 8637-8800	0917-620-5726

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
234	15th day of June	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. Jeoffrey P. Yulo	PSECompliance@allianceselectfoods.com	(02) 8637-8800	0917-620-5726

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.*

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
Suite 3104A, West Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Avenue, Pasig City

Opinion

We have audited the consolidated financial statements of ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES (a subsidiary of STRONGOAK INC.) (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, 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, 2025, 2024 and 2023, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025, 2024 and 2023, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2025. 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.

<u>Revenue Recognition</u>
The Group recognizes revenue when control of goods passes to customers. Revenues and the related trade receivables amounted to $78.8 million and $19.5 million, respectively, as at and for the year ended December 31, 2025.

Revenue recognition is a key audit matter because it significantly affects the Group's profitability and export and local sales involves a high volume of transactions. Trade receivables also represent a substantial portion of the Group's total assets and determining the appropriate level of allowance for expected credit losses (ECL) requires significant management judgment and accounting estimation.

We tested relevant IT general controls, key application and manual controls over the revenue process. We reviewed reconciliations of sales reports to revenue accounts, performed analytical review procedures, and tested journal entries posted to the revenue accounts to identify any unusual or irregular items. We performed cut-off testing by reviewing selected sales transactions before and after year-end. We independently evaluated the allowance for ECL on trade receivables. We also assessed the adequacy of the Group's overall disclosures on revenue and trade receivables in Note 2, *Summary of Material Accounting Policy Information*, Note 3, *Significant Judgments, Accounting Estimates and Assumptions*, Note 6, *Trade and Other Receivables*, and Note 16, *Net Sales* 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, 2025, 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, 2025 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 audit 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 audit 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 Accounting Standards, and for such internal control as management determines it 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with 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 audits.

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 Cedric M. Caterio.

REYES TACANDONG & CO.

CEDRIC M. CATERIO
Partner
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SEC Accreditation No. 87322-SEC Group A
Issued April 20, 2022;
Valid for Financial Periods 2021 to 2025
BIR Accreditation No. 19-005765-001-2025;
Valid until November 14, 2028
PTR No. 10764012;
Issued January 2, 2026, Makati City

April 13, 2026
Makati City, Metro Manila

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of STRONGOAK INC.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 **2025**	2024
ASSETS			
Current Assets			
Cash	5	**$1,011,637**	$800,590
Trade and other receivables	6	**20,311,673**	11,808,060
Inventories	7	**17,858,192**	17,641,978
Other current assets	8	**9,947,599**	5,220,445
Total Current Assets		**49,129,101**	35,471,073
Noncurrent Assets			
Property, plant and equipment	9	**14,392,641**	14,202,641
Right-of-use (ROU) assets	22	**65,504**	21,278
Deferred tax assets	24	**591,289**	649,613
Other noncurrent assets	10	**145,478**	146,022
Total Noncurrent Assets		**15,194,912**	15,019,554
		$64,324,013	$50,490,627
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11	**$10,171,828**	$14,064,683
Loans payable	12	**36,704,764**	20,256,921
Current portion of lease liabilities	22	**40,707**	20,674
Due to a related party	13	**2,976,697**	–
Total Current Liabilities		**49,893,996**	34,342,278
Noncurrent Liabilities			
Due to a related party	13	**1,779,724**	1,808,799
Noncurrent portion of lease liabilities	22	**24,839**	–
Net retirement benefits obligation	14	**344,374**	305,661
Other noncurrent liability	11	**400,360**	423,241
Total Noncurrent Liabilities		**2,549,297**	2,537,701
Total Liabilities		**52,443,293**	36,879,979
Equity			
Capital stock	15	**26,823,389**	26,823,389
Additional paid-in capital (APIC)	15	**1,486,546**	1,486,546
Treasury stock - at cost	15	**(5,774)**	(5,774)
Deficit		**(18,183,919)**	(16,416,525)
Other comprehensive income		**1,698,484**	1,659,725
Equity attributable to equity holders of the Parent Company		**11,818,726**	13,547,361
Non-controlling interests	15	**61,994**	63,287
Total Equity		**11,880,720**	13,610,648
		$64,324,013	$50,490,627

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	**2025**	2024	2023
NET SALES	16	**$78,817,556**	$72,465,891	$56,467,297
COST OF GOODS SOLD	17	**(73,459,573)**	(64,423,760)	(51,644,479)
GROSS PROFIT		**5,357,983**	8,042,131	4,822,818
SELLING AND ADMINISTRATIVE EXPENSES	18	**(5,571,269)**	(6,208,253)	(4,473,488)
INTEREST EXPENSE	12	**(2,292,388)**	(1,639,401)	(1,044,253)
OTHER INCOME (CHARGES) - net	19	**899,514**	(2,676,623)	355,327
LOSS BEFORE INCOME TAX		**(1,606,160)**	(2,482,146)	(339,596)
PROVISION FOR INCOME TAX	24			
Current		**114,428**	165,112	78,394
Deferred		**48,448**	369,812	2,202,094
		162,876	534,924	2,280,488
NET LOSS		**(1,769,036)**	(3,017,070)	(2,620,084)
OTHER COMPREHENSIVE INCOME				
Item that will be reclassified subsequently to profit or loss				
Exchange differences on foreign currency translation		**9,481**	78,761	(7,206)
Item that will not be reclassified subsequently to profit or loss				
Remeasurement gain (loss) on retirement benefits obligation - net of tax	14	**29,627**	(40,171)	791
		39,108	38,590	(6,415)
TOTAL COMPREHENSIVE LOSS		**($1,729,928)**	($2,978,480)	($2,626,499)
NET LOSS ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**($1,767,394)**	($3,001,014)	($2,620,032)
Non-controlling interests		**(1,642)**	(16,056)	(52)
		($1,769,036)	($3,017,070)	($2,620,084)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**($1,728,635)**	($2,963,298)	($2,626,367)
Non-controlling interests		**(1,293)**	(15,182)	(132)
		($1,729,928)	($2,978,480)	($2,626,499)
LOSS PER SHARE				
Basic and Diluted	21	**($0.0007)**	($0.0012)	($0.0010)

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	**2025**	2024	2023
CAPITAL STOCK	15	**$26,823,389**	$26,823,389	$26,823,389
ADDITIONAL PAID-IN CAPITAL	15	**1,486,546**	1,486,546	1,486,546
TREASURY STOCK - at cost	15	**(5,774)**	(5,774)	(5,774)
DEFICIT				
Balance at beginning of year		**(16,416,525)**	(13,415,511)	(10,795,479)
Net loss		**(1,767,394)**	(3,001,014)	(2,620,032)
Balance at end of year		**(18,183,919)**	(16,416,525)	(13,415,511)
OTHER COMPREHENSIVE INCOME				
Cumulative Translation Adjustment				
Balance at beginning of year		**1,396,283**	1,318,396	1,325,522
Exchange differences on foreign currency translation		**9,132**	77,887	(7,126)
Balance at end of year		**1,405,415**	1,396,283	1,318,396
Cumulative Remeasurement Gains on Retirement Benefits Obligation	14			
Balance at beginning of year		**263,442**	303,613	302,822
Remeasurement gain (loss) - net of tax		**29,627**	(40,171)	791
Balance at end of year		**293,069**	263,442	303,613
		1,698,484	1,659,725	1,622,009
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**11,818,726**	13,547,361	16,510,659
NON-CONTROLLING INTERESTS				
Balance at beginning of year		**63,287**	(2,385,042)	(2,384,910)
Share in total comprehensive loss		**(1,293)**	(15,182)	(132)
Dissolution of a subsidiary	4	**–**	2,463,511	–
Balance at end of year		**61,994**	63,287	(2,385,042)
		$11,880,720	$13,610,648	$14,125,617

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	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**($1,606,160)**	($2,482,146)	($339,596)
Adjustments for:				
Interest expense	12	**2,316,482**	1,665,072	1,071,332
Depreciation and amortization	9	**1,307,095**	1,127,164	946,073
Provision (reversal of allowance) for:				
Expected credit loss	6	**(581,012)**	341,559	–
Inventory write-down	7	**(77,441)**	193,498	(173,087)
Impairment loss on advances to suppliers	8	**(40,087)**	89,114	–
Gain on disposal of assets	19	**(369,797)**	–	(383,782)
Retirement benefits costs	14	**84,982**	61,163	49,785
Net unrealized foreign exchange loss (gain)		**9,657**	(33,291)	(77,611)
Interest income	5	**(164)**	(178)	(697)
Loss on dissolution of a subsidiary	4	**–**	2,463,511	–
Operating income before working capital changes		**1,043,555**	3,425,466	1,092,417
Decrease (increase) in:				
Trade and other receivables		**(7,922,601)**	990,657	(6,688,410)
Inventories		**(138,773)**	(2,651,497)	(9,435,186)
Other current assets		**(4,699,521)**	(2,367,761)	216,538
Increase (decrease) in trade and other payables		**(3,954,809)**	5,537,644	4,387,025
Net cash generated from (used for) operations		**(15,672,149)**	4,934,509	(10,427,616)
Income tax paid		**(101,974)**	(181,401)	(41,257)
Contributions to the retirement fund	14	**(4,915)**	(16,049)	–
Interest received		**164**	178	697
Net cash flows provided by (used in) operating activities		**(15,778,874)**	4,737,237	(10,468,176)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	9	**(1,458,579)**	(1,054,909)	(459,798)
Proceeds from sale of assets		**369,797**	–	383,782
Net cash flows used in investing activities		**(1,088,782)**	(1,054,909)	(76,016)

(Forward)

	Note	2025	2024	2023
		Years Ended December 31		
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loans	28	**$37,086,577**	$42,902,324	$40,905,860
Payments of:				
Loans payable	28	**(17,700,452)**	(45,573,396)	(30,929,058)
Interest	28	**(2,238,451)**	(1,649,372)	(986,591)
Lease liabilities	22	**(39,136)**	(37,707)	(29,219)
Other noncurrent liability	28	**(39,411)**	(40,572)	–
Net cash flows provided by (used in) financing activities		**17,069,127**	(4,398,723)	8,960,992
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH		**9,576**	6,358	43,606
NET INCREASE (DECREASE) IN CASH		**211,047**	(710,037)	(1,539,594)
CASH AT BEGINNING OF YEAR		**800,590**	1,510,627	3,050,221
CASH AT END OF YEAR	5	**$1,011,637**	$800,590	$1,510,627

		2025	2024	2023
SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITY				
Recognition of lease liabilities and ROU assets		**$82,742**	$–	$72,957

	Note	2025	2024	2023
COMPONENTS OF CASH	5			
Cash on hand		**$10,456**	$10,345	$10,880
Cash in banks		**1,001,181**	790,245	1,499,747
		$1,011,637	$800,590	$1,510,627

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025 AND 2024 AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

1. **General Information**

Corporate Information

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES (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. The ultimate parent company is Seawood Resources, Inc., a domestic company engaged in investment activities.

The Parent Company's registered office address is at Suite 3104A, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, Pasig City.

Subsidiaries

The following are the subsidiaries as at December 31, 2025, 2024 and 2023:

Name of Subsidiary	Nature of Business	Business	% of Ownership 2025	2024	2023
Big Glory Bay Salmon and Seafood Company, Inc. (BGB)	Salmon and other seafoods processing	Philippines	100.00	100.00	100.00
Alliance MHI Properties, Inc. (AMHI)	Leasing	Philippines	98.89	98.89	98.89
PT International Alliance Food Indonesia (PT IAFI)	Export trading	Indonesia	99.98	99.98	99.98
PT Van De Zee (PT VDZ)	Fishing	Indonesia	–	–	49.00

The Parent Company and the subsidiaries are collectively referred herein as the "Group".

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

AMHI has parcels of land located at Barrio Tambler, General Santos City.

PTIAFI has no operations in 2025, 2024 and 2023. PTVDZ is a 49% subsidiary of PTIAFI.

On June 12, 2024, the stockholders of PT VDZ approved the final liquidation report prepared by the liquidator. The termination of PT VDZ's legal entity status, based on a Copy of Deed dated June 12, 2024, was recorded and removed from the Indonesian Company Register, as confirmed by the Minister of Law and Human Rights of the Republic of Indonesia on August 12, 2024 (see Note 4).

Approval of the Consolidated Financial Statements
The consolidated financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were reviewed and recommended for approval by the Audit Committee on April 8, 2026 and were approved and authorized for issuance by the BOD on April 13, 2026.

2. Summary of Material Accounting Policy Information

The material accounting policy information 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 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

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 and other noncurrent liability 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 Amendments to PFRS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability,* effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS Accounting Standards 9, *Financial Instruments*, and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.

- Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments,* the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished 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 10, *Consolidated Financial Statements* – The amendments clarify that when the investor considers its de facto agent's decision-making rights and its indirect exposure, or rights, to variable returns is only an example in which judgement is required to determine whether a party is acting as a de facto agent.

- Amendments to PAS 7, Statement of Cash Flows – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

  The Group expects the adoption of PFRS 18 to result in changes in presentation and additional disclosures in the consolidated financial statements. The standard is not expected to have an impact on the recognition or measurement of the Group's assets, liabilities, income or expenses.

Deferred effectivity –

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - 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 new and amendments to PFRS Accounting Standards 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 applicable.

<u>Basis of Consolidation</u>

The consolidated financial statements include the accounts of the Parent Company and 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 statements 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 uniformed 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 a financial asset at fair value through profit or loss 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 and AMHI.

<u>Financial Assets and Liabilities</u>

Recognition and Measurement

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements 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, 2025 and 2024, 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, 2025 and 2024, the Group's cash, trade and other receivables 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 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, 2025 and 2024, the Group's trade and other payables (excluding statutory payable and customers' deposits), loans payable, lease liabilities, due to a related party and other noncurrent liability 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 receivables, 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, 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.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions. In assessing whether a borrower is in default, the Group considers qualitative and quantitative factors.

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 profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements 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 statements 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 for as follows:

Raw Materials and Packaging Supplies. Cost is determined using the weighted average method. NRV is the current replacement cost.

Finished Goods. Cost is determined using the 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.

When the NRV of the inventories is lower than the cost, the Group 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 income in profit or loss.

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 inventory write-down 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 are applied for the purchase of raw materials upon delivery. 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 Joint Ventures. 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 joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in joint ventures are initially carried in the consolidated statements of financial position at cost. Subsequent to initial recognition, investments in joint ventures are measured in the consolidated financial statements using the equity method.

Under the equity method, the investments in 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 joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investments and is neither amortized nor individually tested for impairment.

Upon loss 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.

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	20
Transportation equipment	5
Office furniture, fixtures and equipment	5
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 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.

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.

Equity

Capital Stock and APIC. Capital stock is measured at par value for all shares issued and outstanding. 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.

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 statements 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.

Other Comprehensive Income. Other comprehensive income comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive income pertains to cumulative remeasurement gains on retirement benefits obligation and cumulative translation adjustments.

Loss per Share

The Group presents basic and diluted loss per share data for its common shares.

Basic 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.

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, at point in time 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 customer.

Revenue from other sources is recognized as follows:

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, 2025 and 2024, 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, 2025 and 2024, 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 right-of-use (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.

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 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.

<u>Employee Benefits</u>

Short-term Benefits. Short-term employee benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the accounting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

Retirement Benefits Cost. 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 defined benefit obligation by applying the discount rate to the net retirement benefits 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 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 obligation 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 defined benefits obligation.

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.

<u>Income Taxes</u>

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 at the 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 and the carryforward benefits of 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 at 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.

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 as cumulative translation adjustment in other comprehensive income.

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.

