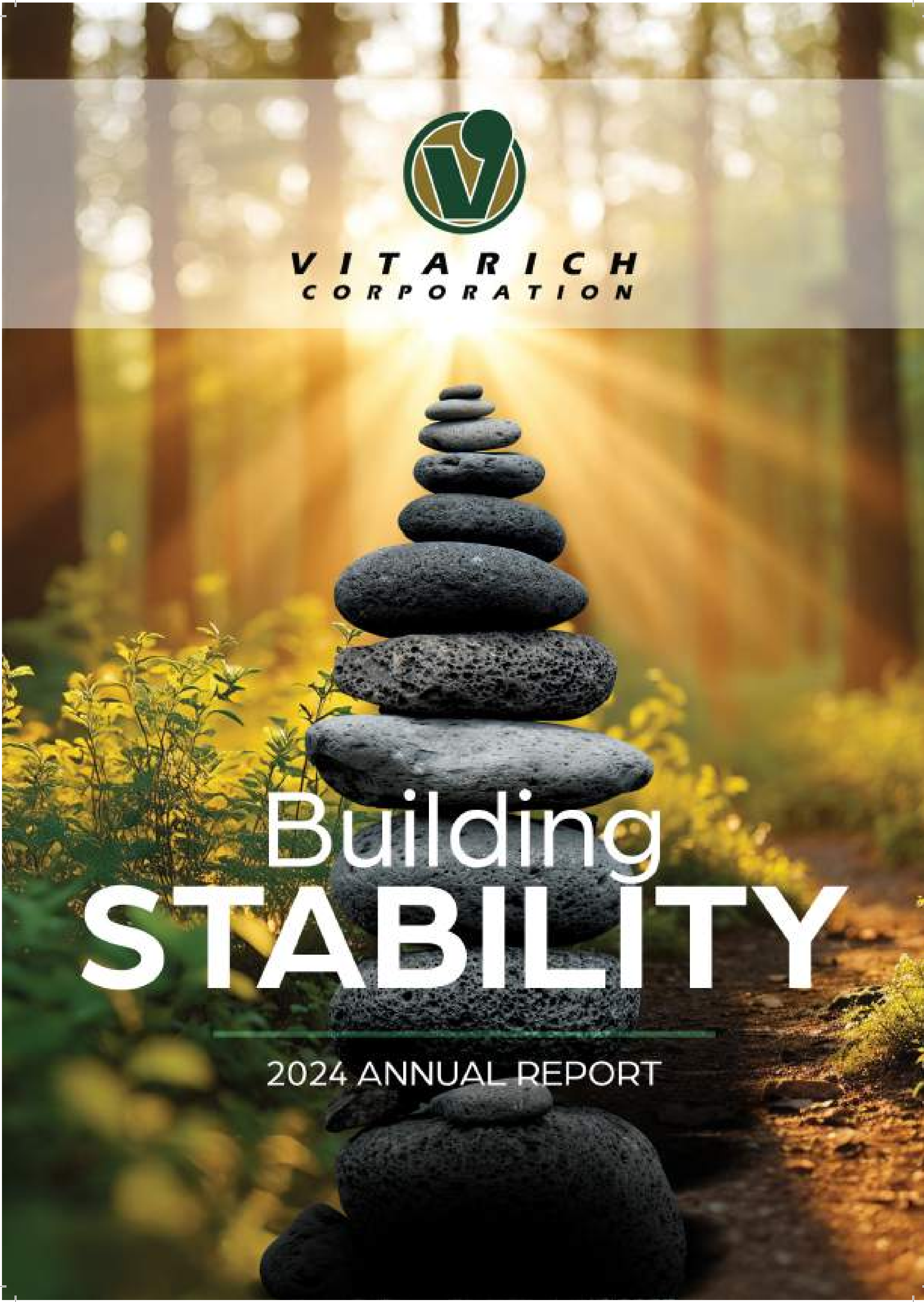
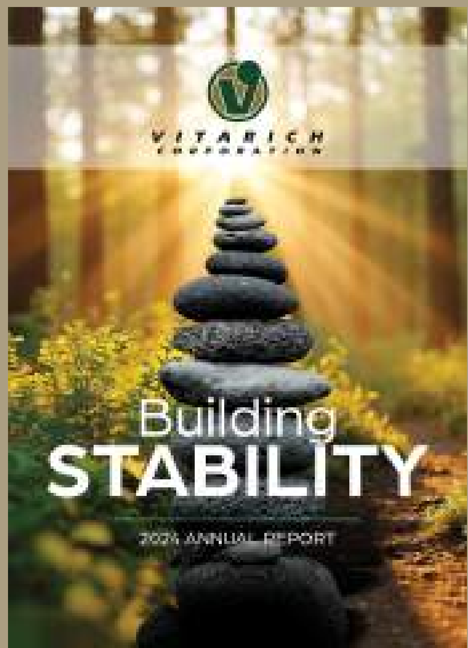


VITARICH
CORPORATION

Building STABILITY

2024 ANNUAL REPORT



ABOUT OUR COVER

The stone tower reflects the discipline behind building stability. Each layer, each block stacked atop another, embodies balance and faith in stability and strength, and represents a deliberate move: tightening operations, managing costs, securing supply chains, and executing with consistency. In 2024, Vitarich delivered record results by reinforcing its foundation. We strengthened systems through deeper local sourcing, expanded renewable energy use, and full regulatory compliance. Investments in workforce capability and governance supported stable performance across all business units. The image captures not just stability, but the structure that enables it, deliberate, aligned, and built to endure.

ABOUT THIS REPORT

This Annual Report presents Vitarich Corporation's performance for the year ended December 31, 2024. It details how the Company advanced long-term priorities by reinforcing core stability, steady revenue growth, margin discipline, risk controls, and organizational development.

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ABOUT US

Vitarich Corporation is a leading poultry integrator and manufacturer of animal feeds and food products in the Philippines. We operate across three segments -- feeds, foods, and farms -- certified to international standards for sanitation, food safety, and quality. Since our founding, we have remained focused on a single purpose: forging livelihood and nourishing lives.

BRAND PURPOSE	FORGING LIVELIHOOD. NOURISHING LIVES
VISION	Vitarich will continue being the pioneer, agribusiness partner, and innovator in the food and feeds industry and will be the backbone of every Filipino farmer's success by providing the best solutions through its product and services.

MISSION	Continuously adapt new business development programs and technological advancements to enhance product and service quality	Empower employees, trade partners, and customers through knowledge sharing and innovations in agribusiness	Provide comprehensive solutions to raise the standards of the country's agribusiness industry through products and services	Build partnerships with business partners and customers to achieve long term profitability and sustainability and increase shareholder value

INPUTS	BUSINESS ACTIVITIES / PROCESSES	OUTPUTS	OUTCOMES
Financial Capital	Manufacturing and distribution of various animal feeds	Several lines of hogs and poultry feeds for different customers	Sustainable business and partnerships with growers, broilers, and hog raisers, as well as farmers and suppliers, and other stakeholders where employees are engaged, product integrity is prioritized, productivity is improved, and negative impacts of our operations to the environment and social risks are reduced.
Manufactured Capital	Integration of broiler chicken from contract growing	Dressed chicken and value-added products under the flagship brand "Cook's"	Continued contribution to the country's economic development through jobs, incomes, and improved competencies, as well as taxes paid to the government
Intellectual Capital	Production and distribution of dressed chicken and value-added products	Novogen Day-Old Pullets for partner layer farms	
Human Capital	Production and distribution of animal health products	Sustainable relationships with institutional customers, distributors, key retail stores, and SMEs	
Natural Capital		Presence in social commerce	
Social Capital	Relations with its different stakeholders	Animal health products for partner growers, broilers, hog raisers, and general customers	

CORE VALUES	LEADERSHIP with INTEGRITY | EXCELLENCE | CARE FOR OTHERS

OUR BUSINESSES AT A GLANCE

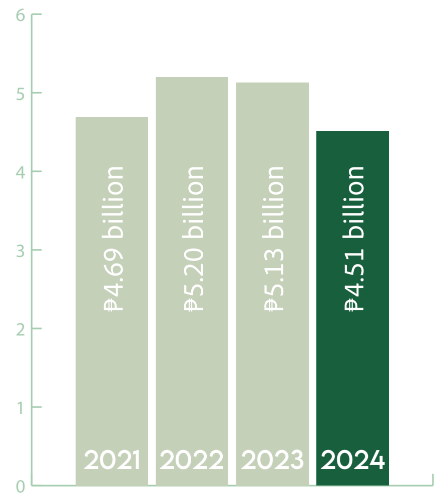
2024 Performance Snapshot

Now in its 74th year, Vitarich Corporation operates across three core segments -- Feeds, Foods, and Farms -- anchored by an integrated farm-to-market model. In 2024, the Company strengthened its foundation through operational discipline, cost control driven by sustainability measures, and targeted innovation, enabling it to navigate a volatile economic and biological environment with greater precision.

FEEDS	FOODS	FARMS
Animal feeds, health and nutritional products sold to distributors, dealers, and end users.	Dressed broiler chickens sold to hotels, restaurants, institutions, supermarkets, and wet markets.	Day-old chicks sold to commercial users or supplied to contract growers.
REVENUE		
₱4.507 billion	₱7.438 billion	₱594.2 million
REVENUE CONTRIBUTION		
35.9%	59.3%	4.7%

FEEDS

In Feeds, revenues reached ₱4.507 billion, down 12.1% from the previous year, driven by lower volumes and prices, particularly in Luzon and Mindanao. Total layer feed volumes grew 25.8%, but demand for hog feeds declined due to the continued impact of African Swine Fever. Broiler feed sales also declined, affected by weak farm gate chicken prices in the first four months of the year amid market oversupply. Feeds contributed 35.9% to total revenues, down from 41.0% in 2023.



+25.8% GROWTH IN LAYER FEED VOLUMES

Helped offset reduced demand for hog and broiler feeds due to ASF and market oversupply.

10% DECLINE IN AVERAGE RAW MATERIAL COSTS

Improved cost efficiency and supported margin expansion.

SHIFT IN RENEWABLE MATERIAL USE

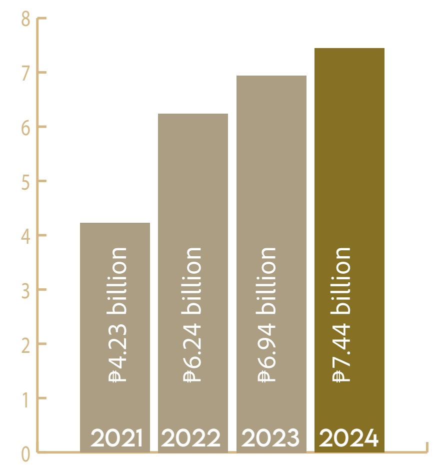
↑ Visayas: +18% production, +7.4M kg of materials
↓ Luzon & Mindanao: Lower usage tied to reduced output.

ADOPTION OF REUSABLE WOVEN SACKS

Lowered single-use plastic waste across packaging operations.

FOODS

In Foods, revenues reached an all-time high of ₱7.438 billion in 2024, up 7.1% from the previous year. Growth was driven by improvements in volume by 4.3% and pricing by 2.3%. Visayas delivered strong double-digit volume gains, while Luzon remained the largest market, contributing to revenue growth through both higher prices and volume trends. Foods accounted for 59.3% of total revenues, up from 55.6% in 2023.



₱7.438 BILLION IN REVENUE

Segment record, up 7.1% year-on-year.

59.3% OF TOTAL REVENUES

Highest contribution to consolidated sales to date.

+38% EBIT GROWTH

Driven by improved yields and value-added product mix.

COOK'S™ PRODUCT LINE EXPANDED

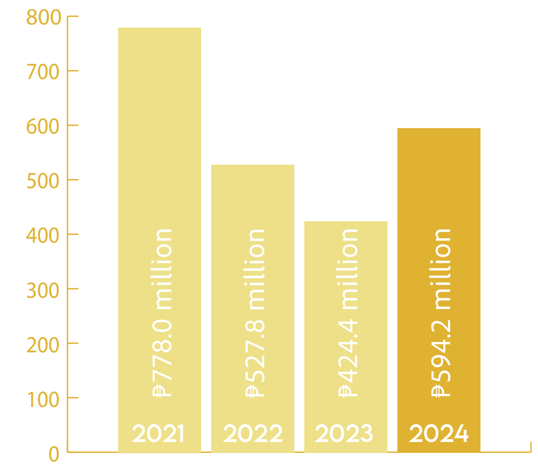
Enhanced margins, strengthened brand equity, and increased product depth.

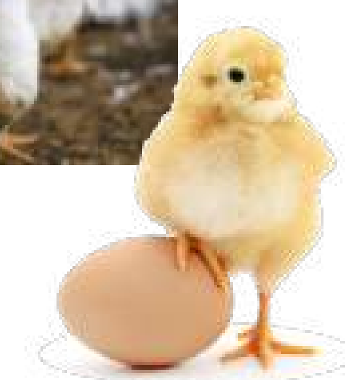
DOUBLE-DIGIT VOLUME GROWTH IN VISAYAS

Marked strong regional demand and operational momentum.

FARMS

In Farms, revenues reached ₱594.2 million, up 40.0% year-on-year. The increase was driven mainly by a higher net gain on the fair value of biological assets, including day-old chicks, following improved selling prices toward the end of the period. Farms contributed 4.7% to total revenues, up from 3.4% in 2023.





₱594.2 MILLION IN REVENUE

Up 40% YoY, reflecting asset revaluation and better pricing.

4.7% SHARE OF TOTAL REVENUES

Highest contribution to consolidated sales to date.

₱91.8 MILLION BIOLOGICAL ASSET GAIN

Key driver of revenue increase (fair value adjustment).

STRATEGIC TIE-UP WITH NOVOGEN

Enhances genetics for layer operations and future synergies.

LETTER TO THE SHAREHOLDERS

Dear Fellow Shareholders

As we approach our 75th year in 2025, Vitarich Corporation is proud to reflect on a remarkable 2024.

Our farm-to-market model has proven effective, with our three core segments - feeds, foods, and farms - contributing 35.9%, 59.3%, and 4.7% to operations, respectively. Consolidated revenues reached P12.54 billion, a slight increase from P12.50 billion in 2023.

Net income surged to P216.6 million from P13.3 million last year, demonstrating our gradual build towards stability.

Key highlights include a 1.7% rise in gross margin to 12% and a 66% increase in gross profit reaching P1.50 billion, sustained by lower raw material prices. Our cash and cash equivalents stood at P590.1 million, while operating cash flow improved to P474.6 million. Total equity grew to P2.25 billion.

> "2024 was a banner year, marked by our highest profit and strong momentum in innovation."

Revenues earned from feeds, foods and farms were P4.51 billion, P7.44 billion, and P594.2 million, respectively.

In feeds, our partnership with Novogen, a French company specializing in layer genetics, will enhance egg production efficiency for local farmers. In foods, we expanded our value-added product offerings in neighborhood outlets and e-commerce, as well as increased our presence in the hotel and restaurant institution segments.

We continued our commitment to global sustainability in the areas of food security, economic growth, consumption, and climate and environmental initiatives. Our risk assessments focused on animal health, weather shifts, energy efficiency, and raw material supplies, thus ensuring operational stability. The experience of the past year has proved no doubt that we are committed to remain frontrunner in agriculture and food production that have had impact in securing livelihoods, employment, and food affordability.

Strategic investments have been made to keep us prepared and equipped at all times, while keeping our sights on innovations and pioneering moves. To sustain our operations, we had implemented coaching and support leadership programs at all levels for our over 500-strong workforce, suitable to their

Financial Highlights

(₱ in millions, except per share amounts and percentages)

METRIC	2022	2023	2024
Consolidated Revenues	11,968	12,496	12,539
Net Income	₱89.6	13.3	216.6
Gross Margin	8.9%	7.2%	12.0%
Gross Profit	1,069	905	1,504
Operating Profit	185.4	10.7	397.8
EPS	0.029	0.004	0.071
Cash and Cash Equivalents	369.4	398.3	590.1
Total Equity	1,873	1,901	2,245
Operating Cash Flow	(69.6)	371.8	474.6
Capital Expenditures	257.2	113.4	88.9
Segment Revenue Mix	Feeds 43.4% Foods 52.1% Farms 4.4%	Feeds 41.0% Foods 55.6% Farms 3.4%	Feeds 35.9% Foods 59.3% Farms 4.7%
Certifications	ISO 22000:2018 (Iloilo, Davao), HACCP (partial)	ISO 22000:2018, HACCP (expanded)	ISO 22000:2018, HACCP (100% dressing plants)

respective areas of operations and contributing to a healthy labor and management relations. All these are aligned on one paramount objective that customer relations remain a priority, anchored on our purpose of lifetime profitable partnership and core values.

Not slow to change but of quick spirit and fully aware that our partners have animals to feed and raise, and people to nourish with food on their table, our commitment to build its stability through well-planned measures is more pronounced now, more than ever. Ready to invent, invest, and discourse to reach our goals, we remain focused on operational efficiency, innovation, professional growth, and development, all driven by our vision to be the backbone of every Filipino farmer's success.

We continue to enhance our competitiveness and profitability through a balanced portfolio, improved cost efficiency, and more optimized supply chain.

As we look forward to our diamond anniversary, we thank our business partners and employees for their unwavering support, and you, our shareholders, for your encouragement and guidance.

We value your trust and partnership.

Jose Vicente C. Bengzon III
Chairman of the Board

Ricardo Manuel M. Sarmiento
President and Chief Executive Officer

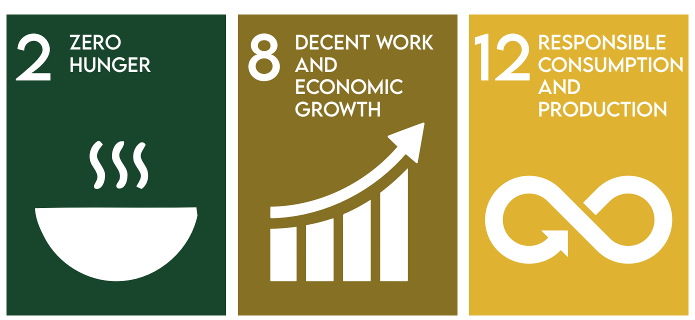
BUILDING STABILITY THROUGH SHARED VALUE

At Vitarich, stability means consistent performance, not in the absence of disruption, but despite it. In 2024, we continued aligning operations with global sustainability goals, recognizing that long-term performance depends on creating value across our ecosystem, from customers and employees to suppliers and communities.

Our sustainability efforts are anchored on three United Nations Sustainable Development Goals (SDGs), which shape both strategic decisions and resource allocation:

- **SDG 2: Zero Hunger**
  Strengthening food security and nutrition through high-quality feeds, responsible farming, and protein production.
- **SDG 8: Decent Work and Economic Growth**
  Safeguarding the welfare and stability of our workforce, partners, and suppliers by managing our business in accordance with ethical business standards.
- **SDG 12: Responsible Consumption and Production**
  Achieving 95% local sourcing, reducing plastic waste, and upholding rigorous food safety certifications.

These outcomes reflect a commitment to embed sustainability into day-to-day decisions, and to build the systems, capabilities, and relationships that support long-term stability.



Materiality Assessment

Each year, we conduct a structured materiality assessment to identify the Environmental, Social, and Governance (ESG) topics most critical to our stakeholders and long-term operations. This process is guided by the Global Reporting Initiative (GRI 102-46), the Securities and Exchange Commission (SEC), and Vitarich's internal ESG protocols.

For the 2024 cycle, we gathered input from cross-functional teams and reviewed regulatory submissions—including those to BIR, DOLE, and DENR-EMB. We analyzed quantitative indicators alongside stakeholder feedback. Ten topics emerged as most material to Vitarich's sustained performance:

1. Direct Economic Value Generated and Distributed
2. Climate-Related Risks and Opportunities
3. Proportion of Spending on Local Suppliers
4. Resource Management (excluding Ecosystems and Biodiversity)
5. Environmental Impact Management
6. Environmental Compliance
7. Employee Management
8. Occupational Health and Safety
9. Community Relationships (excluding Indigenous Peoples)
10. Customer Management (excluding Data Privacy)

This assessment connects ESG priorities to business risks and opportunities, ensuring that sustainability is embedded with purpose, accountability, and operational relevance.

BUILDING STABILITY THROUGH ESG

At Vitarich, we view stability as something built from within. In 2024, our approach to environmental, social, and governance (ESG) shaped how we managed risk, strengthened supply chains, protected our workforce, and earned stakeholder trust. ESG was not a separate track, instead it was embedded in how we operated through uncertainty and delivered consistent results.

