

Annex A

P W 0 0 0 0 0 7 2 7

S.E.C Registration Number

C E N T R A L A Z U C A R E R A D E T A R L A C
A N D S U B S I D I A R Y

(Company's Full Name)

S A N M I G U E L , T A R L A C C I T Y

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

Cecile D. Macaalay
Contact Person

(632) 8818-1868
Company Telephone Number

0 6

Month
Fiscal Year

3 0

**SEC 17-A Annual Report
for the period ended June 30, 2023**

0 1

Month
Annual Meeting

any

Secondary License Type, If Applicable

CFD

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowings

3 9 4

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

- 1. For the fiscal year ended **June 30, 2023**
- 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, INC.**
- 5. **Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization
- 6. (SEC Use Only)
Industry Classification Code:
- 7. **San Miguel, Tarlac City, Tarlac**
Address of principal office
- 1231**
Postal Code
- 8. **(02) 818-6270**
Issuer's telephone number, including area code

- 9. **n/a**
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
.....COMMON238,496,840.....

- 11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

PHILIPPINE STOCK EXCHANGE **COMMON**

- 12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [] No []

**CENTRAL AZUCARERA DE TARLAC
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(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Not applicable

PART I - BUSINESS AND GENERAL INFORMATION

A. Description of Business

Central Azucarera de Tarlac ("Company" or "CAT") was incorporated in 1927 and the Company's life was renewed in 1976. It operates an integrated manufacturing facility that processes sugar and all its by-products. Its business and facilities include the sugar milling and refinery, distillery and carbon dioxide plants located in Barrio San Miguel, Tarlac City. The sugar cane supply is sourced predominately from the Tarlac district and a few in the nearby towns of Pampanga.

The Company, in addition to its sugar processing operations, has a one hundred percent (100%) stake in Luisita Land Corporation ("LLC"), a domestic corporation engaged in developing, leasing, and selling real properties and other ancillary services.

Products and By-Products

Raw and Refined Sugar

The Company's sugar milling and refinery facilities have a capacity of 7,200 tons cane and 8,000 50-kg bags per day, respectively. The sugar cane is initially processed to extract sugar of which 31% represents the company's mill share, 69% belongs to the planters. Most of the raw sugar extracted is further processed in the refinery to produce refined sugar. Tolling fees are collected from customers upon withdrawal of refined sugar from the Company's inventory. In addition to raw and refined sugar, the mill and refinery produce molasses, a by-product. The molasses produced in the mill is likewise subjected to the planter-miller share of 31% and 69%, respectively.

The mill's sugar sales and the refinery's tolling fees represent approximately 32% and 11%, respectively, of the Company's total revenues. The raw and refined sugars produced are sold to industrial users through traders. The Company operates within 4 to 5 months while the refinery operates between 5 to 6 months within the crop year.

Alcohol

The combined captive molasses of the mill and refinery are processed further in the distillery to produce alcohol. The distillery has a production capacity of about 65,000 gauge liters per day. The various types of alcohol regularly produced and sold are rectified spirits (purified alcohol), absolute alcohol and denatured alcohol. These alcohol products are sold to various reputable distillers of wine, manufacturers of alcoholic beverages and to producers of pharmaceutical products.

Carbon Dioxide

The slops emanating from the distillery are captured by the carbon dioxide plant to produce liquid carbon dioxide. The plant has a capacity of 30,000 kilos per day and operates for 2 to 5 months of the year. Carbon Dioxide sales account for 1-2% of the Company's total revenues in the last three years and are sold to industrial users.

Industrial Services

The Company, thru LLC, provides property management, water distribution and wastewater treatment series to locators of Luisita Industrial Park and residents of Las Haciendas de Luisita.

Industrial Profile

Based on estimates from the International Sugar Organization in May and August 2023, it is projected that global sugar production for the Crop Year ending in September 2023 will reach 177.024 million tons in raw value. This figure represents a significant increase of 4.286 million tons or 2.48% from the previous season's 172.738 million tons in raw value. Consequently, a global production surplus of approximately 0.493 million tons in raw value is expected for this season. Notably, sugarcane will play a pivotal role, contributing to 80.3% of the total production, up from the previous season's 79.1%. This boost in production can be attributed to substantial increases in output from Brazil, which contributes nearly 10 million tons, Thailand with 0.891 million tons, and Australia with 0.709 million tons. These gains more than offset the anticipated reductions in production from India (3.120 million tons), the European Union (1.554 million tons), and Mexico (0.765 million tons).

