CENTRAL AZUCARERA DE TARLAC AND SUBSIDIARY

RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

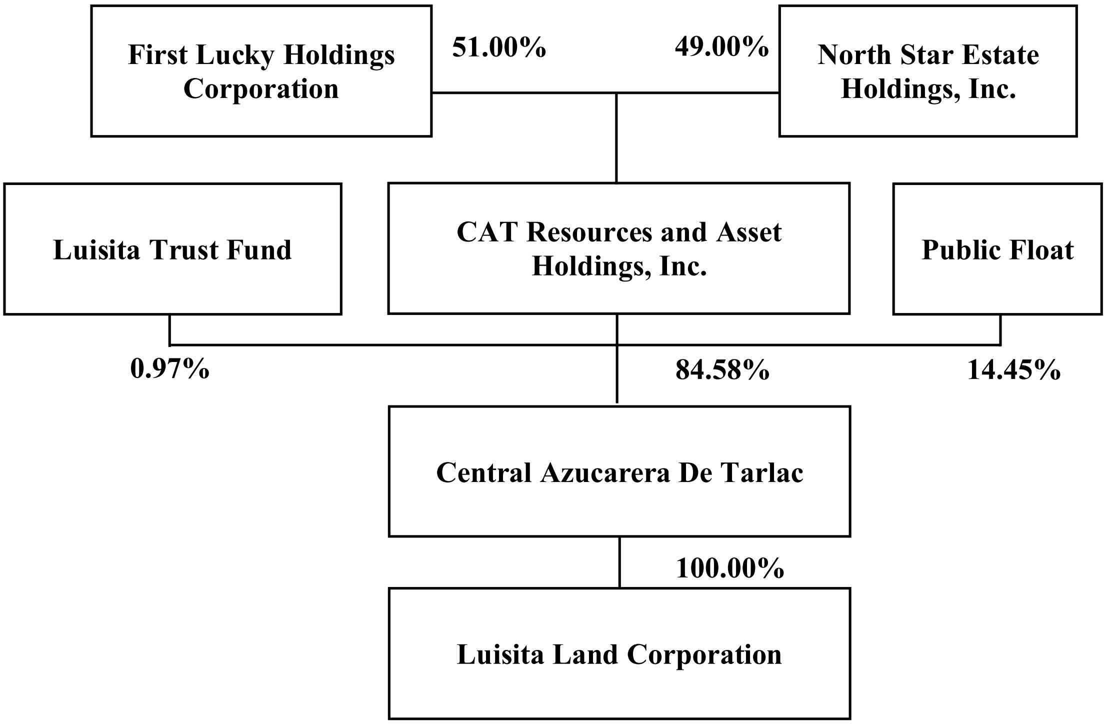
AS AT JUNE 30, 2021

Unappropriated Retained Earnings as at July 1, 2020*, as restated*		₱941,279,261
Accumulated fair value adjustment on investment property		(435,475,107)
Unappropriated Retained earnings as at July 1, 2020, *as adjusted to available for dividend declaration*		505,804,154
Add: Net income actually earned/realized during the period		
Net loss during the year closed to retained earnings	(10,722,568)	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (mark-to-market gain)	–	
Fair value adjustment of investment property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP - gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transaction accounted for under PFRS	–	
Subtotal	(10,722,568)	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustment due to deviation from PFRS/GAAP - loss	–	
Loss on fair value adjustment on investment property (after tax)	–	
Subtotal	(10,722,568)	
Net income actually earned during the period		(10,722,568)
Add (Less):		
Dividend declarations during the year	(431,697,280)	
Appropriation of retained earnings during the period	–	
Reversal of appropriations	500,000,000	
Reversal of revaluation increment to retained earnings	–	
Effect of prior period adjustments	–	
Treasury shares	(369,078,490)	
Subtotal		(300,775,770)
Retained earnings as at June 30, 2021 available for dividends		₱194,305,816

CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY

CONGLOMERATE MAP

AS AT JUNE 30, 2021



SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and the Stockholders
Central Azucarera de Tarlac, Inc. and Subsidiary
San Miguel, Tarlac City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Central Azucarera de Tarlac, Inc. and its subsidiary (the Group) as at June 30, 2021 and 2020, and for each of the three years in the period ended June 30, 2021, and have issued our report thereon dated October 7, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the consolidated financial statements as at June 30, 2021 and 2020, and for each of the three years in the period ended June 30, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0662-AR-4 (Group A)
November 21, 2019, valid until November 20, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-071-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8534345, January 4, 2021, Makati City

October 7, 2021

CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY

FINANCIAL SOUNDNESS INDICATORS

AS AT JUNE 30, 2021

	FORMULA	2021	2020
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	**1.88**	1.70
Acid test ratio	Cash + Accounts receivable / Current liabilities	**0.67**	0.75
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	**0.91**	0.56
Asset to equity ratio	Total assets / Total equity	**1.91**	1.56
Net debt to equity ratio	Total liabilities - Cash / Total equity	**0.88**	0.48
Interest coverage ratio	Earnings before interest and tax / Interest expense	**0.92**	2.93
PROFITABILITY RATIOS			
Operating margin	Operating profit / Total revenues	**0.06**	0.10
Return on equity	Net income after tax / Total equity	**0.00**	0.02

Stock Transfer Service Inc.
CENTRAL AZUCARERA DE TARLAC, INC
Stockholder MasterList
As of 06/30/2021

Count	Name	Holdings
1	ABACUS SECURITIES CORP.	9,300
2	BARBARA T. ABAD	20,240
3	JOSE LUIS ABAD	8,240
4	REMEDIOS ABAD	1,540
5	CLODUALDO ACADEMIA	10,000
6	WELLERITA AGUAS	9,980
7	ANTONIO AGUILAR	10,000
8	CECILIA A. ALAMPAY	640
9	DELIA A. ALAMPAY	640
10	VALERIO ALCANTARA	280,160
11	RODERICK ALAIN ALVAREZ	10,000
12	ROMELITO A. AMORANTO	9,600
13	JOSEFA V. ANASTACIO	1,480
14	WILLY CHUA ANG	19,240
15	ANSALDO, GODINEZ & CO., INC.	1,380
16	ANSELMO TRINIDAD & CO., INC.	6,660
17	ANTONIA, GLORIA, RAFAEL, ANGELES AND LOURDES CAMPOS	240
18	ANTONIO, ANGELES, & VICENTE GONZALES	2,360
19	CORAZON ANTONIO	10,000
20	AQUINO, DENNIS T., OR EVANGELINE G. AQUINO OR TERESA G. AQUINO	21,040
21	AQUINO, REMEDIOS M.,ITF SERVILLANO M. AQUINO JR.	32,040
22	AQUINO, RENE P. , OR MICAEL V. AQUINO OR MELANIE V. AQUINO	21,080
23	NAPOLEON ARANETA	10,000
24	ENRIQUE A. ARCE	9,600
25	LUIS T. ARRIOLA	96,600
26	ROGINIA BANACIA	10,000
27	ANGEL BANAS	96,600
28	RONALD BARIT	10,000
29	MA. ANGELES G. BARRANCO	12,600
30	BDC # 132-317-78	8,040
31	BENJAMIN CO-CA & CO., INC.	1,880
32	BERNADETTE DE LEON	1,000
33	ADELA MIRA BERTRAND	10,600
34	DOLORES MIRA BERTRAND	10,600
35	ENCARNACION MIRA BERTRAND	10,400
36	JOSE VICENTE MIRA BERTRAND	10,400
37	DIONISIO LLANO BONA	15,040
38	JOSE LLANO BONA	2,800
39	ANTONIO CAMPOS BOUFFARD	3,490
40	LUISA C. BOYARSKI	8,240
41	FERNANDO M. BRAGANZA JR.	8,000
42	ANTONIO M. BRAGANZA	8,000
43	EMILIA M. BRAGANZA	8,000
44	FERNANDO M. BRAGANZA	2,960
45	RENATO M. BRAGANZA	8,000
46	CARMEN A. BROOKS	4,800
47	RAFAEL V. CABRERA	54,800
48	FELICIANA CAMARA	34,240

49	QUIRICO S. CAMUS JR.	15,760
50	ELISEO CANDO	10,000
51	MA. LONIA CANTORIA	10,000
52	CARLOS TORRES &/OR VICTOR S. BARRIOS	23,160
53	JUAN J. CARLOS	68,700
54	AURORA IGLESIAS CARRANZA	21,440
55	GORGONIA S. CASTILLO	3,360
56	ROBERTO C. CASTRO	4,000
57	CENTRAL AZUCARERA DE TARLAC INC. FRACTIONAL SHARES	9,040
58	CENTRAL AZUCARERA DE TARLAC, INC - TREASURY SHARES	7,200
59	ALLEN CHAM	30,880
60	ROSALINA CHAMPO	34,760
61	FRANCISCO BONZA CHAN	9,600
62	RODOLFO CHAN	5,720
63	LIM BENG CHEE	231,840
64	CHIONG & COMPANY, INC.	14,440
65	TAN TIAN CHOAN	11,520
66	ARSENIO L. CHUA	5,720
67	BENJAMIN CHUA	33,660
68	CHARLIE CHUA	17,320
69	EDWARD CHUA	14,800
70	ERNEST CHUA	2,920
71	NELLY PE CHUA	19,240
72	WILLINGTON CHUA	233,100
73	MA. CONCEPCION A. CHURUCA	130,000
74	WILLIAM CO	4,560
75	COJUANGCO, ANA CRISTIN,ITF YSABEL CATARINA COJUANGCO SISON	10,000
76	COLLADO, SERAFIN FERNANDEZ	4,800
77	CONGREGACION DE LA MISSION DE SAN VICENTE DE PAUL EN FILIPINAS	48,280
78	CONSUNJI, JOSE	10,000
79	COROMINAS & COMPANY, INC.	2,360
80	COROMINAS, JOSEFINA	8,240
81	CORREA, AMALIA RIVERA	16,160
82	CORREA, ANTONIO VEGLISON	36,280
83	CREDIT MANILA INC.	2,440
84	CUALOPING SECURITIES CORPORATION	3,320
85	CUNAG, JOSE	5,720
86	DAITE, BERNADITA	10,000
87	DALUSUNG, ANITA C.	6,400
88	DAMO, FACUNDO G.	1,880
89	DAVID, JOSEFINA S.	1,880
90	DE ASIS, TERESITA	10,000
91	DE JESUS, ALEJANDRO	3,800
92	DE JESUS, FELISA G.	7,640
93	DE LECEA, FRANCISCO JAVIER ROMERO	25,240
94	DE LECEA, MA. DEL CARMEN ROMERO	7,040
95	DE LECEA, MA. DELA FUENCISIA ROMERO	25,240
96	DE LEON, ADELAIDA	10,000
97	DE LEON, CLEMENTE	2,800
98	DE LEON, JULIAN	2,800
99	DE LEON, MAGDALENA, ITF GERMINA, VIVIAN, MILAGROS, SOCORRO, LOURDES, ANTONIO & CECILIA	2,960
100	DE LEON, MANUEL	38,160
101	DE LEON, MARIA	2,800
102	DE LEON, MARIO	2,800
103	DE PARELLADA, ANGELES CAMPOS	160

104	DE PRADERA, GLORIA CAMPOS	160
105	DELA CRUZ, EDITHA M.	25,240
106	DELA RIVA, CARMEN GALOBART	277,440
107	DELGADO, HERMENEGILDO A.	10,000
108	DELGADO, NELLIE C.	219,040
109	DINO, REV. FR. ISIDRO D.	2,520
110	DIZON, NILDA S.	59,400
111	DIZON, VIRGINIA	30,160
112	DONATO, BELARIO S.	128,200
113	DONATO, MARIANO	7,160
114	DONGON, AMADO	48,280
115	DURDULAW, ARTEMIO	48,280
116	DY, ENGRACIA	28,960
117	E. SANTAMARIA & CO., INC.	6,000
118	EDWINA, ANGELICA, MICHELLE LITTON ORTIGAS	1,320
119	ELIGIR & YAPTINCHAY, INC.	1,880
120	ELNAR, CARLOS	4,800
121	ENRILE, REINALISSA B.	20,000
122	EQUITABLE SECURITIES (PHIL.), INC.	500
123	ERANA, AMANDA L.	38,160
124	ESCALER, JOSE O.	1,600
125	ESPIRITU, BENJAMIN IGNACIO	10
126	ESTATE OF EMILIANO J. VALDES	42,280
127	FACTORAN JR., FULGENCIO	200
128	FAYLONA, MA. CHRISTINA F.	32,400
129	FERNANDEZ, DIT	38,600
130	FERNANDEZ, GODOFREDO C.	51,440
131	FERNANDEZ, JESUS PELLON	55,040
132	FLORES, ANTONIO	10,000
133	FONG, FRANCISCO WING SIEN	70,480
134	FORD, THOMAS J.	210,320
135	FORD, THOMAS J.(MRS.)	63,400
136	FORMOSO, ALVARA PAPA	7,160
137	FOX E.L.	9,600
138	FRANCES AGNES LLANEZA	13,200
139	GAERLAN, ELENA A.	9,600
140	GARCIA, MERCEDES A.	25,720
141	GARROVILLAS, ADRIANO B.	5,720
142	GIOK, TAN KIM	3,800
143	GO, MARTINA L.	4,000
144	GOMEZ, JESUS PINO	42,280
145	GONZALES, ANTONIO A.	12,640
146	GONZALES, FELIX	160
147	GONZALES, FELIX GARCIA	42,280
148	GONZALES, MARIANO	1,360
149	GONZALES, VICENTE A.	12,640
150	GUAN, TAN	115,880
151	GUERRERO, LEON MA.	8,240
152	GUEVARRA, ANTONIO	5,720
153	GUEVARRA, ESTELLA YAP	1,880

154	GURREA, CARLOS JOSE Y PALENZUELA	5,840
155	GURREA, MA. ROBERTA Y PALENZUELA	5,840
156	GUTIERRES, TERESA MARTINEZ VDA DE	198,160
157	GUTIERREZ, JESUS MOLINA	163,000
158	GUTIERREZ, LEONILA	10,000
159	GUZMAN, MA. LUISA GARCIA	120
160	HAW, MADING	23,160
161	HEIRS OF JORGE JOSE DE LEON	24,425
162	HEIRS OF JOSE NATIVIDED BARTOLOME DE LEON II	24,425
163	HEIRS OF JUAN LEOPOLDO DE LEON	24,425
164	HEIRS OF MA. LUISA DE LEON ESCALER	24,425
165	HEIRS OF MA. VICTORIA MARFA SATRUSTEGUI	178,720
166	HEIRS OF OSCAR TRINIDAD DE LEON	24,425
167	HEIRS OF REGINA TERESA DE LEON JALANDONI	24,425
168	HEREDEROS DE MISS M.J. WARD	19,400
169	HERNANDEZ, JOSE	3,160
170	HERNANDEZ, PACITA	3,160
171	HERNANDEZ, PEDRO	3,160
172	HERRERA, JOSELITO CORPUS	100
173	HIJOS DE F. ESCANO, INC.	9,600
174	HING, CO PENG	34,740
175	HIONG, CO CHE	19,240
176	HO, SUSANA Y.	38,600
177	HOY, TOMAS TSEN	16,160
178	HU, TIU	17,320
179	IGLESIAS, AURORA CARRANZA VDA DE	84,800
180	IGLESIAS, JOSE LUIS	21,440
181	IGLESIAS, JOSE MARIA	21,440
182	ILETO, VIRGINIA M.	3,400
183	IRAGORRI, EDUARDO GALLARZA	272,560
184	J.J. ORTIGAS & CO., INC.	4,240
185	JALANDONI, REGINA DE LEON	3,030
186	JIMENEZ, FEDERICO P.	8,760
187	JUMANGIT, ERLINDA	5,520
188	KRAMER JR.,ERNEST A.	36,680
189	KRAMER, FEDERICO JOSE	36,720
190	KRAMER, VICTOR ANTONIO O.	36,720
191	L. RECIO & CO., INC.	6,240
192	LAFUENTE, LEOPOLDO	16,960
193	LAGDAMEO, SOL C.	10,000
194	LAHOZ, MANUEL	10,000
195	LEANA CONSOLIDATED CORPORATION	14,160
196	LEDESMA, MAVIS DEL ROSARIO	12,120
197	LIAN, YAP SIO	11,520
198	LIM, FELIMON	27,160
199	LIM, GALNIESA KONG	100,440
200	LIM, JENNY T.	127,560
201	LIM, JOSEFINA T.	127,560
202	LIM, JUDY	11,520
203	LIM, RAMON	9,600
204	LIM, VIRGILIO	40