SOCIAL

Investing in the Workforce and Communities That Sustain Us

Economic Value Delivered

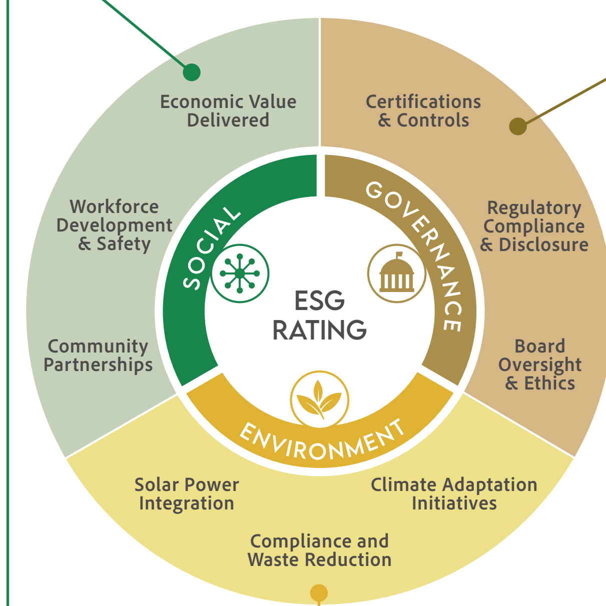
- ₱12.571 billion total distributed value
- ₱10.999B paid to 200+ Philippine suppliers
- ₱371.4M in employee compensation, ₱296.6M in taxes paid

Workforce Development & Safety

- 7,778.5 training hours logged, focused on leadership and compliance
- Zero lost-time injuries in Luzon and Visayas
- Disprz LMS deployed company-wide for learning continuity

Community Partnerships

- 7 CSR initiatives implemented across Bulacan and Iloilo
- 500+ employee volunteer hours
- 3 Green Sanctuary gardens launched as part of site-level biodiversity plans



GOVERNANCE

Control Systems That Withstand Volatility

Certifications & Controls

- Retained ISO 22000:2018 for Iloilo and Davao Feed Mills
- Achieved 100% HACCP certification across dressing plants (Tugbok certified in Oct 2024)
- Began phased implementation of ISO 9001:2015 to institutionalize quality governance

Regulatory Compliance & Disclosure

- 58 timely SEC/PSE EDGE filings completed
- 100% compliance with financial and material disclosure requirements
- Regular governance cycle: monthly performance reviews + bi-monthly audits

Board Oversight & Ethics

- Governance anchored on defined audit cycle, enterprise risk management, and strengthened whistleblowing protocols
- No cases of corruption or material breach recorded

ENVIRONMENT

Reducing Risk Through Efficiency

Solar Power Integration

- Commissioned a 38 kWp solar system at Iloilo Feed Mill
- Over ₱500,000 in projected annual savings
- 9.3 metric tons of CO_2 offset annually

Compliance and Waste Reduction

- 100% compliance with DENR air and water permits (Iloilo and Davao)
- Transitioned to DENR-accredited waste diverter under EPR Act
- ₱285,120 invested in plastic waste program and partner network launch

Climate Adaptation Initiatives

- Launched *"Sagip Kalikasan"* in Bulacan: 600 meters of riverbank restoration, 350 bamboo clumps planted
- Targeted 50% runoff reduction in priority flood zones

We sourced 95% of raw materials locally, expanded solar energy use, and upheld strict safety and quality standards. Environmental actions helped reduce cost volatility and regulatory exposure. Social investments reinforced workforce capability and supplier reliability. Governance maintained transparency, control, and long-term alignment.

ESG remains integral to how we build stability, through disciplined execution, system-wide alignment, and a focus on long-term performance.

ECONOMIC

BUILDING STABILITY THROUGH OPERATIONAL AND FINANCIAL DISCIPLINE

₱12.6 Billion
Total Economic Value Generated
Highest on record, driven by stable topline performance amid market pressures.

₱11.0 Billion
Operating Costs
Disciplined spending maintained operations and supported margin recovery.

₱371.4 Million
Employee Wages and Benefits
Invested in workforce capability and continuity.

₱11 Billion+
Local Supplier Payments
Reflects 95% sourcing from Philippine-based partners.

₱88.9 Million
Capital Expenditures
Allocated to production and logistics upgrades for scale and efficiency.

In 2024, Vitarich focused on margin recovery, cost control, and operational alignment over top-line expansion. Strategic choices across sourcing, production, and capital allocation strengthened profitability and reinforced the Company's financial position. This section outlines how stability was achieved through disciplined execution and measurable economic outcomes.

Our Impact

At Vitarich, economic performance is both a business mandate and a driver of national development. As a core player in agriculture and food production, our operations directly impact rural livelihoods, food access, and inclusive growth. Every peso generated and distributed, whether through procurement, employment, or the delivery of safe, affordable food, contributes to broader stability in the communities we serve.

By strengthening local supply chains and supporting a more secure food system, we create sustained value for shareholders while advancing national food security and economic independence.

Direct Economic Value Generated and Distributed

DISCLOSURE (IN PHP)	2022	2023	2024
Direct economic value generated	11,978,605,046	12,509,448,015	12,571,724,786
Direct economic value distributed			
a. Operating costs	10,853,828,605	11,555,586,962	10,998,780,719
b. Employee wages and benefits	324,516,851	352,734,377	371,408,811
c. Payments to suppliers, other operating costs	576,235,796	544,145,841	701,467,146
d. Dividends given to stockholders and interest payments to loan providers	40,001,976	75,823,288	78,590,474*
e. Taxes to government	244,056,997	242,259,018	296,598,293
f. Investments to community (e.g. donations, CSR)	-	-	396,606

*Interest payments only

Our Management Approach

Vitarich's financial and operational strategy is led by the Board and executed through structured coordination across business units. Monthly performance reviews, internal audits, and cascading KPIs support timely planning and clear accountability. Capital allocation, pricing, and procurement decisions are guided by risk-adjusted analysis to align with long-term growth and stability goals.

Key Projects and Initiatives

- **Facility and Logistics Upgrades**
  ₱88.9 million in capital investments funded improvements to production and logistics systems, enhancing efficiency and responsiveness.
- **Smarter Feed Formulations**
  Feed strategies were refined using nutritional research to manage input costs without compromising quality or farmer trust.
- **Cook's Portfolio Expansion**
  New SKUs in ready-to-cook frozen formats extended Cook's market presence and reinforced Foods as a growth driver.
- **E-Commerce Expansion**
  Launched official stores on Lazada, Shopee, TikTok Shop, GrabMart, and others, offering exclusive deals, improved UX, and broader reach across digital platforms.
- **Cold-Chain Strengthening**
  Extended shelf life and expanded distribution in Visayas and Mindanao ensured consistent product quality and reach.

Climate-Related Risks and Business Continuity

Climate-related risks remained a critical factor in Vitarich's operational landscape. As a feed and poultry producer, our exposure to physical threats such as drought, typhoons, flooding, and shifting weather patterns directly affects crop production, feedstock availability, and animal health. These risks have both immediate operational impacts and long-term implications for supply chain continuity.

Key disruptions identified by our risk team include:

- Increased input costs from raw material shortages or agricultural disruption
- Lower feed demand due to climate-stressed animal growth, particularly in poultry
- Supply chain gaps caused by changes in breeding cycles and scarcity of day-old chicks
- Higher import exposure if domestic corn production falls below 50% of national supply
- General instability in poultry growing environments due to weather extremes

To respond, department heads across procurement, production, and operations conducted cross-functional risk mapping and analysis. This included reviewing historical events, identifying root causes, and updating forecasts for corn supply and climate-linked disruptions.

Three areas guided mitigation planning:

1. Process Alignment – Internal teams analyzed climate-sensitive processes to assess their vulnerability and adjust performance targets accordingly.
2. Experience-Based Benchmarking – Previous disruptions were reviewed alongside benchmarks from peer companies to inform risk response.
3. Data-Driven Adjustments – Findings were integrated into feed formulation, sourcing decisions, and facility infrastructure plans.

These discussions are elevated to the management committee through bi-monthly reviews, with clear accountability for implementing preemptive or corrective measures. Climate risks are not isolated events—they shape how we plan, allocate, and operate every day.

Procurement and Local Economic Contribution

In 2024,Vitarich sourced 95% of its raw materials from within the Philippines, up from 92% in the previous year. This shift translated to over ₱11 billion paid to local suppliers, reinforcing both cost control and national supply chain resilience. As disclosed in our SEC 17-A filing, 96.27% of the procurement budget supported local suppliers, particularly MSMEs and farmers. This procurement model reduces exposure to currency volatility, shortens lead times, and stabilizes input pricing, especially for key commodities like corn and soybean meal.

More importantly, localized sourcing is a deliberate risk management strategy. It limits our dependence on global commodity imports, where price and availability are increasingly unpredictable due to climate disruption, trade shifts, and geopolitical tensions. By strengthening regional feed dealer networks and supplier partnerships, we reduce single-point dependencies while expanding access to raw materials even in high-risk environments.

Vitarich also deepened engagement in multisector efforts supporting food security while enabling smallholder integration into formal supply chains. These actions reflect our commitment to rural development, not just as a CSR goal, but as an operational priority that safeguards continuity and cost efficiency.

Corporate Integrity and Anti-Corruption Measures

Vitarich upheld a zero-tolerance stance on corruption and unethical conduct in 2024. No incidents of fraud, regulatory breach, or governance failure were recorded. Internal audits were conducted on schedule, aligned with our risk protocols and audit cycle.

The Whistleblowing Policy, amended and approved in late 2023, was fully implemented this year. It provides structured, confidential channels for reporting misconduct and explicitly protects against retaliation. This policy covers all directors, officers, and employees.

Targeted training on supplier ethics, data governance, and anti-corruption principles was delivered through our learning management system. These efforts strengthen our governance culture and protect the integrity of procurement, financial controls, and organizational decision-making.

ENVIRONMENT

BUILDING STABILITY THROUGH RESPONSIBLE RESOURCE MANAGEMENT

100% HACCP Certification Across Dressing Plants
Achieved full food safety certification in 2024, including Tugbok (Davao) in October. Strengthens export readiness and operational credibility.

166,309 kWh Solar Energy Generated
Iloilo Feed Mill's renewable energy output reduced emissions by 9.3 metric tons and saved over ₱500,000 in utility costs.

600 Meters of Riverbank Restoration Initiated
Phase 1 of the Sagip Kalikasan project planted 350 bamboo clumps in Bulacan to reduce runoff and enhance local biodiversity.

Zero Non-Conformities in Environmental Audits
Iloilo and Davao sites passed Clean Air and Water Act testing; permits renewed. **Compliance and risk control were reinforced.**

₱285K+ Invested in EPR Compliance
Shifted to a DENR-accredited waste diverter to support plastic waste reduction under the EPR Act of 2022.

In 2024, Vitarich treated environmental responsibility as a core lever for efficiency, cost control, and regulatory compliance. Initiatives in renewable energy, waste reduction, and local sourcing reinforced supply continuity and helped stabilize input costs. Each action served a broader goal: embedding sustainability into day-to-day operations to secure long-term value.

Our Impact

Local Sourcing and Supply Chain Strength

Local sourcing increased to 95%, up from 92% in 2023, supporting over 200 domestic suppliers. Payments to Philippine-based partners reached ₱10.999 billion.

Energy and Emissions

Solar power capacity at the Iloilo Feed Mill reached 38 kWp in 2024, offsetting 9.3 metric tons of CO_2 and saving over ₱500,000. Certified monitoring shows total reductions of 250,764.93 kg CO_2, 134.51 kg NOx, and 2.82 kg SO_2. While lower than 2023 due to a drop in solar coverage -- from 15–20% down to 10% -- these results still provided a meaningful offset to grid dependence. In Davao, perimeter solar lighting saved 51,840 kWh, reinforcing site-level conservation.

Regulatory Compliance

Vitarich maintained full environmental compliance at both Iloilo and Davao sites. Permits were renewed for emissions and wastewater discharge, including the Permit to Operate Air Pollution Sources and Control Installations (POA) in Davao and the Boiler Permit to Operate (PTO) in Iloilo. All emission tests passed EMB-DENR standards. Discharge permits were renewed under the Clean Water Act. Under the EPR Act, the company transitioned to a DENR-accredited waste diverter and invested over ₱285,000 in program implementation, affirming its alignment with national air and water regulations.

Reforestation and Biodiversity

Phase 1 of the Sagip Kalikasan initiative planted 350 bamboo clumps along 600 meters of riverbank in Bulacan, targeting up to 50% runoff reduction. Three Green Sanctuary gardens were also established in Bulacan and Iloilo, contributing to habitat regeneration and community engagement.

Resource Use and Monitoring

Total electricity consumption reached 8.31 million kWh across Luzon, Visayas, and Mindanao. Solar generation in Iloilo totaled 166,309 kWh. Both wastewater discharge and boiler emissions in Iloilo and Davao met DENR limits. In Iloilo, steam line repairs reduced water use by 415 cubic meters, generating ₱49,000 in savings. Across sites, water withdrawal and consumption were monitored through billing records, with no wastewater recycling recorded. Vitarich continues to comply with all DENR reporting requirements.

Our Management Approach

Environmental initiatives are led by the Sustainability Office and executed through performance reviews, site audits, and regular reporting. All programs align with the Clean Air Act, Clean Water Act, and relevant DENR regulations. Sustainability is integrated into operational planning, with targets tracked by cross-functional teams and reported to senior leadership on a monthly basis.

Key Initiatives in 2024

Energy Efficiency

Iloilo continued solar power generation. Fuel use was tracked per site to manage diesel and gasoline efficiency.

Climate Risk Mapping

Risks were identified in Bulacan, Isabela, and Davao. Adjustments included cooling upgrades and climate-adaptive feed formulation.

Waste and Pollution Control

All waste streams were monitored. Davao and Iloilo passed DENR compliance tests.

Water Systems Management

Third-party audits confirmed wastewater standards. Discharge permits were renewed in Iloilo and Davao.

EPR Act Compliance

Vitarich worked with accredited handlers and updated its DENR-EMB registration to strengthen plastic diversion.

ISO and Certifications in 2024

- **ISO 22000:2018** maintained for feed mill operations, ensuring alignment with global food safety systems.
- **HACCP** certification achieved for Davao dressing plant in October 2024.
- **GMP** standards continuously implemented across toll and owned sites.
- **ISO 9001:2015** adoption initiated to strengthen audit systems and quality monitoring.

ISO 22000:2018 Food Safety Management Systems

FOOD SAFETY SYSTEM HACCP 100% GUARANTEE

GOOD MANUFACTURING PRACTICE GMP CERTIFIED

CERTIFIED ISO 9001

SOCIAL

BUILDING STABILITY THROUGH PEOPLE AND PARTNERSHIPS

₱371.4 Million
Allocated to employee wages and benefits in 2024.

7,778.5 Training Hours
Delivered across all levels to build leadership and technical capability.

1.6 Million Safe Man-Hours
Recorded with zero lost-time injuries in Luzon and Visayas.

38% of Leadership Roles
Held by women, reflecting a commitment to inclusive advancement.

500+ Volunteer Hours
Contributed by employees through seven CSR programs.

1,200+ Stakeholders Reached
Provided with sanitation and biosecurity kits through food safety programs.

4,095 Shareholders | ₱0.54 Share Price
VITA closed 2024 with a ₱1.52B market cap, supported by steady investor confidence.

In 2024, Vitarich reinforced day-to-day stability by investing in what matters most: its people, its partners, and the communities it serves. By strengthening our workforce, supplier base, and local engagement, we reduced disruption risk and helped secure long-term productivity across the value chain.

Our Impact

Vitarich Corporation distributed a total direct economic value of ₱12.57 billion. This included ₱371.4 million in employee wages and benefits and ₱296.6 million in taxes paid. Seven CSR programs were implemented, including medical missions, blood drives, food donations, and outreach events. Employees contributed over 500 volunteer hours, reflecting a shared commitment to local communities.

Our Management Approach

Social performance is actively reviewed across HR, compliance, and operations to ensure alignment with national labor standards, customer needs, and the UN Sustainable Development Goals (SDGs). We focus on programs that build skills, deepen partnerships, and support communities, anchored by initiatives like the Lifetime Profitable Partnership (LPP) and localized sourcing networks.

Employees

At the end of 2024, Vitarich employed 695 people (269 women and 426 men) mostly in regular positions. The attrition rate rose to 6.92%, from 0.62% in 2023, reflecting increased mobility and internal restructuring. All employees earned above minimum wage.

Hiring and Benefits

Vitarich remained fully compliant with government-mandated benefits, including SSS, PhilHealth, and Pag-IBIG. Beyond compliance, the company sustained a competitive package of extended support and engagement programs designed to strengthen workforce continuity and morale.

Leave and Medical Support

- Vacation Leave: Availed by 65.16% of female employees and 35.89% of male employees
- Sick Leave: Availed by 53.58% of female and 29.13% of male employees
- Medical Benefits (beyond PhilHealth): Used by 41.24% of women and 24.32% of men
- In-house medical services: Company physician available for checkups at office and plant sites

Additional Compensation and Support

- PPEs, uniforms, rice subsidies, seniority pay
- Transportation and meal allowances
- Hazard pay and mortuary assistance for eligible employees

Employee Engagement and Retention

- Wellness webinars, Zumba classes, sports events, safety seminars, and emergency drills supported a culture of well-being and safety
- Recognition programs acknowledged milestone service and individual contributions
- Proactive attrition management was prioritized to mitigate productivity risks and retain talent, particularly in Bulacan, Iloilo, and Davao

Training and Development

Vitarich delivered 7,778.5 training hours in 2024, down from 12,888.3 in 2023, following a shift from virtual to in-person sessions. The focus moved toward mid- to senior-level leadership development. Female employees received an average of 5.71 hours; male employees, 4.19. Topics included ISO, HACCP, FSMS, soft skills, and interdepartmental collaboration.

These outcomes were supported by internal grievance mechanisms and regular compliance reviews. Consultations with employees were conducted on policy updates, reinforcing transparency and trust. There were no reported cases of forced labor, child labor, or human rights violations throughout the year.

Diversity and Equal Opportunity

Hiring and promotion remained merit-based, with women holding 38% of leadership roles. Compensation was benchmarked and aligned with standards, with no reported discrimination cases.

In line with inclusive hiring practices, Vitarich also employed individuals from vulnerable groups, including persons with disabilities, solo parents, and those from lower-income backgrounds. Diversity and representation data were reviewed against national frameworks and monitored internally to guide continuous improvement.

Leadership Training

In 2024, top management also participated in intensive leadership development programs conducted by the Tom Oliver Group. The program focused on strategy execution, innovation alignment, and cultural transformation—equipping senior leaders to drive long-term value across all business units.

Labor Management Relations

Labor relations at Vitarich in 2024 were anchored on compliance, open communication, and structured grievance protocols. The Company reported zero labor violations or industrial disputes. All government-mandated worker representation requirements were met.

Occupational Health and Safety

Vitarich recorded over 1.6 million safe man-hours across Luzon, Visayas, and Mindanao. There were no lost-time injuries in Luzon and Visayas. Safety efforts were supported by site-level drills covering fire response, earthquake protocols, and vehicular risk management.

Safety Officers were assigned at each location to enforce company policy, implement biosecurity protocols, and deliver routine safety reminders. All plant-based employees received PPEs and participated in mandatory safety training.

In-house doctors and nurses provided health monitoring, supported by a trained emergency response team, first aiders, and fire brigades. Equipment and facilities were regularly inspected under the HIRAC (Hazard Identification, Risk Assessment, and Control) protocol, ensuring a preventive and proactive safety culture across operations.

Customers and Communities

Vitarich conducted food safety and technical training for over 50 client groups and distributed biosecurity kits to more than 1,200 stakeholders. Farmer partnerships in Bulacan, Iloilo, and Davao were strengthened to support product integrity and build customer trust.

Community Health and Safety

All production sites operated under GMP, ISO, and HACCP standards. HACCP certification was completed for the Davao dressing plant in October 2024, achieving full coverage across all dressing facilities. Halal certification was maintained for dressed chicken, and ISO 22000:2018 was upheld at the Iloilo and Davao feed mills.

Vitarich, in partnership with MWSS, sponsored five refrigerated drinking fountains at the University of the Philippines Los Baños. The project supports access to clean drinking water while promoting health and sustainability across academic communities.

Customer Satisfaction and Lifetime Profitable Partnership

Nationwide customer satisfaction for Feeds averaged 4.7/5, with high marks in product performance, sales, and marketing support. Foods posted a baseline score of 3.5/5 following survey expansion. Feedback informed service and logistics improvements.

These efforts were anchored on the LPP model, focused on long-term value, responsive support, and dealer engagement through regular reviews and trade events.

INVESTOR RELATIONS

Transparent Communication That Builds Market Confidence

Investor engagement remained a core pillar of how Vitarich reinforced confidence in its direction, strategy, and performance. All disclosures were filed on time and in full compliance with SEC and PSE regulations, including updates on financials, material risks, governance actions, and sustainability performance.

A total of 58 disclosures were submitted via the PSE EDGE platform, while investor briefings and broadcast appearances ensured continued market visibility. Executives participated in two ANC Market Edge interviews and four investor Q&A sessions, providing clarity on cost drivers, operating strategies, and forward guidance.