Despite prevailing high global inflation and geopolitical tensions in regions like Syria, Ukraine, and most recently, the coup in Sudan, which could have potentially impacted consumer behavior, it is estimated that global sugar consumption for 2022-23 will reach a new high of 176.531 million tons. This reflects a 1.01% increase, equivalent to 1.757 million tons, from the previous season. Much of this expected growth is projected to come from Brazil, Mexico, and the United States.

Below are the latest figures on the world sugar balance provided by the International Sugar Organization:

	World Sugar Balance (Million Metric Tons, Raw Value)			
	2022-23	2021-22	Change	
			in MMT	in Percent
Production	177.024	172.738	4.286	2.48%
Consumption	176.531	174.774	1.757	1.01%
Surplus/(Deficit)	0.493	(2.036)		
Import Demand	65.380	63.968	1.412	2.21%
Export Availability	65.519	64.001	1.518	2.37%
End Stocks	101.570	100.268	1.302	1.30%
Stock/Consumption Ratio, in percent	57.54%	57.37%		

Notably, the trade balance, which represents the difference between export availability and import demand, rose to 0.339 million tons in raw value for 2022-23, compared to 0.033 million tons from the previous year. The stock consumption ratio also increased slightly, from 57.37% to 57.54%.

At the outset of the 2022-23 season, the ISA daily average world market price for raw sugar (Contract #11) stood at around \$17.54 cents per pound. Subsequently, the ISA daily average price for raw sugar steadily increased, reaching a peak in May 2023 at an average of 25.40 cents per pound. This surpassed the previous highs of 22.22 cents per pound in October 2016 and 24.14 cents per pound in April 2023. However, on August 28, 2023, the IDA daily price index exceeded 25.00 cents per pound but then declined to 24.84 cents per pound by the end of the month. As for the ISO White Sugar Price Index (Contract #5), the price fluctuated from a low of \$30.54 per pound (\$673.20 per ton) to \$31.43 cents per pound (\$693.00 per ton). On August 30, 2023, the ISO White Sugar Price Index reached a 12-year high at 32.74 cents per pound (\$721.75 per ton) before settling at a lower 32.17 cents per pound (\$709.15 per ton) on the last day of the month.

Anticipating the recurrence of the La Niña phenomenon, characterized by above-normal rainfall, the Sugar Regulatory Administration (SRA) implemented Sugar Order No. 1 s. 2022-23, designating the entire raw sugar production for Crop Year 2022-23 as "B" or Domestic Sugar. This was due to expectations of lower output in the 2021-2022 season, estimated at around 1.876 million metric tons in raw value. Unfavorable weather and rising input costs, including fertilizers, fuels, farm chemicals, and labor, were contributing factors. Simultaneously, demand was projected to reach 2.031 million metric tons in raw value, resulting in an expected production deficit of 0.155 million tons in raw value. To address this, the government, through the SRA, initiated several controversial importation programs, primarily focused on refined sugar. These programs included SO# 2 for 150,000 MT (3.0 million bags) of refined sugar, SO# 6 for 440,000 MT (8.80 million bags) of refined sugar, and finally, SO# 7 for 150,000 MT (3.0 million bags) of refined sugar. The Department of Agriculture, through the MAV Council, also launched its own importation program, bringing in a total of 64,050 MT (1.281 million bags) of refined sugar. In total, more than 16.0 million bags of imported sugar, primarily refined, are expected to enter the country for the 2022-23 season. This surpasses the national output of refined sugar, which is estimated at around 14.0 million bags, resulting in a surplus in the domestic market that will take several months to be consumed.

The challenging conditions throughout the season and the increased cost of farming inputs led to a decline in the country's total cane tonnage and raw sugar production.

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Below are the tons cane milled for CY2022-2023.