205	LIMOANCO, EDWARD	60,320
206	LIMOANCO, EDWIN	20,240
207	LIMOANCO, GRACE	21,600
208	LO, FELISITA K.	14,440
209	LOPA JR., MANUEL	139,640
210	LOPA, ERNESTO A.	124,360
211	LOPEZ, ARCADIO M.	10,000
212	LORZA JR., MIGUEL L.	36,720
213	LORZA, MA. SOLEDAD K.	36,680
214	MAIZTEGUI, RAMIRO	4,400
215	MALCOLM LAW OFFICE	57,920
216	MANLO AGRICULTURAL DEVELOPMENT CORP.	9,330
217	MARIN, ENRIQUETA VALCARCEL	59,400
218	MARIN, MA. DEL PILAR VALCARCEL	59,400
219	MARIN, MONTSERRAT VALCARCEL	58,240
220	MARQUEZ, MARCIAL S.	16,160
221	MARTIN, FRANCISCO LON	204,400
222	MAXIMO, JOSEFINA VILLETA	20,360
223	MEDEL, VICTOR OTERO	18,400
224	MEDINA, CECILIA ENCARNACION NAKPIL	31,890
225	MENDOZA, ALBERTO G.	29,040
226	MENDOZA, JOSEPHINE G.	29,040
227	MENDOZA, MARIA CARINA G.	29,040
228	MENDOZA, MARIA JOVITA G.	29,040
229	MENDOZA, MARIA TERESITA G.	29,040
230	MENDOZA, NEREO	10,000
231	MENDOZA, NEREO CRUZ	10,000
232	MENDOZA, NESTOR C.	250,960
233	MENDOZA, TEODORICA G.	29,040
234	MISSIONARY CATECHISTS OF ST. THERESE OF THE INFANT JESUS, INC.	4,800
235	MOLLEDA, RITA DELA VARA	60,840
236	MONTECILLO, MANUEL G.	800
237	MORALES JR., EMMANUEL	10,000
238	MORALES, MARIO	10,000
239	MORALES, SERGIO	10,000
240	MORTON, CHARLES V.	243,440
241	NAKPIL JR., JOSE MIGUEL A.	31,890
242	NAKPIL, CARLOS ALBERTO A.	31,890
243	NAYRA, NOEL	10,000
244	NESPRAL, PAULITA HERNANDEZ	6,440
245	NG, NACIO	2,640
246	NGO, HERMINIA	8,690
247	NGO, LILY	15,280
248	NIETO, JOSE MARIA,&/OR TERESA V. DE NIETO	48,280
249	NOBLEZA, TERESITA MARTINEZ	28,960
250	OLLER, MA. MERCE FORMENTI	430,880
251	ONG, CHAN BON	57,920
252	ORTIGAS III, FRANCISCO	1,000
253	ORTIGAS, EDWINA LITTON VDA DE.	21,640
254	ORTIGAS, FRSCA RENEE LITTON	1,320
255	ORTIGAS, REMEDIOS	24,280

256	OSIAS, JOSEPH	10,000
257	OWEN NATHANIEL S. AU ITF: LI MARCUS AU	20
258	PACHECO, GENEROSA	3,800
259	PADILLA, RENATO BRIONES	10
260	PANICUCCI, TRINIDAD DE LEON	24,430
261	PANLILIO, CARLOS D.	106,960
262	PANLILIO, LUIS D.	26,740
263	PANLILIO, PABLO D.	53,480
264	PANLILIO, TERESITA D.	53,480
265	PASCASIO, PAMELA A., &/OR EDWIN FRANCIS PASCASIO &/OR MIRIAM A. PASCASIO	21,080
266	PCD NOMINEE CORPORATION (FILIPINO)	261,086,264
267	PCD NOMINEE CORPORATION (FOREIGN)	8,794,041
268	PHILSEC INVESTMENT CORPORATION	2,960
269	PICORNELL ORTIGAS & COMPANY	2,240
270	PIN, KONG CHAI	11,520
271	PLANAS, LOURDES CAMPOS	160
272	PLOFINO, MANUEL	10,000
273	PO, JANE	11,520
274	PO, LIM CHU	121,560
275	PO,PACITA	28,960
276	PO, THOMAS	2,040
277	PRICE, PILAR	15,030
278	PRIETO, AURELIO	4,400
279	PRIETO, JOSE	4,080
280	PRIETO, VALENTIN	9,360
281	PRIETO, VICENTE	6,120
282	PUNSALAN, CARLO A.	1,880
283	QUEROL, JESUS T.	9,600
284	RECTOR DEL SEMINARIO MAYOR DE SAN CARLOS	221,480
285	REGINA CAPITAL DEV. CORP. 000351	10,000
286	REYES JR., NARCISO	26,400
287	REYES, ANTONIO Z.	31,200
288	REYES, NORMA L., ITF NORMAN L. REYES	19,780
289	REYES, NORMA L.,ITF NANETTE L. REYES	14,080
290	REYES, NORMA L.,ITF NARCISO REYES III	44,070
291	REYES, NORMA L.,ITF NICANOR L. REYES	32,120
292	REYES, PERLITO C.	520
293	REYES, PRISCILA A.	1,480
294	RICHARDS, RAMORA C.	8,240
295	RIVILLA, LUIS TIRSO	36,000
296	ROASA, SAMUEL T.	8,880
297	ROBINOZ, BEATRIZ, &/OR EDWIN ROBINOZ	3,400
298	ROBIOU, FRANCISCO DE URMENETA	54,360
299	ROBLES, RAFAEL CAMPOS	1,680
300	ROBLES, REMEDIOS WARREN	19,400
301	ROCHA PEREZ INC.	12,120
302	RODRIGUEZ, JOAQUIN, &/OR SONJA RODRIGUEZ	62,880
303	ROJO, MONA LIZA	10,000
304	ROMULO, MARILES C.	441,240
305	S.J. ROXAS & C OMPANY, INC.	3,770
306	SALA, SALVADOR E.	18,320

307	SALES, GREGORIO R.	1,120
308	SAN GABRIEL, JOSE R.	2,870
309	SANCHEZ JR., SANTIAGO	10,000
310	SANCHEZ, DANILO	10,000
311	SANCHEZ, RIZALINA	10,000
312	SANTIAGO, O' MARINA SOLDEVILLA	369,040
313	SANTIAGO, PURITA B.	8,000
314	SANTOS JR., REMIGIO C.	920
315	SANTOS, ANNA VICTORIA C.	920
316	SANTOS, ANTONIO FERNANDEZ	55,800
317	SANTOS, AUGUSTO BENEDICT S.	10,000
318	SANTOS, GEORGIANA C.	920
319	SANTOS, JOANNE C.	920
320	SANTOS, LETICIA E.	127,560
321	SATRUSTEGUI, MA. ISABEL MARFA	178,720
322	SAY, BENILDA CHUA	30,880
323	SE, LAO ANG	9,080
324	SEE, UY GO	43,440
325	SENCHERMES, JUAN GALOBART	326,160
326	SERT, JOSE LUIS	112,960
327	SHARON, GOLDA SANDS	23,160
328	SHEN, MARGARET S.	48,280
329	SIASON, ISABELITA L.	4,000
330	SIGUION, PAZ E.	2,360
331	SINJIAN, ANSELMO A. , &/OR LETICIA V. SINJIAN	4,320
332	SINJIAN,MARIA ASUNCION	39,040
333	SISON, LYDIA DE LEON	111,040
334	SISON, LYDIA DE LEON	24,425
335	SIU, RUFINO ONG	9,600
336	SOTTO, ARCELINO	10,000
337	SUSARA, CARMEN Z.	2,200
338	SUY, TAN LEE	1,040
339	SY, CESAR	48,280
340	SY, LAURO C.	36,200
341	SY, LETICIA	15,360
342	SY, LINO	6,320
343	SY, LUZ T.	24,000
344	SYCIP, CARMEN	2,960
345	TAN, ANITA	19,240
346	TAN, DIANA	1,640
347	TAN, LUISA LAO	11,520
348	TAN, PEARL CHIU	46,320
349	TAN, ROMAN JACINTO	19,240
350	TANSENGCO, LOLITA ONG	6,430
351	TANSENGCO, RAFAEL ONG	6,440
352	TAY, FELIX GONZALES WONG	59,840
353	TIN, JOHN LEE HONG	11,520
354	TIONG SECURITIES, INC.	5,400
355	TIU, SO TIAO BIN	11,520
356	TOMELDEN, GENEVIEVE U.	410
357	TOMELDEN, GERARD U.	410

358	TOMELDEN, ROMEO	820
359	TRANS-PHILIPPINES INVESTMENT CORPORATION	39,920
360	TUAZON ROXAS & TORRES, INC.	240
361	UAN, TAN	23,160
362	UBP TA # IJI-022-00	8,040
363	CONCHITA ONG UNG	7,240
364	UNITED INSURRANCE CO., INC.	39,920
365	UY-TIOCO III, PEDRO	2,640
366	UY-TIOCO, CYNTHIA P.	10,880
367	UY-TIOCO, JOSEPHINE	2,640
368	UYENGCO JR., FRANCISCO	10,000
369	VALENCIA, JESUS SAN LUIS	100
370	VARELA, ANTONIO MOCOROA	9,240
371	VARELA, JUANA SAN JUAN	37,800
372	VARELA, RAIMUNDO MOCOROA	9,240
373	VARUA, FRANCISCO V.	33,000
374	VASQUEZ, MACARIA	1,480
375	VILLANUEVA, JOSE	10,000
376	VIRAY, TERESA	10,000
377	VISTAN, ANITA L.	750
378	VISTAN, GILBERTO L.	1,500
379	VISTAN, ROSARIO ANNA L.	1,120
380	VISTAN, VICENTE	1,500
381	WEBER-HOELH,GEORG B., &/OR MARIA LUISA L. WEBER	9,600
382	WU, CHUI YIN	76,480
383	WU, MARY CHUA	5,720
384	YAN IN TONG &/OR EDON YAP	2,640
385	YAP, DOROTHY	4,120
386	YAP, ROSALINE	4,600
387	YU, DANIEL T.	127,560
388	YU, ELIZABETH	9,600
389	YU, PILAR	57,280
390	YU, ROSE MARIE	11,520
391	YUPITUN, ANITA	23,160
392	YUPITUN, DOMINGO	5,760
393	YUPITUN, JOHN	5,760
394	ZIALCITA, MANUEL	10,000
	Total Stockholders :	282,545,960

C07851-2020

Ex-Date : Nov 19, 2020

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

   Nov 9, 2020

2. SEC Identification Number

   727

3. BIR Tax Identification No.

   000-229-931

4. Exact name of issuer as specified in its charter

   CENTRAL AZUCARERA DE TARLAC

5. Province, country or other jurisdiction of incorporation

   Manila, Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   San Miguel, Tarlac City
   Postal Code
   2301

8. Issuer's telephone number, including area code

   (632) 88186270

9. Former name or former address, if changed since last report

   N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	282,545,960

11. Indicate the item numbers reported herein

   Other Events - Declaration of Cash Dividends

Central Azucarera de Tarlac, Inc.
CAT

PSE Disclosure Form 6-1 - Declaration of Cash Dividends
References: SRC Rule 17 (SEC Form 17-C) and
Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
Declaration of Cash Dividends
Background/Description of the Disclosure
In a special meeting held today, 09 November 2020, the Board of Directors of Central Azucarera de Tarlac approved the declaration of cash dividends in the amount of P1.81 per share. The cash dividend will be paid to all Common Stockholders on record as of 24 November 2020 and will be paid on 25 November 2020.

Type of Securities

- ☑ Common
- ☐ Preferred N/A
- ☐ Others N/A

Cash Dividend

Date of Approval by Board of Directors	Nov 9, 2020
Other Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Type (Regular or Special)	Special
Amount of Cash Dividend Per Share	1.81
Record Date	Nov 24, 2020
Payment Date	Nov 25, 2020

Source of Dividend Payment

Unrestricted Retained Earnings as of 30 June 2020
Other Relevant Information
N/A

Filed on behalf by:

Name	Addison Castro
Designation	Assistant Corporate Secretary

Ex-Date : Nov 19, 2020

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   Nov 11, 2020
2. SEC Identification Number
   727
3. BIR Tax Identification No.
   000-229-931
4. Exact name of issuer as specified in its charter
   CENTRAL AZUCARERA DE TARLAC
5. Province, country or other jurisdiction of incorporation
   Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   San Miguel, Tarlac City
   Postal Code
   2301
8. Issuer's telephone number, including area code
   (632) 88186270
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	282,545,960

11. Indicate the item numbers reported herein
    Other Events - Declaration of Cash Dividends

Central Azucarera de Tarlac, Inc.
CAT

PSE Disclosure Form 6-1 - Declaration of Cash Dividends
References: SRC Rule 17 (SEC Form 17-C) and
Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
Declaration of Cash Dividends
Background/Description of the Disclosure
In a special meeting held today, 09 November 2020, the Board of Directors of Central Azucarera de Tarlac approved the declaration of cash dividends in the amount of P1.81 per share. The cash dividend will be paid to all Common Stockholders on record as of 24 November 2020 and will be paid on 25 November 2020.

Type of Securities

- ☑ Common
- ☐ Preferred N/A
- ☐ Others N/A

Cash Dividend

Date of Approval by Board of Directors	Nov 9, 2020
Other Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Type (Regular or Special)	Special
Amount of Cash Dividend Per Share	Php 1.81
Record Date	Nov 24, 2020
Payment Date	Nov 25, 2020

Source of Dividend Payment

Unrestricted Retained Earnings as of 30 June 2020
Other Relevant Information
This disclosure is amended to reflect the currency under the Amount of Cash Dividend Per Share field.

Filed on behalf by:

Name	Addison Castro
Designation	Assistant Corporate Secretary

COVER SHEET

PW00000727

CENTRAL AZUCARERA DE TARLAC

(Company's Full Name)

SAN MIGUEL, TARLAC CITY

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

ADDISON B. CASTRO

Contact Person

8892-0301 Fax No. 8818-2220

Company Telephone Number

06 30

Month *Day*

Fiscal Year

17-C

FORM TYPE

Month *Day*

Annual Meeting

Secondary License,If Applicable

Dept. Requiring this Doc.

Amended Articles Number/section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **10 December2020**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **727**

3. BIR Tax Identification No. **000-229-931**

4. **CENTRAL AZUCARERA DE TARLAC**
   Exact name of issuer as specified in its charter

5. **Manila, Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code

7. **San Miguel, Tarlac City**
   Address of principal office

8. **(632) 88186270**
   Issuer's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**282,545,960**

11. Indicate the item numbers reported herein:

Item 9. Other items

The Board of Directors of Central Azucarera de Tarlac ("CAT") during its meeting held on 10 December 2020, approved the following:

> The Annual Stockholders' Meeting shall be held on 26 January 2021 at 10:00 AM through remote communication.
>
> The Corporate Secretary shall draw up the procedure and requirements for voting in absentia and participating by remote communication.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, this report is signed on behalf of the issuer by the undersigned hereunto duly authorized.

10 December 2020.

CENTRAL AZUCARERA DE TARLAC
Issuer

By:

ADDISON B. CASTRO
Assistant Corporate Secretary &
Compliance Officer

C08547-2020

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

   Dec 10, 2020

2. SEC Identification Number

   727

3. BIR Tax Identification No.

   000-229-931

4. Exact name of issuer as specified in its charter

   CENTRAL AZUCARERA DE TARLAC

5. Province, country or other jurisdiction of incorporation

   Manila, Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   San Miguel, Tarlac
   Postal Code
   2300

8. Issuer's telephone number, including area code

   (632) 8818-6270

9. Former name or former address, if changed since last report

   N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	282,545,960

11. Indicate the item numbers reported herein

    9. Other Events

Central Azucarera de Tarlac, Inc.
CAT

PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting
References: SRC Rule 17 (SEC Form 17-C) and
Sections 7 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
Notice of Annual Stockholders' Meeting
Background/Description of the Disclosure
The Company's Board of Directors, during its regular meeting held on 10 December 2020, approved that the annual stockholders' meeting be held on 26 January 2021 at 10 o' clock in the morning through remote communication.

Type of Meeting

- ☑ Annual
- ☐ Special

Date of Approval by Board of Directors	Dec 10, 2020
Date of Stockholders' Meeting	Jan 26, 2021
Time	10:00AM
Venue	Remote Communication
Record Date	Jan 6, 2021

Agenda	1. Call to Order 2. Proof of Notice of Meeting 3. Certification of Quorum 4. Reading and Approval of the Minutes of the Annual Meeting of Stockholders held on 21 January 2020 5. Approval of the Annual Report and the Audited Financial Statement for fiscal year ending 30 June 2020 6. Ratification and Confirmation of All Acts and Proceedings of the Board of Directors and Officers Since the last Annual Meeting of the Stockholders 7. Election of Directors 8. Appointment of External Auditors 9. Such Other Matters as may Properly Come Before the Meeting, and 10. Adjournment

Inclusive Dates of Closing of Stock Transfer Books

Start Date	Jan 6, 2021
End Date	Jan 26, 2021

Other Relevant Information
N/A

Filed on behalf by:

Name	Addison Castro
Designation	Assistant Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   Jan 26, 2021
2. SEC Identification Number
   727
3. BIR Tax Identification No.
   000-229-931
4. Exact name of issuer as specified in its charter
   CENTRAL AZUCARERA DE TARLAC
5. Province, country or other jurisdiction of incorporation
   Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   San Miguel, Tarlac City
   Postal Code
   2301
8. Issuer's telephone number, including area code
   (632) 88186270
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	282,545,960

11. Indicate the item numbers reported herein
    4. Election of Directors

Central Azucarera de Tarlac, Inc.
CAT

PSE Disclosure Form 4-24 - Results of Annual or Special Stockholders' Meeting
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Results of Annual Stockholders' Meeting

Background/Description of the Disclosure

The Annual Stockholders' Meeting of Central Azucarera de Tarlac was held on 26 January 2021 at 10:00 AM via remote communication.