The Company also refreshed its investor materials, including annual reports, ESG updates, and shareholder notices—distributed through both online and in-person channels. These actions supported market transparency and reduced information asymmetry across the shareholder base.

As of year-end 2024, Vitarich had 4,095 shareholders. VITA shares closed at ₱0.54 and remained actively traded throughout the year.

GOVERNANCE

BUILDING STABILITY THROUGH OVERSIGHT AND ACCOUNTABILITY

From left to right: ***ICD*** Chairman Atty. Pedro H. Maniego Jr.; Vitarich Corporation Chairman of the Board Jose Vicente C. Bengzon III; ICD Board of Trustees Members Maria Celeste S. Narciso, FICD and Donald Patrick L. Lim, FICD.

In 2024, governance at Vitarich reinforced strategic discipline and operational oversight. The Board and executive team conducted monthly performance reviews and bi-monthly audits to ensure oversight across business units.

To strengthen internal systems, we formalized a Market Disclosure and Communications Manual and established a Disclosure Committee chaired by the President and CEO. The amended Whistleblowing Policy was fully implemented, expanding employee protections and standardizing reporting protocols.

Our governance structure is grounded in published guidelines including the Manual on Corporate Governance, Code of Business Conduct and Ethics, and Board committee charters, all of which are accessible at www.vitarich.com.

In September 2024, we received our first Golden Arrow Award from the Institute of Corporate Directors (ICD), earning a 1-arrow distinction under the ASEAN Corporate Governance Scorecard. The recognition affirms our progress in board accountability, disclosure quality, and alignment with regional governance standards.

The Golden Arrow is a credible benchmark for corporate governance in the Philippines. It is awarded only to publicly listed companies that meet the stringent criteria of the ASEAN Corporate Governance Scorecard—an assessment framework used across Southeast Asia to measure governance practices against international best practices.

We also began phased adoption of ISO 9001:2015 to standardize audit procedures, formalize quality governance, and improve decision-making across teams.

For a full account of Board responsibilities, internal controls, and stakeholder engagement, we encourage review of our Integrated Annual Corporate Governance Report (I-ACGR).

BOARD OF DIRECTORS

JOSE VICENTE C. BENGZON III
Chairman of the Board

RICARDO MANUEL M. SARMIENTO
President
and Chief Executive Officer

STEPHANIE NICOLE M. SARMIENTO-GARCIA
EVP and Chief Sustainability Officer

ROGELIO M. SARMIENTO
Chairman Emeritus

JUAN ARTURO ILUMINADO C. DE CASTRO
Non-Executive Director

BENJAMIN I. SARMIENTO,JR.
Non-Executive Director

VICENTE JULIAN A. SARZA
Independent Director

LORENZO VITO M. SARMIENTO III
Non-Executive Director

PIERRE CARLO C. CURAY
Independent Director

MANAGEMENT COMMITTEE

JOSE VICENTE C. BENGZON III	Chairman of the Board
RICARDO MANUEL M. SARMIENTO	President and Chief Executive Officer
STEPHANIE NICOLE SARMIENTO-GARCIA	EVP and Chief Sustainability Officer
REYNALDO D. ORTEGA	SVP and Chief Operating Officer
DILBERT D. TAN	SVP and Chief Finance Officer
MA. DIANA M. CUNA	SVP and Chief Human Resource Officer
ALICIA G. DANQUE	SVP and Chief Supply Chain Officer
EMMANUEL S. MANALANG	VP and Corporate Technical (Livestock) and R&D Feeds Director
CARMENCITA S. POLICARPIO	VP and Corporate Technical (QA) Feeds and Facilities Compliance Director
ELAINE C. NANTES	VP and Corporate Technical (QA) and R&D Foods Director
CARINA M. FABIAN	VP and Special Projects Director
MARC AURELIUS T. MENDIOLA	AVP and General Manager, Poultry and Livestock Business Division
ALLAN RAYMOND B. CHAVEZ	AVP and General Manager, Food Business Division
LILIBETH R. CARAO	AVP and HR Admin Manager
MARIAN A. DIONISIO	AVP and Controller
CAMILLE ANNE A. SARMIENTO	HR Talent Acquisition and Learning & Development Manager
RUBY P. MACARIO	Executive Assistant and Corporate Communications Officer
ROVIE ANN M. DOMASIG	Corporate Planning Manager
AISON BENEDICT C. VELASCO	Corporate Secretary
MARY CHRISTINE DABU-PEPITO	Assistant Corporate Secretary, Corporate Information Officer, and Compliance Officer

FORGING LIVELIHOOD, NOURISHING LIVES™

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Fax: (+632) 88433033
Website: www.vitarich.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **Vitarich Corporation and Subsidiaries** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the years ended **December 31, 2024.** Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the years ended **December 31, 2024,** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Vitarich Corporation and Subsidiaries,** complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) **Vitarich Corporation and Subsidiaries** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

JOSE VICENTE C. BENGZON III
Chairman

RICARDO MANUEL M. SARMIENTO
President / Chief Executive Officer

STEPHANIE NICOLE S. GARCIA
Executive Vice President & Chief Sustainability Officer (CSO) / Corporate Management Services Director / Treasurer

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
MAR 27 2025
BY: ROSE MARCIANO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

Subscribed and sworn to before me this 26 MAR 2025 at MARILAO, BULACAN, Affiant exhibited to me their respective government-issued ID's as competent proof of their identities and acknowledged that they executed the same freely and voluntarily, to wit:

Name	Valid ID No.	Date of Validity
Jose Vicente C. Bengzon III	PH Passport No. P7361485B	08-06-2031
Ricardo Manuel M. Sarmiento	Drivers License No. N03-94-158946	01-20-2032
Stephanie Nicole S. Garcia	PH Passport No. P8599175B	12-28-2031

Doc. No. 109
Page No. 42
Book No. 7
Series of 2025.

NENITA DC. TUAZON NOTARY PUBLIC MARILAO, BULACAN

ATTY. NENITA DC. TUAZON
NOTARY PUBLIC
PNC-113-MB-2024 UNTIL DEC. 31, 2026
SANDICO ST., POBLACION 1, MARILAO, BULACAN
IBP LIFE NO 591042/BULACAN/5/19/2022
ATTORNEY ROLL NO. 47154
PTR NO. 1175701 1/02/25 TIN NO. 170-907-656-000
MCLE EXEMPTION NO. VII-ACAD003959 UNTIL 04/14/2025
ISSUED ON APRIL 8, 2022

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
MAR 27 2025
BY: ROSE MARCIANO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Vitarich Corporation and a Subsidiary
Marilao - San Jose Road, Sta. Rosa I
Marilao, Bulacan

Opinion

We have audited the accompanying consolidated financial statements of Vitarich Corporation and a Subsidiary (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended 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) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The following key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Fair Valuation of Biological Assets - Livestock

The Group's biological assets - livestock, which are measured at fair value less costs to sell, amounted to ₱323.7 million as at December 31, 2024. The Group recognized gain on the fair value changes of biological assets - livestock amounting to ₱91.8 million in 2024 (see Note 8).

The assessment of the fair valuation of biological asset is significant to our audit because of the complexity of the underlying methodologies and processes in determining the fair value. We focused our audit on the management's determination of the fair value because the process involves significant management judgment and estimates when selecting the appropriate valuation techniques and inputs used.

We obtained an understanding of the methodologies and processes developed by management in measuring the fair value of the biological assets. We reviewed the reasonableness of the inputs and assumptions used to estimate the fair value of the Group's biological assets by testing the key assumptions for the fair value measurement such as most recent selling prices less cost to sell and growing costs, hatchability and mortality rates and estimated volume of production, among others, on a sample basis. We also reviewed the appropriateness of management's disclosures in the notes to consolidated financial statements.

Valuation of Property, Plant and Equipment at Revalued Amounts

As at December 31, 2024, the Group's property, plant and equipment (excluding transportation equipment and construction in-progress) which are accounted for using the revaluation model amounted to ₱2,014.4 million (see Note 11). The fair value measurement is significant to our audit as the property, plant and equipment carried at revalued amounts account for 34.8% of the Group's total assets as at December 31, 2024.

We focused our audit on the management's determination of the revalued amounts of property, plant and equipment because the process involves significant management judgment when selecting the appropriate valuation techniques and inputs used to determine revalued amounts.

We have assessed the independence and competency of the appraiser engaged by the Group. We have also reviewed the reasonableness of the assumptions used to estimate the revalued amounts of its property, plant and equipment on a sample basis by: (1) testing land's value by referring to the value of similar properties in the vicinity, (2) testing reproduction costs against current market prices, and (3) verifying valuation inputs such as published market data, as applicable, to ascertain if these are reasonably appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, 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, 2024 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.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor whose report dated April 1, 2023 expressed an unmodified opinion on those consolidated financial statements.

As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2023, we also audited the adjustments described in Note 4 that were applied to restate the consolidated financial statements as at and for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedure to the Group's consolidated financial statements as at and for the year ended December 31, 2022 other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements as at and for the year ended December 31, 2022 taken as a whole.

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 is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 the 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 audits 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.
FIRM PRINCIPLES. WISE SOLUTIONS.

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 Michelle R. Mendoza-Cruz.

REYES TACANDONG & CO.

MICHELLE R. MENDOZA-CRUZ
Partner
CPA Certificate No. 97380
Tax Identification No. 201-892-183-000
BOA Accreditation No. 4782/P-011; Valid until June 6, 2026
BIR Accreditation No. 08-005144-012-2023
Valid until January 24, 2026
PTR No. 10467135
Issued January 2, 2025, Makati City

March 20, 2025
Makati City, Metro Manila

VITARICH CORPORATION AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(With Comparative Figures as at December 31, 2022)

		December 31		
	Note	2024	2023	2022 (As Restated - Note 4)
ASSETS				
Current Assets				
Cash	5	**₱590,140,410**	₱398,265,061	₱360,416,726
Trade and other receivables	6	**1,081,330,894**	949,957,779	882,943,529
Inventories	7	**843,784,267**	924,634,086	853,367,449
Biological assets - livestock	8	**323,675,626**	123,394,759	116,118,755
Advances to suppliers		**106,585,632**	129,918,753	456,876,004
Other current assets	9	**260,769,743**	223,862,219	156,311,704
Total Current Assets		**3,206,286,572**	2,750,032,659	2,855,034,161
Noncurrent Assets				
Receivable from an insurance company	10	**70,203,810**	70,203,810	70,203,810
Property, plant and equipment:	11			
At revalued amounts		**2,014,441,929**	1,949,466,138	1,642,877,962
At cost		**63,360,824**	45,592,722	126,640,633
Investment properties	12	**312,296,469**	301,346,351	238,475,942
Right-of-use (ROU) assets	24	**96,999,061**	82,437,724	55,529,616
Other noncurrent assets	13	**20,018,643**	22,416,664	32,115,121
Total Noncurrent Assets		**2,577,320,736**	2,472,463,409	2,365,841,284
		₱5,783,607,308	₱5,222,496,068	₱5,220,875,445
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	14	**₱2,278,474,203**	₱2,066,852,550	₱2,001,756,561
Current portions of:				
Loans payable	15	**752,815,730**	848,476,429	985,478,495
Lease liabilities	24	**31,063,007**	22,442,663	15,413,841
Cash bond deposits	16	**66,449,820**	60,503,952	56,259,659
Total Current Liabilities		**3,128,802,760**	2,998,275,394	3,058,853,556
Noncurrent Liabilities				
Loans payable - net of current portion	15	**47,154,760**	49,642,856	49,542,856
Lease liabilities - net of current portion	24	**69,907,294**	61,148,857	36,885,918
Net retirement liability	23	**200,999,042**	190,585,650	147,357,532
Net deferred tax liabilities	25	**91,788,482**	31,501,233	55,355,149
Total Noncurrent Liabilities		**409,849,578**	322,878,596	288,941,505
Total Liabilities		**3,538,652,338**	3,321,153,990	3,347,840,061
Equity				
Capital stock	17	**1,160,646,925**	1,160,646,925	1,160,646,925
Additional paid-in capital		**1,470,859**	1,470,859	1,470,859
Retained earnings		**527,942,570**	303,502,461	274,417,535
Other comprehensive income		**554,894,616**	435,722,433	437,500,065
Total Equity		**2,244,954,970**	1,901,342,078	1,873,035,384
		₱5,783,607,308	₱5,222,496,068	₱5,220,875,445

See accompanying Notes to Consolidated Financial Statements.

VITARICH CORPORATION AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(With Comparative Figures for 2022)

		Years Ended December 31		
	Note	2024	2023	2022 (As Restated - Note 4)
REVENUES	18			
Net sale of goods		₱12,447,519,619	₱11,543,694,175	₱11,957,515,851
Fair value changes on biological assets - livestock	8	91,769,612	(47,779,579)	10,936,438
		12,539,289,231	11,495,914,596	11,968,452,289
COST OF GOODS SOLD	19	(11,035,641,539)	(10,591,440,968)	(10,859,643,424)
GROSS PROFIT		1,503,647,692	904,473,628	1,108,808,865
OPERATING EXPENSES	20	(1,105,829,719)	(893,811,266)	(923,361,808)
OTHER INCOME (CHARGES)				
Interest expense	15	(79,000,617)	(75,873,788)	(40,001,976)
Net gain on fair value changes of investment properties	12	16,893,118	64,113,905	28,167,200
Interest income	5	1,239,715	1,536,781	2,398,459
Others - net	22	(22,566,455)	6,090,857	(32,548,040)
		(83,434,239)	(4,081,565)	(41,984,357)
INCOME BEFORE INCOME TAX		314,383,734	6,580,797	143,462,700
PROVISION FOR (BENEFIT FROM) INCOME TAX	25			
Current		79,849,366	22,130,389	51,302,707
Deferred		17,945,806	(28,854,508)	2,525,379
		97,795,172	(6,724,119)	53,828,086
NET INCOME		216,588,562	13,304,916	89,634,614
OTHER COMPREHENSIVE INCOME				
Not to be reclassified to profit or loss:				
Net revaluation increment on property, plant and equipment - net of deferred income tax	11	125,470,897	25,194,607	97,372,482
Remeasurement gain (loss) on net retirement liability - net of deferred income tax	23	1,553,433	(10,192,829)	31,841,070
		127,024,330	15,001,778	129,213,552
TOTAL COMPREHENSIVE INCOME		₱343,612,892	₱28,306,694	₱218,848,166
BASIC/DILUTED EARNINGS PER SHARE	27	₱0.071	₱0.004	₱0.029

See accompanying Notes to Consolidated Financial Statements.

VITARICH CORPORATION AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(With Comparative Figures for 2022)

		Years Ended December 31		
	Note	2024	2023	2022 (As Restated - Note 4)
CAPITAL STOCK	17	₱1,160,646,925	₱1,160,646,925	₱1,160,646,925
ADDITIONAL PAID-IN CAPITAL		1,470,859	1,470,859	1,470,859
RETAINED EARNINGS				
Balance at beginning of year, as previously reported		303,502,861	275,773,940	135,031,722
Prior period adjustments	4	–	(2,356,405)	36,867,910
Balance at beginning of year, as restated		303,502,861	273,417,535	171,899,632
Net income		216,588,562	13,304,916	89,634,614
Transfer from revaluation surplus to retained earnings - net of deferred income tax	11	7,851,147	16,780,410	11,883,289
Balance at end of year		527,942,570	303,502,861	273,417,535
OTHER COMPREHENSIVE INCOME				
REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - Net of deferred income tax				
Balance at beginning of year, as previously reported		441,958,207	414,078,150	347,834,301
Prior period adjustments	4	–	19,465,860	220,516
Balance at beginning of year, as restated		441,958,207	433,544,010	348,054,817
Net revaluation increment on property, plant and equipment - net of deferred income tax	11	125,470,897	25,194,607	97,372,482
Transfer from revaluation surplus to retained earnings - net of deferred income tax	11	(7,851,147)	(16,780,410)	(11,883,289)
Balance at end of year		559,577,957	441,958,207	433,544,010
CUMULATIVE REMEASUREMENT GAIN (LOSS) ON NET RETIREMENT LIABILITY - Net of deferred income tax	23			
Balance at beginning of year		(6,236,774)	3,956,055	(27,885,015)
Remeasurement gain (loss) - net of deferred income tax		1,553,433	(10,192,829)	31,841,070
Balance at end of year		(4,683,341)	(6,236,774)	3,956,055
		554,894,616	435,721,433	437,500,065
		₱2,244,954,970	₱1,901,342,078	₱1,873,035,384

See accompanying Notes to Consolidated Financial Statements.

VITARICH CORPORATION AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(With Comparative Figures for 2022)

	Note	2024	2023	2022 (As Restated - Note 4)
		Years Ended December 31		
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱314,383,734	₱5,390,697	₱143,462,750
Adjustments for:				
Depreciation and amortization	11	146,515,492	147,740,279	132,971,153
Fair value changes on biological assets - livestock	8	(91,769,612)	47,779,579	(10,936,496)
Interest expense	15	79,000,617	75,823,288	40,001,576
Provision for expected credit loss (ECL) on trade receivables	6	41,051,404	3,539,062	1,704,695
Losses on inventories and property, plant and equipment damaged by the typhoon	7, 11	26,408,870	–	
Retirement expense	23	25,361,136	22,122,540	22,336,239
Gain on collection of previously written off trade receivables	6	(18,152,097)	–	–
Net gain on fair value changes of investment properties	12	(16,893,118)	(64,113,985)	(28,167,200)
Loss (gain) on disposal of property, plant and equipment, investment properties and ROU assets	22	1,599,242	(523,275)	1,037,744
Interest income	5	(1,239,715)	(1,536,781)	(2,398,459)
Operating income before working capital changes		506,265,953	237,411,404	300,012,450
Decrease (increase) in:				
Trade and other receivables		(119,209,052)	(70,553,318)	(72,646,867)
Inventories and biological assets - livestock		(28,961,039)	(122,321,212)	(293,063,049)
Advances to suppliers		17,333,121	342,957,251	(290,531,942)
Other current assets		(36,907,524)	(67,550,515)	15,443,986
Other noncurrent assets related to operations		–	5,300,635	(15,765,650)
Increase in:				
Trade and other payables		211,621,853	65,145,789	287,936,590
Cash bond deposits		5,945,868	4,204,293	8,247,570
Net cash generated from (used for) operations		596,090,180	394,593,318	(3,299,172)
Income taxes paid		(79,849,366)	(22,190,289)	(53,302,757)
Retirement benefits paid	23	(2,876,500)	(2,184,831)	(9,124,310)
Interest received		1,239,715	1,536,781	108,859
Net cash provided by (used in) operating activities		474,604,029	371,814,979	(65,617,380)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	11	(88,953,768)	(113,415,223)	(257,212,366)
Proceeds from sale of property, plant and equipment, investment properties and ROU assets		8,795,703	3,597,483	200,000
Additions to investment properties	12	–	(1,712,203)	–
Net cash used in investing activities		(80,158,065)	(₱111,529,943)	(₱257,012,366)

(Forward)

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	Note	2024	2023	2022 (As Restated - Note 4)
		Years Ended December 31		
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of loans	15	(₱1,057,031,995)	(₱1,877,235,724)	(₱1,919,489,529)
Availments of loans	15	958,883,200	1,740,233,658	2,349,559,151
Interest paid		(70,113,577)	(68,308,882)	(35,735,578)
Payments of lease liabilities	24	(34,308,243)	(26,125,747)	(28,303,544)
Net cash provided by (used in) financing activities		(202,570,615)	(231,436,695)	466,030,503
NET INCREASE IN CASH		191,875,349	28,849,335	139,400,907
CASH AT BEGINNING OF YEAR		398,265,061	369,416,726	230,015,819
CASH AT END OF YEAR	5	₱590,140,410	₱398,265,061	₱369,416,726
NONCASH FINANCIAL INFORMATION				
Recognition of ROU assets and lease liabilities	24	₱42,799,984	₱49,903,022	₱34,331,713

See accompanying Notes to Consolidated Financial Statements.

VITARICH CORPORATION AND A SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(With Comparative Information for 2022)

1. **General Information**

Corporate Information
Vitarich Corporation (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 31, 1962 to engage primarily in manufacturing, preparing, processing, mixing and dealing with feeds, foodstuffs, grains, and commodities of every description for poultry, livestock and all kinds of animal feeding. The Parent Company's shares of stock were listed with the Philippine Stock Exchange on February 8, 1995.

The consolidated financial statements include the financial statements of the Parent Company and Barbatos Ventures Corporation (BVC), a wholly-owned subsidiary engaged in the poultry dressing business as at December 31, 2024 and 2023 (collectively referred herein as "the Group"). BVC was acquired by the Parent Company effective January 1, 2022 (see Note 33).

The registered principal place of business of the Parent Company is at Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan. The Parent Company has operating offices in Luzon, Iloilo and Davao, and maintains satellite offices in southern Philippines.