CANE TONNAGE - PHILIPPINES - CY 2022-23 & CY 2021-22						
M I L L S	TONS CANE MILLED				% SHARE IN TOTAL	
	2022-23	2021-22	GROWTH	%	2022-23	2021-22
LUZON						
Cagayan	145,252	148,409	(3,157)	-2.13%	0.71%	0.70%
Bicol	98,794	104,670	(5,876)	-5.61%	0.48%	0.49%
Batangas	883,418	1,052,302	(168,884)	-16.05%	4.32%	4.96%
Tarlac	339,142	352,374	(13,232)	-3.76%	1.66%	1.66%
VISAYAS						
Panay	1,516,441	1,590,320	(73,879)	-4.65%	7.41%	7.49%
Eastern Visayas	245,444	403,634	(158,190)	-39.19%	1.20%	1.90%
Negros	13,317,085	13,435,650	(118,565)	-0.88%	65.09%	63.27%
MINDANAO	3,913,183	4,147,246	(234,063)	-5.64%	19.13%	19.53%
Total	20,458,759	21,234,605	(775,846)	-3.65%	100.00%	100.00%

As of August 21, 2023, the country milled a total of 20,458,659 tons of cane, marking a 3.65% decrease of 775,846 tons compared to the same period in the previous year. On a year-on-year basis, the recovery rate improved slightly, reaching 1.77 bags of raw sugar per ton of cane milled, up from 1.75 in the previous year. Consequently, the country's raw sugar production totaled 1,799,466 metric tons in raw value, representing a decrease of 1% or 21,397 metric tons from the previous season.

The drop in total raw sugar production was observed in nearly all key sugar-producing regions of the country, except for Negros, which saw a 3% increase in raw sugar output, totaling 1,200,953 metric tons in raw value. Conversely, other regions, such as Luzon, Panay, Eastern Visayas, and Mindanao, experienced various degrees of output reduction.

Transactions With and/or Dependence on Related Parties

The Company's transactions with related parties are disclosed in Note 23 (pages 42-45) of the Company's audited financial statements. In addition, the Company's operations are not dependent on its related parties. The Company provides working capital support to its related parties.

Research and Development Spend

CAT spends approximately 0.04 - 0.10% for product research and development over the last three (3) years. The Company adheres to its core product, sugar, and finds no need to further conduct product research and development. However, it continuously adopts new production technology to which spending is through capital expenditure amounting to ₱80-100M annually.

Government Regulations

Other than the Bureau of Internal Revenue (“BIR”) and the Securities and Exchange Commission (“SEC”), the Sugar Regulatory Administration (“SRA”) is the government regulatory arm that oversees the operation and administration of the sugar industry. One of the most important functions of the SRA is the allocation of the country's sugar production. The SRA determines the quantity of sugar to be sold in the domestic and foreign markets and likewise, regulates importation of sugar, if deemed necessary. Intermittently, the Company seeks approval from the SRA should sugar product change form from one classification to another. This is dependent on the projected sugar supply and demand at a particular period of time.

Cost and effects of compliance with environmental laws

The Company is compliant with environmental standards set by DENR and is ensured of continued operations. The efforts of CAT to comply with all the regulatory requirements and social obligation are evidenced by the costs and expenses incurred by the Company to ensure that pollution control and environmental standards are upheld.

To date, CAT has incurred between ₱4.0-8.0M annually to maintain its environs safe.

Employee

As of June 30, 2023, following is the employee details:

	Exec./Mgrl./Supv.		Rank/File		Retainer/ Consultant	Total
	Perm.	Prob.	Perm.	Prob.		
CAT- TARLAC	104	3	195	6	8	316
CAT- MAKATI	7		3		11	21
LLC	5	3	1		1	10
TOTAL	116	6	199	6	20	347

Major Risk in the Business of CAT

The following are the threats and risks that the Company is subjected to:

Operational risk. The Company's main operational threat is the undersupply of sugar cane. Its sources of sugar cane predominately come from Tarlac and the nearby province of Pampanga. Planters who have become beneficial owners of agricultural land have begun to explore or engage in sugar planting. In addition, the Company continuously augments its planters' programs, incentives, aids and other services to entice planter/land owners to return to sugar crop propagation and engage CAT for its milling and refinery requirements.

Another notable common operational risk is the breakdown of factory facilities resulting to downtime and leading to decreased production output. To mitigate such risks, the Company

conducts its preventive maintenance and repair programs during the off-milling season (June to October) in preparation for an uninterrupted subsequent milling, refinery and distillery operations.

Financial risk. The Company is faced with the high volatility of sugar prices, inherent in the sugar industry since sugar is a commodity product. The profitability margins of the Company may be affected should the sugar prices behave erratically. However, this is countered through CAT's strategic management of costs, inventory and operating expenses during the low and high price seasonality of the industry.