List of elected directors for the ensuing year with their corresponding shareholdings in the Issuer

Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
Martin Ignacio P. Lorenzo	0	102,876,250	PCD Nominee under the Beneficial Ownership of CAT Resource & Asset Holdings, Inc. (CRAHI) of which the director has controlling interest thru First Lucky Holdings Corp.
Martin Ignacio P. Lorenzo	0	200	PCD Nominee
Fernando Ignacio C. Cojuangco	0	98,841,890	PCD Nominee under the Beneficial Ownership of CAT Resource & Asset Holdings, Inc. (CRAHI) of which the director has controlling interest thru North Star Estate Holdings, Inc.
Fernando Ignacio C. Cojuangco	0	200	PCD Nominee
Marco P. Lorenzo	0	200	PCD Nominee
Fernan Victor P. Lukban	0	200	PCD Nominee
Vigor D. Mendoza	0	200	PCD Nominee
Renato B. Padilla	10	0	N/A
Benjamin I. Espiritu	10	0	N/A

External auditor	Sycip Gorres Velayo & Co. (SGV)

List of other material resolutions, transactions and corporate actions approved by the stockholders
In addition to the election of the directors and the re-appointment of the Company's external auditor, the stockholders approved the following: - Minutes of the Annual Meeting of Stockholders held on 21 January 2020 - Annual Report and the Audited Financial Statements for the Fiscal Year ending 30 June 2020 - Ratification and confirmation of all acts and proceedings of the Board of Directors and Officers since the last annual meeting of the stockholders

Other Relevant Information
N/A

Filed on behalf by:

Name	Addison Castro
Designation	Assistant Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

   Jan 26, 2021

2. SEC Identification Number

   727

3. BIR Tax Identification No.

   000-229-931

4. Exact name of issuer as specified in its charter

   CENTRAL AZUCARERA DE TARLAC

5. Province, country or other jurisdiction of incorporation

   Manila, Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   San Miguel, Tarlac City
   Postal Code
   2301

8. Issuer's telephone number, including area code

   (632) 88186270

9. Former name or former address, if changed since last report

   N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	282,545,960

11. Indicate the item numbers reported herein

    4. Election of Officers

Central Azucarera de Tarlac, Inc.
CAT

PSE Disclosure Form 4-25 - Results of Organizational Meeting
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
Results of Organizational Meeting of the Board of Directors
Background/Description of the Disclosure
The Annual Stockholders' Meeting was held on 26 January 2021 via remote communication. Immediately thereafter, the organizational meeting of the new Board of Directors was held.

List of elected officers for the ensuing year with their corresponding shareholdings in the Issuer

Name of Person	Position/Designation	Shareholdings in the Listed Company		Nature of Indirect Ownership
		Direct	Indirect	
Martin Ignacio P. Lorenzo	Chairman and CEO	0	102,876,250	PCD Nominee under the Beneficial Ownership of CAT Resource & Asset Holdings, Inc. (CRAHI) of which the director has controlling interest thru First Lucky Holdings Corp.
Martin Ignacio P. Lorenzo	Chairman and CEO	0	200	PCD Nominee
Fernando Ignacio C. Cojuangco	President and COO	0	98,841,890	PCD Nominee under the Beneficial Ownership of CAT Resource & Asset Holdings, Inc. (CRAHI) of which the director has controlling interest thru North Star Estate Holdings, Inc.
Fernando Ignacio C. Cojuangco	President and COO	0	200	PCD Nominee
Cecile D. Macaalay	Chief Financial Officer	0	5,000	PCD Nominee
Fernan Victor P. Lukban	Treasurer	0	200	PCD Nominee
Janette L. Peña	Corporate Secretary	0	0	N/A
Addison B. Castro	Assistant Corporate Secretary and Compliance Officer	0	0	N/A

List of Committees and Membership

Name of Committees	Members	Position/Designation in Committee	
Audit Committee	Benjamin I. Espiritu	Chairman	
Audit Committee	Vigor D. Mendoza II	Member	
Audit Committee	Fernan Victor P. Lukban	Member	
Corporate Governance Committee	Renato B. Padilla	Chairman	
Corporate Governance Committee	Benjamin I. Espiritu	Member	
Corporate Governance Committee	Fernan Victor P. Lukban	Member	
Executive Committee	Martin Ignacio P. Lorenzo	Chairman	
Executive Committee	Fernando Ignacio C. Cojuangco	Member	
Executive Committee	Fernan Victor P. Lukban	Member	

List of other material resolutions, transactions and corporate actions approved by the Board of Directors
N/A
Other Relevant Information
N/A

Filed on behalf by:

Name	Addison Castro
Designation	Assistant Corporate Secretary

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

	P	W	0	0	0	0	0	7	2	7

COMPANY NAME

CENTRAL AZUCARERA DE TARLAC, INC.

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

SAN MIGUEL, TARLAC CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAPFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	8818-6270	N/A
No. of Stockholders	**Annual Meeting (Month / Day)**	**Fiscal Year (Month / Day)**
394	01/26	06/30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Cecile D. Macaalay	cdmacaalay@icloud.com	8818-6270	N/A

CONTACT PERSON's ADDRESS

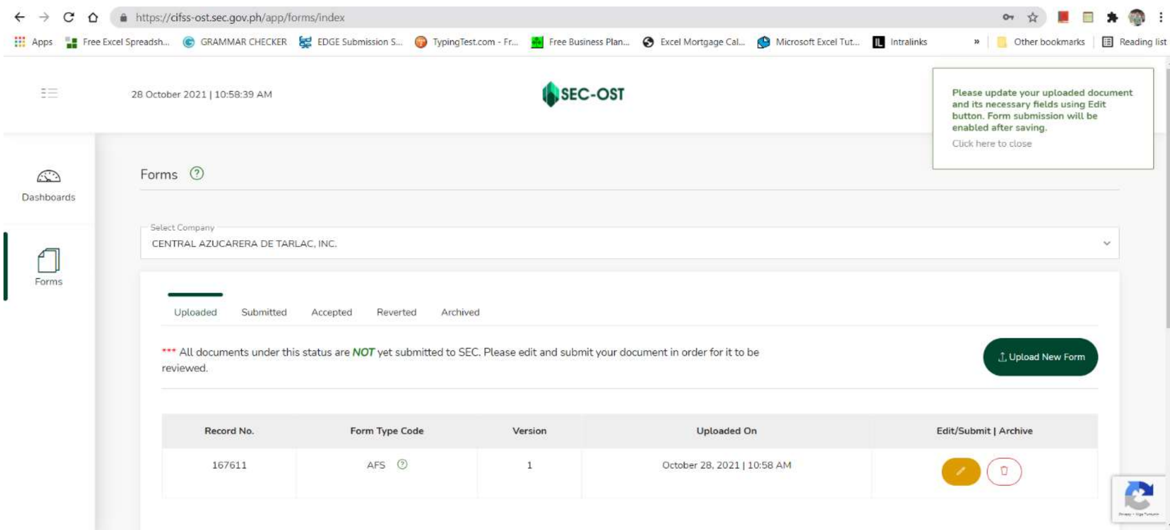
3/F First Lucky Place, 2259 Pasong Tamo Extension, Makati City 1231

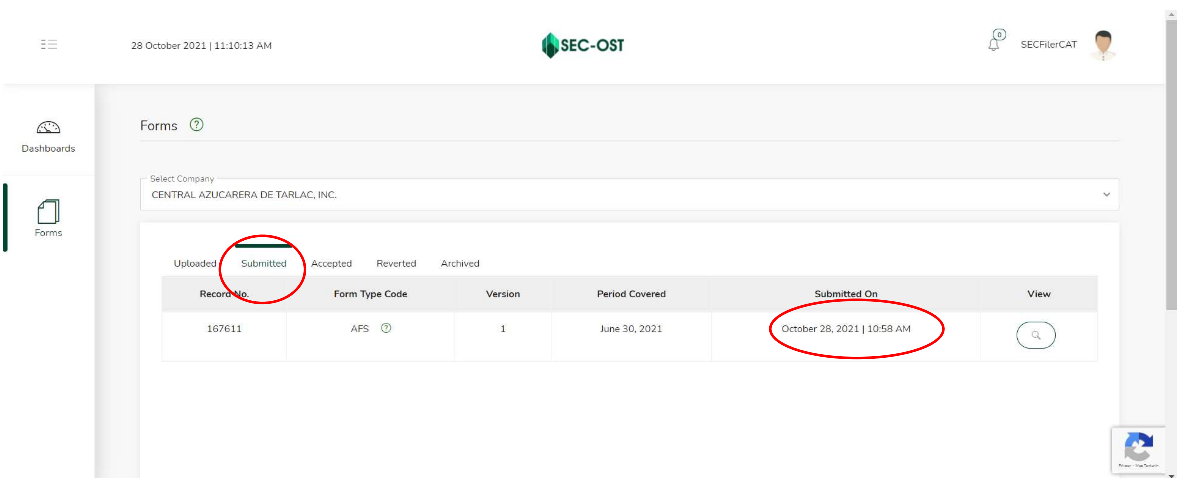
NOTE1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

BUREAU OF INTERNAL REVENUE
RECEIVED
OCT 26 2021
EXCISE LT ... DIVISION

Central Azucarera de Tarlac, Inc. (Parent)
Submission of Audited Financial Statements FY 2021 (BIR Received) thru OST
October 28, 2021





CENTRAL AZUCARERA DE TARLAC

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **CENTRAL AZUCARERA DE TARLAC, INC.** is responsible for all information and representations contained in the financial statements as of and for the years ended June 30, 2021 and 2020. The financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Board of Directors reviews the consolidated financial statements before such statements are approved and submitted to the stockholders of the company.

SyCip Gorres Velayo & Co., the independent auditors and appointed by the stockholders, has examined the financial statements of the company in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to stockholders.

MARTIN P. LORENZO	**FERNANDO C. COJUANGCO**	**CECILE D. MACAALAY**
Chairman and CEO	President and COO	Chief Finance Officer

SUBSCRIBED AND SWORN to before me this day of OCT 14 2021 2021 affiant(s) exhibiting to me their PASSPORT ID's as follows:

NAME	ID No	EXPIRING ON
Martin Ignacio P. Lorenzo	P2692974B	Jul. 31, 2029
Fernando C. Cojuangco	P2304918A	Mar. 14, 2022
Cecile D. Macaalay	P5371888A	Dec. 17, 2022

Doc. No. 164
Page No. 34
Book No. II
Series of 2021

ATTY. MARIANNE JEZELLE JEMY. MACARILAY
Notary Public
Appointment No. M-579/ until December 31, 2020
4th Floor Jose Cojuangco & Sons Bldg.,
119 Dela Rosa corner Palanca Sts.,
Legaspi Village, Makati City
PTR [illegible]9121260/01.06.20/Makati City
[illegible] 06.20/Makati City

Notarial Commission Extended
Until December 31, 2021 per
SC Resolution B.M. No. 3795

NOTARY PUBLIC ROLL NO. 73084

BUREAU OF INTERNAL REVENUE
RECEIVED
OCT 26 2021
EXCISE LT REGULATORY DIVISION

San Miguel, Tarlac City
Telephone: (045) 491-1089 • Telefax: (045) 491-1084

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

BUREAU OF INTERNAL REVENUE
RECEIVED
OCT 26 2021
EXCISE LT

The Board of Directors and Stockholders
Central Azucarera de Tarlac, Inc.
San Miguel, Tarlac City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Central Azucarera de Tarlac, Inc. (the Company), which comprise the parent company balance sheets as at June 30, 2021 and 2020, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company 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.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

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

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

BUREAU OF INTERNAL REVENUE
RECEIVED
OCT 26 2021
EXCISE LT REGULATORY DIVISION

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 28 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Central Azucarera de Tarlac, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Maria Veronica Andresa R. Pore.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0662-AR-4 (Group A)
November 21, 2019, valid until November 20, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-071-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8534345, January 4, 2021, Makati City

October 7, 2021

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CENTRAL AZUCARERA DE TARLAC, INC.
PARENT COMPANY BALANCE SHEETS

	June 30	
	2021	2020
ASSETS		
Current Assets		
Cash (Note 4)	**₱85,622,734**	₱242,521,556
Receivables (Note 5)	**1,034,405,606**	858,857,986
Inventories (Note 6)	**321,234,588**	237,075,288
Other current assets (Note 7)	**749,910,280**	186,156,146
Total Current Assets	**2,191,173,208**	1,524,610,976
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 8)	**145,800,368**	112,678,500
Investment in and advances to a subsidiary (Notes 9 and 20)	**1,785,272,354**	1,788,192,756
Property, plant and equipment:		
Land - at revalued amount (Note 11)	**996,790,400**	996,790,400
Property, plant and equipment - at cost (Note 10)	**416,980,310**	476,485,657
Investment property (Note 11)	**437,264,080**	437,264,080
Other noncurrent assets (Note 12)	**135,659,066**	206,617,626
Total Noncurrent Assets	**3,917,766,578**	4,018,029,019
TOTAL ASSETS	**₱6,108,939,786**	₱5,542,639,995
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 13 and 25)	**₱590,143,797**	₱449,933,738
Short-term notes payable (Note 14)	**990,000,000**	990,000,000
Current portion of notes payable (Note 14)	**87,406,692**	–
Income tax payable	–	17,043,114
Other current liabilities	**11,621,197**	14,923,150
Total Current Liabilities	**1,679,171,686**	1,471,900,002
Noncurrent Liabilities		
Notes payable - net of current portion (Note 14)	**770,852,352**	–
Deferred income tax liabilities - net (Note 21)	**251,705,971**	296,253,705
Retirement plan obligation (Note 19)	**7,206,059**	22,354,153
Other noncurrent liabilities	**8,741,908**	3,628,028
Total Noncurrent Liabilities	**1,038,506,290**	322,235,886
Total Liabilities	**2,717,677,976**	1,794,135,888
Equity		
Capital stock (Note 23)	**282,545,960**	282,545,960
Retained earnings (Note 23)	**2,498,859,413**	2,941,279,261
Revaluation increment (Note 11)	**938,866,755**	889,431,214
Remeasurement losses on retirement plan (Note 19)	**(61,257,455)**	(68,845,877)
Unrealized cumulative gains on financial assets at FVOCI (Note 8)	**101,325,627**	73,172,039
	3,760,340,300	4,117,582,597
Treasury stock (Note 23)	**(369,078,490)**	(369,078,490)
Total Equity	**3,391,261,810**	3,748,504,107
TOTAL LIABILITIES AND EQUITY	**₱6,108,939,786**	₱5,542,639,995

See accompanying Notes to Parent Company Financial Statements.

CENTRAL AZUCARERA DE TARLAC, INC.
PARENT COMPANY STATEMENTS OF INCOME

	Years Ended June 30	
	2021	2020
REVENUES		
Sale of sugar and by-products	**₱890,407,749**	₱955,589,931
Milling income	**289,298,312**	352,498,567
Tolling fees	**141,486,811**	173,108,091
	1,321,192,872	1,481,196,589
COST OF GOODS SOLD AND MILLING AND TOLLING SERVICES (Note 15)	**1,156,798,215**	1,217,664,884
GROSS INCOME	**164,394,657**	263,531,705
OPERATING EXPENSES (Note 16)	**(93,118,030)**	(121,483,048)
OTHER INCOME (EXPENSE)		
Interest income (Notes 4, 5 and 20)	**4,402,038**	24,343,396
Interest expense (Note 14)	**(101,562,473)**	(65,906,910)
Other income - net (Note 18)	**8,443,482**	20,810,979
	(88,716,953)	(20,752,535)
INCOME (LOSS) BEFORE INCOME TAX	**(17,440,326)**	121,296,122
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 21)		
Current	**1,936,057**	37,513,703
Deferred	**(8,653,815)**	5,272,539
	(6,717,758)	42,786,242
NET INCOME (LOSS)	**(₱10,722,568)**	₱78,509,880
Basic/diluted earnings per share (Note 23)	**(₱0.04)**	₱0.29

See accompanying Notes to Parent Company Financial Statements.

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CENTRAL AZUCARERA DE TARLAC, INC.

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30	
	2021	2020
NET INCOME (LOSS)	**(₱10,722,568)**	₱78,509,880
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified to profit or loss - net of income tax effect:		
Revaluation increase on land (Note 11)	**49,435,541**	–
Unrealized gain (loss) on financial assets at FVOCI (Note 8)	**28,153,588**	(5,156,161)
Remeasurement gain (loss) on retirement plan (Note 19)	**7,588,422**	(288,536,407)
	85,177,551	(293,692,568)
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱74,454,983**	(₱215,182,688)

See accompanying Notes to Parent Company Financial Statements

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CENTRAL AZUCARERA DE TARLAC, INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Capital Stock (Note 23)	Retained Earnings (Note 23)			Revaluation Increment (Note 11)	Remeasurement Gains (Losses) on Retirement Asset (Note 19)	Unrealized Cumulative Gains on Financial Assets at FVOCI (Note 8)	Cost of Treasury Stock (Note 23)	Total Equity
		Unappropriated	Appropriated	Total					
Balances at July 1, 2019	₱282,545,960	₱512,769,381	₱2,350,000,000	₱2,862,769,381	₱889,431,214	₱219,690,530	₱78,328,200	(₱7,200)	₱4,332,758,085
Total comprehensive income (loss)	–	78,509,880	–	78,509,880	–	(288,536,407)	(5,156,161)	–	(215,182,688)
Treasury stock (Note 23)	–	–	–	–	–	–	–	(369,071,290)	(369,071,290)
Reversal of appropriation (Note 23)	–	2,350,000,000	(2,350,000,000)	–	–	–	–	–	–
Appropriation (Note 23)	–	(2,000,000,000)	2,000,000,000	–	–	–	–	–	–
Balances at June 30, 2020	**282,545,960**	**941,279,261**	**2,000,000,000**	**2,941,279,261**	**889,431,214**	**(68,845,877)**	**73,172,039**	**(369,078,490)**	**3,748,504,107**
Total comprehensive income (loss)	–	**(10,722,568)**	–	**(10,722,568)**	**49,435,541**	**7,588,422**	**28,153,588**	–	**74,454,983**
Dividend declaration (Note 23)	–	**(431,697,280)**	–	**(431,697,280)**	–	–	–	–	**(431,697,280)**
Reversal of appropriation (Note 23)	–	**500,000,000**	**(500,000,000)**	–	–	–	–	–	–
Balances at June 30, 2021	**₱282,545,960**	**₱998,859,413**	**₱1,500,000,000**	**₱2,498,859,413**	**₱938,866,755**	**(₱61,257,455)**	**₱101,325,627**	**(₱369,078,490)**	**₱3,391,261,810**

See accompanying Notes to Parent Company Financial Statements.