Approval of the Consolidated Financial Statements
The consolidated financial statements of the Group as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issue by the Board of Directors (BOD) on March 20, 2025, as reviewed and recommended for approval by the Audit Committee on the same date.

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

The material accounting policy information used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation
The consolidated 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 consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for property, plant and equipment (excluding transportation equipment and construction in-progress) which are carried at revalued amounts, investment properties which are carried at fair value, biological assets - livestock which are carried at fair value less costs to sell, agricultural produce which are carried at fair value less costs to sell at point of harvest, lease liabilities which are carried at the present value of future lease payments, plan assets which are carried at fair value, and retirement liability which is carried at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

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

When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group (working closely with external qualified valuers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Further information about assumptions made in measuring fair values are included in the following:

Note 3 - Significant Judgments, Accounting Estimates and Assumptions

Note 8 - Biological Assets - Livestock

Note 11 - Property, Plant and Equipment

Note 12 - Investment Properties

Note 31 – Fair Value Measurement

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Group at the end of the reporting period during which the change occurred.

Adoption of Amended PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS Accounting Standards 7, *Financial Instrument: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the foregoing amended PFRS Accounting Standards did not have any material effect on the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

New and Amendments to PFRS Accounting Standards Already Issued But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 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 amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments update and 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. Earlier application is permitted.

  - Amendments to PFRS Accounting Standards 9, *Financial Instruments* – Transaction Price and Lessee Derecognition of Lease Liabilities – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS Accounting Standards 9, 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 also replace the reference to *'transaction price as defined by PFRS Accounting Standards 15, Revenue from Contracts with Customers'* to *'the amount determined by applying PFRS Accounting Standards 15'* to remove potential confusion. Earlier application is permitted.

  - Amendments to PFRS Accounting Standards 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgement to determine whether other parties are acting as de facto agents. Earlier application is permitted.

  - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

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

- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is 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.

Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiary. Control is achieved when the Parent Company 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 (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

When the Parent Company has less than majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangement, and
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Non-controlling interest represents the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income.

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

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Parent Company loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity, if any;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes surplus or deficit in profit or loss, and
- Reclassifies the Parent Company's share of component previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Parent Company had directly disposed of the related assets or liabilities.

Financial Assets and Liabilities

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.

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 includes transaction costs.
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 allowance for impairment, if any. 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 or impaired or through the 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, 2024 and 2023, the Group's cash, trade and other receivables (excluding advances to officers and employees), receivable from an insurance company and security deposits (presented under "Other Noncurrent Assets" account) are classified under this category (see Notes 5, 6, 10 and 13).

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.

As at December 31, 2024 and 2023, the Group's trade and other payables (excluding statutory payables), loans payable, cash bond deposits and lease liabilities are classified under this category (see Notes 14, 15, 16 and 24).

Impairment of Financial Assets at Amortized Cost
The Group records an allowance for expected credit loss (ECL) 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 measured 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. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount 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.

Classification of Financial Instrument 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.

Inventories
Inventories consist of feeds, raw materials and feed supplements, supplies and animal health products, finished goods and hatching eggs. Cost is determined using the moving average method. Inventories are measured at the lower of cost and net realizable value (NRV).

Feeds. Feeds include costs of raw materials and costs of direct labor and manufacturing overhead.

Raw Materials, Feed Supplements, Supplies and Animal Health Products. For these inventories, all costs directly attributable to acquisition such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities are included as part of costs.

Finished Goods. Finished goods, which include fresh and frozen chicken cut-ups, include costs of direct materials, labor and overhead.

Hatching Eggs. Hatching eggs are initially measured at the fair value less estimated costs to sell at the point of harvest.

The NRV of feeds, feed supplements, animal health products, finished goods and hatching eggs are based on the estimated selling price in the ordinary course of business less the cost of marketing and distribution, while the NRV of raw materials and supplies are the current replacement costs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in profit or loss.

Biological Assets - Livestock
This consists of biological assets such as day-old chicks after undergoing the hatching process, chicks which are grown as chicken broilers, and parent stock. These are measured on initial recognition and at the end of each reporting period at fair value less costs to sell. The Group's fair valuation takes into consideration inputs based on the hatchability rate of eggs, mortality of chicks being grown as chicken broilers and parent stock, estimated future cash flows to be incurred in hatching the eggs and growing the chicks and parent stock, among others.

Gain or loss arising on initial recognition and any changes in the fair value less costs to sell of livestock are recorded as part of "Revenues" account in the consolidated statements of comprehensive income.

Advances to Suppliers
Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried in the consolidated statements of financial position at face amount and are recognized as expense in profit or loss or to the corresponding asset account when the services or goods for which the advances were made are received by and delivered to the Group with reference to percentage of completion, if any.

Advances to suppliers are classified as current assets since the corresponding goods or services are expected to be delivered or performed for no more than 12 months after the financial reporting period.

Other Current Assets
Other current assets consist of advances to contract growers and breeders, creditable withholding taxes (CWT), prepayments and input value-added taxes (VAT).

Advances to Contract Growers and Breeders. Advances to contract growers and breeders pertain to purchases of animal health products and feeds that are already paid in advance. These are expected to be received by and delivered to the Group for no more than 12 months after the financial reporting period.

CWT. CWT represent the amounts withheld at source by the Group's customers in relation to its income. These are recognized upon collection and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations.

Prepayments. Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expense as these are consumed in operations or expire with the passage of time. Prepayments that are expected to be incurred no more than 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets.

Input VAT. Revenue, expenses and assets are recognized net of the amount of VAT except in cases where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or receivable and payables that are stated with the amount of VAT included.

Property, Plant and Equipment
Property, plant and equipment are initially measured at cost. The cost of property, plant and equipment consists of the purchase price, including import duties and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts of such property, plant and equipment when the recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

Property, plant and equipment (except for transportation equipment and construction in-progress) are stated at revalued amounts as determined by an independent appraiser. Transportation equipment is stated at cost less accumulated depreciation and impairment in value, if any. Construction in progress is stated at cost less accumulated impairment in value, if any.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations 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.

Subsequent to initial recognition at cost, property, plant and equipment (except for land, transportation equipment and construction in-progress) are carried at revalued amounts less any subsequent accumulated depreciation, amortization and any accumulated impairment losses. Land is carried at revalued amount less accumulated impairment losses, if any. Fair market value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation surplus is credited to "Revaluation Surplus" account presented under "Other Comprehensive Income" section of the consolidated statements of financial position. Any decrease in the revaluation surplus of the same asset is charged to other comprehensive income (OCI) to the extent of any credit balance existing in the revaluation surplus in respect of that asset and the remaining decline, if any, is recognized in the consolidated statements of comprehensive income.

Annually, an amount from the "Revaluation Surplus" account is transferred to "Retained Earnings" under the "Equity" section in the consolidated statements of financial position for the depreciation relating to the revaluation surplus, net of related taxes. Upon disposal, any revaluation surplus relating to the particular asset sold is transferred to "Retained Earnings". Revaluations are performed every one to two years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets.

Asset Type	Number of Years
Plant, machinery and equipment	10 to 20 years
Buildings	20 years
Leasehold and land improvements	2 to 5 years or lease term, whichever is shorter
Office furniture, fixtures and equipment	3 to 10 years
Transportation equipment	4 to 5 years

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization 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 account until these are no longer in use and no further charge for depreciation and amortization is made in respect to those assets.

Construction in-progress is stated at cost. This includes cost of construction and other direct costs. Construction in-progress is not depreciated until such time that the relevant assets are completed and available for operational use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Investment Properties
Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

The Group uses fair value model for the accounting of its investment properties. Under this method, investment properties are initially measured at cost but are subsequently remeasured at fair value at each reporting date, which reflects market conditions at the reporting date. Cost comprises the purchase price and any directly attributable costs in developing and improving the properties. Cost also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. The fair value of investment properties is determined using sales comparison approach by an independent real estate appraiser. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these consolidated financial statements, in order to avoid double counting, the fair value reported in the consolidated financial statements is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and minimum lease payments, as applicable.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sell.

Investment properties are derecognized when either those have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of comprehensive income in the year of retirement or disposal.

Rental income and operating expenses from investment properties are reported as part of "Others - Net" and "Operating Expenses," respectively, in the consolidated statements of comprehensive income.

Other Noncurrent Assets
Other noncurrent assets consist of project development costs, security deposits classified as financial assets and computer software.

Project Development Costs. These represent costs directly attributable to the development of the Parent Company's aqua feeds and aqua culture projects. The capitalized development costs pertain to the amount of cash paid or the fair value of the other considerations given to acquire an asset at the time of its acquisition or production.

Computer Software. Computer software is measured at cost of acquisition less any accumulated amortization and impairment losses, if any. Computer software is amortized on a straight-line basis over the economic useful life of three (3) years and assessed for impairment whenever there is an indication that the computer software may be impaired. Amortization period and amortization method for computer software are reviewed at each reporting date. Any change in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is recognized prospectively.

Impairment of Nonfinancial Assets
The carrying amounts of the Group's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's net recoverable amount is estimated.

Any impairment loss is recognized if the carrying amount of an asset or its cash generating unit (CGU) exceeds its net recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Group. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable amount of an asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

Leases
A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customers has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- 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.

The Group as Lessee
The Group recognizes right of use (ROU) asset and lease liability 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 the ROU assets at cost. The cost comprises:

- The amount of the initial measurement of lease liabilities;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs incurred by the Group, and
- 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 as follows:

Asset Type	Number of Years
Building	2 to 5 years
Transportation equipment	5 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:

- Fixed payments, including in-substance fixed payments,
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee, and
- 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.

The Group as a Lessor
Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Equity

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

Additional Paid-in Capital (APIC). APIC is the proceeds and/or fair value of considerations received in excess of par value of the subscribed capital stock. Incremental costs incurred directly attributable to the issuance of new shares are recognized as deduction from equity, net of any tax. Otherwise, these are recognized as expense in profit or loss.

Retained Earnings. Retained earnings represents the cumulative balance of net income or loss, net of any dividend declaration and prior period adjustments.

OCI. OCI comprises of items of income and expense that are not recognized in profit or loss in accordance with PFRS Accounting Standards. OCI of the Parent Company pertains to revaluation surplus on property, plant and equipment and cumulative remeasurement gains and losses on net retirement liability.

Revenue Recognition
The Group is engaged in the manufacturing and distribution of animal feeds, animal health and nutritional products, and feed supplements. The Group is also engaged in the production of day-old chicks and in the growing, production and distribution of chicken broilers, either as live or dressed chickens.

Revenue from contract 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 performs 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.

Revenue from the Group's sale of goods is recognized at point in time when control of the goods is transferred to the customers, which is normally upon delivery.

The following specific recognition criteria must also be met before other revenue items outside the scope of PFRS Accounting Standards 15 are recognized.

Fair Value Changes on Biological Assets - Livestock. Fair value changes on biological assets - livestock are recognized in profit or loss for the period in which it arises.

Rental Income. Rental income on leased property is recognized on a straight-line basis over the lease term.

Interest Income. Revenue is recognized as interest accrues, taking into consideration the effective yield on the asset. Interest income from cash in banks are net of final tax.

Other Income. Other income is recognized when earned.

Cost and Expense Recognition
Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Cost of Goods Sold. Cost of goods sold are recognized as expense when the related goods are delivered.

Operating Expenses. Operating expenses constitute cost of administering the business and cost incurred to sell and market its products. These are expensed as incurred.

Interest Expense. These are recognized in profit or loss using the effective interest method.

Other Charges. Other charges are recognized when incurred.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Group has a partially funded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs and net interest expense or income in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs.

Remeasurements pertaining to actuarial gains and losses and return on plan assets are recognized immediately in OCI in the period in which they arise. Remeasurements 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 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 retirement liability, the measurement of the resulting defined benefit asset is limited to the asset ceiling which is 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 liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets against which the obligations are to be settled directly. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been 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 carryforward 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 taxable income will be available against which the deductible temporary differences and carryforward 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 income 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 income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted, that is, when the investment property is depreciable and is held within the business model whose objective is consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Related Party Relationships and Transactions
Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are considered to be related these are subject to common control or common significant influence. Key management personnel are also considered as related parties.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. This is measured on an arm's-length basis in a manner similar to transactions with non-related parties.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products provided, with each segment reporting a strategic business unit that offers different products and markets. Financial information on the Group's business segments is presented in Note 32 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of a 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 measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Basic and Diluted Earnings Per Share (EPS)
Basic EPS is computed by dividing the net income for the period attributable to common equity holders of the Parent Company by the weighted average number of issued, subscribed and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effects of any potentially dilutive convertible securities.

Events After the Reporting Period
Any post-year-end event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

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 amounts of assets, liabilities, income and expenses reported in the consolidated financial statements. These are based on management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements.

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 accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in 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.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Determining the Operating Segments. The Group's determination of the operating segments is based on the information about the components that management uses to make decisions about operating matters. Operating segments use internal reports that are regularly reviewed by the Parent Company's BOD, in order to allocate resources to the segment and assess its performance.

The Group reports separate information about an operating segment that meets any of the following quantitative thresholds:

- 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,

- the absolute amount of its reported profit or loss is 10% or more of the greater, 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; and
- the assets of the segment are 10% or more of the combined assets of all operating segments.

The Group has three reportable operating segments, which are its foods, feeds and farms segments, and one geographical segment as the Group's operations are located in the Philippines. The Group operates and derives all its revenue from domestic operations.

Determining the Highest and Best Use of Investment Properties. The Group determines the highest and best use of its investment properties when measuring fair value. In making its judgment, the Group takes into account the use of the investment properties that is physically possible, legally permissible and financially feasible.

The carrying amounts of investment properties as at December 31, 2024 and 2023 are disclosed in Note 12.

Determining the Lease Commitments – The Group as a Lessor. Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents, if any, are recognized as revenue in the period in which these are earned.

Rental income earned in 2024, 2023 and 2022 are disclosed in Note 24.

Determining the Lease Term and Incremental Borrowing Rate. The lease term is a significant component in the measurement of both the ROU assets and lease liabilities. Judgment is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset, if any, will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations, comparison of terms and conditions to prevailing market rates, incurrence of significant penalties, existence of significant leasehold improvements, and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liabilities at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the ROU assets, with similar terms, security and economic environment. The Group uses its general borrowing rate adjusted for the lease terms, securities of an item with the underlying nature of the leased assets and expectations of residual value, among others.

The carrying amounts of ROU assets and lease liabilities as at December 31, 2024 and 2023 are disclosed in Note 24.

Assessing Provisions and Contingencies. The Group evaluates legal and administrative proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its consolidated financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings.

Accounting Estimates and Assumptions

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Assessing the ECL on Trade Receivables. The Group initially uses a provision matrix based on the historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions, as applicable.

The Group adjusts historical default rates if forecasted economic conditions such as gross domestic product are expected to deteriorate which can lead to increased number of defaults in the industry. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the correlation between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The amount of provision for ECL and the carrying amount of the Group's trade receivables as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 are disclosed in Note 6.

Estimating the ECL of the Receivable from an Insurance Company. The Group is currently involved in legal proceedings to pursue the collection of its remaining insurance claims for typhoon damages from an insurance company. The determination of whether the insurance claims receivable is still realizable requires consultations with legal counsel and management's estimate of the allowance for ECL based on the probability weighted estimate of the present value of all cash shortfalls over the expected settlement of the claims.

Management and its legal counsel believe that the ongoing litigation on the remaining claims will not result to any significant adverse impact on the Group's financial condition and results of operations. Thus, no provision for ECL was recognized in 2024, 2023 and 2022.

The carrying amount of receivable from an insurance company and the allowance for ECL recognized as at December 31, 2024 and 2023 are disclosed in Note 10.

Estimating the Fair Value of Biological Assets – Livestock. The fair values of the Group's biological assets are based on the most reliable estimate of market prices at the end of the reporting period. The fair values of day-old chicks, growing broilers and parent stock were determined using the income approach which considers the net cash flows expected to be generated from the sale of day-old chicks, sale of fully-grown broilers as dressed chickens and net cash flows expected to be generated from parent stock. These are measured as Level 3 in the fair value hierarchy.

The cash flow projections include specific estimates of the hatching period, the hatchability and mortality rates, and volume of harvest. In addition, the significant unobservable inputs also include the estimated future sales price of day-old chicks, dressed chickens and parent stock, as well as the estimated costs to be incurred in the hatching, growing and dressing processes, as applicable.

Generally, the estimated fair value would increase (decrease) if the estimated future sales price, cash inflows, hatchability rates or volume of production were higher (lower). Meanwhile, the estimated fair value would increase (decrease) if the estimated costs to be incurred in the hatching, growing and dressing processes or estimated mortality rates were lower (higher).

The gain or loss on fair value changes of biological assets recognized under "Revenues" in the consolidated statements of comprehensive income in 2024, 2023 and 2022 and the carrying amount of biological assets as at December 31, 2024 and 2023 are disclosed in Note 8.

Estimating the Revalued Amounts of Property, Plant and Equipment (Excluding Transportation Equipment and CIP). The Group measures its property, plant and equipment (excluding transportation equipment and CIP) at revalued amounts with changes in fair value being recognized in OCI.

In determining the revalued amounts of property, plant and equipment (excluding transportation equipment and CIP), the Group hired independent firms of appraisers as at December 31, 2024 and 2023. In order to arrive at a reasonable valuation, the appraisers personally inspected the properties, requested information from reputable sources and considered the following: (a) utility and market value of the land; (b) cost of reproduction of the replaceable property; (c) current prices for similar-use property in the second-hand market; (d) age, condition, past maintenance, and present and prospective serviceability in comparison with new assets of similar kind; (e) accumulated depreciation; (f) lease rates; and (g) recent trends and development in the industry concerned.

The carrying amount of property, plant and equipment at revalued amounts as at December 31, 2024 and 2023 are disclosed in Note 11.

Estimating the Useful Lives of Property, Plant and Equipment. The Group reviews annually the estimated useful lives of property, plant and equipment based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property, plant and equipment.

There were no changes in the estimated useful lives of property, plant and equipment in 2024, 2023 and 2022. The carrying amounts of property, plant and equipment as at December 31, 2024 and 2023 are disclosed in Note 11.

Estimating the Fair Value of Investment Properties. The Group's investment properties are measured at fair values. The Group works closely with external qualified appraisers who performs the valuation using appropriate valuation techniques. The Group estimates expected future cash flows, yields, and discount rates.

The valuation techniques and inputs used in the fair value measurement of investment properties, as well as the carrying amount of investment properties as at December 31, 2024 and 2023 are disclosed in Note 12.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In assessing whether there is any indication that an asset may be impaired, the Group considers the external and internal sources of information. External sources of information include but are not limited to unexpected significant decline in market value and any other significant changes with an adverse effect on the Group, whether it had taken place during period or will take place in the near future in the market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated. Internal sources of information include evidence of obsolescence or physical damage on an asset, significant changes with an adverse effect on the Group whether it had taken place during the period, or are expected to take place in the near future, to the extent to which, or in a manner in which, an asset is used or is expected to be used, and any other evidence that indicates that the economic performance of an asset is, or will be, worse than expected.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less cost to sell and 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 while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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 asset.

Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

No provision for impairment loss on nonfinancial assets was recognized in 2024, 2023 and 2022.

The carrying amounts of nonfinancial assets which consists of advances to officers and employees, other current assets, property, plant and equipment, investment properties, other noncurrent assets (excluding security deposits) and ROU assets are disclosed in Notes 6, 9, 11, 12, 13 and 24.

Estimating Net Retirement Liability. The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These assumptions are described in Note 23 to the consolidated financial statements and include among others, discount rate and salary increase rate. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect net retirement liability.

The carrying amount of net retirement liability as at December 31, 2024 and 2023 are disclosed in Note 23.

Assessing the Realizability of Deferred Tax Assets. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of unused NOLCO is based on the projected taxable income in the following periods. Based on the projection, not all future deductible temporary differences will be realized, therefore, only a portion of deferred tax assets was recognized.

The carrying amounts of recognized and unrecognized deferred tax assets as at December 31, 2024 and 2023 are disclosed in Note 25.

4. **Prior Period Adjustments**

The consolidated financial statements as at and for the year ended December 31, 2022 have been restated to reflect the reclassification to property, plant and equipment of the Parent Company's investment properties which are being operated by Barbatos Ventures Corporation (BVC), as a result of the consolidation of BVC's operations to the Parent Company effective January 1, 2022 (see Note 33). Accordingly, the adjustments also included reclassifications from gain on change in fair value of investment properties in profit or loss to revaluation surplus in OCI, as well as the corresponding recognition of depreciation charges of property, plant and equipment in profit or loss, and other restatements to deferred taxes as presented in the related notes to consolidated financial statements.