A national threat to the sugar industry is the importation of smuggled sugar. The disadvantageous consequence of this unlawful activity includes the weakening of domestic sugar prices. It affects not only CAT but also the industry players as well. It likewise impacts the local planters creating an imbalance in the domestic sugar supply. The Company addresses this risk by managing its costs to allow competitive pricing should excess sugar enter the market. Moreover, CAT collaborates with the government agencies such as the Sugar Regulatory Administration (SRA), whose purpose is to protect the domestic sugar players, and participates in other government programs to uphold the progression of the sugar industry in the Philippines.

Hazard risk. Due to its agriculturally-based raw materials, extreme changes in weather conditions greatly affect the quantity and quality of sugar canes. Lower supply from the farmers results to lower sugar production output for the Company. Therefore, CAT is currently implementing its expansion and intensification programs to address any adverse effects of weather and environmental hazards.

B. Properties

The Company owns real estate property consisting of 336.6 hectares located within the Luisita Agro-Industrial Complex in San Miguel, Tarlac City. The property in its entirety is located approximately 3.5 kms west from Luisita Interchange of the SCTEX, or 4.5 kms. East from McArthur Highway/Luisita Business Park; and about 10.0 kms Southeast from the downtown of Tarlac City.

Areas of reference on its existing use	Area in	% against
	sq.meters	total land area
Industrial	593,495	18%
Not used in business and operation	750,538	22%
Held for sale and development (thru LLC)	2,020,939	60%
Total	3,364,972	100%

Factory Plants/Buildings Used In Business Operations

The CAT complex is composed of the raw sugar milling, sugar refinery, alcohol distillery and wastewater treatment facilities.

The Raw Sugar Factory. The sugar factory was originally built with a milling capacity of 5,000 tons per day (TCD). Over the years, the Company has continuously upgraded its facilities increasing its capacity and efficiency using the latest available technology. CAT has currently excess capacity and can accommodate up to 1.0M tons cane in its milling and refinery operations.

Refinery Operation. The sugar refinery, which produces the renowned Luisita Sugar, processes refined sugar employing phosphoric acid-lime clarification and de-colorization. Its average daily output is 7,500 50-kg. bags of refined sugar.

Alcohol and Ancillary Products. The distillery presently employs several sets of distilling columns with a combined output of 65,000 liters total alcohol with a grade of 189.0 proof. By-products from the distillery are recovered at the carbon dioxide and yeast plants.

Other Auxiliary and Support Facilities. CAT operates its own electrical substation with electrical distribution system. Other facilities include various shops, laboratory, instrumentation and maintenance equipment.

Water and Wastewater Management. To support CAT's operations, the water treatment facility re-circulates all process cooling water by spray cooling. In addition, the integrated wastewater treatment plant employs an anaerobic digester and 17 facultative lagoons covering an area of 30 hectares, treating the final effluents to irrigate nearby sugarcane fields.

Property Management and Utility Distribution. Thru CAT's subsidiary, LLC, the Company provides property management and water distribution services to locators to commercial and industrial districts within the ten (10) barangays of Tarlac City.

The Company owns all the properties. There are no limitations as to the properties' usage. These are under the Mortgage Trust Indenture as a security to the long-term loan the Company secured from a local bank. Currently, CAT does not lease any of these properties.

C. Legal Proceedings

The Company is currently not under any legal proceedings.

D. Submission of Matters to a Vote of Security Holders

There are no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II – SECURITIES OF THE REGISTRANT

A. Market Price of and Dividends on Registrant's Common Equity and Related Stockholders Matters

Market Information

Central Azucarera de Tarlac is a Company whose common shares are listed in the Philippine Stock Exchange since April 1977. The following tables list the Company's Stock Price for the 3-year period from FY 2021-2023 and its last trading date.

Market Information				
Year	Quarter	Period	High	Low
2023-2024	1Q	July - September	10.50	8.80
2022 - 2023	1Q	July - September	11.48	9.13
	2Q	October - December	10.66	8.00
	3Q	January - March	11.50	9.50
	4Q	April - June	11.00	9.01
2021 - 2022	1Q	July - September	14.90	12.94
	2Q	October - December	14.40	13.00
	3Q	January - March	13.78	12.08
	4Q	April - June	13.54	10.00
2020 - 2021	1Q	July - September	13.46	10.84
	2Q	October - December	24.10	11.02
	3Q	January - March	16.30	12.70
	4Q	April - June	14.50	12.88

Market Information (Last Trading Date)	
Date	October 10, 2023
Open	8.60
High	9.12
Low	8.51
Close	9.10
Volume	1,300

Holders of Security

The following table enumerates the top 20 shareholders of the Company as of June 30, 2023.