CENTRAL AZUCARERA DE TARLAC, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	**(₱17,440,326)**	₱121,296,122
Adjustments for:		
Depreciation and amortization (Notes 10, 15, 16 and 17)	**111,335,927**	135,422,053
Interest expense (Note 14)	**101,562,473**	65,906,910
Net retirement income (loss) (Note 19)	**7,582,923**	(11,885,835)
Unrealized foreign exchange loss	**54,189**	23,430
Loss on disposal of property, plant and equipment (Note 10)	**23,320**	–
Interest income (Notes 6, 7 and 20)	**(4,402,038)**	(24,343,396)
Provision for credit losses (Note 5 and 7)	**–**	13,110,210
Provision for inventory losses (Note 6 and 8)	**–**	623,111
Operating income before working capital changes	**198,716,468**	300,152,605
Decrease (increase) in:		
Receivables	**18,826,457**	62,123,780
Inventories	**(84,159,300)**	(68,735,964)
Other current assets	**(72,042,909)**	(41,455,762)
Increase in trade and other payables	**87,792,542**	158,508,872
Net cash generated from operations	**149,133,258**	410,593,531
Income tax paid	**(17,691,408)**	(21,380,313)
Net cash provided by operating activities	**131,441,850**	389,213,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in noncurrent assets	**12,788,462**	119,925,572
Interest received	**228,757**	52,097
Refundable deposit to a related party (Notes 9 and 20)	**(493,000,000)**	–
Net changes in accounts with related parties (Note 20)	**(134,277,893)**	(238,990,724)
Additions to property, plant and equipment (Note 10)	**(51,853,898)**	(68,558,074)
Net cash flows used in investing activities	**(666,114,572)**	(187,571,129)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds of long-term notes payable (Note 14)	**925,000,000**	–
Increase (decrease) in other noncurrent liabilities	**32,156,233**	(111,156,560)
Payments of:		
Dividends (Note 23)	**(407,676,837)**	–
Interest (Note 14)	**(101,562,473)**	(63,017,796)
Notes payable (Note 14)	**(46,250,000)**	–
Transaction costs (Note 14)	**(23,838,834)**	
Net availment of short-term notes payable (Note 14)	**–**	15,000,000
Net cash flows provided by (used in) financing activities	**377,828,089**	(159,174,356)
NET INCREASE (DECREASE) IN CASH	**(156,844,633)**	42,467,733
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	**(54,189)**	(23,430)
CASH AT BEGINNING OF YEAR	**242,521,556**	200,077,253
CASH AT END OF YEAR (Note 4)	**₱85,622,734**	₱242,521,556

See accompanying Notes to Parent Company Financial Statements.

CENTRAL AZUCARERA DE TARLAC, INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information and Authorization for the Issuance of the Parent Company Financial Statements

Corporate Information
Central Azucarera de Tarlac, Inc. (CAT; the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 19, 1927. The Company is engaged in the production and sale of sugar and by-products such as molasses, alcohol and carbon dioxide.

As at June 30, 2021 and 2020, the Company is 84.58% owned by CAT Resource & Asset Holdings, Inc. (CRAHI). The ultimate parent company is First Lucky Holdings Corporation.

The registered office address and place of business of the Company is San Miguel, Tarlac City.

Authorization for the Issuance of the Parent Company Financial Statements
The parent company financial statements as at and for the years ended June 30, 2021 and 2020 were authorized for issue in accordance with a resolution by the Board of Directors (BOD) on October 7, 2021.

2. Basis of Preparation, Statement of Compliance and Basis of Consolidation and Summary of Significant Accounting Policies

Basis of Preparation
The accompanying parent company financial statements have been prepared using the historical cost basis, except for land under "Property, plant and equipment" account that has been measured at revalued amount, land under "Investment property" and investment in listed shares of stock under "Financial asset at FVOCI" account that have been measured at fair value. The parent company financial statements are presented in Philippine peso (Peso) unit, which is the Company's functional and presentation currency. All amounts are rounded to the nearest Peso, except when otherwise indicated.

The parent company financial statements provide comparative information in respect of the previous periods.

The Company also prepares and issues financial statements for the same period as the parent company financial statements presented in compliance with Philippine Financial Reporting Standards (PFRSs). These may be obtained from its registered office address located at San Miguel, Tarlac City.

Statement of Compliance
The accompanying financial statements have been prepared in accordance with PFRSs.

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards and amendments for the year ended June 30, 2021:

Amendments to PFRS 3, *Business Combinations, Definition of a Business*
The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that

together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the parent company financial statements since the Company did not enter into any business combination during the year but may impact future periods.

Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments*, *Interest Rate Benchmark Reform*
The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the parent company financial statements since it does not have similar transactions.

Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies*, *Changes in Accounting Estimates and Errors, Definition of Material*
The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no significant impact on the parent company financial statements.

Conceptual Framework for Financial Reporting issued on March 29, 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

This revision had no significant impact on the parent company financial statements.

Amendments to PFRS 16, *COVID-19-related Rent Concessions* and *COVID-19-related Rent Concessions beyond June 30, 2021*
The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;

- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (as extended by one year to June 30, 2022 by “Amendments to PFRS 16, *COVID-19-related Rent Concessions Beyond June 30, 2021”*); and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The original amendments are effective for annual reporting periods beginning on or after June 1, 2020 with early adoption being permitted.

The amendments extending the availability of the practical expedient by one year are effective for annual reporting periods beginning on or after July 1, 2021. These amendments had no impact on the parent company financial statements as there is no similar transaction entered into by the Company.

Summary of Significant Accounting Policies

Current versus Noncurrent Classification
The Company presents assets and liabilities in the parent company balance sheet based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

The Company classifies all other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement
The Company measures financial instruments such as financial assets at FVOCI and nonfinancial assets such as land carried at revalued amount and investment property at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 24. Fair values are determined based on an annual evaluation performed by an accredited external appraiser applying a valuation model approved by the International Valuation Standards Committee.

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 to the Company.

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 best economic interest.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs at the close of business on the reporting date. When current bid prices and asking prices are not available, the prices of the most recent transaction provide evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

A fair value measurement of a non-financial 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized at fair value in the parent company financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company measures fair value on its land, recognized as property, plant and equipment and investment property, and financial assets at FVOCI.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash
Cash includes cash on hand and in banks.

Financial Assets
Initial Recognition and Measurement
Financial assets are classified, at initial recognition, as financial assets at amortized cost, FVOCI and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at its transaction price.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)
The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the parent company statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost as at June 30, 2021 and 2020 consist of "Cash", "Receivables" and long-term receivables lodged under "Other noncurrent assets" account in the parent company balance sheet. The Company assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Company concluded these debt financial assets to be measured at amortized cost.

Financial Assets at FVOCI
A financial asset is measured at FVOCI if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income (OCI) is reclassified from equity to the parent company statement of income. This reflects the gain or loss that would have been recognized in the parent company statement of income upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

The Company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to the parent company statement of income. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in the parent company statement of income, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in the parent company statement of income only when:
- the Company's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Company; and
- the amount of the dividend can be measured reliably.

The Company's financial assets at FVOCI as at June 30, 2021 and 2020 consist of listed shares of stock and proprietary shares.

Financial assets at FVTPL
Financial assets are measured at FVTPL unless these are measured at amortized cost or at FVOCI. Included in this classification are equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the parent company statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the parent company statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Company, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

The Company does not have any financial asset at FVTPL as of June 30, 2021 and 2020.

Impairment of Financial Assets
The Company applied the ECL model on the impairment of the following debt instruments financial assets not measured at FVTPL:

- those that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

ECL calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

Amount of ECL to be recognized is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The following stages are applicable to those financial assets being assessed for ECL depending on its credit quality:

Stage 1: 12-month
For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL
For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Credit-impaired
Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Determining the Stage for Impairment
At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the

expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as credit quality deteriorates. If, in a subsequent period, credit quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

The Company performs an assessment whether its financial asset is in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities
Initial Recognition and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities are all classified and measured at amortized cost.

The Company's financial liabilities include "Trade and other payables" and "Short-term notes payable" and "Notes payable".

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the parent company balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

<u>Inventories</u>
Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using the weighted average method for raw and refined sugar, alcohol, yeast, molasses and carbon dioxide, and using the moving average method for spare parts and supplies. NRV for raw sugar, alcohol, yeast, molasses and carbon dioxide is the selling price in the ordinary course of business less costs of conversion, marketing and distribution. NRV of spare parts and supplies is the current replacement cost.

<u>Advances to Supplier for Goods and Services</u>
Advances to suppliers represent advance payment on goods or services to be purchased in connection with the Company's operations. These are recognized as an asset or charged against the parent company statement of income upon actual receipt of goods or services, which is normally within twelve months or within the operating cycle.

<u>Advances for Land Maintenance</u>
Advances for land maintenance pertains to costs advanced for future land preparation, planting and harvesting.

<u>Investment in a Subsidiary</u>
Subsidiary is an entity over which the 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. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the 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 arrangements
- The Company's voting rights and potential voting rights

The 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.

The Company's investment in subsidiary is accounted for under the cost method of accounting. Under the cost method, investment is recognized at cost. Income from the investment is recognized only to the extent that the investor receives distributions from accumulated profits of the subsidiary arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

Property, Plant and Equipment
The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period 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.

Cost also includes any asset retirement obligation and interest on borrowed funds used, if any. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the parent company statement of income of such period.

Subsequently, property, plant and equipment, except for land, are stated at cost, less accumulated depreciation and amortization and impairment in value, if any. Land is carried at revalued amount, which is the fair value at the date of the revaluation. Valuations are performed annually which management believes is sufficient enough to ensure that the fair value of revalued assets does not differ materially from its carrying amount.

Any revaluation surplus, net of tax, is credited to the "Revaluation increment" account included in the equity section of the parent company balance sheet. Revaluation increase, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the parent company statement of income, is recognized in the parent company statement of comprehensive income. A revaluation decrease, except to the extent that it reverses a revaluation increase of the same asset previously recognized in the parent company statement comprehensive income, is recognized in the parent company statement of income.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognized. This may involve transferring the whole of the surplus when the asset is retired or disposed of. However, some of the surplus may be transferred as the asset is used by the Company. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through the parent company statement of income.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Number of years
Machinery and equipment	2-40 years
Agricultural machinery and equipment	5-20 years
Buildings and improvements	2-50 years
Land improvements	5-15 years
Transportation equipment	2-25 years
Furniture, fixtures and equipment	2-10 years
Communication and utility systems	2-10 years
Roads and bridges	5-30 years

The useful life of each of the property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

The assets' residual values, useful lives and depreciation and amortization method are reviewed, and adjusted if appropriate, at each financial year-end.

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

Fully depreciated and amortized property, plant and equipment are retained in the accounts until they are no longer in use.

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 the relevant assets are completed and become available for operational use.

Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gain or loss arising from changes in the fair values of investment properties is included in the parent company statement of income in the period in which they arise, including the corresponding tax effect, if any.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset, at the beginning of the year when the disposal is made, is recognized in the parent company statement of income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. In the case of an owner-occupied property becoming an investment property, previously recognized revaluation surplus is retained until such time that the property is disposed. On subsequent disposal, the revaluation surplus may be transferred to retained earnings; note that this transfer is not made through the parent company statement of income.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use (ROU) assets representing the right to use the underlying assets.

Refundable Deposits

Refundable deposits pertain to the amount given to another party in contemplation of a future transaction. This amount is carried at cost.

Impairment of Nonfinancial Assets

Property, Plant and Equipment, Refundable Deposits and Advances

The Company assesses at each reporting date whether there is an indication that these nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. The asset's or cash generating unit's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Any impairment loss is recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Investment in a Subsidiary
The Company performs impairment review on its investments in a subsidiary whenever an impairment indicator exists. This requires an estimation of the value in use of the investee. Estimating the value in use requires the Company to make an estimate of the future cash flows of the investees and to use a suitable discount rate to calculate the present value of those future cash flows. Impairment losses, if any, are recognized in the parent company statement of income.

Equity
Capital Stock
Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax.

Retained Earnings
Retained earnings include cumulative profits and are reduced by dividends. Retained earnings also include effect of changes in accounting policies as may be required by the standards' transitional provisions.

Revaluation Increment
Revaluation increment consists of the revaluation adjustment made on its property, plant and equipment being carried at revalued amount, net of tax.

Treasury Shares
The Company's capital stocks which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the parent company statement of income on the purchase, sale, issue or cancellation of the Company's own shares of stocks.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Sale of Sugar
Sale of sugar is recognized at a point in time upon endorsement and transfer of quedans and/or issuance of a sugar release order in the name of the customer which represents ownership title over the sugar.

Milling Income
Revenue from milling services is recognized at a point in time upon conversion of the planter's canes into raw sugar. This would generally coincide at the time of endorsement of quedans to the planters for their share.

Sale of By-Products
Sale of by-products, which includes molasses, alcohol, carbon dioxide and yeasts, is recognized at a point in time upon shipment or delivery and acceptance by the customers.

Tolling Fee
Revenue is recognized over time based on output method as the services are rendered.

Interest Income
Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income
This includes revenue recognized when earned from sources other than the normal business operations of the Company.

Expenses
Cost of Goods Sold and Milling and Tolling Services
These are the direct and allocated indirect costs that are incurred upon processing of the Company's products and rendering of the Company's milling and tolling services. These are recognized when the related goods are sold and the related services are rendered.

Operating Expenses
These are expenses that are related to cost of administering and selling functions of the Company. These expenses are recognized when incurred.

Income Taxes
Current Income Tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax
Deferred income tax is provided, using the balance sheet liability method, 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 income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused net operating loss (NOLCO) and unused tax credits from excess minimum corporate income tax (MCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO and unused tax credits from excess MCIT can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized in the future. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the period 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.

Deferred income tax relating to items recognized outside the parent company statement of income is recognized outside the parent company statement of income. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Value-added Tax (VAT)
Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of "Other current assets" or "Trade and other payables" accounts, respectively, in the parent company balance sheet.

<u>Retirement Cost</u>
The Company has a funded, noncontributory defined benefit retirement plan, covering substantially all of its permanent employees. Retirement expense is actuarially determined using the projected unit credit method. This method reflects discount rate, salary increase and average working lives of employees to the date of valuation. Retirement benefit costs comprise the following:

- service cost,
- net interest on the net defined benefit liability or asset, and
- remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the parent company statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset.

Net interest on the net defined benefit liability or asset is recognized as expense or income in the parent company statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income (OCI) in the period in which they arise.

Remeasurements are not reclassified to the parent company statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund (other than non-transferable financial instruments issued by the reporting entity). Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on 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 pre-tax 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 plan assets is higher than the present value of defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditures required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Earnings Per Share (EPS)

Earnings per share is computed by dividing the net income attributable to equity holders of the Company by the weighted average number of shares outstanding during the year adjusted to give retroactive effect to any stock dividends declared during the year.

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

Diluted earnings per share is computed in the same manner, adjusted for the effect of any potential dilutive shares. As the Company has no dilutive potential common shares outstanding, basic and diluted EPS are the same.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) 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. 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 assessment 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 interest expense.

Contingencies

Contingent liabilities are not recognized in the parent company financial statements. These are disclosed in the notes to the parent company financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but are disclosed in the notes to the parent company financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at the reporting date (adjusting events), are reflected in the parent company financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to parent company financial statements when material.

New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to June 30, 2021
Pronouncements issued but not yet effective are listed below. The Company does not expect that the future adoption of the said pronouncements will have a significant impact on the parent company financial statements.

Effective Beginning on or After July 1, 2022
- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a First-time Adopter
  - Amendments to PFRS 9, Financial Instruments, Fees in the '10 per cent' test for Derecognition of Financial Liabilities
  - Amendments to PAS 41, Agriculture, Taxation in Fair Value Measurements

Effective Beginning on or After July 1, 2023
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- *PFRS 17, Insurance Contracts*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative - Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*

Deferred Effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the accompanying parent company financial statements in conformity under PFRSs requires management to make judgments, estimates and assumptions, that affect the amounts reported in the parent company financial statements and related notes. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates change. The effect of any change in judgments, estimates and assumptions are reflected in the parent company financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following items are those matters which the Company assess to have significant risks arising from judgments and estimations uncertainties.