The net effects of the prior period adjustments and reclassifications on the Group's consolidated financial statements as at December 31, 2022 which accounted for less than one percent of total equity are as follows (in millions):

	Assets	Liabilities	Equity	Retained Earnings	OCI
As previously reported	₱5,249.2	₱3,392.2	₱1,856.0	₱275.8	₱418.0
Prior period adjustments and reclassifications	(27.3)	(44.4)	17.1	(2.4)	19.5
As restated	₱5,221.9	₱3,347.8	₱1,873.1	₱273.4	₱437.5

5. **Cash**

This account consists of:

	2024	2023
Cash on hand	₱5,103,700	₱6,563,187
Cash in banks	585,036,710	391,701,874
	₱590,140,410	₱398,265,061

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Total interest income recognized in the consolidated statements of comprehensive income pertain to the following:

	Note	2024	2023	2022
Cash in banks		₱205,324	₱115,845	₱108,860
Trade receivables	6	1,034,391	1,420,936	2,289,599
		₱1,239,715	₱1,536,781	₱2,398,459

6. **Trade and Other Receivables**

This account consists of:

	Note	2024	2023
Trade receivables from:			
Third parties		₱861,149,761	₱829,900,061
Related parties	26	245,890,511	143,528,241
Nontrade receivables		86,438,721	83,973,350
Receivable from an insurance company		35,064,371	–
Advances to officers and employees	26	26,963,331	23,207,566
Other receivables		22,459,010	24,936,968
		1,277,965,705	1,105,541,186
Allowance for ECL		196,634,811	155,583,407
		₱1,081,330,894	₱949,957,779

Trade receivables arising mainly from the sale of feeds, foods and livestock are generally collectible within 30 to 90 days. Overdue trade receivables bear interest ranging from 1.00% to 3.00% in 2024, 2023 and 2022. Interest income from overdue trade receivables amounted to ₱1.0 million in 2024, ₱1.4 million in 2023 and ₱2.3 million in 2022 (see Note 5).

Nontrade receivables comprise mainly of receivables arising from the Group's incidental income. These are unsecured, noninterest-bearing and are usually settled within 30 to 90 days.

In 2024, the Parent Company filed an insurance claim with an insurance company for the properties damaged by Typhoon Carina. Losses from inventories and property, plant and equipment damaged by the typhoon amounted to ₱7.3 million and ₱19.1 million, respectively (see Notes 7, 11 and 22). The proceeds from insurance were subsequently received in January 2025.

Advances to officers and employees include salary and other loans granted to employees which are generally noninterest-bearing in nature and collectible through salary deductions. This also includes cash advances for business purposes that are subject to liquidation.

Other receivables mainly consist of short-term rental deposits and receivables from government agencies
Movements in the allowance for ECL account as at December 31 are shown below.

		2024				
	Note	Trade	Nontrade	Advances to Officers and Employees	Others	Total
Balance at beginning of year		₱66,162,339	₱74,341,929	₱1,303,912	₱13,775,227	₱155,583,407
Provision for ECL	20	41,051,404	–	–	–	41,051,404
Balance at end of year		₱107,213,743	₱74,341,929	₱1,303,912	₱13,775,227	₱196,634,811

		2023				
	Note	Trade	Nontrade	Advances to Officers and Employees	Others	Total
Balance at beginning of year		₱66,028,162	₱88,156,268	₱3,260,872	₱13,910,259	₱171,355,561
Provision for ECL	20	3,539,052	–	–	–	3,539,052
Reclassification		(3,404,875)	(13,814,339)	(1,956,960)	(135,032)	(19,311,206)
Balance at end of year		₱66,162,339	₱74,341,929	₱1,303,912	₱13,775,227	₱155,583,407

	Note	2022 Trade	Nontrade	Advances to Officers and Employees	Others	Total
Balance at beginning of year		₱54,371,517	₱68,156,768	₱3,260,572	₱13,910,259	₱169,650,616
Provision for ECL	20	1,704,635	–	–	–	1,704,635
Balance at end of year		₱56,076,152	₱68,156,768	₱3,260,572	₱13,910,259	₱171,355,251

In 2024, the Group recognized gain on collection of written off accounts amounting to ₱18.2 million (see Note 22).

In 2023, management reclassified allowance for ECL of receivables aggregating ₱19.3 million to allowance for impairment losses of advances to suppliers and other current assets, as a result of the reclassification of the related gross receivables to advances to suppliers amounting to ₱10.9 million and advances to contract growers and breeders amounting to ₱8.4 million (see Note 9).

7. Inventories

This account consists of:

	2024	2023
At NRV -		
Feeds	₱219,873,500	₱333,652,987
At cost:		
Raw materials and feeds supplements	314,682,466	324,370,311
Supplies and animal health products	128,408,276	132,401,598
Finished goods	91,728,873	74,855,683
Hatching eggs	89,091,152	59,353,509
	₱843,784,267	₱924,634,088

Inventories are valued at lower of cost and NRV as at December 31, 2024 and 2023. The cost of the feeds carried at NRV amounted to ₱220.8 million and ₱334.6 million as at December 31, 2024 and 2023, respectively. Inventories charged to cost of goods sold amounted to ₱9,238.0 million in 2024, ₱9,865.3 million in 2023 and ₱9,525.9 million in 2022 (see Note 19).

In 2024, the Group recognized loss on inventories damaged by the typhoon amounting to ₱7.3 million (see Note 22). Allowance for inventory write-down amounted to ₱0.9 million as at December 31, 2024 and 2023.

8. Biological Assets - Livestock

The Group's livestock consists of the following:

	2024	2023
Day-old chicks and growing broilers	₱245,728,723	₱89,607,344
Parent stock	77,946,903	39,787,415
	₱323,675,626	₱129,394,759

The movements on the Group's livestock are as follows:

	Note	2024	2023
Balance at beginning of year		₱129,394,759	₱116,118,755
Increase due to purchases and production		6,673,717,832	6,349,921,100
Decrease due to sales, harvest and mortality		(6,571,206,577)	(6,288,865,517)
Gain (loss) on fair value changes	18	91,769,612	(47,779,579)
Balance at end of year		₱323,675,626	₱129,394,759

9. Other Current Assets

This account consists of:

	Note	2024	2023
Advances to contract growers and breeders	24	₱130,132,144	₱86,981,489
CWT		96,487,243	112,120,283
Prepayments		52,649,590	60,397,861
Input VAT		36,623,431	19,485,251
		315,892,408	278,984,884
Allowance for impairment losses		(55,122,665)	(55,122,665)
		₱260,769,743	₱223,862,219

Movements in the allowance for impairment losses of advances to contract growers and breeders as at December 31, 2024 and 2023 are as follows:

	Note	2024	2023
Balance at beginning of year		₱55,122,665	₱46,748,582
Reclassification	6	–	8,374,083
Balance at end of year		₱55,122,665	₱55,122,665

10. Receivable from an Insurance Company

The Parent Company has an outstanding insurance claim for typhoon damages from Charter Ping An Insurance Corporation (Charter Ping An). Pursuant to the Insurance Code, the Parent Company is entitled to interest on its claim at a rate twice the ceiling prescribed by the Monetary Board beginning March 12, 2010, or 90 days from the date the Parent Company filed the claim.

On August 17, 2016, the Parent Company received ₱58.9 million as partial settlement. On May 31, 2023, the Regional Trial Court (RTC) of Bulacan granted the claim of the Parent Company and ordered Charter Ping An to pay the insurance claim, to which Charter Ping An filed a Notice of Appeal with the Court of Appeals (CA) in Manila City. As at December 31, 2024, the case records had been transmitted to the CA. On December 2, 2024, the CA directed Charter Ping An to file an Appellant's Brief within 45 days from the date of notice. On February 10, 2025, Charter Ping An filed a *Motion for Extension of Time to File Appellant's Brief with Manifestation* seeking additional 45 days, or until April 6, 2025, within which to submit its Brief.

Management and its legal counsel believe that the ongoing litigation on the remaining claims will not result in any significant adverse impact on the Group's financial condition and results of operations.

The composition of the receivable as at December 31, 2024 and 2023 are as follows:

Cost	₱141,664,583
Allowance for ECL	(71,460,773)
	₱70,203,810

The Parent Company continues to legally pursue the remaining balance of the insurance claim as at December 31, 2024 and 2023. No provisions nor write-off of allowance for ECL of the receivable were recognized in 2024, 2023 and 2022.

11. Property, Plant and Equipment

At Revalued Amounts

The composition and movements of the Group's property, plant and equipment carried at revalued amounts are as follows:

	2024					
	Land	Plant, Machinery and Equipment	Buildings	Leasehold and Land Improvements	Office Furniture, Fixtures and Equipment	Total
Cost						
Balance at beginning of year	₱933,448,130	₱1,085,711,134	₱424,641,588	₱99,588,493	₱105,094,570	₱2,647,938,053
Additions	-	27,523,769	–	20,635,743	14,073,400	62,232,912
Reclassifications	-	(6,332,783)	(105,224)	34,815,168	(546,199)	7,931,836
Disposals	-	(70,144,231)	(1,887,896)	-	(189,791)	(72,221,768)
Net revaluation	150,110,523	(36,006,532)	42,028,840	30,248,088	905,606	187,294,591
Balance at end of year	1,083,558,653	999,783,429	464,697,408	185,287,483	120,137,429	2,952,650,604
Accumulated Depreciation and Amortization						
Balance at beginning of year	-	456,236,343	105,133,158	63,163,613	91,918,040	656,517,955
Depreciation and amortization	-	74,312,355	19,850,469	13,745,095	7,460,909	115,168,799
Disposals	-	(34,705,387)	(786,096)	-	(88,896)	(35,579,991)
Reclassification	-	583,549	(5,448)	-	(272,179)	101,920
Balance at end of year		496,324,835	124,191,025	76,875,707	101,017,268	798,208,675
Carrying Amount	₱1,083,558,653	₱503,616,764	₱340,506,419	₱108,411,775	₱19,120,161	₱2,154,441,929

	2023					
	Land	Plant, Machinery and Equipment	Buildings	Leasehold and Land Improvements	Office Furniture, Fixtures and Equipment	Total
Cost						
Balance at beginning of year	₱924,158,050	₱1,001,225,670	₱521,320,095	₱58,125,253	₱91,578,796	₱2,625,451,144
Additions	-	73,459,550	909,240	974,255	7,317,842	82,761,287
Reclassifications	-	821,410	(45,540,883)	1,912,170	477,971	(75,651,633)
Disposals	-	(1,734,511)	-		(103,822)	(1,915,735)
Net revaluation	25,292,260	15,339,875	(5,687,745)	(1,241,185)	–	33,592,809
Balance at end of year	933,448,130	1,085,711,134	474,041,588	99,588,493	105,094,570	2,647,938,053
Accumulated Depreciation and Amortization						
Balance at beginning of year	-	357,527,951	86,242,750	53,576,551	35,401,480	582,575,187
Depreciation and amortization	–	81,722,407	18,890,398	9,554,137	5,591,737	116,792,535
Disposals		(3,014,531)	–	-	(133,931)	(3,856,803)
Balance at end of year		436,236,343	105,131,158	63,130,515	41,958,045	656,517,955
Carrying Amount	₱933,448,130	₱649,474,791	₱369,509,430	₱36,457,981	₱63,136,525	₱1,991,420,098

Net revaluation increment on property, plant and equipment, net of deferred income tax, amounted to ₱125.5 million in 2024, ₱25.2 million in 2023 and ₱97.4 million in 2022.

In 2024, the Group recorded loss on property, plant and equipment damaged by the typhoon amounting to ₱19.1 million (see Note 22), net of a receivable from an insurance company amounting to ₱35.1 million (see Note 6).

Had the above property, plant and equipment been measured using the cost model, the carrying amounts would have been as follows:

	2024	2023
Land	₱355,331,190	₱355,331,190
Plant, machinery and equipment	549,431,325	649,213,180
Buildings	287,633,800	308,661,367
Leasehold and land improvements	57,682,415	35,219,777
Office furniture, fixtures and equipment	18,259,256	11,763,016
	₱1,268,337,986	₱1,360,188,530

The transfer from revaluation surplus to retained earnings, net of deferred income tax, amounted to ₱7.9 million in 2024, ₱16.8 million in 2023 and ₱11.9 million in 2022.

The Group's property, plant and equipment at revalued amounts were appraised by an independent firm of appraisers as at December 31, 2024 and 2023.

Details of the valuation techniques used in measuring fair values of property, plant and equipment classified under Levels 2 and 3 of the fair value hierarchy are as follows:

Class of Property	Valuation Techniques	Significant Inputs	Range 2024	Range 2023
Land	Sales comparison approach	Price per square meter (sqm)	₱2,000 - ₱10,000	₱2,955 - ₱10,500
		Value adjustments	5% - 35%	5% - 35%
Plant, machinery and equipment	Depreciated replacement cost method	Replacement cost	₱1,300.4 million	₱306.4 million
		Remaining economic life	3 - 25 years	3 - 25 years
	Discounted cash flow (DCF) approach	Discount rate		11.01%
		Per monthly rent	–	₱1.4 million - ₱4.0 million
Buildings	Depreciated replacement cost method	Replacement cost	₱633.7 million	₱176.7 million
		Remaining economic life	1 - 30 years	7 - 25 years
	DCF approach	Discount rate		11.01%
		Per monthly rent	–	₱0.2 million - ₱1.2 million
Leasehold and land improvements	Depreciated replacement cost method	Replacement cost	₱84.3 million	₱20.8 million
		Remaining economic life	3 - 33 years	2 - 4 years
	DCF approach	Discount rate		11.31%
		Per monthly rent	–	₱0.1 million
Office furniture, fixtures and equipment	Depreciated replacement cost method	Replacement cost	₱14.9 million	₱12.2 million
		Remaining economic life	1 - 4 years	2 - 4 years

The description of the valuation techniques and inputs used in the fair value measurement are as follows:

Sales Comparison Approach
Sales comparison approach involves the comparison of the Group's land to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The inputs to fair valuation are as follows:

- *Price per sqm* - estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- *Value adjustments* - adjustments are made to bring the comparative values in approximation to the property taking into account the location, size and architectural features among others.

Depreciated Replacement Cost Method
Depreciated replacement cost method is used to estimate valuation of plant, machinery and equipment, buildings, leasehold and land improvements and office furniture, fixtures and equipment by computing for the replacement cost of the assets and applying appropriate adjustments for physical deterioration and functional and economic obsolescence.

Generally, significant increases (decreases) in depreciated replacement cost in isolation would result in a significantly higher (lower) fair value measurement.

Discounted Cash Flow Approach
Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the property, plant and equipment.

Periodic cash flows of investment properties are typically estimated as gross income less vacancy and operating expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The frequency of inflows and outflows are contract and market derived. The DCF approach assumes that cash outflows occur in the same period that expenses are recorded.

Generally, significant increases (decreases) in monthly rental rate per building, leasehold and land improvements and machinery and equipment in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in discount rate in isolation would result in a significantly lower (higher) fair value measurement.

In 2024, the Group changed its valuation technique on determining the fair value of its plant, machinery and equipment, buildings, and leasehold and land improvements from DCF approach to depreciated replacement cost method.

The reconciliation of the balances of property, plant and equipment classified according to level in the fair value hierarchy is as follows:

	2024		
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Balance at beginning of year	₱932,448,310	₱1,017,017,828	₱1,949,466,138
Additions and reclassifications	–	70,071,828	70,071,828
Depreciation and amortization	–	(115,168,739)	(115,168,739)
Disposals	–	(57,221,829)	(57,221,829)
Net revaluation increment	150,118,520	17,176,011	167,294,531
Balance at end of year	₱1,082,566,830	₱931,875,099	₱2,014,441,929

	2023		
	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Balance at beginning of year	₱904,150,050	₱938,721,912	₱1,842,877,962
Additions and reclassifications		191,852,675	191,852,675
Depreciation and amortization	–	(118,758,585)	(118,758,585)
Disposals	–	(58,923)	(58,923)
Net revaluation increment	28,297,750	5,300,540	33,598,290
Balance at end of year	₱932,448,310	₱1,017,017,828	₱1,949,466,138

There are no transfers between the levels of fair value hierarchy in 2024, 2023 and 2022.

<u>At Cost</u>
The following transportation equipment and construction in-progress (CIP) are carried at cost:

	2024		
	Transportation Equipment	CIP	Total
Cost			
Balance at beginning of year	₱46,127,170	₱43,674,517	₱89,801,687
Additions	–	26,720,916	26,720,916
Reclassifications	(475,627)	(7,465,269)	(7,940,896)
Disposal	(436,964)	–	(436,964)
Balance at end of year	45,214,579	62,930,164	108,144,743
Accumulated Depreciation			
Balance at beginning of year	44,208,965	–	44,208,965
Depreciation	1,056,505	–	1,056,505
Reclassification	(101,920)	–	(101,920)
Disposal	(379,631)	–	(379,631)
Balance at end of year	44,783,919	–	44,783,919
Carrying Amount	₱430,660	₱62,930,164	₱63,360,824

	2023		
	Transportation Equipment	CIP	Total
Cost			
Balance at beginning of year	₱49,017,914	₱122,736,549	₱171,754,463
Additions	624,490	30,599,506	31,223,996
Reclassifications		(109,661,538)	(109,661,538)
Disposal	(3,515,234)	–	(3,515,234)
Balance at end of year	46,127,170	43,674,517	89,801,687
Accumulated Depreciation			
Balance at beginning of year	45,113,940	–	45,113,940
Depreciation	2,548,759	–	2,548,759
Disposal	(3,453,734)		(3,453,734)
Balance at end of year	44,208,965	–	44,208,965
Carrying Amount	₱1,918,205	₱43,674,517	₱45,592,722

CIP represents cost of raw materials, general construction works and installation costs incurred in the construction of the Group's offices, cabling installation, piping, bagging system installation and other developments. Completed construction costs amounting to ₱7.5 million in 2024, ₱109.7 million in 2023 and ₱6.3 million in 2022, were reclassified to the appropriate property, plant and equipment accounts. As at December 31, 2024 and 2023, there are no significant contractual commitments entered into by the Group.

The Group sold property, plant and equipment, investment properties and ROU assets for a cash consideration resulting to a gain (loss) on disposal amounting to (₱1.6 million) in 2024, ₱0.5 million in 2023 and (₱1.0 million) in 2022 (see Note 22).

As at December 31, 2024 and 2023, fully depreciated property, plant and equipment that are still being used by the Group amounted to ₱453.2 million and ₱383.5 million, respectively.

Depreciation and amortization expense recognized in the consolidated statements of comprehensive income are as follows:

	Note	2024	2023	2022 (As restated - see Note 4)
Property, plant and equipment:				
At revaluated amounts		₱115,168,739	₱118,798,585	₱105,410,397
At cost		1,056,505	2,548,759	4,033,521
ROU assets	24	26,892,227	22,994,914	17,773,737
Computer software	13	3,398,021	3,398,021	5,795,513
		₱146,515,492	₱147,740,279	₱132,971,153

Depreciation and amortization expense were charged to the following:

	Note	2024	2023	2022 (As restated - see Note 4)
Cost of goods sold	19	₱103,913,052	₱105,338,143	₱95,998,634
Operating expenses:	20			
Selling and distribution		24,283,391	26,754,216	21,642,518
Administrative expenses		18,319,049	15,647,920	15,330,001
		42,602,440	42,402,136	36,972,519
		₱146,515,492	₱147,740,279	₱132,971,153

12. Investment Properties

This consists of the Group's parcels of land arising from the foreclosure of properties as settlement of its customers' liabilities to the Group, and properties which are held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are measured using the fair value model. The composition and movements in this account are summarized below:

	2024		
	Land	Building	Total
Cost			
Balance at beginning of year	₱177,161,892	₱15,567,585	₱192,729,477
Disposals	(5,943,000)	–	(5,943,000)
Balance at end of year	171,218,892	15,567,585	186,786,477
Cumulative Gain on Changes in Fair Value			
Balance at beginning of year	109,431,064	(814,190)	108,616,874
Gain on changes in fair value	12,226,238	4,666,880	16,893,118
Balance at end of year	121,657,302	3,852,690	125,509,992
Carrying Amount	₱292,876,194	₱19,420,275	₱312,296,469

	2023		
	Land	Building	Total
Cost			
Balance at beginning of year	₱178,403,468	₱15,567,585	₱193,971,053
Additions	1,712,209	–	1,712,209
Disposals	(2,953,785)	–	(2,953,785)
Balance at end of year	177,161,892	15,567,585	192,729,477
Cumulative Gain (Loss) on Changes in Fair Value			
Balance at beginning of year	45,122,474	(619,585)	44,502,889
Gain (loss) on changes in fair value	64,308,590	(194,605)	64,113,985
Balance at end of year	109,431,064	(814,190)	108,616,874
Carrying Amount	₱286,592,956	₱14,753,395	₱301,346,351

The Group's investment properties were appraised by an independent firm of appraisers as at December 31, 2024 and 2023. Net gain on change in fair value amounted to ₱16.9 million in 2024, ₱64.1 million in 2023 and ₱28.2 million in 2022.