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 to the consolidated financial statements.

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 Group has been determined to be the U.S. Dollar. The functional currency of certain subsidiaries is Philippine Peso. The U.S. Dollar is the currency that mainly influences the operations of most of the entities within the Group, as majority of its revenue are from export sales and its raw materials are imported from other countries.

Determining 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, 2025 and 2024, 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. The Group is organized into three major operating business segments (tuna, salmon and rental) in 2025, 2024 and 2023 which is consistent with how the Group's management internally monitors and analyzes financial information.

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 ECL of Financial Assets at Amortized Cost. The Group measures expected credit losses (ECL) on financial assets at amortized cost using the simplified approach, which provides for lifetime ECL. Loss rates are based on historical default experience, adjusted for relevant forward-looking macroeconomic factors. Cash is also subject to impairment under PFRS 9, but any related loss is not material. The Group uses judgment in assessing significant increases in credit risk, considering the counterparty's financial condition and adverse business or economic development.

The carrying amounts of the Group's cash, trade and other receivables, and other noncurrent receivables are disclosed in Notes 5, 6 and 10 in the consolidated financial statements.

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 to the consolidated financial statements.

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 2025, 2024 and 2023.

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 to the consolidated financial statements.

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 or NRV is disclosed in Note 7 to the consolidated financial statements.

Estimating the Useful Lives of Property, Plant and Equipment. The Group 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 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 in 2025, 2024 and 2023.

The carrying amounts of depreciable property, plant and equipment are disclosed in Note 9 to the consolidated financial statements.

Assessing the Impairment of Nonfinancial Assets. The Group 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 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 assessed that the amount of allowance for impairment losses of the Group's nonfinancial assets as at December 31, 2025 and 2024 is sufficient. The carrying amounts of these nonfinancial assets are disclosed in Notes 8, 9 and 10 to the consolidated financial statements.

Estimating the Retirement Benefits Cost Obligation. 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 on retirement benefits obligation are disclosed in Note 14 to the consolidated financial statements.

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 $2.3 million and $3.2 million as at December 31, 2025 and 2024, respectively. 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 to the consolidated financial statements.

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 liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

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.

4. Liquidation of a Subsidiary

PT VDZ

The Group's non-controlling interests include the non-controlling interest in PT VDZ representing 51.00% ownership in PT VDZ and amounting to $2.4 million as at December 31, 2023.

On August 11, 2022, the BOD of the Group approved the liquidation of PT VDZ.

On June 12, 2024, the stockholders of PT VDZ approved the final liquidation report prepared by the liquidator. The termination of the legal entity status of PT VDZ, based on a Copy of Deed dated June 12, 2024, has been recorded and removed from the Indonesian Company Register, as confirmed by the Minister of Law and Human Rights of the Republic of Indonesia on August 12, 2024.

In line with the dissolution of PT VDZ, the balance of non-controlling interest amounting to $2.5 million in 2024 was derecognized. Consequently, this amount was recognized as "Loss on dissolution of a subsidiary" under the "Other Income (Charges)" account in the consolidated statements of comprehensive income (see Note 19).

Upon the dissolution of PT Van De Zee (PT VDZ) on August 12, 2024, the carrying amounts of its assets and liabilities of $5,131 and $4.8 million, respectively, were excluded from the consolidated financial statements.

5. **Cash**

This account consists of:

	2025	2024
Cash on hand	**$10,456**	$10,345
Cash in banks	**1,001,181**	790,245
	$1,011,637	$800,590

Interest income from cash in banks amounted to $164, $178 and $697 in 2025, 2024 and 2023, respectively (see Note 19).

6. **Trade and Other Receivables**

This account consists of:

	2025	2024
Trade receivables	**$19,468,968**	$12,016,891
Receivable from Prime Foods NZ Limited (PFNZ)	**1,063,665**	1,063,665
Claims receivable	**960,732**	960,732
Others	**1,106,225**	635,701
	22,599,590	14,676,989
Allowance for ECL	**(2,287,917)**	(2,868,929)
	$20,311,673	$11,808,060

Trade receivables are non-interest bearing and are generally collectible within 30 to 90 days.

Receivable from PFNZ pertains to a restructured debt, secured by PFNZ's tangible and intellectual properties, which was fully provided with allowance for ECL.

Claims receivable pertains to receivable from third party in foreign operations. This was fully provided with allowance for ECL.

Other receivables include receivable from the sale of boat license and advances to employees that are subject to salary deduction.

Movements in the allowance for ECL are as follows:

	December 31, 2025			
	Trade Receivables	**Receivable from PFNZ**	**Claims Receivable**	**Total**
Balance at beginning of year	**$844,532**	**$1,063,665**	**$960,732**	**$2,868,929**
Reversal	**(581,012)**	**–**	**–**	**(581,012)**
Balance at end of year	**$263,520**	**$1,063,665**	**$960,732**	**$2,287,917**

	December 31, 2024			
	Trade Receivables	Receivable from PFNZ	Claims Receivable	Total
Balance at beginning of year	$760,905	$1,097,103	$983,252	$2,841,260
Provision	341,559	–	–	341,559
Write-off	(257,932)	(33,438)	(22,520)	(313,890)
Balance at end of year	$844,532	$1,063,665	$960,732	$2,868,929

7. **Inventories**

This account consists of:

	2025	2024
At NRV:		
Raw materials	**$9,872,840**	$9,743,779
Finished goods	**7,726,868**	7,659,152
At cost - Packaging supplies	**258,484**	239,047
	$17,858,192	$17,641,978

The costs of inventories carried at NRV are as follows:

	Note	**2025**	2024
Raw materials		**$10,012,588**	$9,857,528
Finished goods	17	**7,874,530**	7,910,254
		$17,887,118	$17,767,782

Movements in the inventory write-down are as follows:

	Note	**2025**	2024
Balance at beginning of year		**$364,851**	**$171,353**
Reversal		**(77,441)**	(30,489)
Provision	18	**–**	223,987
Balance at end of year		**$287,410**	$364,851

Raw materials charged to cost of goods sold amounted to $61.6 million, $55.7 million and $48.4 million in 2025, 2024 and 2023, respectively (see Note 17).

8. **Other Current Assets**

This account consists of:

	2025	2024
Advances to suppliers	**$7,136,342**	$3,702,163
Input VAT	**2,856,357**	1,541,592
Prepayments:		
Taxes	**179,243**	190,537
Insurance	**89,548**	78,527
Rent	**–**	11,045
Others	**40,104**	90,663
	10,301,594	5,614,527
Less allowance for impairment loss	**(353,995)**	(394,082)
	$9,947,599	$5,220,445

Movements in the allowance for impairment loss are as follows:

	2025	2024
Balance at beginning of year	**$394,082**	$304,968
Provision (reversal)	**(40,087)**	89,114
Balance at end of year	**$353,995**	$394,082

Advances to suppliers pertain to advance payments for the purchase of raw materials.

9. **Property, Plant and Equipment**

Movements in this account are as follows:

	December 31, 2025						
	Land	Building and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture, Fixtures and Equipment	Total
Cost							
Balance at beginning of year	**$8,824,358**	**$5,630,711**	**$7,690,702**	**$326,494**	**$153,901**	**$112,559**	**$22,738,725**
Additions	**–**	**919,293**	**289,364**	**7,016**	**147,379**	**95,527**	**1,458,579**
Balance at end of year	**8,824,358**	**6,550,004**	**7,980,066**	**333,510**	**301,280**	**208,086**	**24,197,304**
Accumulated Depreciation and Amortization							
Balance at beginning of year	**–**	**2,806,172**	**5,314,578**	**159,286**	**113,798**	**40,843**	**8,434,677**
Depreciation and amortization	**–**	**381,915**	**798,109**	**39,316**	**20,195**	**29,044**	**1,268,579**
Balance at end of year	**–**	**3,188,087**	**6,112,687**	**198,602**	**133,993**	**69,887**	**9,703,256**
Allowance for Impairment Losses							
Balance at beginning and end of year	**–**	**–**	**101,407**	**–**	**–**	**–**	**101,407**
Carrying Amount	**$8,824,358**	**$3,361,917**	**$1,765,972**	**$134,908**	**$167,287**	**$138,199**	**$14,392,641**

	December 31, 2024						
	Land	Building and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture, Fixtures and Equipment	Total
Cost							
Balance at beginning of year	$8,824,358	$5,169,289	$7,178,645	$311,555	$147,616	$59,577	$21,691,040
Additions	–	466,809	512,057	14,939	8,122	52,982	1,054,909
Derecognition	–	(5,387)	–	–	(1,837)	–	(7,224)
Balance at end of year	8,824,358	5,630,711	7,690,702	326,494	153,901	112,559	22,738,725
Accumulated Depreciation and Amortization							
Balance at beginning of year	–	2,497,659	4,603,643	110,495	99,547	33,654	7,344,998
Depreciation and amortization	–	308,664	710,935	48,791	15,106	7,189	1,090,685
Derecognition	–	(151)	–	–	(855)	–	(1,006)
Balance at end of year	–	2,806,172	5,314,578	159,286	113,798	40,843	8,434,677
Allowance for Impairment Losses							
Balance at beginning of year	–	–	107,625	–	–	–	107,625
Derecognition	–	–	(6,218)	–	–	–	(6,218)
Balance at end of year	–	–	101,407	–	–	–	101,407
Carrying Amount	$8,824,358	$2,824,539	$2,274,717	$167,208	$40,103	$71,716	$14,202,641

The depreciation and amortization charged to operations are as follows:

	Note	2025	2024	2023
Property, plant and equipment		**$1,268,579**	$1,090,685	$910,057
ROU assets	22	**38,516**	36,479	36,016
		$1,307,095	$1,127,164	$946,073
Charged to:				
Cost of goods sold	17	**$1,181,503**	$1,039,095	$713,809
Selling and administrative expenses	18	**125,592**	88,069	232,264
		$1,307,095	$1,127,164	$946,073

The cost of fully depreciated property, plant and equipment still in use in the Group's operations amounted to $2.5 million and $2.0 million as at December 31, 2025 and 2024, respectively.

The Group assesses impairment on its property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The relevant factors that the Group considers in their impairment assessment when there is significant underperformance of a business in relation to expectations, decline in economic trends or changes in the use of the assets.

Management has assessed that the amount of allowance for impairment loss of the Group's property, plant and equipment as at December 31, 2025 and 2024 is adequate.

10. Other Noncurrent Assets

This account consists of:

	Note	2025	2024
Receivable from Wild Catch Fisheries, Inc. (WCFI)	13	**$2,183,281**	$2,183,281
Investments in joint ventures		**280,243**	280,243
Refundable lease deposits		**145,478**	146,022
		2,609,002	2,609,546
Allowance for impairment losses		**(2,463,524)**	(2,463,524)
		$145,478	$146,022

Receivable from WCFI pertains to the proceeds from the sale of a fishing vessel and advances for fish deposit. WCFI ceased its commercial fishing operations since 2014. This was fully provided with allowance for impairment loss.

Investments in joint ventures pertain to 39% ownership interest in FDCP, Inc. (FDCP) and 40% ownership interest in WCFI. FDCP has ceased the operations of its manufacturing and wholesale of tin cans operations in 2015. The Group's investments in joint ventures are fully provided with allowance for impairment losses.

11. **Trade and Other Payables**

This account consists of:

	2025	2024
Trade payables	**$8,350,307**	$13,315,623
Accrued expenses	**1,055,030**	563,444
Statutory payable	**694,704**	124,683
Customers' deposits	**71,787**	60,933
	$10,171,828	$14,064,683

Trade payables are non-interest bearing and are generally settled within 30 days. Trade payables include the current portion of a liability related to the acquisition of solar power equipment.

Accrued expenses pertains to professional fees, salaries, wages and other benefits, interest and outside services that are generally settled within the year.

Statutory payable includes amounts of payable to government agencies 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.

Other Noncurrent Liability
In March 2022, the Group entered into a 20-year agreement with a third party for the purchase of solar power equipment on installment basis. The agreement requires the Group to pay fixed monthly fee with agreed interest.

The current and noncurrent portions of the related liability amounted to $16,078 and $400,360 as at December 31, 2025 and $15,442 and $423,241 as at December 31, 2024, respectively.

12. **Loans Payable**

The loans from local banks, with terms ranging from four to 11 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. The loans from local banks bear interest rates ranging from 6.25% to 6.49% and 5.75% to 6.25% per annum in 2025 and 2024, respectively.

Loans from local banks amounted to $36.7 million and $20.3 million as at December 31, 2025 and 2024, respectively.

Interest expense is recognized from the following:

	Note	2025	2024	2023
Loans		**$2,134,644**	$1,531,466	$960,622
Due to related parties	13	**155,535**	105,545	81,896
Lease liabilities	22	**2,209**	2,390	1,735
		2,292,388	1,639,401	1,044,253
Other noncurrent liability*	11	**24,094**	25,671	27,079
		$2,316,482	$1,665,072	$1,071,332

**presented under "Cost of goods sold" account*

13. **Related Party Transactions**

The Group, in the normal course of business, has regular transactions with its related parties as summarized below:

		Amount of Transactions		Outstanding Balances	
Related Party	Note	**2025**	2024	**2025**	2024
Other noncurrent assets	10				
Receivable from WCFI		**$–**	$–	**$2,183,281**	$2,183,281
Investments in joint ventures		**–**	–	**280,243**	280,243
Allowance for impairment		**–**	–	**(2,463,524)**	(2,463,524)
				$–	$–
Due to related parties					
Ultimate parent – current		**$2,976,697**	$–	**$2,976,697**	$–
Immediate parent – noncurrent		**(29,075)**	(89,852)	**1,779,724**	1,808,799
				$4,756,421	$1,808,799

Due to Related Parties. Pertains to the following:

- Borrowed funds from the Ultimate Parent amounted to $3.0 million as at December 31, 2025, which bears 5.0% annual interest. These funds are payable in lump sum within a term of 30 to 90 days, and are renewable under the mutual consent of both parties.

- Borrowed funds from the Immediate Parent amounted to $1.8 million as at December 31, 2025 and 2024, which bears 5.0% annual interest and payable in lump sum. The loan was originally due in 2024 but was renewed until 2027. Movements in 2025 and 2024 pertain to the foreign currency translation.

Related interest expense aggregated $155,535, $105,545 and $81,896 in 2025, 2024 and 2023, respectively.

Related party transactions eliminated in the consolidation pertain to due to/from related parties amounting to $10.8 million and $10.3 million as at December 31, 2025 and 2024, respectively. Total rental receivable and payable eliminated as at December 31, 2025 and 2024 amounted to $355,213 and $108,626, 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 $0.8 million, $0.8 million and $0.7 million in 2025, 2024 and 2023, respectively. Retirement benefits amounted to $55,827, $52,303 and $41,929 in 2025, 2024 and 2023, 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 most recent actuarial valuation was made as at December 31, 2025 by an independent actuary.