Judgments
In the process of applying the Company'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 parent company financial statements:

Revenue Recognition on Sale of Goods and Services
Revenue recognition involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of goods that would meet the requirements of

PFRS 15; (b) assessment of performance obligation and the probability that the entity will collect the consideration from the buyer; (c) determining method to estimate variable consideration and assessing the constraint; and (d) recognition of revenue as the Company satisfies the performance obligation.

a. *Existence of a Contract*
The Company enters into a contract with customer through an approved purchase order which constitutes a valid contract as specific details such as the quantity, price, contract terms and their respective obligations are clearly identified. In addition, part of the assessment process of the Company before revenue recognition is to assess the probability that the Company will collect the consideration to which it will be entitled in exchange for the goods sold that will be transferred to the customer.

b. *Identifying Performance Obligation*
The Company identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract. Based on management assessment, other than the sale of goods and services, no other performance obligations were identified except in the case of milling income.

c. *Recognition of Revenue as the Company Satisfies the Performance Obligation*
The Company recognizes its revenue for all revenue streams at a point in time, when the goods are sold and delivered and the quedans are endorsed.

d. *Recognition of Milling Income under Output Sharing Agreement (OSA) and Cane Purchase Agreement (CPA)*
The Company applies both OSA and CPA in relation to its milling operation. Under the OSA, milling income is recognized based on the fair value of the mill share at average raw sugar selling price on the week with sugar production after considering in-purchase rate, which represents CPA. Under the CPA, the Company purchases raw sugar from the traders and/or planters. The in-purchase rate is derived by determining the total raw sugar purchases and the total planters' share. Raw production costs are allocated systematically based on the OSA and CPA rates.

Classification of Property
The Company determines whether a property is classified as property, plant and equipment or investment property based on the following:

- Property, plant and equipment is held for use in the supply of goods or services or for administrative purposes.
- Investment property comprises land which is not occupied for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily for capital appreciation.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for ECL
The Company uses ECL in calculating its impairment. In the case of certain trade receivables, a provision matrix is established.

The calculation is initially based on the Company's historical observed default rates. The Company will calibrate the calculation to adjust historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast economic conditions may also not be representative of the customers' actual default in the future.

- *Stage 3 - Credit Impaired Financial Assets*
  The Company determines impairment for each significant financial asset on an individual basis. Among the items that the Company considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the financial assets. Financial assets included in the specific assessment are the accounts that have been endorsed to the legal department and non-moving financial assets.

- *Inputs, Assumptions and Estimation Techniques in ECL Calculation*
  ECL calculation is performed for those financial assets that are not credit impaired. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. A significant increase is assessed to have occurred if there are significant payment delays, declining operating performance of the borrower, among others. ECLs are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the financial assets. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by counterparty or by customer segments.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different counterparties or customers. These LGD's are influenced by collection strategies including contracted debt sales and price.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs change are monitored and reviewed quarterly.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of Forward-looking Information
The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates and gross domestic product.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Company has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

As at June 30, 2021 and 2020, the allowance for credit loss on receivables amounted to ₱19.3 million. The carrying amounts of receivables and long-term receivables as at June 30, 2021 and 2020 amounted to ₱1.1 billion and ₱0.9 billion, respectively (see Notes 5 and 12).

Allowance for Inventory Obsolescence
The Company provides allowance for inventories whenever NRV of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed on a monthly basis to reflect the accurate valuation in the financial records. Inventories identified to be obsolete and unusable are written-off and charged as expense for the period.

Provision for inventory obsolescence amounted to nil and P0.6 million in 2021 and 2020, respectively (see Note 6). No reversal of inventory obsolescence was made in 2021 and 2020. The carrying amounts of inventories as at June 30, 2021 and 2020 amounted to ₱321.2 million and ₱237.1 million, respectively (see Note 6). The allowance for inventory obsolescence as at June 30, 2021 and 2020 amounted to ₱5.8 million.

Revalued Amount of Land under Property, Plant and Equipment and Fair Value of Investment Property
The Company has property, plant and equipment and investment property that are carried at revalued amount and fair value, respectively. These consists of land which is being valued by reference to market using comparable prices adjusted for specific market factors such as location and condition of the property. The Company engaged an external appraiser to determine the revalued amount and fair value as at June 30, 2021 and 2020.

The significant methods and assumptions used by the appraiser in estimating fair values of land are discussed in Note 11. The revalued amount of land under property, plant and equipment as at June 30, 2021 and 2020 amounted to ₱996.8 million (see Note 11). The fair value of land under investment property amounted to ₱437.3 million as at June 30, 2021 and 2020 (see Note 11).

Estimated Useful Lives of Property, Plant and Equipment
The Company estimates the useful lives of property, plant and equipment based on the period over which the property, plant and equipment are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment. In addition, the estimation of the useful lives of property, plant and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the noncurrent assets.

The carrying values of property, plant and equipment carried at cost as at June 30, 2021 and 2020 amounted to ₱417.0 million and ₱476.5 million, respectively (see Note 10).

Impairment of Nonfinancial Assets
The Company assesses whether there are any indicators of impairment for investment in a subsidiary, property, plant and equipment, refundable deposits and advances whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manger of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make judgments and estimates that can materially affect the financial statements.

There were no provisions for impairment losses recognized in 2021 and 2020. The carrying values of investment in a subsidiary as at June 30, 2021 and 2020 amounted to ₱135.0 million (see Note 9). The fair values of land under property, plant and equipment as at June 30, 2021 and 2020 amounted to ₱996.8 million (see Note 11). The carrying amounts of property, plant and equipment carried at cost as at June 30, 2021 and 2020 amounted to ₱417.0 million and ₱476.5 million, respectively (see Note 10). The carrying amounts of refundable deposits as at June 30, 2021 amounted to

₱493.0 million (see Notes 7 and 12). The carrying amount of advances as at June 30, 2021 and 2020 amounted to ₱1.9 billion and ₱2.0 billion, respectively (see Notes 7, 12 and 20).

Deferred Income Tax Assets
The Company reviews the carrying amount of deferred income tax assets at each reporting date and reduces its amount to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred income tax asset to be recovered.

The Company's deferred income tax assets as at June 30, 2021 and 2020 amounted to ₱30.3 million and ₱33.9 million, respectively (see Note 21).

Retirement Plan
The determination of the obligation and cost for retirement is dependent on the selection of certain assumptions determined by management and used by actuaries in calculating such amounts. These include discount rate, turnover rate, mortality rate, salary increase rate and future retirement benefits increase. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligation. The assumptions used are disclosed in Note 19.

Retirement loss recognized in 2021 amounted to ₱7.6 million while retirement income in 2020 amounted to ₱11.9 million. The carrying amounts of the Company's net retirement plan liability amounted to ₱7.2 million and ₱22.4 million as at June 30, 2021 and 2020, respectively (see Note 19).

4. **Cash**

	2021	2020
Cash in banks	**₱84,318,625**	₱241,072,080
Cash on hand	**1,304,109**	1,449,476
	₱85,622,734	₱242,521,556

Cash in banks earn interest at the respective bank deposit rates. Interest rates ranges from 0.05% to 2.10% per annum from 2020 to 2021.

Interest income earned from cash in banks amounted to ₱0.23 million and ₱0.05 million in 2021 and 2020, respectively.

5. Receivables

	2021	2020
Trade	**₱35,192,625**	₱56,722,607
Nontrade:		
Due from related parties (see Note 20)	**891,446,586**	762,354,072
Current portion of long-term receivables (see Note 12)	**56,122,219**	–
Advances to:		
Tarlac Development Corporation (TDC)	**24,951,281**	24,951,281
Luisita Golf and Country Club, Inc. (LGCCI)	**10,131,489**	–
Planters' receivables	**15,765,741**	10,747,500
Notes receivable	**4,039,751**	2,622,231
Others	**16,007,538**	20,711,919
	1,053,657,230	878,109,610
Less allowance for credit losses	**19,251,624**	19,251,624
	₱1,034,405,606	₱858,857,986

Trade receivables are noninterest-bearing and are generally on 30 to 60-day credit terms.

Notes receivable pertains to the loan agreement entered into in 2019 that are subject to 6.5% per annum. Interest income earned amounted to ₱1.3 million and ₱1.2 million in 2021 and 2020, respectively.

Certain receivables from related parties are subject to interest at 4 to 10% per annum in 2021 and 2020 (see Note 20). Interest income earned from receivables from related parties amounted to ₱2.9 million and ₱23.1 million in 2021 and 2020, respectively.

Advances to TDC and LGCCI pertain to advances made by the Company to its previous affiliates which are unsecured, non-interest bearing and due upon demand.

Movements in the allowance for credit accounts are summarized below:

2021

	Trade	**Nontrade**	**Total**
Balances at beginning and end of year	**₱242,100**	**₱19,009,524**	**₱19,251,624**

2020

	Trade	Nontrade	Total
Balances at beginning of year	₱242,100	₱5,899,314	₱6,141,414
Provisions	–	13,110,210	13,110,210
Balances at end of year	₱242,100	₱19,009,524	₱19,251,624

6. Inventories

	2021	2020
At cost:		
Alcohol	**₱209,696,911**	₱112,811,415
Molasses	**68,669,347**	49,814,556
Carbon dioxide	–	160,613
At NRV:		
Spare parts and supplies	**42,115,480**	51,372,908
Raw sugar	**752,850**	22,915,796
	₱321,234,588	₱237,075,288

The following table is a roll forward analysis of the inventory write-down recognized on raw sugar and spare parts and supplies to arrive at NRV:

	2021	2020
Balances at beginning of year	**₱5,835,166**	₱5,212,055
Provision (see Note 15)	–	623,111
Balances at end of year	**₱5,835,166**	₱5,835,166

7. Other Current Assets

	2021	2020
Refundable deposits (see Note 20)	**₱493,000,000**	₱–
Advances to suppliers for goods and services and land maintenance (see Note 12)	**240,655,045**	181,775,673
Prepaid tax	**11,994,228**	1,396,553
Prepaid insurance	**815,217**	888,682
Others	**3,445,790**	2,095,238
	₱749,910,280	₱186,156,146

8. Financial Assets at FVOCI

	2021	2020
Proprietary shares	**₱145,250,000**	₱112,140,000
Investment in shares of stock:		
Listed	**388,368**	376,500
Unlisted	**162,000**	162,000
	₱145,800,368	₱112,678,500

The movements in financial assets at FVOCI are as follows:

	2021	2020
Balance at beginning of year	**₱112,678,500**	₱118,744,572
Changes in the fair value	**33,121,868**	(6,066,072)
Balance at end of year	**₱145,800,368**	₱112,678,500

The fair value of the listed shares of stock and proprietary shares are determined with reference to published price quotations in an active market. Management intends to dispose the financial assets at FVOCI when the need arises.

Movements in the unrealized cumulative gains on financial assets at FVOCI, net of tax, included in other comprehensive income are as follows:

	2021	2020
Balances at beginning of year	**₱73,172,039**	₱78,328,200
Unrealized gain (loss) on financial assets at FVOCI	**28,153,588**	(5,156,161)
Balances at end of year	**₱101,325,627**	₱73,172,039

9. Investment in and Advances to a Subsidiary

	2021	2020
Investment in shares of stock of a subsidiary	**₱135,000,000**	₱135,000,000
Advances to a subsidiary (see Note 20)	**1,650,272,354**	1,653,192,756
	₱1,785,272,354	₱1,788,192,756

As part of the MOA entered into by CRAHI and the Cojuangco Family on July 26, 2014, the Company acquired all the 349,900 outstanding shares of Luisita Land Corporation (LLC) for ₱135.0 million. The MOA includes the Company assuming LLC's liability amounting to ₱1.1 billion to the seller group, for a total consideration of ₱1.3 billion. The advances to LLC amounted to ₱1.65 billion as at June 30, 2021 and 2020.

LLC was incorporated in and operates within the Philippines and is primarily engaged in the real estate business.

10. **Property, Plant and Equipment**

2021

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Transportation equipment	Land improvements	Furniture, fixtures and equipment	Communication and utility systems	Roads and Bridges	Construction in-progress	Total
Cost:										
Balances at beginning of year	**₱791,929,152**	**₱174,135,912**	**₱93,039,922**	**₱50,360,862**	**₱28,644,549**	**₱19,064,685**	**₱2,756,628**	**₱8,245,127**	**₱18,211,293**	**₱1,186,388,130**
Additions	**3,036,606**	**24,247,940**	**758,106**	**319,687**	**–**	**2,327,069**	**–**	**–**	**21,164,490**	**51,853,898**
Retirement and write-off	**(50,340,336)**	**–**	**(2,230,112)**	**(1,246,966)**	**(1,001,900)**	**(90,908)**	**(8,064)**	**–**	**–**	**(54,918,286)**
Reclassifications	**25,099,760**	**186,601**	**1,365,628**	**4,149,322**	**617,598**	**165,109**	**2,910,714**	**–**	**(34,494,732)**	**-**
Balances at end of year	**769,725,182**	**198,570,453**	**92,933,544**	**53,582,905**	**28,260,247**	**21,465,955**	**5,659,278**	**8,245,127**	**4,881,051**	**1,183,323,742**
Accumulated depreciation and amortization:										
Balances at beginning of year	**533,739,079**	**67,633,692**	**40,763,899**	**30,816,535**	**13,532,657**	**12,892,889**	**2,278,611**	**8,245,111**	**–**	**709,902,473**
Depreciation and amortization (see Notes 15, 16 and 17)	**76,420,197**	**14,945,968**	**7,279,457**	**7,556,321**	**1,935,553**	**2,873,978**	**324,453**	**–**	**–**	**111,335,927**
Retirement and write-off	**(50,340,336)**	**–**	**(2,230,112)**	**(1,223,649)**	**(1,001,900)**	**(90,907)**	**(8,064)**	**–**	**–**	**(54,894,968)**
Balances at end of year	**559,818,940**	**82,579,660**	**45,813,244**	**37,149,207**	**14,466,310**	**15,675,960**	**2,595,000**	**8,245,111**	**–**	**766,343,432**
Net book values	**₱209,906,242**	**₱115,990,793**	**₱47,120,300**	**₱16,433,698**	**₱13,793,937**	**₱5,789,995**	**₱3,064,278**	**₱16**	**₱4,881,051**	**₱416,980,310**

2020

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Transportation equipment	Land improvements	Furniture, fixtures and equipment	Communication and utility systems	Roads and Bridges	Construction in-progress	Total
Cost:										
Balances at beginning of year	₱1,715,616,763	₱160,444,841	₱110,908,208	₱47,744,417	₱59,636,198	₱49,641,358	₱8,517,454	₱12,350,552	₱26,811,468	₱2,191,671,259
Additions	8,413,696	13,691,071	137,232	1,451,840	1,017,608	2,157,483	140,779	–	41,548,365	68,558,074
Retirement and write-off	(961,383,126)	–	(37,723,089)	(42,684)	(32,009,257)	(32,676,017)	(5,901,605)	(4,105,425)	–	(1,073,841,203)
Reclassifications	29,281,819	–	19,717,571	1,207,289	–	(58,139)	–	–	(50,148,540)	–
Balances at end of year	791,929,152	174,135,912	93,039,922	50,360,862	28,644,549	19,064,685	2,756,628	8,245,127	18,211,293	1,186,388,130
Accumulated depreciation and amortization:										
Balances at beginning of year	1,401,190,044	50,285,303	71,315,789	20,064,362	43,286,850	42,005,730	7,823,009	12,350,536	–	1,648,321,623
Depreciation and amortization (see Notes 15, 16 and 17)	93,932,161	17,348,389	7,171,199	10,794,857	2,255,064	3,563,176	357,207	–	–	135,422,053
Retirement and write-off	(961,383,126)	–	(37,723,089)	(42,684)	(32,009,257)	(32,676,017)	(5,901,605)	(4,105,425)	–	(1,073,841,203)
Balances at end of year	533,739,079	67,633,692	40,763,899	30,816,535	13,532,657	12,892,889	2,278,611	8,245,111	–	709,902,473
Net book values	₱258,190,073	₱106,502,220	₱52,276,023	₱19,544,327	₱15,111,892	₱6,171,796	₱478,017	₱16	₱18,211,293	₱476,485,657

In 2021 and 2020, the Company retired certain assets that are deemed to be no longer useable based on the Company's current business model. Accordingly, costs and accumulated depreciation and amortization are derecognized, totaling to ₱53.7 million and ₱1.1 billion in 2021 and 2020, respectively.

11. Land

Fair Value of Land
The fair value, categorized as Level 3 in the fair value hierarchy, is based on valuations determined by an independent appraiser, accredited by the Philippine SEC, as at June 30, 2021 and 2020. The valuation models used by the appraiser are in accordance with that recommended by the International Valuation Standards Council and is based on the land's highest and best use.

The fair value of the land is determined using the market data (direct sales comparison) approach. Under this approach, a property's fair value is estimated based on comparable properties that are actively traded against the subjected property. The weight given to each comparable property is dependent on the availability of recent confirmed sales of properties considered comparable to the property being appraised. These sold properties are compared to the property being appraised based on major categories of comparison. Adjustments are made to account for identified differences against the comparable properties, resulting in adjusted sales values for each of the comparable.

Based on the appraisal report as at June 30, 2021, the fair value of the Group's land recognized under property, plant and equipment and investment property did not change for the years ended June 30, 2021 and 2020 as there were no significant activities within the vicinity where these parcels of land are situated that caused land values to significantly change.

Property, Plant and Equipment
Land at revalued amount recognized under property, plant and equipment as at June 30, 2021 and 2020 amounted to ₱996.8 million.

Movements in the revaluation increment, net of tax, recognized directly in equity are as follows:

	2021	2020
Balances at beginning of year	**₱889,431,214**	₱889,431,214
Change in tax rate due to CREATE	**49,435,541**	–
Balances at end of year	**₱938,866,755**	₱889,431,214

Attributable to:

	2021	2020
Property, plant and equipment	**₱741,533,118**	₱692,097,577
Property, plant and equipment reclassified to investment property	**197,333,637**	197,333,637
	₱938,866,755	₱889,431,214

The value of land recognized under property, plant and equipment if carried at cost as at June 30, 2021 and 2020 is ₱8.1 million.

Investment Property
The fair value recognized under investment property as at June 30, 2021 and 2020 amounted to ₱437.3 million.