The Group recognized revenue from leasing operations amounting to ₱5.3 million in 2024, ₱5.3 million in 2023 and ₱7.8 million in 2022 (see Note 24). Direct costs related to the lease of investment properties amounted to ₱3.2 million in 2024, ₱1.0 million in 2023 and ₱1.3 million in 2022.

Details of the valuation techniques used in measuring fair values of classified under Level 2 and 3 of the fair value hierarchy are as follows:

			Range	
Class of Property	Valuation Techniques	Significant Inputs	2024	2023
Land	Sales comparison approach	Price per square meter (sqm)	₱67 - ₱19,509	₱45 - ₱17,000
		Value adjustments	5% - 70%	5% - 70%
Buildings	DCF approach	Discount rate	12%	11%
		Per monthly rent (sqm)	₱30 - ₱114	₱55 - ₱72

Sales comparison approach involves the comparison of the Group's land to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The significant inputs to fair valuation are as follows:

- *Price per sqm* - estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- *Value adjustments* - adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size and architectural features among others

Meanwhile, building was valued using DCF approach (Level 3) and utilized discount rate and monthly rental rates as significant inputs. Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the investment property.

Periodic cash flows of investment properties are typically estimated as gross income less vacancy and operating expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The frequency of inflows and outflows are contract and market-derived. The DCF approach assumes that cash outflows occur in the same period that expenses are recorded.

Generally, significant increases (decreases) in the discount rate in isolation would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in rental rate in isolation would result in a significantly higher (lower) fair value measurement.

13. Other Noncurrent Assets

This account consists of:

	Note	2024	2023
Project development costs		₱31,368,395	₱31,368,395
Security deposits	24	12,928,688	12,928,688
Computer software		7,089,955	10,487,976
		51,387,038	54,785,059
Allowance for impairment losses		(31,368,395)	(31,368,395)
		₱20,018,643	₱23,416,664

Project development costs represent expenses incurred on the Group's aqua feeds and aqua culture projects. These were already fully provided with valuation allowance as at December 31, 2024 and 2023 since based on management's evaluation, these costs may no longer be recoverable.

The balance and movements in computer software are as follows:

	Note	2024	2023
Cost			
Balance at beginning and end of year		₱43,365,131	₱43,365,131
Accumulated Amortization			
Balance at beginning of year		32,877,155	29,479,134
Amortization	11	3,398,021	3,398,021
Balance at end of year		36,275,176	32,877,155
Carrying Amount		₱7,089,955	₱10,487,976

14. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade payables:			
Third parties		₱1,638,983,161	₱1,642,893,759
Related parties	25	15,685,403	3,907,536
Nontrade payables		201,332,195	148,419,428
Accrued expenses:			
Selling and administrative		281,754,674	180,928,480
Outside services		59,620,661	25,503,169
Others		41,428,536	14,830,005
Statutory payables		34,653,434	27,729,515
Customers' deposits		5,016,139	14,240,358
		₱2,278,474,203	₱2,066,852,350

Trade payables consist of liabilities arising from purchases of inventories in the normal course of business. These are noninterest-bearing and are generally settled within 30 to 90 days.

Nontrade payables are liabilities arising from purchases of goods other than inventories and various services giving rise to expenses such as trucking fees, utilities, security services and inspection fees, among others. These are normally settled within one year.

Accrued expenses mainly pertain to selling and administrative expenses, outside services, salaries and wages, freight and handling, outside services, taxes and licenses, commission and supplies, among others. These are normally settled within one year.

Statutory payables consist of liabilities to government agencies. These are normally settled within a month.

Customers' deposits include amounts advanced by the customers to the Group. These are normally applied within one year.

15. Loans Payable

The Group's outstanding loans payable to local banks amounted to ₱800.0 million and ₱898.1 million as at December 31, 2024 and 2023, respectively. The Group's short term and long-term loans are not subject to any debt covenants.

	2024	2023
Short-term loans	₱694,494,301	₱823,655,000
Current portion of long-term loans	58,321,429	24,821,429
Current portion of loans payable	752,815,730	848,476,429
Noncurrent portion of loans payable	47,154,760	49,642,856
	₱799,970,490	₱898,119,285

Short-term Loans Payable
In 2024 and 2023, the Group obtained unsecured, Peso-denominated short-term loans from local banks to finance its working capital requirements. The Group's short-term loans mature within 90 days and bear annual interest rates ranging from 6.00% to 6.50%. Outstanding balance amounted to ₱694.5 million and ₱823.7 million as at December 31, 2024 and 2023, respectively.

Long-term Loans Payable
The following are the Group's long-term loans payable:

a. ₱86.9 million promissory note

   On October 31, 2018, the Parent Company entered into an eight-year loan agreement with China Bank Savings, Inc. ("CBS") amounting to ₱86.9 million, payable in 28 quarterly installments starting January 31, 2020 and bearing an interest rate of 7.875% per annum, repriced annually. Repriced interest rate is 7.875% in 2024 and 7.750% in 2023. Outstanding balance amounted to ₱24.8 million and ₱37.2 million as at December 31, 2024 and 2023, respectively.

b. ₱86.9 million promissory note

   On December 6, 2018, the Parent Company entered into another eight-year loan agreement with CBS amounting to ₱86.9 million, payable in 28 quarterly installments, starting March 6, 2020 and bearing an interest rate of 8.125% per annum, repriced annually. Repriced interest rate is 8.125% in 2024 and 7.750% in 2023. Outstanding balance amounted to ₱24.8 million and ₱37.2 million as at December 31, 2024 and 2023, respectively

c. ₱67.0 million promissory note

   On August 22, 2024, the Parent Company entered into a two-year loan agreement with Asia United Bank ("AUB") amounting to ₱67.0 million, payable in 24 monthly installments, starting September 23, 2024 and bearing an interest rate of 7.75% per annum, repriced annually. Outstanding balance amounted to ₱55.8 million as at December 31, 2024.

Total availments of loans payable amounted to ₱958.9 million in 2024, ₱1,740.2 million and 2023 and ₱2,349.5 in 2022. Total payments of loans payable amounted to ₱1,057.0 million in 2024, ₱1,877.2 million in 2023 and ₱1,819.5 million in 2022 (see Note 28).

Total interest expense recognized in the consolidated statements of comprehensive income consists of the following:

	Note	2024	2023	2022
Loans payable		₱70,113,577	₱68,308,882	₱35,735,576
Accretion of interest on lease liabilities	24	8,887,040	7,514,406	4,266,400
		₱79,000,617	₱75,823,288	₱40,001,976

16. Cash Bond Deposits

Cash bond deposits amounting to ₱66.4 million and ₱60.5 million as at December 31, 2024 and 2023, respectively, mainly pertains to surety bond deposits from contract growers, contract breeders, and salesmen.

These are generally renewed on an annual basis and cash bond deposits will be refunded upon termination of the contract.

17. Equity

Capital Stock
As of December 31, 2024 and 2023, the Parent Company has issued and outstanding common shares of 3,054,334,014 common shares at ₱0.38 par value equivalent to ₱1,160.6 million. Details of the authorized, issued and outstanding common shares as at December 31 are as follows:

	2024	2023
Authorized	3,500,000,000	3,500,000,000
Issued and outstanding	3,054,334,014	3,054,334,014
Capital stock	₱1,160,646,925	₱1,160,646,925

The details and movements of the common shares listed with PSE follows:

Date of SEC Approval	Authorized Shares	No. of Shares Issued
October 2, 1972	5,000,000	5,000,000
May 2, 1973	10,000,000	10,000,000
October 31, 1974	7,000,000	7,000,000
December 5, 1977	45,000,000	45,000,000
December 5, 1982	33,000,000	33,000,000
August 11, 1986	200,000,000	200,000,000
February 9, 1989	200,000,000	200,000,000
October 16, 2013	3,500,000,000	2,286,497,901
December 22, 2017	3,500,000,000	267,836,113
		3,054,334,014

The Parent Company has 4,095 and 4,113 stockholders as at December 31, 2024 and 2023, respectively.

18. Revenues

This account consists of:

	Note	2024	2023	2022
Net sales from:				
Foods		**₱7,437,937,490**	₱6,943,470,558	₱6,241,334,413
Feeds		**4,507,108,706**	5,128,051,942	5,199,285,802
Farms		**502,473,423**	472,171,275	516,895,636
		12,447,519,619	12,543,634,175	11,957,515,851
Fair value changes on biological assets - livestock	8	**91,769,612**	(47,779,579)	10,936,438
		₱12,539,289,231	₱12,495,914,596	₱11,968,452,289

19. Cost of Goods Sold

This account consists of the following:

	Note	2024	2023	2022 (As restated - see Note 4)
Inventories sold	7	**₱9,217,953,017**	₱9,865,346,419	₱9,525,944,014
Outside services	24	**1,224,430,993**	1,125,872,634	858,830,177
Contractual services		**423,314,388**	425,231,217	312,262,806
Depreciation and amortization	11	**103,913,052**	105,536,143	95,998,634
Salaries and employee benefits	21	**36,860,823**	35,854,006	45,814,819
Others		**29,169,206**	32,738,549	60,792,974
		₱11,035,641,539	₱11,591,440,968	₱10,899,643,424

Others composed of communication, light, water and repairs and maintenance.

20. Operating Expenses

This account consists of the following:

	2024	2023	2022 (As restated - see Note 4)
Administrative expenses	**₱692,028,637**	₱552,140,873	₱560,014,678
Selling and distribution expenses	**413,801,082**	341,670,393	323,247,130
	₱1,105,829,719	₱893,811,266	₱883,261,808

The details of operating expenses are as follows:

	Note	2024	2023	2022 (As restated see Note 4)
Salaries and employee benefits	21	**₱334,547,988**	₱316,880,371	₱278,702,032
Freight and handling		**160,632,260**	151,760,387	146,995,180
Transportation and travel		**138,269,694**	133,116,283	145,665,808
Contractual services		**83,224,292**	36,187,859	26,600,504
Advertising and promotions		**56,113,404**	19,578,366	24,540,837
Professional fees		**44,375,917**	27,945,926	34,746,562
Depreciation and amortization	11	**42,602,440**	47,407,136	36,572,519
Representation and entertainment		**42,467,984**	15,475,271	30,605,488
Provision for ECL on trade receivables	6	**41,051,404**	3,539,062	1,704,835
Publications and subscriptions		**40,083,480**	40,088,981	39,323,376
Computerization project		**36,607,104**	28,263,914	28,926,178
Taxes and licenses		**28,763,181**	24,745,997	26,713,345
Supplies		**11,720,939**	6,549,416	6,398,714
Communications, light and water		**10,761,979**	9,768,329	9,687,496
Trainings and seminars		**10,679,903**	5,548,555	1,455,097
Rentals	24	**7,169,531**	10,249,031	8,269,477
Insurance		**5,333,738**	4,701,190	5,039,497
Repairs and maintenance		**4,197,702**	5,336,923	2,897,165
Others		**7,026,689**	5,173,094	22,217,948
		₱1,105,829,719	₱893,811,266	₱883,261,808

Other expenses include bank charges, association dues and inspection fees, among others.

21. Salaries and Employee Benefits

This account pertains to the following:

	Note	2024	2023	2022
Salaries and wages		**₱303,528,235**	₱297,188,485	₱259,733,525
Retirement benefits	23	**25,361,136**	22,122,540	22,336,339
Commissions		**18,360,786**	16,550,520	27,560,525
Other short-term benefits		**24,158,654**	16,872,832	14,886,462
		₱371,408,811	₱352,734,377	₱324,516,851

Salaries and employee benefits are allocated as follows:

	Note	2024	2023	2022
Cost of goods sold	19	**₱36,860,823**	₱35,854,006	₱45,814,819
Operating expenses:	20			
Administrative		**235,785,106**	211,849,885	176,820,010
Selling and distribution		**98,762,882**	105,030,482	101,882,022
		334,547,988	316,880,371	278,702,032
		₱371,408,811	₱352,734,377	₱324,516,851

22. Others - net

This account consists of:

	Note	2024	2023	2022
Losses on inventories and property, plant and equipment damaged by the typhoon	7, 11	(₱26,408,870)	₱–	₱–
Gain on collection of previously written off trade receivables	6	18,152,097	–	–
Tax settlement		(14,493,495)	(5,290,291)	(10,696,935)
Miscellaneous revenues		7,722,672	6,217,895	954,147
Rental Income	24	5,321,071	5,255,468	7,837,895
Gain (loss) on disposal of property, plant and equipment, investment properties and ROU assets	11	(1,599,242)	523,275	(1,037,744)
Net foreign exchange gain (loss)		265,283	(615,490)	(28,701,581)
Others		(11,525,971)	–	(903,843)
		(₱22,566,455)	₱6,090,857	(₱32,548,040)

Miscellaneous revenues pertain to sale of used operating supplies and other wastes from production.

Others pertain to digitalization and other miscellaneous expenses.

23. Net Retirement Liability

The Group has a partially funded, noncontributory defined benefit retirement plan covering all of its qualified employees. The defined benefit plan is being administered by a trustee bank which is responsible for the administration of the plan asset. The Group's retirement benefits are based on years of service and one and one fourth month's salary for every year of continuous service.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentrations of risk on the plan assets.

There are no unusual or significant risks to which the retirement liability exposes the Group. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Group.

The following tables summarize the components of retirement benefit costs recognized in the consolidated statements of comprehensive income based on the report of an independent actuary as at December 31, 2024.

Details of retirement expense is as follows (see Note 21):

	2024	2023	2022
Current service costs	₱14,345,412	₱11,519,694	₱13,895,753
Net interest cost	11,015,724	10,602,846	8,439,586
	₱25,361,136	₱22,122,540	₱22,335,339

The amounts of net retirement liability recognized in the consolidated statements of financial position are determined as follows:

	2024	2023
Present value of DBO	₱205,478,854	₱184,617,101
Fair value of plan assets	(4,479,812)	(4,031,451)
	₱200,999,042	₱180,585,650

While there are no minimum funding requirements in the country, any size of underfunding may pose a cash flow risk in the future when a significant number of employees is expected to retire.

The movements in the present value of DBO are as follows:

	2024	2023
Balance at beginning of year	₱184,617,101	₱150,989,425
Current service costs	14,345,412	11,519,694
Interest expense	11,261,643	10,886,338
Benefits paid	(2,876,500)	(2,184,831)
Remeasurement loss (gain)	(1,868,802)	13,406,465
Balance at end of year	₱205,478,854	₱184,617,101

The movements in the fair value of plan assets are as follows:

	2024	2023
Balance at beginning of year	₱4,031,451	₱3,931,933
Interest income	245,919	283,492
Remeasurement gain (loss)	202,442	(183,974)
Balance at end of year	₱4,479,812	₱4,031,451

The Group's plan assets are comprised of the following:

	2024	2023
Cash and cash equivalents	₱123,643	₱256,803
Equity instruments	693,475	502,722
Debt instruments - government bonds	3,646,567	3,257,816
Others	16,127	14,110
	₱4,479,812	₱4,031,451

There are no expected contributions to the Group's retirement plan in the following year.

The cumulative net remeasurement gains (losses) on net retirement liability recognized in OCI as at December 31 are as follows:

	2024		
	Cumulative Remeasurement Loss	Deferred Tax (see Note 25)	Net
Balance at beginning of year	(₱8,315,699)	₱2,078,925	(₱6,236,774)
Remeasurement gain	2,071,244	(517,811)	1,553,433
Balance at end of year	(₱6,244,455)	₱1,561,114	(₱4,683,341)

	2023		
	Cumulative Remeasurement Gain (Loss)	Deferred Tax (see Note 25)	Net
Balance at beginning of year	₱5,274,740	(₱1,318,685)	₱3,956,055
Remeasurement loss	(13,590,439)	3,397,610	(10,192,829)
Balance at end of year	(₱8,315,699)	₱2,078,925	(₱6,236,774)

	2022		
	Cumulative Remeasurement Gain (Loss)	Deferred Tax (see Note 25)	Net
Balance at beginning of year	(₱37,180,020)	₱9,295,005	(₱27,885,015)
Remeasurement gain	42,454,760	(10,613,690)	31,841,070
Balance at end of year	₱5,274,740	(₱1,318,685)	₱3,956,055

The principal assumptions used for the purpose of the actuarial valuation are as follows.

	2024	2023
Discount rate	**6.10%**	6.10%
Salary increase projection rate	**5.00%**	5.00%
Average remaining service years	**21.9**	22.4

The sensitivity analysis based on reasonable possible changes of assumptions as at December 31, 2024 and 2023 are presented below:

		Effect on Present Value of Retirement Liability *(in thousands)*	
	Change in Assumption	Discount Rate	Salary Increase Projection Rate
December 31, 2024	**+100 bps**	**(₱15,241)**	**₱17,497**
	-100 bps	**17,479**	**(15,529)**
December 31, 2023	+100 bps	(₱13,861)	₱15,904
	-100 bps	15,888	(14,122)

The expected future benefit payments of the Group are as follows:

	2024	2023
Less than one year	**₱27,284,824**	₱26,011,557
Between one and five years	**83,788,844**	55,006,165
Beyond five years	**782,323,993**	737,372,323
	₱893,397,661	₱818,390,045

The weighted average duration of the present value of retirement benefit obligation as at December 31, 2024 and 2023 are 8.0 years and 8.1 years, respectively.

24. Significant Agreements

Operating Leases - The Group as a Lessor

The Group entered into cancellable leases covering certain production plants (i.e., dressing, rendering and ice production) which have lease terms of around two to three years and are renewable upon mutual agreement of the parties.

Total rent income from these operating leases amounted to ₱5.9 million in 2024, ₱5.9 million in 2023 and ₱7.8 million in 2022 and are shown as part of "Others - Net" account in the consolidated statements of comprehensive income (see Note 22).

The Group as a Lessee - Short-term Leases

The Group leases certain warehouses under operating lease agreements for a period of one year and are renewable upon mutual agreement by the parties. Rent expense amounted to ₱7.2 million in 2024, ₱10.2 million in 2023 and ₱8.3 million in 2022 (see Note 20).

Security deposits amounted to ₱12.9 million as at December 31, 2024 and 2023, respectively (see Note 13).

The Group as a Lessee - Long-term Leases

The Group entered into lease agreements of an office space in a building and finance lease agreements for its transportation equipment for a period of more than a year. The Group recognized ROU assets and lease liabilities on these transactions using the interest rates implicit in the leases which are fixed at the contract date. The average effective interest rate approximates 7.875% to 8.125% per annum in 2024, 2023 and 2022.

ROU Assets

The movements in ROU assets are as follows:

		2024		
	Note	**Building**	**Transportation Equipment**	Total
Cost				
Balance at beginning of year		**₱21,838,157**	**₱169,050,075**	**₱190,888,232**
Additions		**–**	**42,799,984**	**42,799,984**
Derecognition		**–**	**(2,801,047)**	**(2,801,047)**
Balance at end of year		**21,838,157**	**209,049,012**	**230,887,169**
Accumulated Amortization				
Balance at beginning of year		**14,237,521**	**94,212,987**	**108,450,508**
Amortization	13	**3,257,415**	**23,634,812**	**26,892,227**
Derecognition		**–**	**(1,454,627)**	**(1,454,627)**
Balance at end of year		**17,494,936**	**116,393,172**	**133,888,108**
Carrying Amount		**₱4,343,221**	**₱92,655,840**	**₱96,999,061**

	Note	2023		
		Building	Transportation Equipment	Total
Cost				
Balance at beginning of year		₱12,065,912	₱128,919,298	₱140,985,210
Additions		9,772,245	40,130,777	49,903,022
Balance at end of year		21,838,157	169,050,075	190,888,232
Accumulated Amortization				
Balance at beginning of year		11,341,957	74,113,637	85,455,594
Amortization	11	2,895,564	20,099,350	22,994,914
Balance at end of year		14,237,521	94,212,987	108,450,508
Carrying Amount		₱7,600,636	₱74,837,088	₱82,437,724

Lease Liabilities

The balance and movements in lease liabilities are as follows:

	Note	2024	2023
Balance at beginning of year		**₱83,591,520**	₱52,299,839
Additions		**42,799,984**	49,903,022
Accretion of interest	15	**8,887,040**	7,514,406
Payments		**(34,308,243)**	(26,125,747)
Balance at end of year		**100,970,301**	83,591,520
Less current portion		**31,063,007**	22,442,663
Noncurrent portion		**₱69,907,294**	₱61,148,857

The amounts recognized in profit or loss related to leases follow:

	Note	2024	2023	2022
Amortization of ROU assets		**₱26,892,227**	₱22,944,914	₱17,723,732
Accretion of interest on lease liabilities		**8,887,040**	7,514,406	4,266,400
Short-term leases	20	**7,169,531**	10,249,091	8,269,477
		₱42,948,798	₱40,708,411	₱30,259,609

The gross minimum lease payments and present value of future minimum lease payments as at December 31 are as follows:

	2024		2023	
	Minimum Lease Payments	**Present Value**	Minimum Lease Payments	Present Value
Not later than one year	**₱37,043,196**	**₱31,063,007**	₱29,168,306	₱22,442,663
Later than one year but not more than five years	**80,797,963**	**69,907,294**	69,585,536	61,148,857
	₱117,841,159	**₱100,970,301**	₱98,753,842	₱83,591,520

Agreements with Contract Growers and Breeders

The Group has entered into various agreements with growers and breeders for the growing and breeding of livestock. These are generally renewed on an annual basis. The carrying amount of related advances to contract growers and breeders amounted to ₱75.0 million and ₱31.9 million as at December 31, 2024 and 2023, respectively. The advances to contract growers and breeders are settled upon delivery of goods to the Group (see Note 9).