Retirement benefits costs are as follows (see Note 20):

	2025	2024	2023
Current service cost	**$67,579**	$49,429	$39,239
Net interest expense	**17,403**	11,734	10,546
	$84,982	$61,163	$49,785

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:

	2025	2024
Present value of defined benefit obligation	**$357,494**	$318,391
Fair value of plan assets	**(13,120)**	(12,730)
	$344,374	$305,661

Movements in the present value of defined benefit obligation are as follows:

	2025	2024
Balance at beginning of year	**$318,391**	$226,439
Current service cost	**67,579**	49,429
Remeasurement loss (gain):		
Changes in financial assumptions	**(43,893)**	(9,035)
Deviations of experience from assumptions	**24,334**	–
Experience adjustments	**(20,116)**	62,471
Interest cost	**18,175**	12,305
Unrealized foreign exchange gain	**(2,061)**	(9,934)
Retirement benefits paid	**(4,915)**	(13,284)
Balance at end of year	**$357,494**	$318,391

Movements in the fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	**$12,730**	$9,661
Contribution to the fund	**4,915**	16,049
Retirement benefits paid	**(4,915)**	(13,284)
Interest income	**771**	572
Translation adjustment	**(209)**	(142)
Remeasurement loss	**(172)**	(126)
Balance at end of year	**$13,120**	$12,730

The details of the fair value of plan assets are as follows:

	2025	2024
Cash	**$7,093**	$6,888
Debt instruments	**5,886**	5,879
Expected earnings for the rest of the year	**194**	–
Withholding taxes payable	**(28)**	(12)
Fees payables	**(25)**	(25)
	$13,120	$12,730

The cumulative remeasurement gains on retirement benefit obligation recognized in other comprehensive income are as follows:

	Cumulative Remeasurement Gains (Loss)	Deferred Tax	Net
Balance as at January 1, 2025	**$340,273**	**($76,831)**	**$263,442**
Remeasurement gain	**39,503**	**(9,876)**	**29,627**
Balance as at December 31, 2025	**$379,776**	**($86,707)**	**$293,069**
Balance as at January 1, 2024	$393,835	($90,222)	$303,613
Remeasurement loss	(53,562)	13,391	(40,171)
Balance as at December 31, 2024	$340,273	($76,831)	$263,442
Balance as at January 1, 2023	$392,780	($89,958)	$302,822
Remeasurement gain	1,055	(264)	791
Balance as at December 31, 2023	$393,835	($90,222)	$303,613

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024	2023
Discount rate	**6.21%**	6.11%	6.05%
Salary increase rate	**5.00%**	5.50%	3.00%

The sensitivity analyses on the retirement benefits obligation as at December 31, 2025 and 2024 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	**2025**	2024
Discount rate	+1.00%	**($26,346)**	($27,499)
	-1.00%	**30,245**	31,908
Salary increase rate	+1.00%	**30,348**	31,700
	-1.00%	**(27,484)**	(28,204)

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, 2025:

	Amount
Less than one year	$18,813
One year to less than five years	225,148
Five years to less than ten years	226,784
Ten years to less than fifteen years	291,662
Fifteen years to less than twenty years	283,161
Twenty years and above	454,174

The average duration of the benefit obligation is 16 years as at December 31, 2025.

The plan exposes the Group to the following risks:

- Salary risk - any increase in the retirement plan participants' salary will increase the retirement plan's liability
- Longevity risk - any increase in the plan participants' life expectancy will increase the retirement plan's liability
- Investment risk - if the actual return on plan assets is below the discount rate used in calculating the present value of the retirement liability, a plan deficit will arise. However, the compositions of plan assets are balanced enough not to expose the Company to significant concentrations of investment risk
- Interest rate risk - a decrease in bond interest rate will increase the present value of retirement liability. However, this is partially counterbalanced by an increase in the return on the plan assets

15. Equity

Capital Stock

Details of the Parent Company's capital stock as at December 31, 2025 and 2024 are as follows:

	Shares	Amount in Peso
Authorized		
Ordinary shares at ₱0.50 par value a share	3,000,000,000	₱1,500,000,000

	Shares	Amount in Peso	Equivalent Amount in USD
Issued	2,500,000,000	₱1,385,698,647	$26,823,389
Treasury shares at cost	(287,537)	(143,769)	(5,774)
Outstanding	2,499,712,463	₱1,385,554,878	$26,817,615

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, 2025 and 2024, APIC amounted to $1.5 million.

The total number of shareholders of the Parent Company as at December 31, 2025 and 2024 is 234 and 235, respectively.

Non-controlling Interest
The Group's non-controlling interests represent the minority shareholders with 1.11% ownership in AMHI as at December 31, 2025 and 2024.

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 stockholder 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 follows:

	2025	2024
Debt	**$52,443,293**	$36,879,979
Equity	**11,880,720**	13,610,648
Debt-to-Equity Ratio	**4.41**	2.71

The public ownership of the Group is about 30.6% as at December 31, 2025 and 2024.

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:

	2025	2024	2023
Canned tuna	**$73,130,062**	$67,361,771	$51,711,427
Fishmeal	**4,386,764**	4,582,638	3,492,148
Salmon	**269,319**	24,907	28,718
Others	**1,060,610**	496,575	1,268,709
	78,846,755	72,465,891	56,501,002
Sales returns and discounts	**(29,199)**	–	(33,705)
Net sales	**$78,817,556**	$72,465,891	$56,467,297

Others pertain mainly to sale of whole fish and by-products.

17. Cost of Goods Sold

This account consists of:

	Note	2025	2024	2023
Raw materials used	7	**$61,588,104**	$55,747,608	$48,416,625
Direct labor		**5,809,921**	4,269,958	3,572,375
Manufacturing overhead:				
Fuel, light and water		**1,707,192**	1,269,886	1,122,319
Indirect labor		**1,628,721**	1,307,099	1,056,855
Depreciation and amortization	9	**1,181,503**	1,039,095	713,809
Rent	22	**34,235**	126,694	87,013
Others		**1,474,173**	1,216,157	1,250,838
Total manufacturing costs		**73,423,849**	64,976,497	56,219,834
Finished goods at beginning of year		**7,910,254**	7,357,517	2,782,162
Total cost of goods manufactured		**81,334,103**	72,334,014	59,001,996
Finished goods at end of year	7	**(7,874,530)**	(7,910,254)	(7,357,517)
		$73,459,573	$64,423,760	$51,644,479

18. Selling and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Salaries, wages and other benefits	20	**$1,707,116**	$1,599,356	$1,282,366
Outside services		**1,288,027**	1,123,335	904,465
Taxes and licenses		**689,910**	416,123	825,155
Freight and transportation		**431,481**	156,063	209,631
Rent	22	**371,441**	225,824	185,302
Communication and utilities		**312,453**	369,983	254,404
Depreciation and amortization	9	**125,592**	88,069	232,264
Advertising, marketing and commissions		**100,000**	244,266	132,230
Insurance		**96,467**	110,703	119,715
Customs, brokerage and demurrage		**88,693**	103,135	84,300
Materials and supplies		**71,261**	32,054	25,503
Repairs and maintenance		**16,583**	47,848	16,250
Write-off of input VAT		**–**	633,456	–
Provision for ECL on trade receivables	6	**–**	341,559	–
Inventory write-down	7	**–**	223,987	7,614
Provision for impairment loss on advances to suppliers	8	**–**	89,114	–
Others		**272,245**	403,378	194,289
		$5,571,269	$6,208,253	$4,473,488

19. **Other Income (Charges)**

This account consists of:

	Note	**2025**	2024	2023
Gain on reversal of allowance for ECL/ impairment loss on trade receivables and advances to suppliers	6, 8	**$621,099**	$–	$–
Gain on disposal of assets		**369,797**	–	383,782
Foreign exchange loss		**(45,464)**	(61,686)	(56,402)
Bank charges		**(21,595)**	(181,062)	(139,628)
Interest income	5	**164**	178	697
Loss on dissolution of a subsidiary	4	**–**	(2,463,511)	–
Others - net		**(24,487)**	29,458	166,878
		$899,514	($2,676,623)	$355,327

20. **Salaries, Wages and Other Benefits**

This account consists of:

	Note	**2025**	2024	2023
Short-term employee benefits		**$1,964,601**	$1,767,322	$1,428,526
Retirement benefits	14	**84,982**	61,163	49,785
		$2,049,583	$1,828,485	$1,478,311
Charged to:				
Cost of goods sold		**$342,467**	$229,129	$195,945
Selling and administrative expenses		**1,707,116**	1,599,356	1,282,366
		$2,049,583	$1,828,485	$1,478,311

21. **Loss Per Share**

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

	2025	2024	2023
Net loss attributable to equity holders of the Parent Company	**($1,767,394)**	($3,001,014)	($2,620,032)
Weighted average number of ordinary shares outstanding	**2,499,712,463**	2,499,712,463	2,499,712,463
	($0.0007)	($0.0012)	($0.0010)

The weighted average number of shares refers to shares in circulation during the period that is after the effect of treasury shares (see Note 15).

As at December 31, 2025, 2024 and 2023, the Parent Company has no dilutive potential shares.

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 allocated as follows:

	Note	2025	2024	2023
Cost of goods sold	17	**$34,235**	$126,694	$87,013
Selling and administrative expenses	18	**371,441**	225,824	185,302
		$405,676	$352,518	$272,315

Long-term Leases

ASFII entered into a lease agreement for its head office space with a third-party lessor on August 1, 2023, effective until July 31, 2025 and renewable upon mutual agreement of the parties with the monthly rental of $3,209. The lease was renewed for another two (2) years until 2027.

Movements in ROU assets are as follows:

	Note	2025	2024
Cost			
Balance at beginning of year		**$260,316**	$260,316
Derecognition		**(260,316)**	–
Additions		**82,742**	–
Balance at end of year		**$82,742**	260,316
Accumulated Amortization			
Balance at beginning of year		**239,038**	202,559
Derecognition		**(260,316)**	–
Amortization	9	**38,516**	36,479
Balance at end of year		**17,238**	239,038
Carrying Amount		**$65,504**	$21,278

The balance of and movements in lease liabilities are as follows:

	Note	2025	2024
Balance at beginning of year		**$20,674**	$57,730
Additions		**82,742**	–
Rental payments		**(39,136)**	(37,707)
Interest expense	12	**2,209**	2,390
Effect of foreign exchange gain		**(943)**	(1,739)
Balance at end of year		**65,546**	20,674
Less current portion		**40,707**	20,674
Noncurrent portion		**$24,839**	$–

The incremental borrowing rate applied to the lease liabilities ranges from 5.71% to 6.46% per annum. ROU assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

Refundable lease deposits pertaining to lease of head office amounted to $145,478 and $146,022 as at December 31, 2025 and 2024, respectively (see Note 10).

The amounts recognized in profit or loss are as follows:

	Note	**2025**	2024	2023
Rental		**$405,676**	$352,518	$272,315
Amortization	9	**38,516**	36,479	36,016
Interest	12	**2,209**	2,390	1,735
		$446,401	$391,387	$310,066

23. **Corporate Social Responsibility (CSR)**

The Group is committed to responsible business practices that promote environmental sustainability, community development, and educational empowerment. In 2025, the Group strengthened its CSR initiatives in General Santos City and nearby communities, guided by employee involvement, strong partnerships, and long-term impact.

- **Environmental Stewardship:** The Group sustained its bi-annual coastal clean-up efforts along its shoreline as part of its commitment to protecting marine ecosystems. Complementing this initiative, the Group spearheaded a tree-planting activity that planted 100 trees in Barangay Maligo, Polomolok. Delivered through partnerships with local contractors and the local government unit, these initiatives promote marine conservation, reforestation, climate resilience, and shared responsibility for environmental stewardship.

- **Community and Educational Support:** The Group supported education and social equity by providing school supplies and a feeding program for 80 students at Ondok Gawan Elementary School during Brigada Eskwela, while assisting 100 underprivileged learners in General Santos City to help them start the school year prepared and motivated.

- **Youth Development and Learning Opportunities:** The Group supported youth skills development by hosting 16 senior high school students for immersion and accommodating 25 college students from seven institutions for OJT, strengthening workforce readiness and career development.

- **Investment in Future Leaders:** The Group awarded five scholarships in 2025 to Fisheries and Engineering students at Mindanao State University – General Santos, reinforcing its commitment to education in fields vital to sustainable resource management, innovation, and academic partnership.

Employee Engagement and Impact

Employee participation across all CSR activities fostered teamwork, volunteerism, and a stronger connection to Group's values. These initiatives strengthened employees' sense of purpose and reaffirmed the Group's commitment to shared responsibility and inclusive growth.

24. **Income Taxes**

Components of provision for income tax charged to profit or loss are as follows:

	2025	2024	2023
Current	**$114,428**	$165,112	$78,394
Deferred	**48,448**	369,812	2,202,094
	$162,876	$534,924	$2,280,488

The components of the Group's deferred tax assets are as follows:

	2025	2024
MCIT	**$328,497**	$238,770
Net retirement benefits obligation	**86,094**	76,415
Allowance for impairment losses on:		
Trade and other receivables	**62,457**	207,710
Property, plant and equipment	**25,352**	25,352
Inventory write-down	**54,638**	73,998
Others	**34,251**	27,368
	$591,289	$649,613

Details of unrecognized deferred tax assets are as follows:

	2025	2024
NOLCO	**$1,143,198**	$1,996,094
Allowance for impairment loss on:		
Trade and other receivables	**506,099**	506,099
Other noncurrent assets	**615,881**	615,881
Excess MCIT over RCIT	**29,647**	27,381
Others	**22,841**	17,215
	$2,317,666	$3,162,670

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	Incurred	Expired	Balance	Expiry Year
2025	$–	$2,806,198	$–	$2,806,198	2028
2024	48,997	–	–	48,997	2027
2023	55,201	–	–	55,201	2026
2022	1,681,201	–	(1,681,201)	–	2025
2021	1,729,397	–	–	1,729,397	2026
2020	4,590,823	–	(4,590,823)	–	2025
	$8,105,619	$2,806,198	($6,272,024)	$4,639,793	

Under the Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

The details of the Group's MCIT, which can be claimed as deduction from income tax payable, are as follows:

Inception Year	Amount	Incurred	Expired	Balance	Expiry Year
2025	$–	$114,428	$–	$114,428	2028
2024	165,087	–	–	165,087	2027
2023	78,394	–	–	78,394	2026
2022	22,670	–	(22,670)	–	2025
	$266,151	$114,428	($22,670)	$357,909	

On March 26, 2021, RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises 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. However, MCIT will be computed at 2% of gross income effective July 1, 2023 under Revenue Memorandum Circular No. 60-2023.

The reconciliation of provision for (benefit from) income tax computed at the statutory income tax rate and at effective income tax rates follows:

	2025	2024	2023
Provision for (benefit from) income tax computed at statutory tax rate	**($403,267)**	$3,787	($92,789)
Changes in unrecognized deferred tax assets	**(845,004)**	308,239	(1,159,108)
Tax effects of:			
Expired NOLCO	**1,546,242**	–	–
Expired MCIT	**22,670**	34,297	25,573
Nondeductible expenses	**653**	188,645	3,506,986
Others	**(158,418)**	(44)	(174)
Provision for income tax computed at effective tax rate	**$162,876**	$534,924	$2,280,488

The provision for income tax of Parent Company, BGB and AMHI represents MCIT aggregated amounting to $114,428, $165,112 and $78,394 in 2025, 2024 and 2023, 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, 2025 and 2024.

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets at Amortized Cost				
Cash in banks	**$1,001,181**	**$1,001,181**	$790,245	$790,245
Trade and other receivables	**20,311,673**	**20,311,673**	11,808,060	11,808,060
Refundable lease deposits	**145,478**	**145,478**	146,022	146,022
	$21,458,332	**$21,458,332**	$12,744,327	$12,744,327
Financial Liabilities at Amortized Cost				
Trade and other payables*	**$9,405,337**	**$9,405,337**	$13,879,067	$13,879,067
Loans payable	**36,704,764**	**36,704,764**	20,256,921	20,256,921
Due to a related party - current	**2,976,697**	**2,976,697**	–	–
Lease liabilities	**65,546**	**65,546**	20,674	20,674
Due to a related party - noncurrent	**1,779,724**	**1,779,724**	1,808,799	1,808,799
Other noncurrent liability	**400,360**	**400,360**	423,241	423,241
	$51,332,428	**$51,332,428**	$36,388,702	$36,388,702

**Excluding statutory payable and customers' deposits*

The following methods and assumptions are used to estimate the fair value of the Group's financial assets and liabilities:

Cash in Banks, Trade and Other Receivables, Trade and Other Payables (excluding Statutory Payable and Customers' Deposits), Loans Payable and Due to a Related Party – current. The carrying amounts of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments.