Name of Stockholder	Citizenship	Amount Subscribed (Php)	No. of Shares Held	% Total Outstanding
1 PCD NOMINEE CORPORATION (FILIPINO)	Filipino	217,273,574	217,273,574	76.90%
2 PCD NOMINEE CORPORATION (FOREIGN)	Others	8,759,741	8,759,741	3.10%
3 ROMULO, MARILES C.	Filipino	441,240	441,240	0.16%
4 OLLER, MA. MERCE FORMENTI	Spanish	430,880	430,880	0.15%
5 SANTIAGO, O' MARINA SOLDEVILLA	Spanish	369,040	369,040	0.13%
6 SENCHERMES, JUAN GALOBART	Spanish	326,160	326,160	0.12%
7 ALCANTARA, VALERIO	Filipino	280,160	280,160	0.10%
8 DELA RIVA, CARMEN GALOBART	Spanish	277,440	277,440	0.10%
9 IRAGORRI, EDUARDO GALLARZA	Spanish	272,560	272,560	0.10%
10 MENDOZA, NESTOR C.	Filipino	250,960	250,960	0.09%
11 MORTON, CHARLES V.	American	243,440	243,440	0.09%
12 CHUA, WILLINGTON	Filipino	233,100	233,100	0.08%
13 CHEE, LIM BENG	Chinese	231,840	231,840	0.08%
14 RECTOR DEL SEMINARIO MAYOR DE SAN CARLOS	Filipino	221,480	221,480	0.08%
15 FORD, THOMAS J.	American	210,320	210,320	0.07%
16 MARTIN, FRANCISCO LON	Filipino	204,400	204,400	0.07%
17 GUTIERRES, TERESA MARTINEZ VDA DE	Spanish	198,160	198,160	0.07%
18 HEIRS OF MA. VICTORIA MARFA SATRUSTEGUI	Spanish	178,720	178,720	0.06%
19 SATRUSTEGUI, MA. ISABEL MARFA	Spanish	178,720	178,720	0.06%
20 GUTIERREZ, JESUS MOLINA	Filipino	163,000	163,000	0.06%
TOTAL:		230,744,935	230,744,935	81.67%

The following table lists the security ownership of certain record and beneficial owners the Company owning more than 5% of its Common Shares as of June 30, 2023.

Title of Class	Name	Number of Shares Held	Name of Beneficial Ownership	Citizenship	%
Common Shares	PCD Nominee Corporation*	226,033,315	PCD Nominee Corporation	Various	94.8%
<i>*Beneficial ownership through PCD Nominee Corporation</i>					
Common Shares	CAT Resource & Asset Holdings Inc.	201,718,140	Martin P. Lorenzo 102,876,250 shares	Filipino	84.6%
			Fernando C. Cojuangco 98,841,890 shares	Filipino	

The following table identifies the shareholdings of Directors and Officers of the Company as of June 30, 2023.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	%
Common	Martin Ignacio P. Lorenzo	102,876,250	Indirect	Filipino	43%
		200	Indirect	Filipino	0%
Common	Fernando C. Cojuangco	98,841,890	Indirect	Filipino	41%
		200	Indirect	Filipino	0%
Common	Martin Diego L. Lorenzo, Jr.	500	Indirect	Filipino	0%
Common	Mateo Rafael L. Lorenzo	700	Indirect	Filipino	0%
Common	Pedro Francisco C. Cojuangco	500	Indirect	Filipino	0%
Common	Fernan Víctor P. Lukban	200	Indirect	Filipino	0%
Common	Cecile D. Macaalay	5,000	Direct	Filipino	0%
Common	Janette L. Peña	0		Filipino	0%
	Addison B. Castro	0		Filipino	0%
Total		201,725,440			85%

Dividends

2022 – 2023 - No dividends declared
2021 – 2022 - No dividends declared
2020 – 2021 - ₱ 1.81 per share – November 10, 2020
2019 – 2020 - No dividends declared
2018 – 2019 - No dividends declared
2017 – 2018 - ₱ 0.18 per share – June 28, 2018

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

The Company has not had any sale of unregistered or exempt securities.