Tolling Agreements

The Group has also entered into various toll arrangements, mainly for the manufacture of its feeds, hatching of eggs and dressing of poultry livestock whose services are payable through fixed amounts per unit of output.

Total services incurred from tolling arrangements amounted to ₱1,224.4 million in 2024, ₱1,125.9 million in 2023 and ₱858.8 million in 2022 and are recorded as part of "Outside Services" account under "Cost of Goods Sold" account in the consolidated statements of comprehensive income (see Note 19).

25. Income Tax

The components of provision for income tax are as follows:

	2024	2023	2022 (As restated - see Note 4)
Reported in profit or loss			
Current:			
RCIT	**₱79,849,366**	₱21,935,240	₱51,302,707
MCIT	**–**	195,049	–
	79,849,366	22,130,289	51,302,707
Deferred	**17,945,806**	(28,854,508)	2,525,379
	₱97,795,172	(₱6,724,219)	₱53,828,086
Reported in OCI - Deferred	**₱42,341,444**	₱5,000,592	(₱43,071,184)

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

	2024	2023
Deferred tax assets:		
Retirement liability	₱50,249,761	₱45,146,413
Allowance for ECL on trade and other receivables	43,250,950	32,988,099
NOLCO	16,231,570	16,231,570
Allowance for impairment loss on advances to contract growers and breeders	13,780,666	13,780,666
Allowance for inventory write-down	224,079	224,079
Unrealized loss on foreign exchanges	25,109	-
Fair value changes of biological assets - livestock	–	11,944,895
	123,762,135	120,315,722
Deferred tax liabilities:		
Revaluation surplus on property, plant and equipment	(186,525,986)	(147,319,402)
Fair value changes of biological assets - livestock	(22,942,403)	-
Cumulative gain on fair value changes of investment properties	(5,265,173)	(3,636,703)
Excess of lease liabilities over ROU assets	(817,055)	(848,147)
Unrealized gain on foreign exchange	–	(12,703)
	(215,550,617)	(151,816,955)
Net deferred tax liabilities	(₱91,788,482)	(₱31,501,233)

As at December 31, 2024 and 2023, the Group did not recognize deferred tax assets relating to the following as management has assessed that these may not be realized in the future:

	2024	2023
Allowance for ECL on:		
Receivable from an insurance company	₱17,865,193	₱17,865,193
Trade and other receivables	5,907,753	5,907,753
NOLCO	14,056,529	-
Allowance for impairment loss on:		
Project development costs	7,842,099	7,842,099
Advances to suppliers	2,721,080	2,721,080
Excess MCIT over RCIT	195,049	195,049
	₱48,587,703	₱34,531,174

The Group's NOLCO pertain to operating losses incurred by BVC are as follows:

Year Incurred	Valid Until	Balance as at January 1, 2024	Incurred	Applied/ Expired	Balance as at December 31, 2024
2024	2027	₱–	₱56,226,116	₱–	₱56,226,116
2023	2026	17,939,079	-	-	17,939,079
2022	2025	36,488,314	-	-	36,488,314
2021	2025	10,498,886	-	-	10,498,886
		₱64,926,279	₱56,226,116	₱–	₱121,152,395

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 25-2020 to implement Section 4 (bbbb) of Republic Act No. 11494 (Bayanihan Act to Recover as One Act), allowing the Group's net operating losses for taxable years 2021 to be carried over for the next five consecutive taxable years immediately following the year of such loss.

The Group's excess MCIT over RCIT amounting to ₱195,049 was incurred in 2023 and will expire in 2026.

The reconciliation between the income tax based on statutory income tax rate and provision for (benefit from) income tax reported in the consolidated statements of comprehensive income is as follows.

	2024	2023	2022
Provision for income tax computed at the statutory income tax rate	25.0%	25.0%	25.0%
Income tax effects of:			
Nondeductible expenses, change in unrecognized deferred tax assets and other adjustments	6.1%	(127.2%)	12.5%
Income already subjected to final tax	0.0%	0.0%	0.0%
Effective income tax rates	31.1%	(102.2%)	37.5%

The RCIT used in preparing the consolidated financial statements as at and for the years ended December 31, 2024, 2023 and 2022 is 25%. The MCIT rate used is 2.00%, 1.50% and 1.00% for the years ended December 31, 2024, 2023 and 2022, respectively.

26 Related Party Transactions

The Group, in its regular conduct of business, has transactions with its related parties. The following tables summarize the transactions with the related parties and outstanding balance arising from these transactions.

			Amount of Transactions		Outstanding Balance	
Related Parties	Note	Nature of Transaction	2024	2023	2024	2023
Trade and Other Receivables	6					
		Sales	₱713,246,639	₱673,154,405		
Entities under common control		Collections	(680,354,269)	(698,063,957)	₱245,890,511	₱145,578,241
Advances to Officers	6	Advances - net of collections	₱3,710,765	₱4,159,062	₱26,963,331	₱23,202,565
Trade and Other Payables	14					
Entities under common control		Purchases	₱289,661,066	₱745,005,213		
		Payments	(277,883,399)	(745,431,031)	₱15,685,403	₱5,957,335

Trade and Other Receivables

The Group sells animal feeds, raw materials, feed supplements and dressed chicken to related parties, which are due within 90 days and are noninterest-bearing. Outstanding balances of trade and other receivables from related parties are unsecured and to be settled in cash. No allowance for ECL on trade and other receivables from related parties was recognized as at December 31, 2024 and 2023 (see Note 6).

Trade and Other Payables

The Group buys raw materials and breeder flocks from related parties. These are noninterest-bearing, generally on a 90-day credit term, unsecured and to be settled in cash (see Note 14).

Advances to Officers
The Group grants unsecured, noninterest-bearing advances to its officers which are normally collected within one year through salary deduction. The allowance for ECL on advances to officers as at December 31, 2024 and 2023 are disclosed in Note 6.

Compensation of Key Management Personnel
The compensation of key management personnel are as follows:

	2024	2023	2022
Short-term employee benefits	₱69,911,760	₱54,914,416	₱55,480,527
Retirement benefits	4,656,828	5,238,557	5,010,571
Other employee benefits	24,276,904	19,521,032	17,133,565
	₱98,845,492	₱79,674,005	₱77,624,663

27 Earnings Per Share

Basic and diluted earnings per share are computed as follows:

	Note	2024	2023	2022 (As restated - see Note 4)
Net income		₱216,398,562	₱13,304,916	₱83,634,614
Divided by the weighted average number of outstanding common shares	17	3,054,334,014	3,054,334,014	3,054,334,014
Basic and diluted earnings per share		₱0.071	₱0.004	₱0.027

Basic earnings per share is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

The Parent Company does not have any dilutive common shares outstanding, thus, the basic and diluted earnings per share as at December 31, 2024, 2023 and 2022 are the same.

28 Reconciliation of Liabilities Arising from Financing Activities

The tables below detail the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

		January 1,	Financing Cash Flows		Non-cash	December 31,
	Note	2024	Availments	Payments	Changes	2024
Loans payable	15	₱898,119,285	₱958,883,200	(₱1,057,031,995)	₱–	₱799,970,490
Lease liabilities	24	83,591,520	–	(34,308,243)	51,687,024	100,970,301
Interest expense	15	–	–	(70,113,577)	70,113,577	–
		₱981,710,805	₱958,883,200	(1,161,453,815)	₱121,800,601	₱900,940,791

		January 1,	Financing Cash Flows		Non-cash	December 31,
	Note	2023	Availments	Payments	Changes	2023
Loans payable	15	₱1,035,121,351	₱1,740,233,658	(₱1,877,235,724)	₱–	₱898,119,285
Lease liabilities	24	52,299,839	–	(26,125,747)	57,417,428	83,591,520
Interest expense	15	–	–	(68,308,882)	68,308,882	–
		₱1,087,421,190	₱1,740,233,658	(₱1,971,670,353)	₱125,726,310	₱981,710,805

29. Contingencies

The Group, in the ordinary course of business, has pending legal claims and assessments which are in various stages of discussions, protests and appeal with relevant third parties. Management, in consultation with its legal counsel, believes that the ultimate resolution of these legal claims and assessments would not have a material impact on the Group's financial position and results of operations based upon an analysis of potential results. Thus, no provision for contingencies was recognized in 2024, 2023 and 2022.

30. Financial Risk Management Objectives and Policies

The Group's financial instruments consists of cash, trade and other receivables (excluding advances to officers and employees), receivable from an insurance company, security deposits, trade and other payables (excluding statutory payables), loans payable, lease liabilities and cash bond deposits.

It is the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks as summarized below.

Credit Risk
The Group's exposure to credit risk arises from the failure of a counterparty to fulfill its financial commitments to the Group under the prevailing contractual terms. Financial instruments that potentially subject the Group to credit risk consist primarily of trade receivables and other financial assets at amortized cost. The carrying amounts of these financial assets represent its maximum credit exposure.

Trade Receivables. Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms, and conditions are offered. The Group's credit policy includes available external ratings, financial statements, credit agency information, industry information and, in some cases, bank references. Credit limits are established for each customer and reviewed on a regular basis. Any sales on credit exceeding those limits require specific approval from upper level of management. The Group limits its exposure to credit risk by transacting mainly with recognized and creditworthy customers that have undergone its credit evaluation and approval process. Historically, trade receivables are substantially collected within one (1) year. Trade receivables are closely monitored on aging of the account.

As at December 31, 2024 and 2023, there were no significant credit concentrations. The Group also requires collateral which are generally land and real estate from its customers to minimize credit risk.

Financial Assets Other than Trade Receivables. The Group's other financial assets at amortized cost are mostly composed of cash in banks, other receivables (excluding advances to officers and employees), receivable from an insurance company and security deposits.

For cash in banks, the Group limits its exposure to credit risk by investing only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For receivable from an insurance company, management and its legal counsel believe that the ongoing litigation on the remaining claims will not result to additional allowance for ECL (see Note 10).

For the other financial assets, credit risk is low since the Group only transacts with reputable companies and individuals with respect to this financial asset.

It is the Group's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 120 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

The tables below show the credit quality by class of financial assets based on the Group's credit rating system as at December 31:

	2024			
	Simplified Approach			
	Stage 1	Stage 2	Stage 3	Total
Cash in banks	₱585,035,710	₱–	₱–	₱585,035,710
Trade and other receivables*	940,721,117	173,056,529	137,224,728	1,251,002,374
Receivable from an insurance company	–	141,664,583	–	141,664,583
Security deposits	12,928,688	–	–	12,928,688
	₱1,538,685,515	₱314,721,112	₱137,224,728	₱1,990,631,355

*Excluding advances to officers and employees

	2023			
	Simplified Approach			
	Stage 1	Stage 2	Stage 3	Total
Cash in banks	₱391,601,974	₱–	₱–	₱391,601,974
Trade and other receivables*	1,016,120,118	–	66,218,502	1,082,338,620
Receivable from an insurance company	–	141,664,583	–	141,664,583
Security deposits	12,928,688	–		12,928,688
	₱1,420,650,780	₱141,664,583	₱66,218,502	₱1,628,533,865

*Excluding advances to officers and employees

For trade and other receivables, "Stage 1" pertains to those receivables from customers that always pay on time or even before the maturity date. "Stage 2" includes receivables that are collected on their due dates provided that they were reminded or followed up by the Group. Those receivables which are collected consistently beyond their due dates and require persistent effort from the Group are included under "Stage 3".

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix as at December 31:

	2024								
		Days Past Due							
	Current	Less than 30 days	30-60 days	61-90 days	91-120 days	More than 120 days	Total	Accounts with full provision	Total
Expected credit loss rate	0.01%	0.09%	0.41%	0.36%	2.66%	51.35%			
Estimated total gross carrying amount at default (in millions)	₱50.04	₱331.46	₱189.04	₱47.79	₱65.54	₱242.93	₱1183.45	₱67.55	₱1251.00
Expected credit loss (in millions)	₱0.01	₱1.55	₱0.74	₱0.17	₱0.41	₱125.86	₱127.78	₱67.55	₱195.33

	2023								
		Days Past Due							
	Current	Less than 30 days	30-60 days	61-90 days	91-120 days	More than 120 days	Total	Accounts with full provision	Total
Expected credit loss rate	0.00%	0.01%	0.30%	0.57%	3.09%	6.00%			
Estimated total gross carrying amount at default (in millions)	₱674.08	₱149.59	₱44.56	₱11.45	₱3.13	₱27.32	₱909.13	₱64.30	₱973.43
Expected credit loss (in millions)	₱0.00	₱0.01	₱0.13	₱0.06	₱0.10	₱1.64	₱1.96	₱64.30	₱66.26

Liquidity Risk
Liquidity risk is the risk that the Group may not be able to settle its obligations as they fall due.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31:

	2024				
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later than 5 Years	Total
Trade and other payables*	₱2,243,820,769	₱–	₱–	₱–	₱2,243,820,769
Loans payable	694,494,301	58,321,429	47,154,760	–	799,970,490
Lease liabilities	18,373,409	18,426,281	81,041,469	–	117,841,159
Cash bond deposits	–	66,449,820	–	–	66,449,820
Future interest on long-term loans payable	3,836,225	1,923,754	1,371,525	–	7,131,504
	₱2,960,524,704	₱145,121,284	₱129,567,754	₱–	₱3,235,213,742

*Excluding statutory payables.

	2023				
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later than 5 Years	Total
Trade and other payables*	₱2,039,122,735	₱–	₱–	₱–	₱2,039,122,735
Loans payable	823,655,001	24,821,429	49,642,855		898,119,285
Lease liabilities	14,675,411	14,492,895	69,585,536	–	98,753,842
Cash bond deposits	–	60,503,952	–	–	60,503,952
Future interest on long-term loans payable	3,046,435	3,080,067	11,226,255		17,352,726
	₱2,880,499,551	₱102,898,343	₱130,454,646	₱–	₱3,113,852,542

*Excluding statutory payables.

The Group monitors its risk to a shortage of funds through analyzing the maturity of its financial liabilities and cash flows from operations. The Group monitors its cash position by a system of cash forecasting, wherein all expected collections, check disbursements and other payments are determined on a timely basis to arrive at the projected cash position to cover its obligations.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group addresses liquidity concerns primarily through cash flows from operations.

<u>Interest Rate Risk</u>
Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group's loans payable to local banks are subject to fixed interest rates and are exposed to fair value interest rate risk. The re-pricing of these instruments is done on regular intervals. The Group regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as management has assessed that future interest rate changes are not expected to significantly affect the Group's consolidated net income.

<u>Financial and Other Risks Relating to Livestock</u>
The Group is exposed to various risks affecting the food industry such as food spoilage and contamination, thus, it is regulated by environmental, health and food safety organizations. The Group has processes and systems in place to monitor food safety risks in all stages of manufacturing and processing to mitigate these risks. In addition, the livestock industry is exposed to risks associated with supply and price volatility of its inventories and livestock.

To mitigate this risk, the Group regularly monitors the supply and price of commodities and enters into supply agreements at a reasonable price.

<u>Capital Management</u>
The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods is summarized as follows:

	2024	2023
Total liabilities	**₱3,538,652,338**	₱3,321,153,990
Total equity	**2,244,954,970**	1,901,342,078
Debt-to-equity ratio	**1.58**	1.75

The Group is not subject to externally imposed restrictions.

31. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Group's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy as at December 31:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortized Cost				
Cash	₱590,140,410	₱590,140,410	₱398,265,061	₱398,265,061
Trade and other receivables*	1,055,671,475	1,055,671,475	928,059,125	928,059,125
Receivable from an insurance company	70,203,810	70,203,810	70,203,810	70,203,810
Security deposits	12,928,688	12,928,688	12,928,688	12,928,688
	₱1,728,944,383	₱1,728,944,383	₱1,409,456,684	₱1,409,456,684
Financial Liabilities at Amortized Cost				
Trade and other payables**	₱2,243,820,769	₱2,243,820,769	₱2,059,122,735	₱2,059,122,735
Loans payable	799,970,490	799,970,490	898,119,285	898,119,285
Lease liabilities	100,970,301	100,970,301	83,501,520	83,501,520
Cash bond deposits	66,449,820	66,449,820	50,593,952	50,593,952
	₱3,211,211,380	₱3,211,211,380	₱3,091,337,492	₱3,091,337,492

*Excluding advances to officers and employees
**Excluding statutory payables

The following methods and assumptions were used in estimating the fair value of the Group's financial assets and liabilities:

Cash, Trade and Other Receivables (Excluding Advances to Officers and Employees), Trade and Other Payables (Excluding Statutory Payables) and Cash Bond Deposits. The carrying amounts of these financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

Receivable from an Insurance Company, Security Deposits, Lease Liabilities and Loans Payable. Management believes that the differences between fair values and carrying amounts are not significant.

There have been no transfers between the fair value hierarchy in 2024 and 2023.

32. Operating Segment Information

The Group is organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Business Segments
The Group mainly operates under the Foods, Feeds and Farms segments:

a. The Foods segment is engaged in the growing, production and distribution of chicken broilers, either as live or dressed chickens. Its products are distributed to hotels, restaurants, institutional clients, wet markets and supermarkets.

b. The Feeds segment caters to the feed requirement of the poultry growers' industry. It is engaged in the manufacture and distribution of animal feeds, animal health and nutritional products, and feed supplements sold to various distributors, dealers and end users.

c. The Farms segment is involved in the production, sale and distribution of day-old chicks.

The Corporate and Others segment includes general and corporate income and expense items which are not specifically identifiable to a particular segment.

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS Accounting Standards. The presentation and classification of segment revenue and expenses are consistent with the consolidated statements of comprehensive income. The presentation and classification of segment assets and liabilities are consistent with the consolidated statements of financial position.