Refundable lease deposits, Lease Liabilities, Due to a Related Party – noncurrent and Other Noncurrent Liability. 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). The effect of the discounting in determining the fair value is not material.

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 2025 and 2024.

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

The Group's financial instruments consist of cash, trade and other receivables, receivable from WCFI, refundable lease deposits 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:

	2025	2024
Cash in banks	**$1,001,181**	$790,245
Trade and other receivables	**22,599,590**	14,676,989
Receivable from WCFI	**2,183,281**	2,183,281
Refundable lease deposits	**145,478**	146,022
	$25,929,530	$17,796,537

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, 2025 and 2024, 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. Furthermore, the Group's assessment that past due accounts remain unimpaired is corroborated by reasonable and supportable information, such as post-reporting date settlements that substantiate the assessed credit quality of these outstanding balances.

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, 2025 and 2024, the aging analysis of the Group's financial assets is as follows:

	2025					
	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	**$1,001,181**	**$–**	**$–**	**$–**	**$–**	**$1,001,181**
Trade and other receivables						
Trade and other receivables	**9,627,364**	**5,030,576**	**3,464,806**	**2,188,927**	**263,520**	**20,575,193**
Receivable from PFNZ	**–**	**–**	**–**	**–**	**1,063,665**	**1,063,665**
Claims receivables	**–**	**–**	**–**	**–**	**960,732**	**960,732**
Receivable from WCFI	**–**	**–**	**–**	**–**	**2,183,281**	**2,183,281**
Refundable lease deposits	**145,478**	**–**	**–**	**–**	**–**	**145,478**
	$10,774,023	**$5,030,576**	**$3,464,806**	**$2,188,927**	**$4,471,198**	**$25,929,530**

	2024					
	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	$790,245	$–	$–	$–	$–	$790,245
Trade and other receivables						
Trade and other receivables	3,540,475	2,876,013	2,267,926	3,123,646	844,532	12,652,592
Receivable from PFNZ	–	–	–	–	1,063,665	1,063,665
Claims receivables	–	–	–	–	960,732	960,732
Receivable from WCFI	–	–	–	–	2,183,281	2,183,281
Refundable lease deposits	146,022	–	–	–	–	146,022
	$4,476,742	$2,876,013	$2,267,926	$3,123,646	$5,052,210	$17,796,537

Accounts classified as 'Neither past due nor impaired' are receivables that remain within the Group's standard credit terms of 60 days. The aging intervals presented (e.g., 1 - 30 Days Past Due) represent the number of days outstanding beyond the granted credit period.

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).

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 denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	2025		2024	
	Philippine Peso	**U.S. Dollar Equivalent**	Philippine Peso	U.S. Dollar Equivalent
Cash	**₱15,137,837**	**$257,490**	₱11,843,070	$204,738
Trade and other receivables	**60,777,749**	**1,033,811**	27,103,506	468,554
Trade and other payables	**102,155,268**	**1,737,630**	79,114,664	1,367,701
Lease liabilities	**3,853,449**	**65,546**	23,043,828	398,372

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 loss before income tax 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 loss before income tax.

The following table demonstrates the sensitivity to a 5.61% and 3.38% change in USD exchange rates, with all other variables held constant, in 2025 and 2024, respectively:

	Effect on Loss Before Income Tax	
	2025	2024
Cash	**($13,678)**	($6,694)
Trade and other receivables	**(54,916)**	(15,319)
Trade and other payables	**92,303**	44,717
Lease liabilities	**3,482**	13,025

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 loss of the Group. Bank loans amounting to $36.7 million and $20.3 million as at December 31, 2025 and 2024, respectively, agreed at interest rates ranging from approximately 5.90% to 6.55% and 3.00% to 9.59% per annum for bank loans as at December 31, 2025 and 2024, respectively, and 5.00% 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. This risk primarily stems from mismatches in the timing of cash flows, resulting in difficulty meeting obligations associated with financial liabilities as they fall due.

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;

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

	2025			
	Weighted Average Effective Interest Rate	**Within One Year**	**More than One Year**	**Total**
Trade and other payables*	**–**	**$9,405,337**	**$–**	**$9,405,337**
Loans payable	**5.90% - 6.55%**	**36,704,764**	**–**	**36,704,764**
Lease liabilities	**5.91% - 9.54%**	**40,707**	**24,839**	**65,546**
Due to related parties	**5.00%**	**2,976,697**	**1,779,724**	**4,756,421**
Other noncurrent liability	**5.70%**	**16,078**	**419,187**	**435,265**
Future interest	**3.00% - 9.59%**	**552,287**	**11,513**	**563,800**
		$49,695,870	**$2,235,263**	**$51,931,133**

**Excluding statutory payable and customers' deposits*

	2024			
	Weighted Average Effective Interest Rate	Within One Year	More than One Year	Total
Trade and other payables*	–	$13,879,067	$–	$13,879,067
Loans payable	3.00% - 9.59%	20,256,921	–	20,256,921
Lease liabilities	5.91% 9.54%	20,674	–	20,674
Due to a related party	4.57% - 6.31%	–	1,808,799	1,808,799
Other noncurrent liability	5.70%	15,442	423,241	438,683
Future interest	3.00% - 9.59%	152,941	376,195	529,136
		$34,325,045	$2,608,235	$36,933,280

**Excluding statutory payable and customers' deposits*

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 2025, 2024 and 2023 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, 2025			
	Tuna	**Salmon**	**Rental**	**Total**
Segment revenue	**$78,548,237**	**$269,319**	**$143,487**	**$78,961,043**
Inter-segment revenue	**–**	**–**	**(143,487)**	**(143,487)**
Net revenue	**$78,548,237**	**$269,319**	**$–**	**$78,817,556**
Segment results				
Loss before income tax	**($814,529)**	**($647,911)**	**($143,720)**	**($1,606,160)**
Provision for income tax	**153,152**	**5,536**	**4,188**	**162,876**
Net loss	**($967,681)**	**($653,447)**	**($147,908)**	**($1,769,036)**
Total assets	**$54,383,700**	**$1,199,228**	**$8,741,085**	**$64,324,013**
Total liabilities	**$52,331,812**	**$49,940**	**$61,541**	**$52,443,293**
Net cash flows from:				
Operating activities	**($15,325,328)**	**($269,044)**	**($184,502)**	**($15,778,874)**
Investing activities	**(1,088,349)**	**(433)**	**–**	**(1,088,782)**
Financing activities	**16,562,245**	**322,411**	**184,471**	**17,069,127**
Other information:				
Depreciation and amortization	**$1,182,932**	**$124,163**	**$–**	**$1,307,095**

	December 31, 2024			
	Tuna	Salmon	Rental	Total
Segment revenue	$72,440,984	$24,907	$132,447	$72,598,338
Inter-segment revenue	–	–	(132,447)	(132,447)
Net revenue	$72,440,984	$24,907	$–	$72,465,891
Segment results				
Loss before income tax	($1,773,249)	($528,850)	($180,047)	($2,482,146)
Provision for income tax	521,759	10,694	2,471	534,924
Net loss	($2,295,008)	($539,544)	($182,518)	($3,017,070)
Total assets	$40,878,869	$870,553	$8,741,205	$50,490,627
Total liabilities	$36,717,449	$79,122	$83,408	$36,879,979
Net cash flows from:				
Operating activities	$5,192,932	($283,115)	($172,580)	$4,737,237
Investing activities	(1,053,827)	(1,082)	–	(1,054,909)
Financing activities	(4,893,800)	322,411	172,666	(4,398,723)
Other information:				
Depreciation and amortization	$1,001,655	$125,509	$–	$1,127,164

	December 31, 2023			
	Tuna	Salmon	Rental	Total
Segment revenue	$56,438,579	$28,718	$129,849	$56,597,146
Inter-segment revenue	–	–	(129,849)	(129,849)
Net revenue	$56,438,579	$28,718	$–	$56,467,297
Segment results				
Gain (loss) before income tax	$222,471	($429,337)	($132,730)	($339,596)
Provision for income tax	2,272,205	6,470	1,813	2,280,488
Net loss	($2,049,734)	($435,807)	($134,543)	($2,620,084)
Total assets	$38,623,673	$946,262	$8,749,779	$48,319,714
Total liabilities	$34,040,206	$74,827	$79,064	$34,194,097
Net cash flows from:				
Operating activities	($9,994,155)	($324,027)	($149,994)	($10,468,176)
Investing activities	(67,842)	(8,174)	–	(76,016)
Financing activities	8,638,581	322,411	–	8,960,992
Other information:				
Depreciation and amortization	$817,554	$128,519	$–	$946,073

The Group operates entirely within one geographical segment, which is in the Philippines, where all revenues are generated, and all noncurrent assets are located in.

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:

			Financing Cash Flows				Non-cash	
	Note	**2024**	**Availments**	**Expense**	**Payments**	**Foreign Exchange Loss (Gain)**	**Recognition**	**2025**
Loans payable	12	**$20,256,921**	**$34,148,295**	**$–**	**($17,700,452)**	**$–**	**$–**	**$36,704,764**
Due to related parties	13	**1,808,799**	**2,938,282**	**–**	**–**	**9,340**	**–**	**4,756,421**
Lease liabilities	22	**20,674**	**–**	**2,209**	**(39,136)**	**(943)**	**82,742**	**65,546**
Interest payable		**66,601**	**–**	**2,290,179**	**(2,238,451)**	**–**	**–**	**118,329**
Other noncurrent liability	11	**438,683**	**–**	**24,094**	**(39,411)**	**(6,928)**	**–**	**416,438**
		$22,591,678	**$37,086,577**	**$2,316,482**	**($20,017,450)**	**$1,469**	**$82,742**	**$42,061,498**

			Financing Cash Flows				Non-cash	
	Note	2023	Availments	Expense	Payments	Foreign Exchange Gain	Recognition	2024
Loans payable	12	$22,927,993	$42,902,324	$–	($45,573,396)	$–	$–	$20,256,921
Due to a related party	13	1,889,651	–	–	–	(80,852)	–	1,808,799
Lease liabilities	22	57,730	–	2,390	(37,707)	(1,739)	–	20,674
Interest payable		78,962	–	1,637,011	(1,649,372)	–	–	66,601
Other noncurrent liability	11	473,537	–	25,671	(40,572)	(19,953)	–	438,683
		$25,427,873	$42,902,324	$1,665,072	($47,301,047)	($102,544)	$–	$22,591,678

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782-SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS' ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
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. AND SUBSIDIARIES, (a subsidiary of STRONGOAK INC.) the "Group") as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, and have issued our report thereon dated April 13, 2026.

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:

- Schedule of Financial Soundness Indicators
- Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration for the year ended December 31, 2025
- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code Rule 68 as at December 31, 2025
- Conglomerate Map as at December 31, 2025

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.

The Schedule of Financial Soundness Indicators, including definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements.

REYES TACANDONG & CO.

CEDRIC M. CATERIO
Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
SEC Accreditation No. 87322-SEC Group A
Issued April 20, 2022
Valid for Financial Periods 2021 to 2025
BIR Accreditation No. 19-005765-001-2025;
Valid until November 14, 2028
PTR No. 10764012;
Issued January 2, 2026, Makati City

April 13, 2026
Makati City, Metro Manila

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of STRONGOAK INC.)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2025 AND 2024

Below is a schedule showing financial soundness indicators of the Group as at and for the years ended December 31, 2025 and 2024.

Ratio	**Formula**	**2025**	2024
Current ratio			
	Current assets	**$49,129,101**	$35,471,073
	Divide by: Current liabilities	**49,893,996**	34,342,278
	Current Ratio	**0.98**	1.03
Acid test ratio			
	Current assets	**$49,129,101**	$35,471,073
	Less: Inventories	**17,858,192**	17,641,978
	Other current assets	**9,947,599**	5,220,445
	Quick assets	**21,323,310**	12,608,650
	Divide by: Current liabilities	**49,893,996**	34,342,278
	Acid Test Ratio	**0.43**	0.37
Solvency ratio			
	Loss before tax	**($1,606,160)**	($2,482,146)
	Add: Depreciation and amortization	**1,307,095**	1,127,164
	Net loss before depreciation and amortization	**(299,065)**	(1,354,982)
	Divide by: Total liabilities	**52,443,293**	36,879,979
	Solvency Ratio	**(0.01)**	(0.04)
Debt-to-equity ratio			
	Total liabilities	**$52,443,293**	$36,879,979
	Divide by: Total equity	**11,880,720**	13,610,648
	Debt-to-Equity Ratio	**4.41**	2.71
Asset-to-equity ratio			
	Total assets	**$64,324,013**	$50,490,627
	Divide by: Total equity	**11,880,720**	13,610,648
	Asset-to-Equity Ratio	**5.41**	3.71
Interest rate coverage ratio			
	Loss before tax	**($1,606,160)**	($2,482,146)
	Add: Interest expense	**2,292,388**	1,639,401
	Pretax income (loss) before interest	**686,228**	(842,745)
	Divide by: Interest expense	**2,292,388**	1,639,401
	Interest Rate Coverage Ratio	**0.30**	(0.51)

Ratio	**Formula**	**2025**	2024
Return on equity			
	Net loss attributable to equity holders of the Parent Company	**($1,767,394)**	($3,001,014)
	Equity:		
	Beginning of year	**13,547,361**	16,510,659
	End of year	**11,818,726**	13,547,361
	Divide by: Average equity	**12,683,044**	15,029,010
	Return on Equity	**(0.14)**	(0.20)
Return on assets			
	Net loss	**($1,769,036)**	($3,017,070)
	Total assets:		
	Beginning of year	**50,490,627**	48,319,714
	End of year	**64,324,013**	50,490,627
	Divide by: Average assets	**57,407,320**	49,405,171
	Return on Assets	**(0.03)**	(0.06)
Net profit margin			
	Net loss	**($1,769,036)**	($3,017,070)
	Sales	**78,817,556**	72,465,891
	Net Loss Margin	**(0.02)**	(0.04)

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)
Suite 3104A, West Tower Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, Pasig City

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF PARENT COMPANY'S RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2025

		Amount
Deficit, beginning of reporting period available for dividend declaration		**($12,704,613)**
Add/less:	**Net loss for the current year**	**(1,645,629)**
Add/less:	**Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**	
Net movement of deferred tax asset		**46,727**
Total deficit, end of the reporting period		**($14,303,515)**

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, 2025

Table of Contents

A - The Group does not have financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

F - No guarantees of securities of other issuer.

N/A - Not applicable

SCHEDULE B

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, 2025

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 various officers and employees	$5,672	$43,346	($26,437)	$–	$22,581	$–	$22,581

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, 2025

Name and Designation of Debtor	Balance at Beginnning of Year	Additions	Amounts Collected	Amounts Written off	Other changes Additions (Deductions)	Current	Not Current	Balance at End of Year
Due from related parties:								
PT International Alliance Foods Indonesia	$6,229,261	$–	$–	$–	$–	$6,229,261	$–	$6,229,261
Big Glory Bay Salmon & Seafood Company Inc.	3,552,048	513,876	–	–	–	4,065,924	–	4,065,924
Alliance MHI Properties , Inc.	504,625	21,489	–	–	–	526,114	–	526,114
	$10,285,934	$535,365	$–	$–	$–	$10,821,299	$–	$10,821,299

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

INDEBTEDNESS TO RELATED PARTY (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2025

Name of Related Party	Balance at Beginning of Year	Balance at End of Year
Strongoak, Inc.	$1,808,799	$1,779,724

Note: The terms, interest rate, and other relevant information are shown in Note 13 to the consolidated financial statements.