The value of land recognized under investment properties if carried at cost as at June 30, 2021 and 2020 is ₱1.8 million. The Company has no restrictions on the realizability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. The Company has neither earned rental income nor incurred direct operating expenses from its investment property.

12. Other Noncurrent Assets

	2021	2020
Long-term receivables	**₱165,198,472**	₱–
Recoverable and other deposits	**26,582,813**	67,522,051
Advances for land maintenance	**–**	164,419,925
	191,781,285	231,941,976
Less current portion (see Notes 5 and 7)	**56,122,219**	25,324,350
	₱135,659,066	₱206,617,626

During the year, the Company and one of its suppliers agreed that the Company will be reimbursed for the amount advanced to the supplier for costs incurred for future land preparation, planting and harvesting. The total amount of reimbursement of ₱168.4 million will be made by the supplier in three equal amounts over a period of 3 years. Current portion that is expected to be collected within the next 12 months is included under the "Receivables" account (see Note 5).

Advances for land maintenance pertains to costs advanced for future preparation, planting and harvesting. Advances for land maintenance that are expected to be liquidated within the next 12 months are recognized as part of "Other current assets" account.

13. Trade and Other Payables

	2021	2020
Trade payables	**₱194,829,626**	₱249,392,687
Accruals:		
Spare parts, supplies and inventory cost	**285,638,836**	131,207,031
Interest and penalties	**11,135,300**	3,051,164
Salaries, wages and other benefits	**6,176,067**	14,613,926
Professional fees	**4,930,000**	3,440,000
Taxes	**3,079,697**	3,803,078
Others	**44,918,355**	26,866,973
Dividends payable (see Note 23)	**25,061,655**	1,041,212
Advances from related parties (see Note 20)	**11,832,195**	11,632,881
Customers' advances	**721,296**	618,208
Other payables	**1,820,770**	4,266,578
	₱590,143,797	₱449,933,738

Trade payables are non-interest bearing and are generally settled within a 30-day credit term. Other accruals pertains to manpower and security services incurred.

14. **Notes Payable**

Working Capital Facilities Agreement (WCFA)
The Company has an existing WCFA with BDO. Under the WCFA, the Company availed short-term loan totaling up to ₱990.0 million as at June 30, 2021 and 2020, at 6.0% to 6.5% and at 6.5% interest rate per annum, respectively.

Total interest expense incurred for short-term notes amounted to ₱63.6 million and ₱63.9 million in 2021 and 2020, respectively.

Long-term Loan
On November 4, 2020, the Company obtained a ₱925.0 million loan from BDO Unibank, Inc. which will mature on November 9, 2027. The loan will be repaid in quarterly installments. The details as of June 30, 2021 are as follows:

Bank Loan A - ₱509,724,245 loan, in which the interest rate will be the higher of (i) the seven (7) year benchmark plus margin of 250 bps, divided by 0.99 for the first 2 years and divided by 0.95 for the final 5 years; and (ii) 5% divided 0.99 for the first 2 years and divided by 0.95 for the final 5 years	₱472,990,004
Bank Loan B - ₱415,275,755 loan, in which the interest rate will be the higher of (i) the seven (7) year benchmark plus margin of 250 bps, divided by 0.99 for the first 2 years and divided by 0.95 for the final 5 years; and (ii) 5% divided 0.99 for the first 2 years and divided by 0.95 for the final 5 years	385,269,040
	858,259,044
Less current portion - net of transaction costs of ₱5,093,308	87,406,692
Noncurrent portion - net of transaction costs of ₱15,397,648	₱770,852,352

The facility contains a loan covenant requiring the Company to meet certain financial ratio starting November 15, 2021 (see Note 25). The loan is secured by a collateral which consist of certain parcels of land and financial assets at FVOCI.

The Company recognized interest expense amounting to ₱34.0 million for the year ended June 30, 2021.

15. Cost of Goods Sold and Milling and Tolling Services

	2021	2020
Inventory costs, spare parts, and supplies	**₱714,663,163**	₱764,358,587
Depreciation and amortization (see Notes 10 and 17)	**102,969,733**	124,279,144
Salaries, wages, bonuses and other benefits (see Note 17)	**95,865,325**	89,848,392
Power and steam	**60,478,601**	66,649,992
Repairs and maintenance	**56,692,762**	59,069,592
Security and outside services	**46,812,120**	45,681,913
Freight and transportation	**44,532,897**	38,604,243
Taxes and licenses	**12,075,890**	5,721,116
Insurance	**5,200,789**	5,449,773
Others	**17,506,935**	18,002,132
	₱1,156,798,215	₱1,217,664,884

16. Operating Expenses

	2021	2020
Salaries, wages, bonuses and other benefits (see Note 17)	**₱31,074,092**	₱37,389,500
Professional fees	**24,410,769**	28,803,138
Depreciation and amortization (see Notes 10 and 17)	**8,366,194**	11,142,909
Freight and transportation	**6,887,422**	7,015,442
Security and janitorial services	**5,004,151**	5,414,297
Taxes and licenses	**4,978,298**	12,076,137
Rentals	**4,881,628**	3,135,267
Repairs and maintenance	**2,881,074**	2,995,312
Entertainment, amusement and recreation	**803,170**	3,833,113
Dues and advertisements	**689,942**	879,129
Postage, telephone and telegram	**293,664**	2,114,964
Light and water	**223,785**	440,073
Management fees and bonuses	**210,000**	220,000
Bank charges	**2,025**	251,029
Others	**2,411,816**	5,772,738
	₱93,118,030	₱121,483,048

17. Nature of Expenses

Depreciation and amortization included in the parent company statements of income are as follows:

	2021	2020
Cost of goods sold and milling and tolling services (see Note 15)	**₱102,969,733**	₱124,279,144
Operating expenses (see Note 16)	**8,366,194**	11,142,909
	₱111,335,927	₱135,422,053

Personnel expenses included in the parent company statements of income are as follows:

	2021	2020
Cost of goods sold and milling and tolling services (see Note 15)		
Salaries, wages, bonuses and other benefits	**₱95,865,325**	₱89,848,392
Operating expenses (see Note 16)		
Salaries, wages, bonuses and other benefits	**31,074,092**	37,389,500
Other income - net		
Net retirement (loss) income (see Notes 18 and 19)	**7,582,923**	(11,885,835)
	₱134,522,340	₱115,352,057

18. Other Income - net

	2021	2020
Insurance fee	**₱9,106,898**	₱4,766,990
Sale of scraps	**4,936,239**	–
Storage fee	**3,469,385**	3,324,249
Net retirement income (loss) (see Notes 19 and 21)	**(7,582,923)**	11,885,835
Others	**(1,486,117)**	833,905
	₱8,443,482	₱20,810,979

19. Retirement Plan

The Company maintains a tax-qualified, funded, noncontributory defined benefit retirement plan covering substantially all of its permanent employees. The benefits are based on years of service and compensation during the latest year of employment. The latest retirement valuation was made as at June 30, 2021.

The fund is administered by Luisita Trust Fund (LTF) under the supervision of LTF's Board of Trustees. The Board of Trustees defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes into account the plans' objectives, benefit obligations and risk capacity. The defined benefit retirement plan meets the minimum retirement benefit specified under Republic Act (RA) No. 7641, *The Retirement Pay Law*.

2021

	Net Benefit Cost in Profit and Loss					**Remeasurements in Other of Comprehensive Income**					
							Actuarial Changes Arising From Changes in				
	Balance at Beginning of Year	**Current Service Cost**	**Net Interest**	**Subtotal**	**Benefits paid**	**Return on Plan Assets**	**Demographic Assumptions**	**Financial Assumptions**	**Experience Adjustments**	**Subtotal**	**Balance at End of Year**
Fair Value of Plan Assets	**₱29,829,535**	**₱–**	**₱972,557**	**₱972,557**	**₱–**	**₱4,427,621**	**₱–**	**₱–**	**₱–**	**₱4,427,621**	**₱35,229,713**
Present Value of Defined Benefit Obligation	**(52,183,688)**	**(6,804,999)**	**(1,750,481)**	**(8,555,480)**	**6,569,253**	**–**	**–**	**4,488,171**	**7,245,972**	**11,734,143**	**(42,435,772)**
Retirement Plan Asset (Obligation)	**(₱22,354,153)**	**(₱6,804,999)**	**(₱777,924)**	**(₱7,582,923)**	**₱6,569,253**	**₱4,427,621**	**₱–**	**₱4,488,171**	**₱7,245,972**	**₱16,161,764**	**(₱7,206,059)**

2020

	Net Benefit Cost in Profit and Loss					Remeasurements in Other of Comprehensive Income					
							Actuarial Changes Arising From Changes in				
	Balance at Beginning of Year	Current Service Cost	Net Interest	Subtotal	Benefits paid	Loss on Plan Assets	Demographic Assumptions	Financial Assumptions	Experience Adjustments	Subtotal	Balance at End of Year
Fair Value of Plan Assets	₱426,043,093	₱–	₱21,790,458	₱21,790,458	₱–	(₱418,004, 016)	₱–	₱–	₱–	(₱418,004,016)	₱29,829,535
Present Value of Defined Benefit Obligation	(48,088,214)	(7,465,455)	(2,439,168)	(9,904,623)	–	–	4,956,236	(2,343,074)	3,195,987	5,809,149	(52,183,688)
Retirement Plan Asset (Obligation)	₱377,954,879	(₱7,465,455)	₱19,351,290	₱11,885,835	₱–	(₱418,004,016)	₱4,956,236	(₱2,343,074)	₱3,195,987	(₱412,194,867)	(₱22,354,153)

The fair value of the Company's plant asset by each class as at June 30 are as follows:

	2021	2020
Assets:		
Cash in banks and cash equivalents	**₱7,956,935**	₱9,956,356
Investments in shares of stock	**33,611,000**	27,862,360
	41,567,935	37,818,716
Liabilities:		
Payable to CAT	**6,230,890**	6,230,390
Accounts payable to various retirees	**107,332**	1,758,791
	6,338,222	7,989,181
Net	**₱35,229,713**	₱29,829,535

Cash equivalents are short-term deposits made for varying periods up to three months and are not subject to significant credit risk and changes in value. Investments in shares of stock consist mainly of the Company's shares which are traded in the PSE with LTF owning 0.97% or 2,318,000 common shares as at June 30, 2021 and 2020.

The principal actuarial assumptions used are as follows:

	2021	2020
Future salary increase rate	**5.00%**	5.00%
Discount rate	**4.82%**	3.48%

The discount rate used is a single weighted average rate based on bootstrapped Bloomberg Valuation Rates at various tenors as at June 30, 2021 and 2020. Rates for intermediate durations were interpolated. The rates were then weighted by the expected benefit payments at those durations to arrive at the single weighted average discount rate.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2021	2020
Discount rate		
Increase of 1%	**(₱2,846,069)**	(₱3,961,746)
Decrease of 1%	**3,281,963**	5,618,358
Future salary increase rate		
Increase of 1%	**₱3,502,905**	₱4,819,523
Decrease of 1%	**(3,094,202)**	(4,217,679)

The overall investment policy and strategy of the Company's defined benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risk of the plans.

The Company does not expect to make additional contributions to the defined benefit plan in the next fiscal year.

The average duration of the defined benefit obligation as at June 30, 2021 and 2020 is 18 years and 19 years, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments:

2021

	Expected Benefit Payments		
Plan Year	**Normal Retirement**	**Other than Normal Retirement**	**Total**
Less than 1 year	**₱3,836,787**	**₱1,171,368**	**₱5,008,155**
1 year to less than 5 years	**11,802,505**	**5,756,652**	**17,559,157**
5 years to less than 10 years	**32,363,713**	**2,100,878**	**34,464,591**
10 years to less than15 years	**17,138,387**	–	**17,138,387**
15 years to less than 20 years	**20,765,644**	–	**20,765,644**
20 years and above	**91,020,051**	–	**91,020,051**

2020

	Expected Benefit Payments		
Plan Year	Normal Retirement	Other than Normal Retirement	Total
Less than 1 year	2,197,275	₱1,567,718	₱3,764,993
1 year to less than 5 years	12,145,096	7,622,036	19,767,132
5 years to less than 10 years	39,539,256	5,840,174	45,379,430
10 years to less than15 years	17,449,648	2,714,344	20,163,992
15 years to less than 20 years	26,384,822	3,189,924	29,574,746
20 years and above	104,176,576	9,476,063	113,652,639

20. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions with Related Parties

The Company, in the normal course of business, has the following transactions with related parties:

		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
Shareholders						
Receivables	(a)	**2021** 2020	**₱24,501** ₱4,964	**₱28,507,377** ₱28,482,876	To be received in cash; non-interest bearing; due and demandable	Unsecured, with impairment
Payables	(b)	**2021** 2020	**199,314** 1,415,143	**(9,720,195)** (9,520,881)	To be settled in cash; non-interest bearing; due and demandable	Unsecured
CRAHI						
Notes receivables	(c)	**2021** 2020	**–** –	**76,566,166** 73,656,602	To be received in cash; 4%-7% per annum; due and demandable	Unsecured, no impairment
Advances	(c)	**2021** 2020	**26,327,526** 93,952,118	**410,360,084** 384,032,558	To be received in cash; non-interest bearing; due and demandable	Unsecured, with impairment
Deposits	(d)	**2021** 2020	**493,000,000** –	**493,000,000** –	Non-interest bearing	Unsecured; no impairment
Interest income		**2021** 2020	**2,909,564** 4,717,550	**–** –		
Subsidiary						
Advances to a Subsidiary	(e)	**2021** 2020	**–** 4,000,736	**1,650,272,354** 1,653,192,756	For future equity conversion; non-interest bearing; due and demandable	Unsecured, no impairment
Trust Fund						
Receivables	(f)	**2021** 2020	**759,692** 6,230,390	**6,990,082** 6,230,390	To be received in cash; non-interest bearing; due and demandable	Unsecured, with impairment
Interest income		**2021** 2020	**–** 18,359,947	**–** –		
Common Control						
Green Future Innovations, Inc. (GFII)	(g)	**2021** 2020	**91,178,906** 70,706,007	**145,999,833** 54,820,927	To be received in cash; non-interest bearing; due within one year	Unsecured; no impairment
Tarlac Distillery Corporation (TADISCO)	(h)	**2021** 2020	**9,088,641** 17,856,718	**119,405,353** 110,316,712	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
First Green Renewable Holdings, Inc. (FGRHI))	(g)	**2021** 2020	**6,606,560** –	**83,508,050** 76,901,490	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Buena Vista Corporate Asset (BVCAHI)	(h)	**2021** 2020	**103,590** 36,802	**12,451,676** 12,348,086	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment

(Forward)

		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
First Lucky Agro-Industrial Corporation (FLAIC)	(i)	**₱2021**	**₱–**	**(2,112,000)**	To be settled in cash; non-interest bearing; due and demandable	Unsecured
		₱2020	₱–	(2,112,000)		
CAT Foundation	(j)	**2021**	**–**	**1,000,000**	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
		2020	1,000,000	1,000,000		
Directors, Officers and Employees						
Receivables	(k)	**2021**	**1,767,746**	**6,657,965**	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
		2020	471,386	14,564,431		
Total advances to a subsidiary (see Note 9)		**2021**		**₱1,650,272,354**		
		2020		₱1,653,192,756		
Total due from related parties (see Note 7)		**2021**		**₱891,446,586**		
		2020		₱762,354,072		
Total advances from related parties (see Note 13)		**2021**		**₱11,832,195**		
		2020		₱11,632,881		

Significant transactions with related parties included in the parent company financial statements are as follows:

a. Pertains to the sale of land to North Star Estate Holdings, Inc. and for working capital advanced by the Company.

b. Pertains to payments made by shareholders on behalf of the Company.

c. Pertains to cash advances given to CRAHI for its liquidity requirements and for settlement of promissory note due to previous shareholders.

d. Pertains to the refundable deposits given to CRAHI as consideration for the grant of exclusivity to acquire parcels of land owned by CRAHI within 180 days, subject to extension as agreed by both parties.

e. Pertains to the liabilities of LLC assumed by the Company during the acquisition period. Interest is imputed on the advances and is generally computed on the monthly outstanding balance at an annual rate of 4.0%. The Company and LLC agreed to execute a waiver on the imposition of interest on the outstanding balance starting July 1, 2017.

f. Pertains to cash advances given to LTF for the funding of the manpower reduction program in 2015.

   On March 15, 2020, the Board of Trustees of LTF approved the terms of the Agreement (the Agreement) between LTF and the Parent Company which novates the terms of payment of the loan agreement between them dated October 15, 2015. In the said Agreement, LTF shall sell its CAT shares equivalent to 44,041,920 shares with a total value of ₱369.1 million to CAT. The sale of shares constitutes full, complete and final payment of LTF's outstanding obligation under the loan agreement.

g. Pertains to sale of molasses and cash advances given to GFII and FGRHI to fund their working capital requirements.

h. Pertains to cash advances given to TADISCO and BVCAHI to fund their capital expenditures and working capital requirements.

i. Pertains to purchases of agricultural products from FLAIC.

j. Pertains to cash advances made to the CAT foundation.

k. These receivables represent loans and cash advances made by the Company for business expenses that are anticipated to be incurred by employees, directors, or officers on behalf of the Company.

Compensation of Key Management Personnel
Short-term employee benefits of key management personnel amounted to ₱20.1 million and ₱25.2 million for the years ended June 30, 2021 and 2020 respectively.

21. **Income Taxes**

The provision for current income tax represents RCIT in 2021 and 2020.