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B. Description of Registrant's Securities

As of June 30, 2023, the Company's Authorized Capital Stock remains at ₱400,000,000 divided into 400,000,000 Common Shares with a par value of ₱1.00 per share. As of the same date, 238,496,840 shares are outstanding and are held by 394 stockholders.

On April 19, 2016, the Board of Directors approved the change in par value of common shares from ₱10 per share to ₱1 per share and ratified by the stockholders on June 15, 2016. The date of approval by the Securities and Exchange Commission is October 12, 2016. In accordance with the Exchange' Policy on Updating of Stock Certificates, the change in the par value of common shares was reflected on Philippine Stock Exchange Trading System on October 25, 2016.

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

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PART III - FINANCIAL INFORMATION

A. Management's Discussion and Analysis or Plan of Operation

Executive Summary

Central Azucarera de Tarlac, Inc. showcased an exceptional performance, culminating in a strong finish characterized by a substantial increase in both EBITDA and Net Income. With an EBITDA of ₱410.0M, marking a 38% surge from the preceding year, and a Net Income of ₱168.8M, reflecting a 111%% rise from FY2022, this impressive progress underscores the Company's steadfast commitment to navigating challenging market conditions with unwavering resilience.

Fueled by consistent favorable sugar prices, albeit occasionally disrupted by the sugar importation initiatives, independent sugar planters were motivated to sustain operations despite escalating costs. This perseverance enabled CAT to uphold its Revenues at ₱1.4B, notwithstanding the decrease in sugarcane volume to 339K TC from 352K TC in FY2022.

Despite the looming threat of escalating costs, the Company strategically optimized its expenditure, prioritizing activities that contribute to profitability. Notably, stringent spending practices focusing on essentials, disciplined inventory management, and resource optimization led to a 3% reduction in COGS, elevating the Margins to 24% in FY2023 from 21%.

Furthermore, the Company's profitability has been further augmented by leveraging the increasing value of its land assets. This has not only propelled economic growth and business opportunities but also positively impacted the agricultural landscape in the Tarlac area. As these initiatives unfold, CAT is presented with the opportunity to expand into neighboring provinces, tapping into more sugar planters in Batangas, Nueva Ecija, Pampanga, and Bataan, thereby augmenting the Company's projected sugar volume.

Given its pivotal role in Central Luzon's sugar production history, the Company is with resolve on a forward-looking approach and is well-positioned to anticipate and capitalize on emerging opportunities, ensuring sustained growth and long-term viability.

The following table is the Consolidated Statement of Income of the Company and its subsidiary, Luisita Land Corporation ("LLC"), for the fiscal years ending June 30, 2023, 2022 & 2021.

(In Million Pesos except for Volume, Price & EPS)	FY 2023		FY 2022		FY 2021	
	339,142 TC		352,374 TC		466,737 TC	
	AMT	%	AMT	%	AMT	%
VOLUME AND PRICE MATRIX	Vol	P	Vol	P	Vol	P
Raw Sugar Equivalent	159,491	2,917	247,980	1,955	270,275	1,516
Tolling of Refined Sugar	484,234	320	533,773	244	582,643	243
Alcohol	3,804,500	70	6,184,825	60	5,311,990	64
Carbon Dioxide	616,890	8	1,727,060	9	2,104,730	8
REVENUE	1,486.76	100%	1,435.65	100%	1,368.61	100%
Sugar	465.28	31%	484.85	33%	409.84	29%
Tolling of Refined Sugar	154.95	10%	130.06	9%	141.49	10%
Alcohol	266.15	18%	371.55	25%	342.02	24%
Molasses	27.25	2%	63.57	4%	121.45	8%
Carbon Dioxide	4.94	0%	15.61	1%	17.10	1%
Service Income	517.22	35%	322.67	22%	289.30	20%
Industrial services	50.98	3%	47.34	3%	42.36	3%
Real estate sale	.00	0%	.00	0%	5.06	0%
COST OF GOODS SOLD AND SERVICES	1,124.60	76%	1,130.05	79%	1,179.91	86%
Costs of goods sold and services	993.45	67%	1,010.97	70%	1,061.28	78%
Costs of tolling services	101.58	7%	93.18	6%	95.52	7%
Cost of industrial services	29.56	2%	25.89	2%	23.12	2%
Cost of real estate	.00	0%	.00	0%	.00	0%
GROSS PROFIT	362.16	24%	305.60	21%	188.70	14%
OPERATING EXPENSES	131.02	9%	120.80	8%	109.50	8%
OPERATING PROFIT BEFORE INTEREST AND TAXES	231.14	16%	184.80	13%	79.20	6%
Interest expense and bank charges	(133.59)	-9%	(110.07)	-8%	(101.56)	-7%
Interest income	4.79	0%	4.73	0%	4.61	0%
Gain on fair value change of investment property	94.15	20%	19.58	4%	.00	0%
Others - net	1.65	0%	1.42	0%	9.98	1%
INCOME BEFORE TAX	198.14	13%	100.46	7%	(7.77)	-1%
PROVISION FOR INCOME TAX	29.33	2%	20.47	1%	-20.31	-1%
NET INCOME	168.80	11%	80.00	6%	12.54	1%
EBITDA	409.82	28%	298.76	21%	203.37	15%
EPS	P0.71		P0.34		P0.05	