SCHEDULE G

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of STRONGOAK INC.)

CAPITAL STOCK

DECEMBER 31, 2025

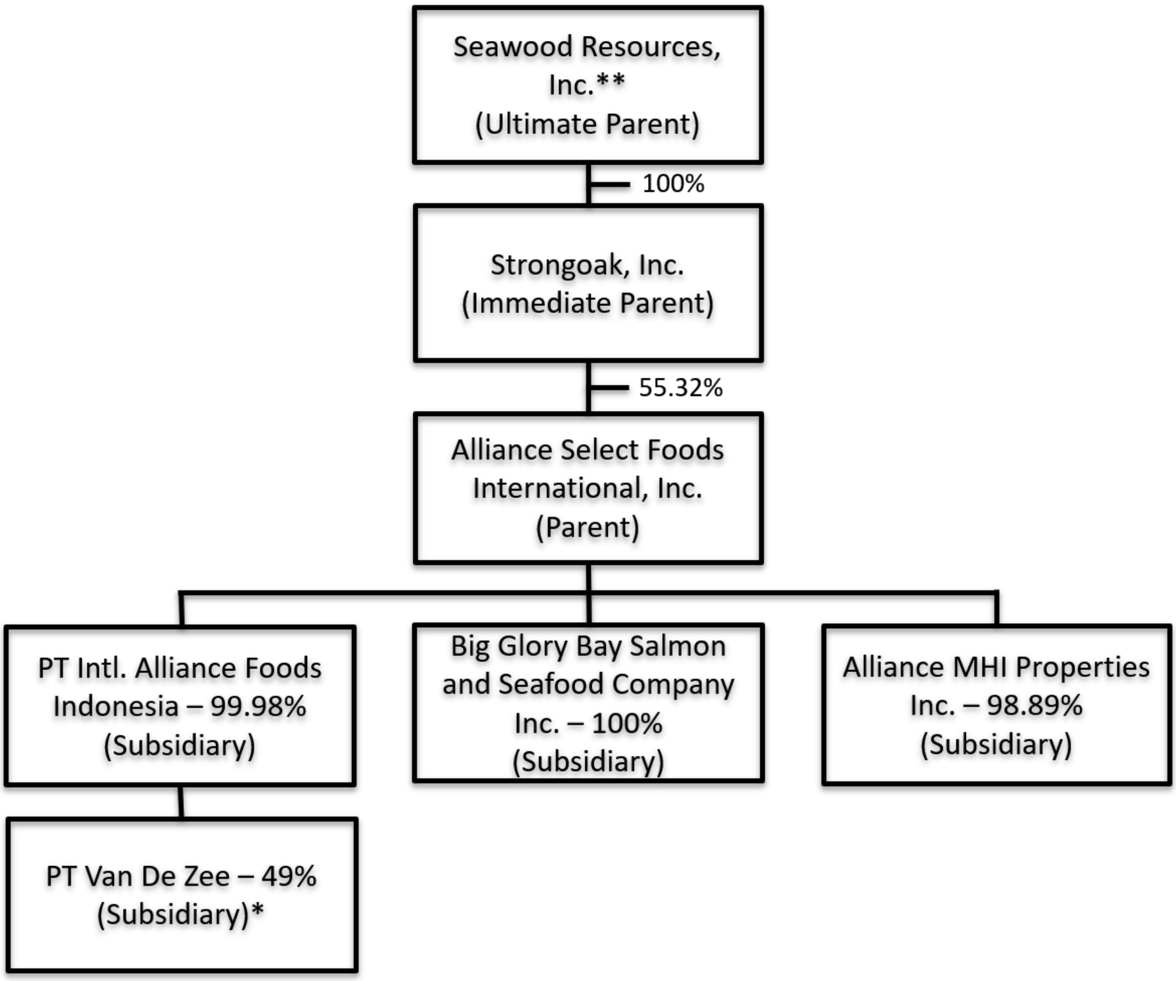
				Number of shares held by		
Title of Issue	***Number of Shares Authorized***	***Number of Shares Issued and Outstanding as Shown Under the Related Statement of Financial Position Caption***	***Number of Shares Reserved for Options,warrants, Conversion and Other Rights***	***Related Parties***	***Directors, Officers and employees***	***Others***
Common stock – ₱0.50 par value	3,000,000,000	2,499,712,463	–	1,700,395,089	34,357,561	764,959,813

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of STRONGOAK INC.)

CONGLOMERATE STRUCTURE

DECEMBER 31, 2025



**On August 12, 2024, the voluntary dissolution of PT Van De Zee was completed, and its registration was removed from the Indonesian Corporate Register, as certified by the Indonesian Ministry of Law and Human Rights.*

***The other wholly-owned and majority-owned subsidiaries are Silverreel Inc., Kayak Holdings Inc., Mizu Resources Inc., Navis Water Inc., Alphafoxtrot Media Inc., Blue Hydro Pacific Inc., Delta Water Philippines Inc. and Atlantic Water Inc.*

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

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	**₱1,550,000**	₱1,550,000
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Non-Audit Fees	**–**	–
Total Audit and Non-audit Fees	**₱1,550,000**	₱1,550,000

Audit and Non-audit Fees of Other Related Entities

	2025	2024
Audit Fees	**₱941,000**	₱902,500
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Audit and Non-audit Fees of Other Related Entities	**₱941,000**	₱902,500

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.	: 462600072380158
Amount Payable (Over Remittance)	: -538,812.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2025
Date Filed	: 04/30/2026
Tax Type	: IT

[BIR Main | eFPS Login | User Menu | Help]

Reference No : 462600072380158
Date Filed : April 30, 2026 04:20 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 (X) Calendar ( ) Fiscal

2 Year Ended (MM/20YY) 12/2025

3 Amended Return? ( ) Yes (X) No

4 Short Period Return? ( ) Yes (X) 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) 227 - 409 - 243 - 000

7 RDO Code 127

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 1605

10 Date of Incorporation/Organization (MM/DD/YYYY) 09/01/2003

11 Contact Number NO VALUE FROM SOURCE

12 Email Address jlnepomuceno@allianceselectfoods.com

13 Method of Deductions (X) 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)*	6,118,140
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*	6,656,952
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*	(538,812)
Add Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties *(Sum of Items 17 to 19)*	0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Item 16 and 20)*	(538,812)

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) (X) 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)*

Signature over printed name of President/Principal Officer/Authorized Representative	Signature over printed name of Treasurer/Assistant Treasurer	**22** Number of Attachments
Title of Signatory: TIN:	Title of Signatory: TIN:	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)*

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	4,514,952,663
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*	4,514,952,663
30 Less: Cost of Sales/Services	4,230,054,480
31 Gross Income from Operation *(Item 29 Less Item 30)*	284,898,183
32 Add: Other Taxable Income Not Subjected to Final Tax	21,008,825
33 Total Taxable Income *(Sum of Items 31 and 32)*	305,907,008

Less: Deductions Allowable under Existing Law

34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	457,751,292
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)*	457,751,292
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)*	(151,844,284)
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)*	6,118,140
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)*	6,118,140

Less: Tax Credits/Payments (attach proof)

44 Prior Year's Excess Credits Other Than MCIT	1,212,020
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	3,361,213
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	2,083,719
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

55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*	6,656,952
56 Net Tax Payable / (Overpayment) *(Item 43 Less Item 55)) (To Part II Item 16)*	(538,812)

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 Total Tax Relief Availment *(Sum of Items 57 and 58)*	0

BIR Form No. **1702-RT** January 2018(ENCS) **Page 3**	**Annual Income Tax Return** **Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate**	1702-RT 01/18ENCS P3

Taxpayer Identification Number (TIN)	**Registered Name**
227 - 409 - 243 - 000	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	5,005,128
6 Entertainment, Amusement and Recreation	4,466,426
7 Fringe Benefits	0
8 Interest	131,637,362
9 Losses	0
10 Pension Trust	0
11 Rental	20,635,895
12 Research and Development	0
13 Salaries, Wages and Allowances	92,018,755
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	37,632,443
16 Transportation and Travel	24,919,649
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	66,534,709
e ADVERTISING, MARKETING AND COMMISION	5,728,169
f INSURANCE	5,521,069
g CUSTOMS, BROKERAGE AND DEMURRAGE	5,083,186
h UTILITIES AND COMMUNICATION	2,074,971
i OTHERS	56,493,530
i.1 MATERIALS AND COMMUNICATION	4,079,413
i.2 NONTAXABLE REVERSAL OF EXPENSE	36,411,051
i.3 REPAIRS AND MAINTENANCE	953,191
i.4 REALIZED FOREX LOSS	355,801
i.5 OTHERS	14,694,074
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	457,751,292

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*		0

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)*	305,907,008
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	457,751,292
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	(151,844,284)

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	2025	151,844,284	0
5	2023	2,578,313	0
6	2022	362,560,629	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	151,844,284
5	0	0	2,578,313
6	90,003,622	0	272,557,007
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	2024	0	8,607,389	8,607,389
2	2023	0	3,898,802	3,898,802
3	2022	0	910,432	910,432

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	8,607,389
2	0	0	0	3,898,802
3	0	910,432	0	0
Total Excess MCIT Applied *(Sum of Items 1F to 3F) (To Part IV Item 47)*			0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(attach additional sheet/s, if necessary)*

1 Net Income/(Loss) per books		(85,786,773)
Add: Non-deductible Expenses/Taxable Other Income		
2	DONATIONS	152,035
3	OTHERS	6,468,051
3.1	INTEREST EXPENSE	2,127
3.2	RETIREMENT BENEFIT COST	4,884,765
3.3	PROVISION FOR IMPAIRMENT	1,581,159
4 Total *(Sum of Items 1 to 3)*		(79,166,687)
Less: A) Non-Taxable Income and Income Subjected to Final Tax		
5	INTEREST	8,392
6	OTHERS	72,669,205
6.1	NONTAXABLE REVERSAL OF EXPENSE	36,411,051
6.2	UNREALIZED FOREX LOSS	33,095,145
6.3	IMPACT OF PFRS 16	3,163,009
B) Special Deductions		
7		0
8		0
9 Total (Sum of Items 5 to 8)		72,677,597
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)		(151,844,284)

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **ALLIANCE SELECT FOODS INTERNATIONAL, INC.** ("The Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2025, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors is responsible in overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

LORENZO SIXTO T. LICHAUCO
Chairman of the Board

JEOFFREY P. YULO
President and Chief Executive Officer

GENEVI DIANAH L. DUMALAG
Head of Finance

Signed this 13th day of April 2026

REPUBLIC OF THE PHILIPPINES)
PASIG CITY)

SUBSCRIBED AND SWORN TO BEFORE ME, A NOTARY PUBLIC THIS 30 APR 2026 day of APRIL, 2026, the Affiants exhibiting to me their evidence of identity with details below:

	ID TYPE /NO./ DATE AND PLACE ISSUED
LORENZO SIXTO T. LICHAUCO	DRIVER'S LICENSE NO. 1-74-028833
JEOFFREY P. YULO	PASSPORT NO. P7151375B/07-08-2021/DFA SAN PABLO
GENEVI DIANAH L. DUMALAG	DRIVER'S LICENSE NO. B02-22-000516

Doc No. 466;
Book No. 92;
Page No. XXXIX;
Series of 2026

ATTY. ROMEO MANUEL JOSHUA R. MOVIDO
Notary Public for Pasig City
Suite 07 Unit G06 West Tower, Tektite Towers,
Exchange Road, Pasig City
Roll of Attorney No. 66667
Appointment No. 116 (2025-2026) valid until 31 December 2026
IBP Member No. 539938 Pasig/ 28 February 2026
PTR No. 3039044; 09 Jan 2026; Pasig City
MCLE Compliance No. VIII-0027774 valid until 14 April 2028

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 0 3 1 9 1 3 8

COMPANY NAME

ALLIANCE SELECT FOODS INTERNATIONAL, INC. (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
AASFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
psbayona@allianceselectfoods.com	(02) 8637-8800	0917-620-5726

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
234	15th day of June	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. Jeoffrey P. Yulo	info@allianceselectfoods.com	(02) 8637-8800	0917-620-5726

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.*

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782-SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

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 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, 2025 and 2024, 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, 2025, 2024 and 2023 and notes to separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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), as applicable to audits of separate financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the separate financial statements of public interest entities in the Philippines. 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.

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 Accounting Standards, 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, they 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 audits.

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.

CEDRIC M. CATERIO
Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
SEC Accreditation No. 87322-SEC Group A
Issued April 20, 2022;
Valid for Financial Periods 2021 to 2025
BIR Accreditation No. 19-005765-001-2025;
Valid until November 14, 2028
PTR No. 10764012;
Issued January 2, 2026, Makati City

April 13, 2026
Makati City, Metro Manila

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK INC.)

SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2025**	2024
ASSETS			
Current Assets			
Cash	4	**$879,777**	$721,600
Trade and other receivables	5	**20,181,257**	11,806,206
Inventories	6	**17,614,525**	17,631,579
Due from related parties	13	**4,598,211**	4,066,099
Other current assets	7	**9,135,546**	5,013,429
Total Current Assets		**52,409,316**	39,238,913
Noncurrent Assets			
Investments in subsidiaries	8	**6,471,798**	6,471,798
Property, plant and equipment	9	**5,539,660**	5,241,726
Deferred tax assets	24	**598,487**	649,613
Other noncurrent assets	10	**1,554,982**	1,578,553
Total Noncurrent Assets		**14,164,927**	13,941,690
		$66,574,243	$53,180,603
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11	**$9,660,657**	$14,055,402
Loans payable	12	**36,704,764**	20,256,921
Current portion of lease liabilities	22	**175,361**	131,794
Due to a related party	13	**2,976,697**	–
Total Current Liabilities		**49,517,479**	34,444,117
Noncurrent Liabilities			
Due to a related party	13	**1,779,724**	1,808,799
Noncurrent portion of lease liabilities	22	**214,033**	266,578
Net retirement benefits obligation	14	**344,374**	287,162
Other noncurrent liability	11	**400,360**	423,241
Total Noncurrent Liabilities		**2,738,491**	2,785,780
Total Liabilities		**52,255,970**	37,229,897
Equity			
Capital stock	15	**26,823,389**	26,823,389
Additional paid-in capital (APIC)	15	**1,486,546**	1,486,546
Treasury stock - at cost	15	**(5,774)**	(5,774)
Deficit		**(14,278,957)**	(12,633,328)
Other comprehensive income	14	**293,069**	279,873
Total Equity		**14,318,273**	15,950,706
		$66,574,243	$53,180,603