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

	2021	2020
Recognized in profit or loss		
Deferred income tax assets recognized in profit or loss:		
NOLCO	**₱5,367,249**	₱–
MCIT	**1,936,057**	–
Allowance for expected credit losses	**1,535,354**	1,842,424
Allowance for inventory obsolescence	**1,458,792**	1,750,550
Unamortized portion of past service costs	**1,376,820**	3,132,997
Unrealized foreign exchange loss	**13,547**	7,029
	11,687,819	6,733,000
Deferred income tax liabilities		
Retirement benefit	**(16,822,547)**	(20,491,157)
Others	**(151,928)**	(182,314)
	(5,286,656)	(13,940,471)
Recognized in other comprehensive income		
Deferred income tax asset on retirement benefit	**18,624,062**	27,197,403
Deferred income tax liabilities on unrealized cumulative gain on financial assets at FVOCI	**(17,865,671)**	(12,897,390)
	758,391	14,300,013
Deferred income tax liabilities recognized directly in equity on *revaluation increment on property, plant and equipment*	**(247,177,706)**	(296,613,247)
Net deferred income tax liabilities	**₱251,705,971**	₱296,253,705

The reconciliation of income tax on income before income tax computed at the statutory tax rate to provision for income tax as shown in the parent company statements of income is summarized as follows:

	2021	2020
Income tax at statutory tax rate	**(₱4,360,082)**	₱36,388,837
Income tax effects of:		
Net nondeductible expenses	**22,926**	1,653,541
Change in tax rate due to CREATE	**(2,323,413)**	–
Interest income already subjected to final tax	**(57,189)**	(15,629)
Effect of adoption of PFRS 15	**–**	4,759,493
	(₱6,717,758)	₱42,786,242

Bayanihan to Recover as One Act (Bayanihan 2)
On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As at June 30, 2021, the Company has incurred NOLCO in taxable year 2021 which can be claimed as deduction for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

NOLCO

Year Incurred	Availment Period	Amount	Applied	Expired	Balance
2021	2022-2026	₱21,468,996	₱–	₱–	₱21,468,996

MCIT

Year Incurred	Availment Period	Amount	Applied	Expired	Balance
2021	2022-2024	₱1,936,057	₱–	₱–	₱1,936,057

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act
On March 26, 2021, the Office of the President of the Philippines signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines.
Republic Act 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- MCIT rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

- The decrease in the MCIT rates reduced the Company's current income tax expense by ₱1.9 million. In addition, net adjustments to reduce the Company's deferred income tax assets and liabilities amounted to ₱48.8 million.

22. **Agreements**

Milling Agreements
The Company's milling agreements with various planters provide for a 67.0% and 33.0% sharing between the planters and the Company, respectively, of sugar and molasses produced every crop year. As a consequence of the milling agreements and tolling contracts (for refined sugar) with planters and traders, the Company holds the sugar stock of the planters and traders for safekeeping. The following table summarizes the sugar obligations of the Company:

	2021	2020
Refined sugar - traders	**34,107 Lkg**	25,249 Lkg

Lease Agreement
In previous years, the Company transferred its main office and entered into an operating lease agreement with Celestite, Inc., commencing on December 1, 2014 ("Initial Lease Term"), extendible at the option of the lessee for an additional period of three years ("extended Lease Term") subject to mutually acceptable rates, terms, and conditions. The Company paid advance rental and security deposit amounting to ₱0.9 million and ₱0.8 million, respectively. Expense recognized related to this lease agreement in the parent company statements of income amounted to ₱4.9 million and ₱3.1 million in 2021 and 2020, respectively.

23. **Equity**

Capital Stock
The Company's shares of stock were listed in the PSE on April 12, 1977. The authorized capital stock of the Company at that time is 40,000,000 million shares at ₱10 par value. In 2016, the Company executed a 10 for 1 stock split decreasing the par value to ₱1 per share. As at June 30, 2020 and 2019, the authorized capital stock is 400,000,000 shares and the issued shares is 282,545,960 shares. There was no active trading on the Company's outstanding shares in the PSE until the Philippine SEC issued an order on January 29, 2014 lifting the order of suspension made in 2010 in relation to the registration of and permit to sell the said securities.

The total number of shareholders are 394 and 392 as at June 30, 2021 and 2020, respectively.

For the year ended June 30, 2020, in relation to the Agreement entered into by the Parent Company and LTF, the Parent Company reacquired its own shares of stock for a total value of ₱369.1 million [see Note 20(f)]. This amount is recognized as part of the Group's treasury shares.

Retained Earnings
The balance of retained earnings as at June 30 is as follows:

	2021	2020
Unappropriated	**₱998,859,413**	₱941,279,261
Appropriated	**1,500,000,000**	2,000,000,000
Total	**₱2,498,859,413**	₱2,941,279,261

On June 30, 2020, the BOD reversed previously appropriated retained earnings amounting to ₱2.35 billion. On the same date, the BOD approved the appropriation of its retained earnings amounting to ₱2.0 billion. Portion of this appropriation was reversed by ₱500.0 million on June 30, 2021 to consider the current development of the projects where this appropriation is intended. As at June 30, 2021, the retained earnings that remains appropriated are for the continuation of the following projects within the next three to four years:

- ₱525.0 million for sugar business expansion which will cover the following:
  - intensified leasing of land for the purpose of increasing cane tonnage;
  - investment in logistics, such as additional trucks and trailers to improve delivery time;
  - upgrade of the refinery machineries and more robust yearly repairs; and
  - research and development costs to identify potential areas for improvement to increase cane tonnage to one million.
- ₱350.0 million for rum production which will cover the additional investment needed for bottling and mixing facilities to increase production capacity and costs for brand study.
- ₱625.0 million for ethanol production which will cover the construction of dehydrator equipment to bring alcohol proof grade from 94 to 99 in order to expand its existing ethanol business to petroleum companies in addition to its existing transactions with pharmaceutical companies.

On November 9, 2020, the BOD declared dividends amounting to ₱431.7 million at ₱1.81 per share out of the Company's retained earnings as at June 30, 2020. Dividends amounting to ₱407.7 million was paid in the current year. As at June 30, 2021 and 2020, dividends payable recognized under "Trade and other payables" account amounted to ₱25.1 million and ₱1.0 million (see Note 13), respectively. No dividend declaration was made for the year ended June 30, 2020.

In accordance with the Revised SRC Rule 68, Annex 68-D, the Parent Company's retained earnings available for dividend declaration amounted to ₱194.3 million as of June 30, 2021.

Basic/Diluted Earnings (Loss) Per Share

The Company's basic/diluted earnings per share for the years ended June 30, 2021 and 2020 are computed as follows:

	2021	2020
Net income (loss) (a)	**(₱10,722,568)**	₱78,509,880
Weighted average number of shares (b):		
Issued shares	**282,545,960**	282,545,960
Less treasury shares	**44,049,120**	12,852,760
	238,496,840	269,693,200
Basic/diluted earnings (loss) per share (a/b)	**(₱0.04)**	₱0.29

The Company has no dilutive potential ordinary shares; hence the diluted earnings per share are the same as the basic earnings per share.

24. **Fair Value Measurement and Financial Instruments**

The following table provides the fair value measurement hierarchy of the Company's assets that are carried at fair value:

2021

	Quoted Prices in Active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Land classified as property, plant and equipment	**₱–**	**₱–**	**₱996,790,400**	**₱996,790,400**
Investment property	**–**	**–**	**437,264,080**	**437,264,080**
Financial assets at FVOCI – quoted	**145,638,368**	**–**	**–**	**145,638,368**
	₱145,638,368	**₱–**	**₱1,434,054,480**	**₱1,579,692,848**

2020

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Land classified as property, plant and equipment	₱–	₱–	₱996,790,400	₱996,790,400
Investment property	–	–	437,264,080	437,264,080
Financial assets at FVOCI – quoted	112,516,500	–	–	112,516,500
	₱112,516,500	₱–	₱1,434,054,480	₱1,546,570,980

The following are the relevant information and assumptions used in determining the fair value of land:

- *Sale/asking price per sq.m.* This pertains to the sale/asking price per square meter of comparable properties.

- *Conditions on sale of comparable properties.* This pertains to the effect of restrictions or conditions that are present in contracts of sale relating to the comparable properties.

- *Physical adjustments.* These pertain to adjustments relating to the superiority or inferiority of the Company's land as regards to location, shape, topography, size, zoning, amenities, and easement for access and utility lines.

The table below summarizes the forgoing statements. It also presents the unobservable inputs used by management in assessing the fair value of land categorized as Level 3. Management believes that this information is beneficial in evaluating the fair value of the land.

Unobservable Inputs	Amount or Percentage of Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
Sale/asking price per sq. m.	₱900 to ₱1,300	The higher the value, the higher the fair value
Conditions on sale of comparable properties	15.0%	The more onerous the conditions in contract of sale of comparable properties, the higher the fair value
Physical adjustments	50.0%	The superiority of the quality of the Company's land, the higher the fair value

Fair value of all other assets and liabilities approximates their carrying values as at reporting date are disclosed in their respective notes.

Below are the descriptions of the Company's financial instruments that are carried in the parent company financial statements as at June 30, 2021 and 2020.

Cash, Receivables, Trade and Other Payables and Short-term Notes Payable
Due to the short-term nature of these financial instruments, their fair values approximate the carrying amounts as at reporting date.

Long-term Receivable
The carrying value of long-term receivables approximates its fair value based on the discounted value of future cash flows using applicable rates ranging from 1.60% to 2.34% as at June 30, 2021 (Level 3; see Note 2).

Notes Payable
The fair value of notes payable amounting to ₱918.6 million (carrying value of ₱865.0 million) is based on the discounted value of future cash flows using applicable rates plus credit spread for similar types of loans ranging from 3.68% to 6.02% as at June 30, 2021 (Level 3; see Note 2).

Financial Assets at FVOCI
The fair value of the listed shares of stock are determined in reference to quoted market bid prices at the close of business on the reporting date since these are mostly actively traded in organized financial market.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There have been no assets and liabilities transferred between Level 1, Level 2 and Level 3 during the period.

25. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash, receivables, financial assets at FVOCI, long-term receivables lodged under "Other noncurrent assets" account, short-term notes payable and notes payable. The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as receivables, and trade and other payables, which arise directly from its operations.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and interest rate risk. The BOD reviews and agrees on the policies for managing each of these risks and these are summarized below:

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at reasonable prices. The Company uses cash flow approach in managing its liquidity, in this way, funding requirements under normal economic condition are met. In addition, the Group has an existing line of credit with BDO through its WCFA which allows the Group access to funds for liquidity purposes.

The table below summarizes the maturity profile of the Company's financial liabilities based on undiscounted payments:

2021

	Within 30 Days	**Within 1 Year**	**More than 1 Year**	**Total**
Trade and other payables	**₱51,648,773**	**₱524,280,027**	**₱–**	**₱575,928,800**
Short-term notes payable	**–**	**1,017,176,222**	**–**	**1,017,176,222**
Notes payable	**–**	**138,447,519**	**918,669,373**	**1,057,116,892**
	₱51,648,773	**₱1,679,903,768**	**₱918,669,373**	**₱2,650,221,914**

**Excluding statutory liabilities*

2020

	Within 30 Days	Within 1 Year	More than 1 Year	Total
Trade payables	28,185,104	₱417,945,456	₱–	₱446,130,660
Short-term notes payable	–	1,011,548,564	–	1,011,548,564
	₱28,185,104	₱1,429,494,020	₱–	₱1,457,679,224

**Excluding statutory liabilities*

The financial liabilities in the above tables are gross undiscounted cash flows and includes future interest. However, those amounts may be settled by using the following financial assets:

2021

	Within 30 days	**Within 1 Year**	**More than 1 Year**	**Total**
Cash	**₱85,622,734**	**₱–**	**₱–**	**₱85,622,734**
Receivables:				
Trade	**–**	**35,192,625**	**–**	**35,192,625**
Due from related parties	**–**	**891,446,586**	**–**	**891,446,586**
Planters' receivables	**–**	**15,765,741**	**–**	**15,765,741**
Notes receivable	**–**	**4,039,751**	**–**	**4,039,751**
Advances	**–**	**35,082,770**	**–**	**35,082,770**
Long-term receivables	**–**	**56,122,219**	**109,076,253**	**165,198,472**
Others	**–**	**16,007,538**	**–**	**16,007,538**
Financial assets at FVOCI	**–**	**145,800,368**	**–**	**145,800,368**
	₱85,622,734	**₱1,199,457,598**	**₱109,076,253**	**₱1,394,156,585**

2020

	Within 30 days	Within 1 Year	More than 1 Year	Total
Cash	₱242,521,556	₱–	₱–	₱242,521,556
Receivables:				
Trade	–	56,722,607	–	56,722,607
Due from related parties	–	762,354,072	–	762,354,072
Planters' receivables	–	10,747,500	–	10,747,500
Notes receivable	–	2,622,231	–	2,622,231
Advances	–	24,951,281	–	24,951,281
Others	–	20,711,919	–	20,711,919
Financial assets at FVOCI	–	112,678,500	–	112,678,500
	₱242,521,556	₱990,788,110	₱–	₱1,233,309,666

Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument leading to a financial loss. The Company imposes cash basis approach in its sales transaction to lower exposure to credit risk.

With respect to credit risk arising from other financial assets of the Company, which comprise cash, receivables, financial assets at FVOCI and noncurrent portion of long-term receivables, exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as stated below:

	2021	2020
Cash	**₱85,622,734**	₱242,521,556
Receivables	**1,034,405,606**	858,857,986
Financial assets at FVOCI	**145,800,368**	112,678,500
Noncurrent portion of long-term receivables	**109,076,253**	–
Total credit risk exposure	**₱1,374,904,961**	₱1,214,058,042

Since the Company trades only with recognized third parties, there is no requirement for collateral. The Company cash and investment in shares of stock recognized as financial assets at FVOCI are neither past due nor impaired. The analysis of receivables is as follows:

2021

			Past Due but not Impaired			
	Total	**Neither Past Due nor Impaired**	**1-30 Days**	**90 Days**	**More than 150 Days**	**Impaired**
Trade	**₱35,192,625**	**₱34,950,525**	**₱–**	**₱–**	**₱–**	**₱242,100**
Due from related parties	**891,446,586**	**6,657,965**	**–**	**–**	**884,442,455**	**346,166**
Planters' receivables	**15,765,741**	**6,867,850**	**3,005,331**	**388,291**	**–**	**5,504,269**
Notes receivable	**4,039,751**	**4,039,751**	**–**	**–**	**–**	**–**
Advances	**35,082,770**	**–**	**–**	**–**	**21,923,681**	**13,159,089**
Long-term receivables	**165,198,472**	**165,198,472**	**–**	**–**	**–**	**–**
Others	**16,007,538**	**16,007,538**	**–**	**–**	**–**	**–**
	₱1,162,733,483	**₱233,722,101**	**₱3,005,331**	**₱388,291**	**₱906,366,136**	**₱19,251,624**

2020

			Past Due but not Impaired			
	Total	Neither Past Due nor Impaired	1-30 Days	90 Days	More than 150 Days	Impaired
Trade	₱56,722,607	₱56,480,507	₱–	₱–	₱–	₱242,100
Due from related parties	762,354,072	14,564,431	–	–	747,443,475	346,166
Planters' receivables	10,747,500	737,062	4,506,169	–	–	5,504,269
Notes receivable	2,622,231	2,622,231	–	–	–	–
Advances	24,951,281	–	–	–	11,792,192	13,159,089
Others	20,711,919	20,711,919	–	–	–	–
	₱878,109,610	₱95,116,150	₱4,506,169	₱–	₱759,235,667	₱19,251,624

The credit analyses of the Company's financial assets that are neither past due nor impaired are as follows:

2021

	Grade		
	High	**Standard**	**Total**
Loans and receivables:			
Cash	**₱85,622,734**	**₱–**	**₱85,622,734**
Trade receivables	**34,950,525**	**–**	**34,950,525**
Due from related parties	**6,657,965**	**–**	**6,657,965**
Notes receivable	**4,039,751**	**–**	**4,039,751**
Planter's receivable	**6,867,850**	**–**	**6,867,850**
Long-term receivables	**165,198,472**		**165,198,472**
Others	**16,007,538**	**–**	**16,007,538**
Financial assets at FVOCI:		**–**	
Proprietary	**145,250,000**	**–**	**145,250,000**
Listed	**388,368**	**–**	**388,368**
Unlisted	**–**	**162,000**	**162,000**
	₱464,983,203	**₱162,000**	**₱465,145,203**

2020

	Grade		
	High	Standard	Total
Loans and receivables:			
Cash	₱242,521,556	₱–	₱242,521,556
Trade receivables	56,480,507	–	56,480,507
Due from related parties	14,564,431	–	14,564,431
Notes receivable	2,622,231	–	2,622,231
Planter's receivable	737,062	–	737,062
Others	20,711,919	–	20,711,919
Financial assets at FVOCI:			
Proprietary	112,140,000	–	112,140,000
Listed	376,500	–	376,500
Unlisted	–	162,000	162,000
	₱450,154,206	₱162,000	₱450,316,206

Credit Quality of Financial Assets

The credit quality of financial assets is managed by the Company using high grade and standard grade as internal credit ratings.

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

Standard Grade. Other financial assets not assessed as high grade financial assets are included in this category.

Interest Rate Risk
The Company's exposure to the risk for changes in market interest rate relates primarily to its long-term notes payable with floating interest rates. The Company regularly monitors its interest rate exposure from interest rate movements. Management believes that cash generated from operations is sufficient to pay for its obligations under the financing agreement as they fall due.