The following tables present revenues and expenses information and certain assets and liabilities information regarding the different business segments as at and for the years ended December 31, 2024, 2023 and 2022 (in millions):

	December 31, 2024					
	Foods	Feeds	Farms	Corporate and Others	Eliminations	Consolidated
REVENUES						
Net sale of goods	₱8,363.52	₱4,507.11	₱502.47	₱–	₱925.58	₱12,447.52
Fair value changes on biological assets - livestock	–	–	91.77	–	–	91.77
	8,363.52	4,507.11	594.24	–	925.58	12,539.29
COSTS AND OTHER OPERATING EXPENSES						
Cost of goods sold, excluding depreciation and amortization	7,997.58	3,464.21	491.33	–	931.44	10,891.73
Operating expenses, excluding depreciation and amortization	140.10	219.14	14.37	707.77	–	1,063.23
Depreciation and amortization	24.89	98.11	23.58	–	–	148.52
	8,035.61	3,800.46	529.08	707.77	931.44	12,141.48
SEGMENT OPERATING PROFIT (LOSS)	₱327.91	₱706.65	₱65.16	(₱707.77)	(₱5.86)	₱397.81
Other income (charges) - net						(83.43)
INCOME BEFORE INCOME TAX						314.38
Provision for income tax						97.79
NET INCOME						₱216.59
ASSETS AND LIABILITIES						
Segment assets	₱2,272.79	₱904.60	₱211.63	₱2,616.60	₱232.01	₱5,783.61
Segment liabilities	₱1,473.77	₱579.71	₱155.62	₱1,676.85	₱327.30	₱3,558.65
OTHER INFORMATION						
Capital expenditures	₱47.50	₱33.48	₱–	₱4.44	₱–	₱85.37
Non-cash expenses other than depreciation and amortization						
Provision for expected credit loss	₱–	₱–	₱–	₱41.05	₱–	₱41.05
Retirement expense	–	–	–	25.30	–	25.36
Losses on inventories and property, plant and equipment damaged by the typhoon	–	–	–	26.41	–	26.41

	December 31, 2023					
	Foods	Feeds	Farms	Corporate and Others	Eliminations	Consolidated
REVENUES						
Net sale of goods	₱7,528.79	₱5,326.26	₱472.17	₱–	₱505.32	₱12,543.59
Fair value changes on biological assets - livestock	–	–	(47.78)	–	–	(47.78)
	7,528.79	5,326.26	424.39	–	585.32	12,495.81
COSTS AND OTHER OPERATING EXPENSES						
Cost of goods sold, excluding depreciation and amortization	6,687.17	4,936.85	454.78		594.70	11,484.11
Operating expenses, excluding depreciation and amortization	110.61	185.70	11.29	544.80	–	851.40
Depreciation and amortization	13.04	109.60	–	25.10	–	147.74
	6,810.82	5,232.16	466.07	569.90	594.7	13,486.25
SEGMENT OPERATING PROFIT (LOSS)	₱717.97	(₱105.11)	(₱41.68)	(₱569.90)	(₱9.38)	₱10.56
Other income (charges) - net						(4.05)
INCOME BEFORE INCOME TAX						6.58
Provision for (benefit from) income tax						(5.73)
NET INCOME						₱12.33

	December 31, 2023					
	Foods	Feeds	Farms	Corporate and Others	Eliminations	Consolidated
ASSETS AND LIABILITIES						
Segment assets	₱2,966.61	₱801.[illegible]	₱[illegible]	₱[illegible]	₱[illegible]	₱5,[illegible].50
Segment liabilities	₱1,346.25	₱572.[illegible]	₱372.29	₱1,511.95	₱184.00	₱3,321.20
OTHER INFORMATION						
Capital expenditures	₱61.10	₱46.40	₱–	₱5.90	₱–	₱113.40
Non-cash expenses other than depreciation and amortization						
Retirement expense	₱	₱–	₱–	₱22.32	₱–	₱22.32
Provision for expected credit loss	–	–	–	3.54	–	3.54

	December 31, 2022					
	Foods	Feeds	Farms	Corporate and Others	Eliminations	Consolidated
REVENUES						
Net sale of goods	₱6,502.78	₱5,159.29	₱516.90	₱	₱255.45	₱11,957.57
Fair value changes on biological assets - livestock	–	–	10.94	–	–	10.94
	6,502.78	5,159.29	527.84	–	255.45	11,968.46
COSTS AND OTHER OPERATING EXPENSES						
Cost of goods sold, excluding depreciation and amortization	5,535.94	4,773.65	466.71	–	271.67	10,330.64
Operating expenses, excluding depreciation and amortization	112.19	185.75	15.35	535.51	–	846.40
Depreciation and amortization	32.50	77.07	–	23.[illegible]	–	132.97
	5,580.63	5,036.56	482.06	558.40	271.67	11,753.01
SEGMENT OPERATING PROFIT (LOSS)	₱526.15	₱102.73	₱47.78	(₱556.40)	(₱13.22)	₱[illegible].45
Other charges - net						(41.59)
INCOME BEFORE INCOME TAX						143.86
Provision for income tax						(53.83)
NET INCOME						₱89.03
ASSETS AND LIABILITIES						
Segment assets	₱2,[illegible].83	₱571.30	₱380.38	₱1,232.43	₱63.06	₱[illegible]
Segment liabilities	₱1,401.49	₱[illegible]	₱119.[illegible]	₱1,436.47	₱100.77	₱3,347.84
OTHER INFORMATION						
Capital expenditures	₱141.07	₱99.34	₱–	₱16.80	₱–	₱257.[illegible]
Non-cash expenses other than depreciation and amortization						
Retirement expense	₱–	₱–	₱–	₱22.54	₱	₱22.54
Provision for expected credit loss		–	–	1.70	–	1.70

33. Business Combination

On December 16, 2021, the BOD of the Parent Company approved the acquisition of 100% of the outstanding capital stock of BVC from Luzon Agriventure, Inc. (LAVI) for a consideration of ₱1.00. BVC is a private domestic corporation engaged, among others, in poultry production as well as in the processing, raising and breeding of chickens and similar stocks. The registered principal place of business of the BVC is located at Mariao-San Jose Road, Sta. Rosa I, Marilao, Bulacan.

BVC operated as the Parent Company's wholly-owned subsidiary starting January 1, 2022. The assets acquired and liabilities assumed from the business combination are as follows:

Assets Acquired:	
Cash	₱2,751,245
Trade receivables	11,897,011
Prepayments	6,535,805
Property and equipment	6,739,713
Deferred tax assets	2,200,796
	₱30,124,570
Liabilities Assumed:	
Trade and other payables	₱30,232,590
Deposits	177,040
	₱30,409,630

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Vitarich Corporation and a Subsidiary
Marilao - San Jose Road, Sta. Rosa I
Marilao, Bulacan

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Vitarich Corporation (the Parent Company) and a Subsidiary as at December 31, 2024 and 2023 and for the years then ended included in this Form 17-A and have issued our report thereon dated March 20, 2025. Our audits were made for the purpose of forming an opinion on the 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 on Financial Soundness Indicators
- Schedules as Required by Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Conglomerate Map
- Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration

The schedule on financial soundness indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) 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 as at December 31, 2024 and 2023 and for the years then ended and no material exceptions were noted.

The other supplementary schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the consolidated financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

MICHELLE R. MENDOZA-CRUZ
Partner
CPA Certificate No. 97380
Tax Identification No. 201-892-183-000
BOA Accreditation No. 4782/P-011; Valid until June 6, 2026
BIR Accreditation No. 08-005144-012-2023
Valid until January 24, 2026
PTR No. 10467135
Issued January 2, 2025, Makati City

March 20, 2025
Makati City, Metro Manila

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AUDIT | TAX | CONSULTING

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VITARICH CORPORATION AND A SUBSIDIARY
FINANCIAL RATIOS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

Below is a schedule showing the financial soundness indicators in the years 2024 and 2023.

	Formula	2024	2023
Current Ratio			
	Current assets	₱3,206,286,572	₱2,750,092,650
	Divided by: Current liabilities	3,128,802,760	2,998,275,394
	Current Ratio	1.025	0.917
Debt-to-Equity Ratio			
	Total liabilities	₱3,538,652,338	₱3,321,153,990
	Divided by: Total equity	2,244,954,970	1,901,324,078
	Debt-to-Equity Ratio	1.576	1.747
Asset-to-Equity Ratio			
	Total assets	₱5,783,607,308	₱5,222,496,068
	Divided by: Total equity	2,244,954,970	1,901,342,078
	Asset-to-Equity Ratio	2.576	2.747
Solvency Ratio			
	Net income before depreciation and amortization	₱363,104,084	₱161,045,195
	Divided by: Total liabilities	3,538,652,338	3,321,153,990
	Solvency Ratio	0.103	0.048
Interest Rate Coverage Ratio			
	Pretax income before interest	₱393,384,351	₱82,403,985
	Divided by: Interest expense	79,000,617	75,823,288
	Interest Rate Coverage Ratio	4.980	1.087
Profitability Ratio			
	Net income	₱216,598,562	₱13,304,916
	Divided by: Total equity	2,244,954,970	1,901,342,078
	Profitability Ratio	0.096	0.007

	Formula	2024	2023
Gross Profit Margin			
	Gross profit	₱1,503,647,692	₱904,473,628
	Divided by: Net sales	12,447,519,619	12,543,694,175
	Gross Profit Margin	12.080%	7.211%
Net Profit Margin	Net income	₱216,588,562	₱13,304,916
	Divided by: Net sales	12,447,519,619	12,543,694,175
	Net Profit Margin	1.740%	0.106%
Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)	Net income	₱216,588,562	₱13,304,916
	Add:		
	Interest expense	79,000,617	75,823,288
	Taxes	97,795,172	(6,724,219)
	Depreciation and amortization	146,515,492	147,740,279
	EBITDA	₱539,899,843	₱230,144,264
EBITDA Margin			
	EBITDA	₱539,899,843	₱230,144,264
	Divided by: Net sales	12,447,519,619	12,543,694,175
	EBITDA Margin	4.337%	1.835%
Price Earnings Ratio			
	Market value per share	0.540	0.510
	Divided by: Earnings per share	0.071	0.004
	Price Earnings Ratio	7.606	127.500
Return on Average Equity			
	Net income	₱216,588,562	₱13,304,916
	Divided by: Average total equity	2,073,148,524	1,887,188,731
	Return on Average Equity	10.447%	0.705%

	Formula	2024	2023
Quick Ratio			
	Quick assets	₱1,671,471,304	₱1,348,221,840
	Divided by: Current liabilities	3,128,802,760	2,998,275,394
	Quick Ratio	0.534	0.450
Debt-to-EBITDA			
	Total liabilities	₱3,538,652,336	₱3,321,153,990
	Divided by: EBITDA	539,899,843	230,144,264
	Debt-to-EBITDA	6.554	14.431
Receivable Days Turnover			
	Average accounts receivable (multiplied by 365 days and divided by net sales)	₱989,173,162	₱852,695,286
	Receivable Days Turnover	29	25
Inventory Days Turnover			
	Average inventories and biological assets - livestock (multiplied by 365 days and divided by cost of goods sold)	₱1,110,744,370	₱1,016,757,526
	Inventory Days Turnover	37	32
Accounts Payable Days			
	Average accounts payable (multiplied by 365 days and divided by credit purchases	₱1,570,679,698	₱1,647,612,886
	Accounts Payable Days	51	52
Cash Conversion Cycle	Days inventory outstanding	37	32
	Add: Days sales outstanding	29	25
	Less: Days payable outstanding	(51)	(52)
	Cash Conversion Cycle	15	5

VITARICH CORPORATION AND A SUBSIDIARY

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	**₱3,750,000**	₱3,450,000
Non-audit services fees:		
Transfer pricing services	**500,000**	–
Tax compliance review	–	1,100,000
Total Non-audit Fees	**500,000**	1,100,000
Total Audit and Non-audit Fees	**₱4,250,000**	₱4,550,000

VITARICH CORPORATION AND A SUBSIDIARY

SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF REVISED SRC RULE 68

DECEMBER 31, 2024

Table of Contents

Notes:

Schedule A - The Group is not required to prepare the schedule because the information requirements are not applicable to the Group.

Schedule B - The Group has no receivable from directors, officers, employees, and principal stockholders of more than one ₱1 million or 1% of the total assets as at December 31, 2024.

Schedule E - The Group has no long term loans from related parties as at December 31, 2024.

Schedule F - The Group did not guarantee any securities of other issuers as at December 31, 2024.

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VITARICH CORPORATION AND A SUBSIDIARY
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in Thousands)

Related Party	Balance as at Beginning of Year	Additions	Deductions			Ending Balance		Balance as at End of Year
			Collections	Write Off	Amounts Written Off	Current	Noncurrent	
Amounts Due from Related Parties								
Barbatos Ventures Corporation	₱145,115	₱119,937	₱29,608	₱–	₱–	₱236,444	₱–	₱236,444

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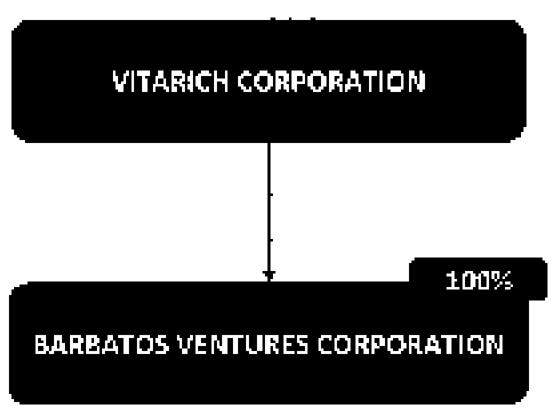
VITARICH CORPORATION AND A SUBSIDIARY
SCHEDULE D – LONG TERM DEBT
DECEMBER 31, 2024
(Amounts in Thousands)

Title of Issue and type of obligation	Amount authorized by Indenture	Amount shown under caption "Current portion of long-term debt" related balance sheet	Amount shown under caption "Long-Term Debt" in related statement of financial position			Maturity Dates
			Carrying amount	Interest Rates	Payment Terms	
Loans payable - China Bank Savings	₱86,900	₱12,411	₱24,822	7.875%	28 quarterly payments of principal, monthly interest payments	October 30, 2025
Loans payable - China Bank Savings	86,900	12,411	24,822	8.125%	28 quarterly payments of principal, monthly interest payments	November 30, 2026
Loans payable Asia United Bank	67,000	33,500	55,833	7.750%	24 monthly payments of principal and interest	August 21, 2026
	₱240,800	₱58,322	₱105,477			

VITARICH CORPORATION AND A SUBSIDIARY
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024
(Amounts in Thousands)

				Number of shares held by		
Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the statement of financial position caption	Number of shares reserved for options, warrants, conversion & other rights	Related parties	Directors, officers and employees	Others
Common stock - P0.38 par value per share						
Authorized - 3,500,000,000 shares	3,500,000	3,054,334	–	2,204,373	81,759	758,403

VITARICH CORPORATION AND A SUBSIDIARY
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE GROUP
DECEMBER 31, 2024



PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

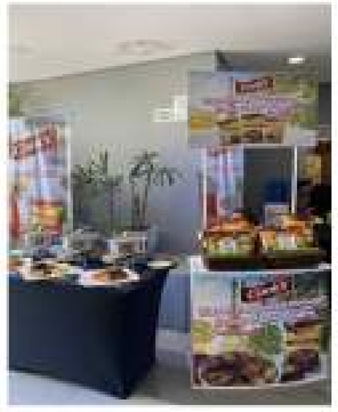
VITARICH CORPORATION
Marilao - San Jose Road, Sta. Rosa I
Marilao, Bulacan

		Amount
Deficit as at the beginning of reporting period		(P216,530,997)
Add: Category A: Items that are directly credited to unappropriated retained earnings		
Transfer from revaluation surplus to retained earnings - net of deferred income tax		7,851,147
Deficit, as adjusted		(208,679,850)
Add: Net income for the current year	275,757,288	
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period - net of deferred income tax		
Fair value changes on biological assets - livestock	(68,827,209)	
Gain on fair value changes of investment properties	(15,264,648)	
Adjusted net Income		191,665,431
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution		
Unrealized fair value changes on biological assets - livestock in 2023, realized in 2024 - net of deferred income tax	(35,834,684)	
Net movement of unrealized foreign exchange - net of deferred income tax	113,433	
Net movement on set-up of ROU assets and lease liabilities - net of deferred income tax	93,275	
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	(3,446,413)	(39,074,389)
Deficit as at the end of reporting period		**(P56,088,808)**

COMPANY ACTIVITIES

16TH PHILIPPINE FOOD EXPO 2024

COOK'S SAMPLING ACTIVITIES



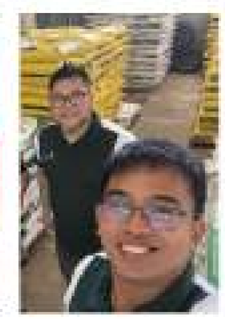
WORLD FOOD EXPO 2024

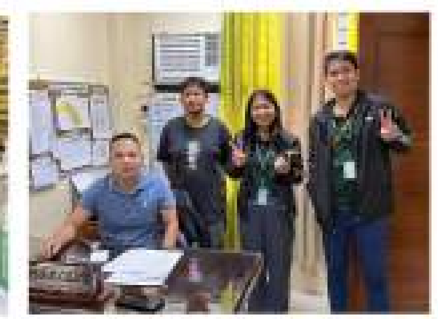
RATSADA: BARANGAY VITARICH

DAVAO AGRI TRADE EXPO 2024

PINOY PORK CHALLENGE 2024

SALES ON FIELD





ADOPT AN ESTERO TREE PLANTING

OUTREACH PROGRAM BJMP FEMALE DORM

TYPHOONS KRISTINE & LEON DONATION DRIVE

BLOOD LETTING ACTIVITY

DRESSED CHICKEN DONATION

MEDICAL MISSION AND DONATION OF MEDICINE

DONATIONS TO FLOOD VICTIMS

FOLLOW OUR SOCIAL MEDIA AND VISIT OUR WEBSITE

CORPORATE INFORMATION AND DIRECTORY

STOCK EXCHANGE LISTING

Vitarich Corporation common shares are listed
on the Philippine Stock Exchange (PSE: VITA, ISIN: PHY937931186).

REGISTERED OFFICES

Vitarich Corporation common shares are listed
on the Philippine Stock Exchange (PSE: VITA, ISIN: PHY937931186).

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Zone 4, Brgy. San Isidro Magarao,
Camarines Sur
Phone: (054) 881-9104

Iloilo
Brgy. Mali-ao, Pavia, Iloilo
Phone: (033) 320-6753

Bacolod
Luzuriaga Extension, Reclamation Area,
Brgy. 13 Bacolod City
Phone: (034) 445-3744

Cagayan de Oro
NEO Central Arcade, Unit A, Warehouse 3,
Cugman Highway, Cagayan de Oro
Phone: (088) 857-6938

Davao Feed Mill
Km 14, Panacan, Davao City
Phone: (082) 238-0330 to 32

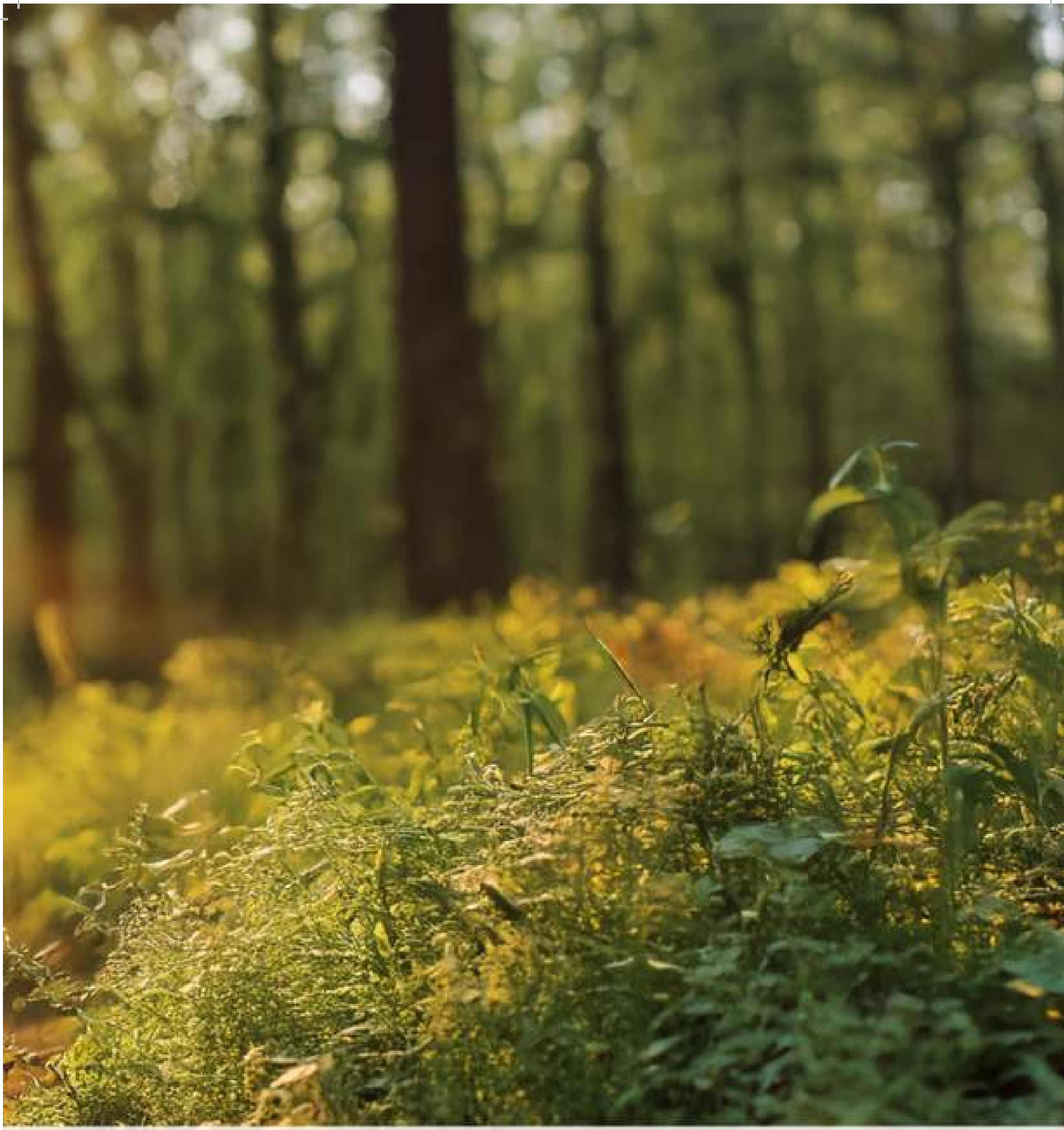
Davao Dressing Plant
Purok 12, Quarry, Tugbok, Davao City

General Santos
Doors D and E, FMUFASCO Building,
National Highway,
Brgy. Sinawal, General Santos City, South
Cotabato
Phone: (083) 553-5006

For inquiries from investors, analysts, and members of the media, contact ir@vitarich.com

For inquiries regarding shareholder records, dividend payments, change of address and account status, and lost or damaged stock certificates, contact:

Stock Transfer Service, Inc.
Unit 34-D, Rufino Pacific Tower
6784 Ayala Avenue, Makati City 1226
Mobile: 0945-4852455 | 0998-2915456
Phone: (02) 8403-2412 | (02) 8403-2410
(02) 8403-3433 | (02) 8403-9853
Fax: (02) 8403-2414



VITARICH CORPORATION

FORGING LIVELIHOOD, NOURISHING LIVES™

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