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	**2025**	2024	2023
NET SALES	16	**$78,548,237**	$72,440,984	$56,438,579
COST OF GOODS SOLD	17	**(73,535,145)**	(64,919,507)	(52,221,383)
GROSS PROFIT		**5,013,092**	7,521,477	4,217,196
SELLING AND ADMINISTRATIVE EXPENSES	18	**(5,126,799)**	(5,626,296)	(3,882,582)
INTEREST EXPENSE	12	**(2,292,388)**	(1,639,401)	(1,042,518)
OTHER INCOME (CHARGES) - Net	19	**913,632**	(192,373)	337,781
INCOME (LOSS) BEFORE INCOME TAX		**(1,492,463)**	63,407	(370,123)
PROVISION FOR INCOME TAX	24			
Current		**106,439**	151,947	70,111
Deferred		**46,727**	369,812	2,202,094
		153,166	521,759	2,272,205
NET LOSS		**(1,645,629)**	(458,352)	(2,642,328)
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Remeasurement gain (loss) on retirement benefits obligation - net of tax	14	**13,196**	(40,171)	791
TOTAL COMPREHENSIVE LOSS		**($1,632,433)**	($498,523)	($2,641,537)
LOSS PER SHARE				
Basic and Diluted	21	**($0.0007)**	($0.0002)	($0.0011)

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	**2025**	2024	2023
CAPITAL STOCK	15	**$26,823,389**	$26,823,389	$26,823,389
APIC	15	**1,486,546**	1,486,546	1,486,546
TREASURY STOCK - at cost	15	**(5,774)**	(5,774)	(5,774)
DEFICIT				
Balance at beginning of year		**(12,633,328)**	(12,174,976)	(9,532,648)
Net loss		**(1,645,629)**	(458,352)	(2,642,328)
Balance at end of year		**(14,278,957)**	(12,633,328)	(12,174,976)
OTHER COMPREHENSIVE INCOME	14			
Balance at beginning of year		**279,873**	320,044	319,253
Remeasurement gain (loss) on retirement benefit obligation - net of tax		**13,196**	(40,171)	791
Balance at end of year		**293,069**	279,873	320,044
		$14,318,273	$15,950,706	$16,449,229

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	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**($1,492,463)**	$63,407	($370,123)
Adjustments for:				
Interest expense	12	**2,344,962**	1,693,954	1,105,273
Depreciation and amortization	9	**1,319,648**	1,118,127	934,026
Provision (reversal of allowance) for:				
Expected credit loss	5	**(581,012)**	341,559	–
Inventory write-down	6	**(77,441)**	223,987	(203,576)
Impairment loss on advances to suppliers	7	**(40,087)**	89,114	–
Impairment loss on due from related parties	13	**27,508**	–	–
Retirement benefits cost	14	**84,982**	61,163	49,785
Unrealized foreign exchange gain		**(18,488)**	(136,092)	(53,462)
Interest income	4	**(146)**	(150)	(683)
Gain on disposal of assets	19	**(369,797)**	–	(383,782)
Operating income before working capital changes		**1,197,666**	3,455,069	1,077,458
Decrease (increase) in:				
Trade and other receivables		**(7,792,511)**	985,312	(6,689,864)
Inventories		**94,495**	(2,674,571)	(9,438,014)
Other current assets		**(4,094,051)**	(2,363,845)	310,994
Increase (decrease) in trade and other payables		**(4,447,109)**	5,408,451	4,263,522
Net cash generated from (used for) operations		**(15,041,510)**	4,810,416	(10,475,904)
Income taxes paid		**(94,418)**	(147,082)	(26,216)
Retirement contributions paid	14	**(4,915)**	(16,049)	–
Interest received		**146**	150	683
Net cash flows provided by (used in) operating activities		**(15,140,697)**	4,647,435	(10,501,437)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	9	**(1,458,127)**	(1,053,825)	(451,625)
Collections from (advances to) related parties		**(713,456)**	14,349	63,567
Decrease (increase) in other noncurrent assets		**23,571**	41,257	(10,653)
Proceeds from sale of idle assets		**369,797**	–	383,782
Net cash flows used in investing activities		**(1,778,215)**	(998,219)	(14,929)

(Forward)

	Note	2025	2024	2023
		Years Ended December 31		
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loans	27	**$37,086,577**	$42,902,324	$40,905,860
Payments of:				
Loans payable	27	**(17,700,452)**	(45,573,396)	(30,929,058)
Interest	27	**(2,238,451)**	(1,649,372)	(1,005,144)
Lease liabilities	22	**(39,136)**	(37,707)	(29,219)
Other noncurrent liability	11	**(39,411)**	(40,572)	–
Net cash flows provided by (used in) financing activities		**17,069,127**	(4,398,723)	8,942,439
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH		**7,962**	6,358	43,958
NET INCREASE (DECREASE) IN CASH		**158,177**	(743,149)	(1,529,969)
CASH AT BEGINNING OF YEAR		**721,600**	1,464,749	2,994,718
CASH AT END OF YEAR	4	**$879,777**	$721,600	$1,464,749
SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITIES				
Recognition of lease liabilities and ROU assets	22	**$159,455**	$–	$655,317
Rental payable offset against due from related parties		**153,836**	128,944	125,162

See accompanying Notes to Separate Financial Statements.

NOTES TO SEPARATE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025 AND 2024 AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

1. **General Information**

Corporate 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 of stock are listed in 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. The ultimate parent company is Seawood Resources, Inc., a domestic company engaged in investing activities.

The Company's registered office address is located at Suite 3104A, West Tower, Philippine Stock Exchange, Exchange Road, Ortigas Avenue, Pasig City.

Investments in Subsidiaries
The Company has investments in the following subsidiaries as at December 31, 2025, 2024 and 2023:

			% of Ownership		
Name of Subsidiary	Nature of Business	Business	2025	2024	2023
Big Glory Bay Salmon and Seafood Company, Inc. (BGB)	Salmon and other seafoods processing	Philippines	100.00	100.00	100.00
Alliance MHI Properties, Inc. (AMHI)	Leasing	Philippines	98.89	98.89	98.89
PT International Alliance Food Indonesia (PT IAFI)	Export trading	Indonesia	99.98	99.98	99.98
PT Van De Zee (PT VDZ)	Fishing	Indonesia	–	–	49.00

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

AMHI has parcels of land located at Barrio Tambler, General Santos City.

PT IAFI was established under the Indonesian Foreign Capital Investment Law. PT IAFI owns 49% of PT VDZ, a fishing company. PT IAFI and PT VDZ ceased operations in 2020 and 2016, respectively.

On June 12, 2024, the stockholders of PT VDZ approved the final liquidation report prepared by the liquidator. The termination of PT VDZ's legal entity status, based on a Copy of Deed dated June 12, 2024, was recorded and removed from the Indonesian Company Register, as confirmed by the Minister of Law and Human Rights of the Republic of Indonesia on August 12, 2024.

Approval of Separate Financial Statements
The separate financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were reviewed and recommended for approval by the Audit Committee on April 8, 2026 and were approved and authorized for issuance by the BOD on April 13, 2026.

2. **Summary of Material Accounting Policy Information**

The material accounting policy information 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 have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The Company also prepares and issues consolidated financial statements in accordance with PFRS Accounting Standards 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 values 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 Amendments to PFRS Accounting Standards

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability,* effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.

- Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments,* the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

- Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Deferred effectivity –

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - 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 new and amendments to PFRS Accounting Standards is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the 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 statements 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, 2025 and 2024, 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, 2025 and 2024, 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. 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, 2025 and 2024, the Company's trade and other payables (excluding customers' deposits and statutory payable), loans payable, lease liabilities, other noncurrent liability and due to a related party 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.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions. In assessing whether a borrower is in default, the Company considers qualitative and quantitative factors.

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 profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the separate statements 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 statements 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 for as follows:

Raw Materials and Packaging Supplies. Cost is determined using the weighted average method. NRV is the current replacement cost.

Finished Goods. Cost is determined using the 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.

When the NRV of the inventories is lower than the cost, the Company 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 income in profit or loss.

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 inventory write-down 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 are applied for the purchase of raw materials upon delivery. 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 separate 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.

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.

Investments in Subsidiaries and Joint Ventures
The Company’s investments in subsidiaries and joint ventures are carried in the separate statements 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 profit or loss when the asset is derecognized.

Property, Plant and Equipment

Property, plant and equipment 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	20
Fishmeal facility	20
Leasehold improvements	5 (or lease term, whichever is shorter)
Transportation equipment	5
Office furniture, fixtures and equipment	5
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 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.

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.

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. Proceeds or fair value of the consideration received in excess of par value are recognized as APIC.

Deficit. Deficit represent the cumulative balance of the Company'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.

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 statements of comprehensive income on the purchase, sale, issue or cancellation of the Company'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 Company and no dividends are allocated to them.

Other Comprehensive Income. Other comprehensive income comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive income pertains to cumulative remeasurement gains on retirement benefit obligation, revaluation reserves, and cumulative translation adjustments.

Revenue Recognition
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.

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, at a point in time 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 customer.

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, 2025 and 2024, 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.

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 Accounting Standards 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, 2025 and 2024, 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.

<u>Leases</u>

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 right-of-use (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 Accounting Standards 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 resulting from a change in an index or a rate used to determine those payments.

For income tax reporting purposes, payments under lease agreements are treated as deductible expense in accordance with the terms of the lease agreements.

Employee Benefits

Short-term Benefits. Short-term employee benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the accounting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

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 benefits liability in profit or loss.

The Company determines the net interest expense on defined 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.

Loss per Share

The Company presents basic and diluted 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 at the 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, and the carry-forward benefits of 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 at 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.

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3. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the Company's separate financial statements requires management to make judgments, accounting 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 accounting 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.

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, as majority of its revenue are from export sales and its raw materials are imported from other countries.

Determining 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, 2025 and 2024, the Company has the ability to exercise control over these investees.

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. 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 are presented under "Property, plant and equipment" and lease liabilities are disclosed in Notes 9 and 22 to the Separate Financial Statements..

Assessing the ECL of Financial Assets at Amortized Cost. The Company measures expected credit losses (ECL) on financial assets at amortized cost using the simplified approach, which provides for lifetime ECL. Loss rates are based on historical default experience, adjusted for relevant forward looking macroeconomic factors. Cash is also subject to impairment under PFRS 9, but any related loss is not material. The Company uses judgment in assessing significant increases in credit risk, considering the counterparty's financial condition and adverse business or economic development.

The carrying amounts of the Company's cash, trade and other receivables, and other noncurrent receivables are disclosed in Notes 4, 5 and 10 to the Separate Financial Statements.

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 or 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 2025, 2024 and 2023.

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 2025, 2024 and 2023. 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 Obligation. 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.

Evaluating the Provisions and Contingencies. The Company 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 Company. 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.

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.

4. Cash

This account consists of:

	2025	2024
Cash on hand	**$1,183**	$1,072
Cash in banks	**878,594**	720,528
	$879,777	$721,600

Interest income from cash in banks amounted to $146, $150 and $683 in 2025, 2024 and 2023, respectively (see Note 19).

5. Trade and Other Receivables

This account consists of:

	2025	2024
Trade receivables	**$19,325,478**	$12,001,963
Others	**1,105,605**	635,081
	20,431,083	12,637,044
Allowance for ECL	**(249,826)**	(830,838)
	$20,181,257	$11,806,206

Trade receivables are non-interest bearing and are generally collectible within 30 to 90 days.

Other receivables include receivable from the sale of boat license and advances to employees that are subject to salary deduction.

Movements in the allowance for ECL are as follows:

	2025	2024
Balance at beginning of year	**$830,838**	$489,279
Provision (reversal)	**(581,012)**	341,559
Balance at end of year	**$249,826**	$830,838

6. Inventories

This account consists of:

	2025	2024
At NRV:		
Raw materials	**$9,887,970**	$9,755,782
Finished goods	**7,483,201**	7,659,099
At cost - Packaging supplies	**243,354**	216,698
	$17,614,525	$17,631,579

The costs of inventories carried at NRV are as follows:

	Note	2025	2024
Raw materials		**$9,960,186**	$9,801,998
Finished goods	17	**7,629,537**	7,908,876
		$17,589,723	$17,710,874

Movements in the inventory write-down are as follows:

	2025	2024
Balance at beginning of year	**$295,993**	$72,006
Provision (reversal)	**(77,441)**	223,987
Balance at end of year	**$218,552**	$295,993

Raw materials charged to cost of goods sold amounted to $61.3 million, $55.8 million, and $48.5 million in 2025, 2024 and 2023, respectively (see Note 17).

7. Other Current Assets

This account consists of:

	2025	2024
Advances to suppliers	**$7,091,117**	$3,702,163
Input VAT	**1,979,310**	1,217,579
Prepayments:		
Insurance	**89,548**	78,527
Subscriptions	**15,223**	23,279
Taxes	**9,375**	21,396
Rent	**–**	11,045
Others	**–**	48,554
	9,184,573	$5,102,543
Less allowance for impairment loss	**(49,027)**	(89,114)
	$9,135,546	$5,013,429

Movements in the allowance for impairment loss are as follows:

	2025	2024
Balance at beginning of year	**$89,114**	$–
Provision (reversal)	**(40,087)**	89,114
Balance at end of year	**$49,027**	$89,114

8. Investments in Subsidiaries

Details of investments are as follows:

Name of Subsidiaries	2025	2024
BGB	**$6,177,761**	$6,177,761
PT IAFI	**4,999,000**	4,999,000
AMHI	**294,037**	294,037
	11,470,798	11,470,798
Allowance for impairment loss	**(4,999,000)**	(4,999,000)
	$6,471,798	$6,471,798

No additional impairment was recognized on the Company’s investments in subsidiaries in 2025, 2024 and 2023.

9. Property, Plant and Equipment

The composition of and movements in this account are as follows:

	December 31, 2025								
	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	**$1,816,502**	**$6,508,263**	**$422,492**	**$294,542**	**$292,753**	**$117,570**	**$1,733,660**	**$1,288,525**	**$12,474,307**
Additions	**357,237**	**289,355**	**509,166**	**7,016**	**146,936**	**95,527**	**52,890**	**159,455**	**1,617,582**
Derecognition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(633,208)**	**(633,208)**
Balance at end of year	**2,173,739**	**6,797,618**	**931,658**	**301,558**	**439,689**	**213,097**	**1,786,550**	**814,772**	**13,458,681**
Accumulated Depreciation and Amortization									
Balance at beginning of year	**1,218,334**	**4,027,328**	**165,975**	**148,642**	**167,542**	**62,957**	**422,566**	**917,831**	**7,131,175**
Depreciation and amortization	**225,772**	**684,847**	**19,777**	**39,316**	**20,195**	**29,044**	**125,465**	**175,232**	**1,319,648**
Derecognition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(633,208)**	**(633,208)**
Balance at end of year	**1,444,106**	**4,712,175**	**185,752**	**187,958**	**187,737**	**92,001**	**548,031**	**459,855**	**7,817,615**
Allowance for Impairment Losses									
Balance at beginning and end of year	**–**	**101,406**	**–**	**–**	**–**	**–**	**–**	**–**	**101,406**
Carrying Amount	**$729,633**	**$1,984,037**	**$745,906**	**$113,600**	**$251,952**	**$121,096**	**$1,238,519**	**$354,917**	**$5,539,660**

	December 31, 2024								
	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	$1,490,527	$5,996,209	$353,102	$279,603	$285,712	$64,588	$1,662,216	$1,288,525	$11,420,482
Additions	325,975	512,054	69,390	14,939	7,041	52,982	71,444	–	1,053,825
Balance at end of year	1,816,502	6,508,263	422,492	294,542	292,753	117,570	1,733,660	1,288,525	12,474,307
Accumulated Depreciation and Amortization									
Balance at beginning of year	1,052,632	3,430,965	148,488	99,851	152,472	55,768	307,992	764,880	6,013,048
Depreciation and amortization	165,702	596,363	17,487	48,791	15,070	7,189	114,574	152,951	1,118,127
Balance at end of year	1,218,334	4,027,328	165,975	148,642	167,542	62,957	422,566	917,831	7,131,175
Allowance for Impairment Losses									
Balance at beginning and end of year	–	101,406	–	–	–	–	–	–	101,406
Carrying Amount	$598,168	$2,379,529	$256,517	$145,900	$125,211	$54,613	$1,311,094	$370,694	$5,241,726

The depreciation and amortization charged to operations are as follows:

	Note	2025	2024	2023
Cost of goods sold	17	**$1,194,056**	$1,030,094	$830,281
Selling and administrative expenses	18	**125,592**	88,033	103,745
		$1,319,648	$1,118,127	$934,026

The cost of fully depreciated property, plant and equipment still used in the Company's operations amounted to $2,264,782 and $2,261,646 as at December 31, 2025 and 2024, respectively.