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Plan of Operation

Outlook for FY 2023-2024

In its most recent assessment, the International Sugar Organization (ISO) anticipates a global sugar production deficit of 2.118 million tons (raw value) for the 2023-24 calendar year. This shift towards a deficit is attributed to normalized harvesting patterns in Brazil and other key regions, as well as potential adverse effects from the 'El Nino' weather phenomenon. Additionally, lower expected outputs from major Asian sugar producers, India and Thailand, contribute to this projection.

Global sugar consumption is projected to experience modest growth of 0.24%, equivalent to an increase of 0.426 million tons, compared to the previous year's growth rate of 1.01%. Factors such as affordability, accessibility, and geopolitics in some of the world's poorest countries may limit consumption growth.

The latest World Sugar Balance estimate for the 2023-24 calendar year is as follows:

	World Sugar Balance (Million tons, raw value)			
	2023-24	2022-23	Change	
			in mln t	in percent
Production	174.839	177.024	(2.185)	-1.23%
Consumption	176.957	176.531	0.426	0.24%
Surplus/(Deficit)	(2.118)	0.493		
Import Demand	64.273	65.380	(1.107)	-1.69%
Export Availability	61.599	65.519	(3.920)	-5.98%
End Stocks	102.266	101.570	0.696	0.69%
Stock/Consumption Ratio, in percent	57.79%	57.54%		

Experts believe that physical trading will remain active for the next three months, with abundant supply from Brazil. However, market and future sugar prices are expected to be influenced by the projected global production deficit. It is anticipated that New York sugar prices will close the year at around 24 cents per pound by the end of September 2023. The current price outlook for the 2023-24 season is therefore considered neutral to bullish.

For the 2023-24 crop year, the Sugar Regulatory Administration (SRA) estimates that the country's sugar production will reach nearly 1.850 million tons (raw value), reflecting a 2.8% increase over the current year's total of 1.799 million tons. The SRA also projects demand for the upcoming milling season to be approximately 2.20 million tons, indicating another year of production shortfall in the local sugar industry. In response, the SRA has allocated the entire domestic raw sugar output as 'B' or domestic market sugar, following Sugar Order No. 1 s. 2023-24.

Sugar Classes	Production MMT	% Allocation
"A" or U.S. Market Sugar	-	0%
"B" or Domestic Sugar Market	1.850	100%
"D" or World Sugar Market	-	0%
	1.850	100%

Concerningly, there is currently an oversupply of refined sugar resulting from the 2022-23 domestic production and importation programs implemented by the Department of Agriculture and the SRA. It is estimated that this overhang in refined sugar inventory could sustain the market for 5 to 6 months, depending on actual physical demand in the coming months.

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Management Discussion and Analysis

The following identify the top five (5) Key Performance Indicators of the Company, which allow the measure of growth, financial performance and return on investment.