The following table sets forth the estimated change in the Company's income before income tax through the impact on floating rate borrowings due to parallel changes in the interest rate:

	Increase in basis points	Decrease in basis points
Increase (decrease) in income before income tax:		
June 30, 2021 at 30 basis points	(₱2,011,654)	₱408,637

Capital Management
The Company's primary objective is to ensure that it maintains a strong credit rating and healthy capital ratios to sustain its business and maximize shareholder value. The Company manages its capital structure based on its business requirements and the economic environment. The Company monitors capital using a gearing ratio, which is total debt divided by total debt and equity. Total debt includes short-term notes payable, notes payable, trade and other payables, income tax payable and other liabilities. Equity includes capital stock, retained earnings, revaluation increment, remeasurement losses on retirement plan, unrealized cumulative gains on financial assets at FVOCI and net of treasury stock.

	2021	2020
Short-term notes payable	**₱990,000,000**	₱990,000,000
Notes payable	**858,259,044**	–
Trade and other payables	**590,143,797**	449,933,738
Income tax payable	–	17,043,114
Other liabilities	**27,569,164**	40,905,331
Total debt (a)	**2,465,972,005**	1,497,882,183
Equity	**3,391,261,810**	3,748,504,107
Total debt and equity (b)	**₱5,857,233,815**	₱5,246,386,290
Gearing ratio (a/b)	**0.42**	0.29

In addition to the gearing ratio which the Company is monitoring, the notes payable agreement requires the Company to maintain a debt to equity that is not exceeding 2.33x. Furthermore, a Debt Service Coverage Ratio of not less than 1.10x is also required under the agreement. The first testing date is on November 15, 2021.

26. Note to Statements of Cash Flows

Changes in liabilities arising from financing activities are as follows:

2021

	July 1, 2020	Net cash flows	Interest expense	Amortization	Reclassification	June 30, 2021
Promissory Note	**₱990,000,000**	**₱–**	**₱–**	**₱–**	**₱–**	**₱990,000,000**
Current interest-bearing loans and borrowings	**–**	**–**	**–**	**–**	**87,406,692**	**87,406,692**
Non-current interest-bearing loans and borrowings	**–**	**854,911,166**	**–**	**3,347,878**	**(87,406,692)**	**770,852,352**
Interest on loans and borrowings	**3,051,164**	**(86,322,994)**	**93,751,197**	**–**	**–**	**10,479,367**
Total liabilities from financing activities	**₱993,051,164**	**₱768,588,172**	**₱93,751,197**	**₱3,347,878**	**₱–**	**₱1,858,738,411**

2020

	July 1, 2019	Net cash flows	Interest expense	June 30, 2020
Current interest-bearing loans and borrowings	₱975,000,000	₱15,000,000	₱–	₱990,000,000
Interest on loans and borrowings	2,173,438	(63,017,796)	63,895,522	3,051,164
Total liabilities from financing activities	₱977,173,438	(₱48,017,796)	₱63,895,522	₱993,051,164

27. COVID-19

The Philippines has been placed in a stringent community quarantine, varying in terms of degree and location since the COVID-19 outbreak in 2020. This community quarantine negatively affects businesses, especially those that are not considered essentials.

The Company has not been severely affected by these disruptions as the Company's operations are considered essential. In addition, its areas of operations are limited, thus, logistics and other mobility considerations did not have an effect on the Company. However, considering the uncertainties about this pandemic, the Company will continue to monitor the situation in order to ensure that its impact remains minimal.

28. Supplementary Tax Information Required under Revenue Regulations (RR) 15-2010

On November 15, 2010, the Bureau of Internal Revenue (BIR) issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of the parent company financial statements accompanying the tax return.

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on taxes and license fees paid or accrued during the taxable year:

Value-added Tax (VAT)
The National Internal Revenue Code of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT.

Details of the Company's net sales/receipts, output VAT and input VAT accounts are as follows:

a. Sales/Receipts and Output VAT declared in the Company's VAT returns filed for the period:

	Net Sales/Receipts	Output VAT
Taxable sale of goods	₱890,337,694	₱106,840,523
Exempt sales	143,337,688	–
	₱1,033,675,383	₱106,840,523

Exempt sales pertain to the sale of raw sugar and molasses based on the provisions of the National Internal Revenue Code Section 109.

b. Details of the input VAT for 2021 are as follows:

Beginning Balance	₱1,801,961
Current year's domestic purchases/payments for:	
Goods for resale/manufacture or further processing	
Importation	1,069,414
Presumptive	14,584,812
Goods other than for resale of manufacture	21,275,152
Services included under cost of goods sold	13,139,821
Input VAT allocated to exempt sales	(4,736,505)
	47,134,655
Claims for tax credit/refund and other adjustments	(46,022,444)
	₱1,112,211

Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees included under the "Taxes and licenses" account both under the "Cost of goods sold and milling and tolling services" and "Operating expenses" sections in the 2021 parent company statement of income.

Details consist of the following:

Included under Cost of Goods Sold and Milling and Tolling Services:	
License and permits fees	₱5,081,149
Input VAT allocated to exempt sales	4,736,505
Real estate taxes	1,275,147
Others	983,089
	12,075,890
Included under Operating Expenses:	
Real estate taxes	1,428,158
Documentary stamp taxes	539,483
License and permits fees	362,296
Importation taxes	25,689
Others	2,622,672
	4,978,298
	₱17,054,188

Withholding Taxes
Details of withholding taxes for the year are as follows:

Withholding taxes on compensation	₱5,362,632
Expanded withholding taxes	9,494,862
	₱14,857,494

Tax Assessments and Cases
The Company has an ongoing BIR audit for the fiscal year ended June 30, 2019.

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Central Azucarera de Tarlac, Inc. and Subsidiary
San Miguel, Tarlac City

We have audited in accordance with Philippine Standards on Auditing, the accompanying parent company financial statements of Central Azucarera de Tarlac, Inc. as at and for the years ended June 30, 2021 and 2020 and have issued our report thereon dated October 7, 2021. Our audits were made for the purpose of forming an opinion on the parent company financial statements taken as a whole. The schedules listed in the Index to the Parent Company Financial Statements and Supplementary Schedules are the responsibility of the Company's management. The schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the parent company financial statements. These schedule has been subjected to the auditing procedures applied in the audit of the parent company financial statements and, in our opinion, fairly states, in all material respects, the information required to be set forth therein in relation to the parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
Tax Identification No. 164-533-282
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0662-AR-4 (Group A)
November 21, 2019, valid until November 20, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-071-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8534345, January 4, 2021, Makati City

October 7, 2021

CENTRAL AZUCARERA DE TARLAC, INC.
INDEX TO FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE

SUPPLEMENTARY SCHEDULES

CENTRAL AZUCARERA DE TARLAC, INC.

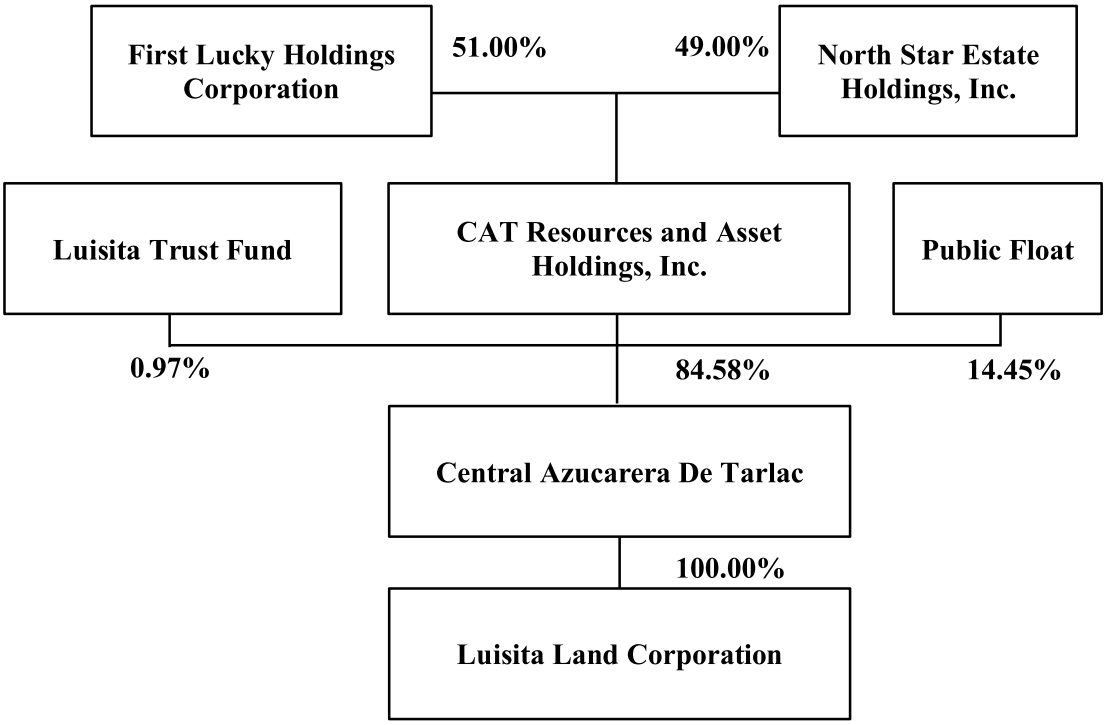
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS AT JUNE 30, 2021

Unappropriated Retained Earnings as at July 1, 2020*, as restated*		₱941,279,261
Accumulated fair value adjustment on investment property		(435,475,107)
Unappropriated Retained earnings as at July 1, 2020, *as adjusted to available for dividend declaration*		505,804,154
Add: Net income actually earned/realized during the period		
Net loss during the year closed to retained earnings	(10,722,568)	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (mark-to-market gain)	–	
Fair value adjustment of investment property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP - gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transaction accounted for under PFRS	–	
Subtotal	(10,722,568)	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustment due to deviation from PFRS/GAAP - loss	–	
Loss on fair value adjustment on investment property (after tax)	–	
Subtotal	(10,722,568)	
Net income actually earned during the period		(10,722,568)
Add (Less):		
Dividend declarations during the year	(431,697,280)	
Appropriation of retained earnings during the period	–	
Reversal of appropriations	500,000,000	
Reversal of revaluation increment to retained earnings	–	
Effect of prior period adjustments	–	
Treasury shares	(369,078,490)	
Subtotal		(300,775,770)
Retained earnings as at June 30, 2021 available for dividends		₱194,305,816

CENTRAL AZUCARERA DE TARLAC, INC.

CONGLOMERATE MAP

AS AT JUNE 30, 2021



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Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and the Stockholders
Central Azucarera de Tarlac, Inc. and Subsidiary
San Miguel, Tarlac City

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of Central Azucarera de Tarlac, Inc. (the Company) as at June 30, 2021 and 2020, and for the years then ended, and have issued our report thereon dated October 7, 2021. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic parent company financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the parent company financial statements as at June 30, 2021 and 2020, and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
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PTR No. 8534345, January 4, 2021, Makati City

October 7, 2021

CENTRAL AZUCARERA DE TARLAC, INC.

FINANCIAL SOUNDNESS INDICATORS

AS AT JUNE 30, 2021

	FORMULA	2021	2020
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	**1.30**	1.04
Acid test ratio	Cash + Accounts receivable / Current liabilities	**0.67**	0.75
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	**0.80**	0.48
Asset to equity ratio	Total assets / Total equity	**1.80**	1.48
Net debt to equity ratio	Total liabilities - Cash / Total equity	**0.78**	0.41
Interest coverage ratio	Earnings before interest and tax / Interest expense	**0.83**	2.84
PROFITABILITY RATIOS			
Operating margin	Operating profit / Total revenues	**0.05**	0.10
Return on equity	Net income after tax / Total equity	**0.00**	0.02

MINUTES OF THE ANNUAL MEETING OF THE SHAREHOLDERS OF CENTRAL AZUCARERA DE TARLAC, INC. HELD ON 26 JANUARY 2021 AT 10:00 A.M.

The annual meeting of the stockholders of Central Azucarera de Tarlac, Inc. was held on 26 January 2021, at 10:00 a.m., by remote communication on Zoom. The attendance of the Board of Directors at the said meeting was as follows:

Present:	Mr. Martin Ignacio P. Lorenzo
	Mr. Fernando C. Cojuangco
	Mr. Fernan Victor P. Lukban
	Mr. Benjamin I. Espiritu
	Mr. Vigor D. Mendoza II
	Mr. Marco P. Lorenzo
	Mr. Renato B. Padilla
Absent:	None

1. CALL TO ORDER

The meeting was called to order by the Chairman, Mr. Martin P. Lorenzo. Atty. Janette L. Peña, Corporate Secretary, recorded the minutes thereof.

2. PROOF OF NOTICE MEETING

At the request of the Chairman, the Secretary submitted to the meeting the following:

(a) A copy of the printed notice of annual stockholder's meeting, dated 10 December 2020, stating the date, time, agenda, and procedure for pre-registration for participation by remote communication;

(b) A copy of the Definitive Information Statement (SEC Form 20-IS) submitted to the Securities and Exchange Commission and the Philippine Stock Exchange;

(c) A complete list, certified by the Corporation's stock and transfer agent, of the holders of the common shares of the Corporation as of the close of business on 6 January 2021, the record date for stockholders who are entitled to notice and eligible to vote at this annual stockholders' meeting.

The Chairman ordered that the certified list of shareholders submitted to the meeting and the minute book of the Corporation be kept open for the inspection of the shareholders throughout the course of the meeting.

3. CERTIFICATION OF QUORUM

The Secretary reported to the Chairman that of the 238, 496, 840 outstanding shares of common stock entitled to vote at the meeting, the holders of at least 201, 718, 140 shares, representing 84.57% of the outstanding shares are present in person or by proxy via remote communication. The Chairman announced that a quorum was present for all purposes, and that the meeting was lawfully and property convened and competent to proceed to the transaction of the business for which it had been called.

4. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD ON 21 JANUARY 2020

A motion was duly made and seconded to dispense with the reading of the minutes of the annual meeting of stockholders held on 21 January 2020 as copies thereof have been previously distributed to the stockholders.

There being no comments or questions on the Minutes of the Stockholders' Meeting held last 21 January 2020, upon motion duly made and seconded, the stockholders unanimously –

"RESOLVED, as it is hereby resolved, that the Minutes of the Stockholders' Meeting held last 21 January 2020 be, as it is hereby approved."

5. APPROVAL OF THE ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2020

The Chairman presented to the meeting the annual report of the Corporation for the fiscal year 2019-2020 containing among others the audited financial statements as at 30 June 2020.

There being no further comments on or objections to the Annual Report and the Audited Financial Statements for the fiscal year ending 30 June 2020, and upon motion duly made and seconded, the same was approved by the stockholders representing majority of the outstanding capital stock of the corporation.

6. RATIFICATION AND CONFIRMATION OF ALL ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND OFFICERS SINCE THE LAST ANNUAL MEETING OF THE STOCKHOLDERS

The Secretary presented a summary of the various Board Resolutions adopted and approved by the Board of Directors since the last annual meeting of the stockholders on 21 January 2020. There being no comments and objections, upon motion duly made and seconded the following resolution was unanimously approved:

"RESOLVED, That all corporate acts and transaction since the annual meeting of the stockholders held on 21 January 2020, including the acts of the Board of Directors, officers and management, as reflected in the minutes of the meetings, financial statements and other records of the Corporation, be, as they are hereby, approved, ratified and confirmed."

7. ELECTION OF DIRECTORS

The Chairman called on the Secretary to present the nominees for the position of director and independent director to be elected in today's annual stockholders' meeting, and to hold office until the next annual meeting or until their successors have been elected and qualified.

The Secretary announced the seven (7) nominees for the position of directors, whose names and qualifications are set forth in the Information Statement that had been distributed to all stockholders, namely:

MARTIN IGNACIO P. LORENZO	Director
FERNANDO C. COJUANCO	Director
MARCO P. LORENZO	Director
VIGOR D. MENDOZA	Director
FERNAN VICTOR P. LUKBAN	Director
RENATO B. PADILLA	Independent Director
BENJAMIN I. ESPIRITU	Independent Director

The Secretary also announced that the Corporate Governance Committee has not received any nominations other than the seven (7) aforementioned nominees. The Chairman, nonetheless called for further nominations but none were made. Upon motion duly made and seconded, the nominations was closed. Another motion was made to declare the election of the foregoing nominees considering that there are no other nominees. Said motion was duly seconded, and there being no opposition, the Chairman directed the Secretary to cast the votes of all the stockholders who were present or who have given their proxies in favor of those nominated. Whereupon, the following were declared as the duly elected directors of Central Azucarera de Tarlac, Inc.:

Mr. Martin Ignacio P. Lorenzo
Mr. Fernando C. Cojuanco
Mr. Marco P. Lorenzo
Mr. Vigor D. Mendoza II
Mr. Fernan Victor P. Lukban
Mr. Renato B. Padilla
Mr. Benjamin I. Espiritu

8. APPOINTMENT OF EXTERNAL AUDITOR

The Accounting firm of SYCIP GORRES VELAYO & COMPANY was appointed as the independent auditors of the Corporation for the fiscal year 2020-2021.

9. SUCH MATTERS AS MAY PROPERLY COME BEFORE THE MEETING

The Chairman inquired from the stockholders if there are other matters that they wish to discuss.

10. ADJOURNMENT

There being no further business, the meeting, on motion duly made, seconded and carried, was adjourned.

The Chairman announced that an organizational meeting of the Board of Directors will be held immediately after the adjournment.

JANETTE L. PEÑA
Secretary of the Meeting

Attested by:

MARTIN IGNACIO P. LORENZO
Chairman of the Meeting