The Company assesses impairment on its property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The relevant factors that the Company considers in their impairment assessment when there is significant underperformance of a business in relation to expectations, decline in economic trends or changes in the use of the assets.

Management has assessed that the amount of allowance for impairment losses of the Company's property, plant and equipment as at December 31, 2025 and 2024 is adequate.

10. Other Noncurrent Assets

This account consists of:

	Note	2025	2024
Receivable from Wild Catch Fisheries, Inc. (WCFI)	13	**$2,183,281**	$2,183,281
Refundable lease deposits	22	**1,554,982**	1,578,553
Investments in joint ventures	13	**280,243**	280,243
		4,018,506	4,042,077
Allowance for impairment losses		**(2,463,524)**	(2,463,524)
		$1,554,982	$1,578,553

Receivable from WCFI pertains to the proceeds from the sale of a fishing vessel and advances for fish deposit. WCFI ceased its commercial fishing operations since 2014. This was fully provided with allowance for impairment loss.

Investments in joint ventures pertain to 39% ownership interest in FDCP, Inc. (FDCP) and 40% ownership interest in WCFI. FDCP has ceased the operations of its manufacturing and wholesale of tin cans operations in 2015. The Company's investments in joint ventures are fully provided with allowance for impairment losses.

11. Trade and Other Payables

This account consists of:

	2025	2024
Trade payables	**$8,593,956**	$13,246,621
Accrued expenses	**908,865**	655,457
Statutory payable	**117,457**	111,271
Customers' deposits	**40,379**	42,053
	$9,660,657	$14,055,402

Trade payables are non-interest bearing and are generally settled within 30 days. Trade payables include the current portion of a liability related to the acquisition of solar power equipment.

Accrued expenses include professional fees, salaries, wages and other benefits, interest and outside services and are generally settled within the year.

Statutory payable includes amounts payable to government agencies 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.

Other Noncurrent Liability
In March 2022, the Company entered into a 20-year agreement with a third party for the purchase of solar power equipment on installment basis. The agreement requires the Company to pay fixed monthly fee with agreed interest.

The current and noncurrent portions of the related liability amounted to $16,078 and $400,360 as at December 31, 2025 and $15,442 and $423,241 as at December 31, 2024, respectively.

12. Loans Payable

The loans from local banks, with terms ranging from four to 11 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. The loans from local banks bear interest rates ranging from 6.25% to 6.49% and 5.75% to 6.25% per annum in 2025 and 2024, respectively.

Loans from local banks amounted to $36.7 million and $20.3 million as at December 31, 2025 and 2024, respectively.

Interest expense is recognized as follows:

	Note	2025	2024	2023
Interest expense:				
Short-term loans		**$2,134,644**	$1,531,466	$958,887
Due to a related party	13	**155,535**	105,545	81,896
Lease liabilities	22	**2,209**	2,390	1,735
		2,292,388	1,639,401	1,042,518
Cost of goods sold:				
Lease liabilities	22	**28,480**	28,882	35,676
Other noncurrent liability	11	**24,094**	25,671	27,079
		52,574	54,553	62,755
		$2,344,962	$1,693,954	$1,105,273

13. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as summarized below.

		Amount of Transactions		Outstanding Balance	
Related Party	Note	**2025**	2024	**2025**	2024
Due from Related Parties					
Subsidiaries		**$559,620**	($63,567)	**$10,858,426**	$10,298,806
Allowance for impairment loss	18	**(27,508)**	–	**(6,260,215)**	(6,232,707)
				$4,598,211	$4,066,099
Other Noncurrent Assets					
Receivable from WCFI	10	**$–**	$–	**$2,183,281**	$2,183,281
Investments in joint ventures		**–**	–	**280,243**	280,243
Subsidiary - refundable lease deposit		**(23,027)**	(64,033)	**1,409,504**	1,432,531
Allowance for impairment loss	10	**–**	–	**(2,463,524)**	(2,463,524)
				$1,409,504	$1,432,531
Due to a Related Party					
Ultimate parent – current		**$2,976,697**	$–	**$2,976,697**	$–
Immediate parent – noncurrent		**(29,075)**	(80,852)	**1,779,724**	1,808,799
				$4,756,421	$1,808,799

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.

Other Noncurrent Assets. Refundable lease deposit to AMHI resulted from a long-term lease contract (see Note 22).

Due to a Related Party. It pertains to the following:

- Borrowed funds from the Ultimate Parent amounted to $3.0 million as at December 31, 2025, which bears 5.0% annual interest. These funds are payable in lump sum within a term of 30 to 90 days, and are renewable under the mutual consent of both parties.

- Borrowed funds from the Immediate Parent amounted to $1.8 million as at December 31, 2025 and 2024, which bears 5.0% annual interest and payable in lump sum. The loan was originally due in 2024 but was renewed until 2027. Movements in 2025 and 2024 pertain to the foreign currency translation.

Interest expense amounted to $155,535, $105,545 and $81,896 in 2025, 2024 and 2023, respectively (see Note 12).

The remuneration of the key management personnel of the Company is composed of short-term and retirement benefits. Short-term employee benefits amounted to $0.8 million, $0.6 million and $0.7 million in 2025, 2024 and 2023, respectively. Retirement benefits amounted to $25,585, $22,061 and $41,929 in 2025, 2024 and 2023, respectively.

14. Retirement Benefits Obligation

The Company 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 continuous service. The most recent actuarial valuation was made as at December 31, 2025 by an independent actuary.

Retirement benefit costs are as follows (see Note 18):

	2025	2024	2023
Current service cost	**$67,579**	$49,429	$39,239
Net interest expense	**17,403**	11,734	10,546
	$84,982	$61,163	$49,785

The amounts of net retirement benefits obligation presented in the separate statements of financial position are as follows:

	2025	2024
Present value of defined benefit obligation	**$357,494**	$299,892
Fair value of plan assets	**(13,120)**	(12,730)
	$344,374	$287,162

Movements in the present value of defined benefit obligation are as follows:

	2025	2024
Balance at beginning of year	**$299,892**	$207,940
Current service cost	**67,579**	48,371
Remeasurement loss (gain):		
Changes in financial assumptions	**(19,656)**	62,471
Deviations of experience from assumptions	**10,897**	(9,035)
Experience adjustments	**(9,008)**	–
Interest cost	**18,175**	12,042
Unrealized foreign exchange gain	**(5,470)**	(8,613)
Retirement benefits paid	**(4,915)**	(13,284)
Balance at end of year	**$357,494**	$299,892

Movements in the fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	**$12,730**	$9,661
Contribution to the fund	**4,915**	16,049
Retirement benefits paid	**(4,915)**	(13,284)
Interest income	**771**	572
Translation adjustment	**(209)**	(142)
Remeasurement loss	**(172)**	(126)
Balance at end of year	**$13,120**	$12,730

The details of the fair value of plan assets are as follows:

	2025	2024
Cash	**$7,093**	$6,888
Debt instruments	**5,886**	5,879
Expected earnings for the rest of the year	**194**	–
Withholding taxes payable	**(28)**	(12)
Fees payables	**(25)**	(25)
	$13,120	$12,730

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	2025	2024	2023
Discount rate	**6.21%**	6.11%	6.05%
Expected rate of salary increases	**5.00%**	5.50%	3.00%

The sensitivity analysis on the defined benefits obligations is as follows:

	Basis Points	**2025**	2024
Discount rate	+1%	**($26,346)**	($27,499)
	-1%	**30,245**	31,908
Salary increase rate	+1%	**30,348**	31,700
	-1%	**(27,484)**	(28,204)

The cumulative remeasurement gains on retirement benefits obligation recognized in other comprehensive income are as follows:

	Cumulative Remeasurement Gains	**Deferred Tax**	**Net**
Balance as at January 1, 2025	**$373,164**	**($93,291)**	**$279,873**
Remeasurement gain	**17,595**	**(4,399)**	**13,196**
Balance as at December 31, 2025	**$390,759**	**($97,690)**	**$293,069**
Balance as at January 1, 2024	$426,726	($106,682)	$320,044
Remeasurement loss	(53,562)	13,391	(40,171)
Balance as at December 31, 2024	$373,164	($93,291)	$279,873
Balance as at January 1, 2023	$425,671	($106,418)	$319,253
Remeasurement gain	1,055	(264)	791
Balance as at December 31, 2023	$426,726	($106,682)	$320,044

The table below shows the maturity profile of the undiscounted benefit payments as at December 31, 2025:

	Amount
Less than one year	$18,813
One year to less than five years	225,148
Five years to less than ten years	226,784
Ten years to less than fifteen years	291,662
Fifteen years to less than twenty years	283,161
Twenty years and above	454,174

The average duration of the benefit obligation is 16 years as at December 31, 2025.

The plan exposes the Company to the following risks:

- Salary risk - any increase in the retirement plan participants' salary will increase the retirement plan's liability.
- Longevity risk - any increase in the plan participants' life expectancy will increase the retirement plan's liability.
- Investment risk - if the actual return on plan assets is below the discount rate used in calculating the present value of the retirement liability, a plan deficit will arise. However, the compositions of plan assets are balanced enough not to expose the Company to significant concentrations of investment risk.

- Interest rate risk - a decrease in bond interest rate will increase the present value of retirement liability. However, this is partially counterbalanced by an increase in the return on the plan assets.

15. Equity

Capital Stock

Details of the Company's capital stock as at December 31, 2025 and 2024 are as follows:

	Shares	Amount in Peso
Authorized		
Ordinary shares at ₱0.50 par value a share	3,000,000,000	₱1,500,000,000

	Shares	Amount in Peso	Equivalent Amount in USD
Issued	2,500,000,000	₱1,385,698,647	$26,823,389
Treasury shares at cost	(287,537)	(143,769)	(5,774)
Outstanding	2,499,712,463	₱1,385,554,878	$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	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	October 28, 2015	1,000,000,000
			2,500,000,000

As at December 31, 2025 and 2024, APIC amounted to $1.5 million.

The Company has 234 and 235 stockholders as at December 31, 2025 and 2024, 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 stockholder 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 stockholder 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 stockholders, return capital to stockholders 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:

	2025	2024
Debt	**$52,255,970**	$37,229,897
Equity	**14,318,273**	15,950,706
Debt-to-Equity Ratio	**3.65:1**	2.33:1

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:

	2025	2024	2023
Canned tuna	**$73,103,030**	$67,361,771	$51,711,287
By-products	**4,386,764**	4,582,638	3,492,148
Whole fish	**1,060,610**	496,575	1,268,709
	78,550,404	72,440,984	56,472,144
Sales discount	**(2,167)**	–	(33,565)
Net sales	**$78,548,237**	$72,440,984	$56,438,579

Details of the Company's revenue based on geographical markets are as follows:

	2025	2024	2023
International	**$69,816,712**	$65,469,552	$50,037,689
Local	**8,731,525**	6,971,432	6,400,890
	$78,548,237	$72,440,984	$56,438,579

17. **Cost of Goods Sold**

This account consists of:

	Note	**2025**	2024	2023
Raw materials used	6	**$61,344,489**	$55,779,017	$48,466,973
Direct labor		**5,410,290**	4,236,281	3,572,375
Manufacturing overhead:				
Indirect labor		**1,628,721**	1,307,099	1,056,855
Fuel		**1,286,302**	881,852	795,389
Depreciation and amortization	9	**1,194,056**	1,030,094	830,281
Rent	22	**517,706**	652,984	523,381
Light and water		**428,316**	388,034	324,598
Others		**1,445,926**	1,199,055	1,229,348
Total manufacturing costs		**73,255,806**	65,474,416	56,799,200
Finished goods at beginning of year	6	**7,908,876**	7,353,967	2,776,150
Total cost of goods manufactured		**81,164,682**	72,828,383	59,575,350
Finished goods at end of year	6	**(7,629,537)**	(7,908,876)	(7,353,967)
		$73,535,145	$64,919,507	$52,221,383

18. **Selling and Administrative Expenses**

This account consists of:

	Note	**2025**	2024	2023
Salaries, wages and other benefits		**$1,600,883**	$1,545,507	$1,207,948
Outside services		**1,157,528**	956,508	736,022
Taxes and licenses		**654,705**	393,637	804,697
Freight and transportation		**433,536**	181,267	202,497
Rent		**319,874**	216,323	175,525
Depreciation and amortization	9	**125,592**	88,033	103,745
Advertising, marketing and commission		**99,655**	244,257	132,230
Insurance		**96,052**	110,703	119,715
Customs, brokerage and demurrage		**88,434**	103,117	84,050
Retirement benefit costs	14	**84,982**	61,163	49,785
Representation and entertainment		**77,704**	89,365	80,653
Materials and supplies		**70,971**	31,998	24,684
Communication and utilities		**36,099**	38,909	32,401
Provision for impairment of a related party	13	**27,508**	–	–
Repairs and maintenance		**16,583**	49,259	18,466
Donations		**2,645**	5,484	2,435
Write-off of input VAT		**–**	633,456	–
Provision for ECL on trade receivables	5	**–**	341,559	–
Inventory write-down	6	**–**	223,987	7,614
Provision for impairment loss on advances to suppliers	7	**–**	89,114	–
Others		**234,048**	222,650	100,115
		$5,126,799	$5,626,296	$3,882,582

19. **Other Income (Charges)**

This account consists of:

	Note	2025	2024	2023
Gain on reversal of allowance for ECL/ impairment loss on trade receivables and advances to suppliers	5, 7	**$621,099**	$–	$–
Gain on disposal of assets		**369,797**	–	383,782
Unrealized foreign exchange gain (loss)		**(43,642)**	1,689	18,326
Bank charges		**(21,590)**	(181,062)	(139,585)
Realized foreign exchange loss		**(6,190)**	(41,697)	(75,177)
Interest income	4	**146**	150	683
Others - net		**(5,988)**	28,547	149,752
		$913,632	($192,373)	$337,781

20. **Salaries, Wages and Other Benefits**

This account consists of:

	Note	2025	2024	2023
Short-term employee benefits		**$1,894,973**	$1,767,322	$1,394,124
Retirement benefits	14	**84,982**	61,163	49,785
		$1,979,955	$1,828,485	$1,443,909
Charged to:				
Cost of goods sold	17	**$294,090**	$221,815	$186,176
Selling and administrative expenses	18	**1,685,865**	1,606,670	1,257,733
		$1,979,955	$1,828,485	$1,443,909

21. **Loss Per Share**

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

	2025	2024	2023
Net loss	**($1,645,629)**	($458,352)	($2,642,328)
Weighted average number of ordinary shares outstanding	**2,499,712,463**	2,499,712,463	2,499,712,463
	($0.0007)	($0.0002)	($0.0011)

The weighted average number of shares refers to shares in circulation during the period that is after the effect of treasury shares (see Note 15).

In 2025, 2024 and 2023, the Company has no potential dilutive 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.

Rent expense is allocated as follows:

	Note	**2025**	2024	2023
Cost of goods sold	17	**$517,706**	$652,984	$523,381
Selling and administrative expenses	18	**319,874**	216,323	175,525
		$837,580	$869,307	$698,906

Long-term Leases

Plant. On January 1, 2023, the lease contract was renewed by and between the Company and AMHI with the monthly rental of $10,451, subject to annual escalation of 5%. The term shall be for a period of five years from January 1, 2023 until December 31, 2027, renewable every five years thereafter, upon terms and conditions mutually agreeable to the parties.

Office. The Company entered into a lease agreement for its head office space with a third party lessor on August 1, 2023, effective until July 31, 2025 and renewable upon mutual agreement of the parties with the monthly rental of $3,209. The lease was renewed for another two (2) years until 2027.

Refundable lease deposits for plant and office amounted to $1.55 million and $1.58 million as at December 31, 2025 and 2024, respectively (see Note 10). This is to be returned upon expiration of the lease term.

Details and movements of ROU assets are disclosed in Note 9.

The balance of and movements in lease liabilities, are as follows:

	Note	**2025**	2024
Balance at beginning of year		**$398,372**	$554,682
Additions		**159,455**	–
Offsetting with due from a related party		**(153,836)**	(128,944)
Rental payments		**(39,136)**	(37,707)
Interest	12	**30,689**	31,272
Effect of foreign exchange gain		**(6,150)**	(20,931)
Balance at end of year		**389,394**	398,372
Less current portion		**175,361**	131,794
Noncurrent portion		**$214,033**	$266,578

The incremental borrowing rate applied to the lease liabilities ranges of 5.91% and 9.54% per annum. ROU assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

The amounts recognized in profit or loss is as follows:

	Note	**2025**	2024	2023
Rental		**$837,580**	$869,307	$707,084
Amortization	9	**175,232**	152,951	152,488
Interest	12	**30,689**	31,272	37,411
		$1,043,501	$1,053,530	$896,983

23. Corporate Social Responsibility (CSR)

The Company is committed to responsible business practices that promote environmental sustainability, community development, and educational empowerment. In 2025, the Company strengthened its CSR initiatives in General Santos City and nearby communities, guided by employee involvement, strong partnerships, and long-term impact.

- **Environmental Stewardship:** The Company sustained its biannual coastal clean-up efforts along its shoreline as part of its commitment to protecting marine ecosystems. Complementing this initiative, the Company spearheaded a tree-planting activity that planted 100 trees in Barangay Maligo, Polomolok. Delivered through partnerships with local contractors and the local government unit, these initiatives promote marine conservation, reforestation, climate resilience, and shared responsibility for environmental stewardship.

- **Community and Educational Support:** The Company supported education and social equity by providing school supplies and a feeding program for 80 students at Ondok Gawan Elementary School during Brigada Eskwela, while assisting 100 underprivileged learners in General Santos City to help them start the school year prepared and motivated.

- **Youth Development and Learning Opportunities:** The Company supported youth skills development by hosting 16 senior high school students for immersion and accommodating 25 college students from seven institutions for OJT, strengthening workforce readiness and career development.

- **Investment in Future Leaders:** The Company awarded five scholarships in 2025 to Fisheries and Engineering students at Mindanao State University–General Santos, reinforcing its commitment to education in fields vital to sustainable resource management, innovation, and academic partnership.

Employee Engagement and Impact

Employee participation across all CSR activities fostered teamwork, volunteerism, and a stronger connection to the Company’s values. These initiatives strengthened employees’ sense of purpose and reaffirmed the Company’s commitment to shared responsibility and inclusive growth.

24. **Income Taxes**

Components of provision for income tax charged to profit or loss are as follows:

	2025	2024	2023
Current	**$106,439**	$151,947	$70,111
Deferred	**46,727**	369,812	2,202,094
	$153,166	$521,759	$2,272,205

The components of the Company's deferred tax assets are as follows:

	2025	2024
MCIT	**$328,497**	$238,770
Net retirement benefits obligation	**86,094**	71,791
Allowance for impairment losses on:		
Trade and other receivables	**62,457**	207,710
Property, plant and equipment	**25,352**	25,352
Inventory write-down	**54,638**	73,998
Others	**41,449**	31,992
	$598,487	$649,613

Details of unrecognized deferred tax assets are as follows:

	2025	2024
Allowance for impairment losses on trade and other receivables and other noncurrent assets	**$1,565,054**	$1,558,177
NOLCO	**1,061,060**	1,858,471
	$2,626,114	$3,416,648

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 Company's NOLCO, which can be claimed as deduction from taxable income, are as follows:

Year Incurred	Amount	Incurred	Expired	Balance	Expiry Year
2025	$–	$2,641,689	$–	$2,641,689	2028
2023	46,365	–	–	46,365	2026
2022	1,652,116	–	(1,652,116)	–	2025
2021	1,556,187	–	–	1,556,187	2026
2020	4,179,218	–	(4,179,218)	–	2025
	$7,433,886	$2,641,689	($5,831,334)	$4,244,241	

Under the Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

The details of the Company's MCIT, which can be claimed as deduction from income tax payable, are as follows:

Year Incurred	Amount	Incurred	Expired	Balance	Expiry Year
2025	$–	$106,439	$–	$106,439	2028
2024	151,947	–	–	151,947	2027
2023	70,111	–	–	70,111	2026
2022	16,712	–	(16,712)	–	2025
	$238,770	$106,439	($16,712)	$328,497	

The reconciliation of provision for (benefit from) income tax computed at the statutory income tax rate and at effective income tax rate follows:

	2025	2024	2023
Provision for (benefit from) income tax computed at statutory tax rate	**($373,116)**	$15,852	($92,531)
Change in unrecognized deferred tax assets	**(790,534)**	290,390	(1,161,434)
Tax effects of:			
Expired NOLCO	**1,457,834**	–	–
Expired MCIT	**16,712**	27,439	21,474
Nondeductible expenses	**671**	188,116	3,504,867
Others	**(158,401)**	(38)	(171)
Provision for income tax computed at effective tax rate	**$153,166**	$521,759	$2,272,205

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, 2025 and 2024.

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets at Amortized Cost				
Cash in banks	**$878,594**	**$878,594**	$720,528	$720,528
Trade and other receivables	**20,181,257**	**20,181,257**	11,806,206	11,806,206
Due from related parties	**4,598,211**	**4,598,211**	4,066,099	4,066,099
Refundable lease deposits	**1,554,982**	**1,554,982**	1,578,553	1,578,553
	$27,213,044	**$27,213,044**	$18,171,386	$18,171,386
Financial Liabilities at Amortized Cost				
Trade and other payables*	**$9,486,743**	**$9,486,743**	$13,886,636	$13,886,636
Due to a related party – current	**2,976,697**	**2,976,697**	–	–
Loans payable	**36,704,764**	**36,704,764**	20,256,921	20,256,921
Lease liabilities	**389,394**	**389,394**	398,372	398,372
Due to a related party – noncurrent	**1,779,724**	**1,779,724**	1,808,799	1,808,799
Other noncurrent liability	**400,360**	**400,360**	423,241	423,241
	$51,737,682	**$51,737,682**	$36,773,969	$36,773,969

**Excluding statutory payable and customer's deposit*

The following methods and assumptions are used to estimate the fair value of the Company's financial assets and liabilities:

Cash in Banks, Trade and Other Receivables, Trade and Other Payables (excluding Statutory Payable and Customers' Deposits), Loans Payable and Due to a Related Party – current. The carrying amounts of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments.

Refundable deposits, Lease Liabilities, Due to a Related Party – noncurrent and Other Noncurrent Liability. 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). The effect of the discounting in determining the fair value is not material.

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 2025 and 2024.

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, other liability and due to a Related Party. The main purpose of these financial instruments is to finance the Company's operations.

The Company is exposed to credit risk, market 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 summarized below.

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:

	2025	2024
Cash in banks	**$878,594**	$720,528
Trade and other receivables	**20,431,083**	12,637,044
Due from related parties	**10,858,426**	10,298,806
Receivable from WCFI	**2,183,281**	2,183,281
Refundable lease deposits	**1,554,982**	1,578,553
	$35,906,366	$27,418,212

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.

As at December 31, 2025 and 2024, 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 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.

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, 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. Furthermore, the Group's assessment that past due accounts remain unimpaired is corroborated by reasonable and supportable information, such as post-reporting date settlements that substantiate the assessed credit quality of these outstanding balances.

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, 2025 and 2024, the aging analysis of the Company’s financial assets is as follows:

	2025					
		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	**$878,594**	**$–**	**$–**	**$–**	**$–**	**$878,594**
Trade and other receivables	**9,496,948**	**5,030,576**	**3,464,806**	**2,188,927**	**249,826**	**20,431,083**
Due from related parties	**4,598,211**	**–**	**–**	**–**	**6,260,215**	**10,858,426**
Receivable from WCFI	**–**	**–**	**–**	**–**	**2,183,281**	**2,183,281**
Refundable lease deposits	**1,554,982**	**–**	**–**	**–**	**–**	**1,554,982**
	$16,528,735	**$5,030,576**	**$3,464,806**	**$2,188,927**	**$8,693,322**	**$35,906,366**

	2024					
		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	$720,528	$–	$–	$–	$–	$720,528
Trade and other receivables	3,538,621	2,876,013	2,267,926	3,123,646	830,838	12,637,044
Due from related parties	4,066,099	–	–	–	6,232,707	10,298,806
Receivable from WCFI	–	–	–	–	2,183,281	2,183,281
Refundable lease deposits	1,578,553	–	–	–	–	1,578,553
	$9,903,801	$2,876,013	$2,267,926	$3,123,646	$9,246,826	$27,418,212

Accounts classified as ‘Neither past due nor impaired’ are receivables that remain within the Group's standard credit terms of 60 days. The aging intervals presented (e.g., 1 - 30 Days Past Due) represent the number of days outstanding beyond the granted credit period.

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).

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:

	2025		2024	
	U.S. Dollar Equivalent	**Philippine Peso**	U.S. Dollar Equivalent	Philippine Peso
Cash	**$147,614**	**₱8,678,227**	$204,738	₱11,843,070
Trade and other receivables	**851,353**	**50,051,043**	472,693	27,342,927
Due from related parties	**4,598,211**	**270,328,825**	4,038,591	233,612,296
Refundable lease deposits	**1,478,024**	**86,893,031**	1,501,595	86,859,737
Trade and other payables*	**1,702,949**	**100,116,372**	1,367,701	79,114,664
Deferred payment liability	**416,438**	**24,482,390**	438,683	25,375,618
Lease liabilities	**389,394**	**22,892,473**	398,372	23,043,828
Due to a related party	**4,756,421**	**279,629,991**	1,809,799	104,630,000

** Excluding customers’ deposits, statutory payable and current portion of other liability*

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 5.61% change in 2025 and 2024, in foreign currency rates.

Foreign Currency Sensitivity Analysis. The sensitivity analysis includes all of the Company's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase loss before income tax 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 loss before income tax.

The following table demonstrates the sensitivity to a 5.61% and 3.38% change in USD exchange rates, with all other variables held constant, in 2025 and 2024 respectively:

	Effect on Loss Before Income Tax	
	2025	2024
Cash	**($7,841)**	($16,905)
Trade and other receivables	**(45,224)**	(38,688)
Due from related parties	**(244,257)**	(333,462)
Refundable lease deposits	**(78,513)**	(123,985)
Trade and other payables*	**90,461**	112,929
Lease liabilities	**22,121**	36,222
Other liability	**20,685**	32,893
Due to a related party	**252,661**	149,350

**Excluding customers' deposit, statutory payable and current portion of other liability*

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, 2025 and 2024.

Management believes that any variation in the interest will not have a material impact on the net loss of the Company. Bank loans amounting to $36.7 million and $20.2 million as at December 31, 2025 and 2024, respectively, agreed at interest rates ranging from approximately 5.90% to 6.55% and 3.00% to 9.59% per annum for bank loans as at December 31, 2025 and 2024, respectively, and 5.00% per annum for long-term loans; expose the Company to fair value interest rate risk.

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, 2025			
	Contractual Cash Flows			
	Weighted Average Effective Interest Rate	Less than One Year	One to Five Years	Total
Trade and other payables*	–	$9,502,821	$–	$9,502,821
Loans payable	5.90% - 6.55%	36,704,764	–	36,704,764
Lease liabilities	5.91% - 9.54%	175,361	214,033	389,394
Due to a related party	5.00%	2,976,697	1,779,724	4,756,421
Other liability	5.70%	16,078	400,360	416,438
Future interest	3.00% - 9.59%	284,947	370,859	655,806
		$49,660,668	$2,764,976	$52,425,644

**Excluding statutory payable and customer's deposits*

	December 31, 2024			
	Contractual Cash Flows			
	Weighted Average Effective Interest Rate	Less than One Year	One to Five Years	Total
Trade and other payables*	–	$13,902,078	$–	$13,902,078
Loans payable	3.00% - 9.59%	20,256,921	–	20,256,921
Lease liabilities	5.91% - 9.54%	131,794	266,578	398,372
Other liability	5.70%	15,442	423,241	438,683
Due to a related party	4.57 %	–	1,808,799	1,808,799
Future interest	3.00% - 9.59%	152,941	376,195	529,136
		$34,459,176	$2,874,813	$37,333,989

**Excluding statutory payable and customer's deposits*

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				
	2024	Availments	Payments	Recognition	Interest Expense	Foreign Exchange Gain	Offsetting	2025
Loans payable	$20,256,921	$34,148,295	($17,700,452)	$–	$–	$–	$–	$36,704,764
Due to a related party	1,808,799	2,938,282	–	–	–	9,340	–	4,756,421
Lease liabilities	398,372	–	(39,136)	159,455	30,689	(6,150)	(153,836)	389,394
Other liability	438,683	–	(39,411)	–	24,094	(6,928)	–	416,438
Interest payable	66,601	–	(2,238,451)	–	2,290,179	–	–	118,329
	$22,969,376	$37,086,577	($20,017,450)	$159,455	$2,344,962	($3,738)	($153,836)	$42,385,346

		Financing Cash Flows		Non-cash Changes				
	2023	Availments	Payments	Recognition	Interest Expense	Foreign Exchange Loss	Offsetting	2024
Loans payable	$22,927,993	$42,902,324	($45,573,396)	$–	$–	$–	$–	$20,256,921
Due to a related party	1,889,650	–	–	–	–	(80,851)	–	1,808,799
Lease liabilities	554,682	–	(37,707)	–	31,272	(20,931)	(128,944)	398,372
Other liability	473,537	–	(40,572)	–	25,671	(19,953)	–	438,683
Interest payable	78,962	–	(1,649,372)	–	1,637,011	–	–	66,601
	$25,924,824	$42,902,324	($47,301,047)	$–	$1,693,954	($121,735)	($128,944)	$22,969,376

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
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, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023, and have issued our report thereon dated April 13, 2026. 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, 2025 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.

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Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
SEC Accreditation No. 87322-SEC Group A
Issued April 20, 2022;
Valid for Financial Periods 2021 to 2025
BIR Accreditation No. 19-005765-001-2025;
Valid until November 14, 2028
PTR No. 10764012;
Issued January 2, 2026, Makati City

April 13, 2026
Makati City, Metro Manila

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
(A Subsidiary of STRONGOAK Inc.)
Suite 3104A, West Tower Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, Pasig City

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF THE COMPANY'S RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2025

	Amount
Retained earnings, beginning of reporting period available for dividend declaration	**($12,704,613)**
Add/less: Net income (loss) for the current year	**(1,645,629)**
Add/less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset	**46,727**
Total deficit, end of the reporting period	**($14,303,515)**