Revenue	FY 2023	FY 2022	FY 2021
Revenue (in millions)	1,486.76	1,435.65	1,368.61
% Growth	3.6%	4.9%	-10.3%

EBITDA	FY 2023	FY 2022	FY 2021
EBITDA (in millions)	409.8	298.8	203.4
% Growth	37%	47%	-32%
EBITDA Margin	28%	21%	15%

Net Income	FY 2023	FY 2022	FY 2021
Net income (in millions)	168.80	80.00	12.54
% Growth	111%	538%	-85%
Net Income Margin	11%	6%	1%

Earnings per share	FY 2023	FY 2022	FY 2021
Earnings per share	0.71	0.34	0.05

Milling Recovery	FY 2023	FY 2022	FY 2021
Milling recovery (Lkg/TC)	1.607	1.366	1.610

FY 2023 Review of Operations

Revenues

REVENUES In Million Pesos	2023	2022	2021	Growth %	
				2023 vs 2022	2022 vs 2021
Sugar	465.3	484.8	409.8	-4%	18%
Tolling of Refined Sugar	155.0	130.1	141.5	19%	-8%
Molasses	27.2	63.6	121.5	-57%	-48%
Alcohol	266.1	371.5	342.0	-28%	9%
Carbon Dioxide	4.9	15.6	17.1	-68%	-9%
Service Income - Milling Fee	517.2	322.7	289.3	60%	12%
Industrial services	51.0	47.3	42.4	8%	12%
Real estate sale	.0	.0	5.1	0%	-100%
TOTAL	1,486.8	1,435.6	1,368.6	4%	5%

For the Fiscal Year 2022-2023, gross revenues from the sale of products and services amounted to ₱1,486.8M, marking an increase of ₱51.2M in comparison to the previous year's total of ₱1,435.6M. Despite the experienced drop in cane tonnage from 352,374 tons to 339,141 tons, favorable sugar price was the primary factor in contributing to the increase in both sugar revenues and milling fees.

- Sugar revenues decreased by 4%, resulting in a decrease of ₱19.5M due to the lower sugar cane tonnage available for milling the unsold inventory of 65,000 bags being held for strategic pricing.
- Tolling fee grew by 19% or ₱24.9M, due to the increase in tolling rates from ₱244 per bag to ₱320 per bag.
- Molasses sales declined due to the limitation in the volume available for sale.
- Alcohol revenues experienced a significant decrease of 28%, resulting to a reduction of ₱105M sales because of the low alcohol production brought about by the limitation of the source of molasses feedstock.
- Carbon dioxide, as a by-product in alcohol production, also experienced reduction in sales totaling to ₱10.7M.
- A steady revenue growth in the water and locator fees of a subsidiary company posted an increase of 8% or ₱3.6M.

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Cost of Goods Sold & Milling Services

Cost of goods sold decreased by ₱17.5M to ₱993.5M from last year's ₱1,011.0M or 2%. The following table summarizes the breakdown of cost of goods sold:

COST OF GOODS SOLD AND MILLING SERVICES	2023	2022	2021	Growth %	
				2023 vs 2022	2022 vs 2022
<i>In Million Pesos</i>					
Salaries, wages bonuses and other benefits	87.0	83.0	84.7	5%	-2%
Repairs & Maintenance	57.9	31.0	47.1	87%	-34%
Inventory cost, spare parts and supplies	674.3	721.5	704.9	-7%	2%
Depreciation and amortization	70.2	74.3	96.2	-6%	-23%
Freight and transportation	35.5	32.4	39.1	10%	-17%
Security and outside services	42.5	38.2	44.1	11%	-13%
Power and steam	6.7	4.2	14.6	58%	-71%
Insurance	4.9	4.6	4.6	7%	-1%
Taxes and licenses	5.5	7.3	9.3	-25%	-22%
Others	9.1	14.5	16.7	-37%	-14%
TOTAL	993.5	1,011.0	1,061.3	-2%	-5%

- Repairs and maintenance climbed by 87% from last year's ₱31.0M to ₱57.9M due to scheduled and extended repair & maintenance program in the mill.
- Inventory cost dropped by ₱47.2M due to the sugar inventory that remains at the balance sheet as of reporting period.
- Freight & transportation is increased by ₱3.1M or 10% percent due to higher costs in moving and hauling finished products as well as the additional subsidies provided to cane planters.
- Security and outside services grew by ₱4.2M or 11% due to the rationalization of security requirements in the Company's facilities.

Cost of Tolling Services

Cost of tolling moderately decreased by ₱8.4M or 9% this year from ₱93.2M to ₱101.6M. The table summarizes the breakdown of cost of tolling:

COST OF TOLLING SERVICES	2023	2022	2021	Growth %	
				2023 vs 2022	2022 vs 2022
<i>In Million Pesos</i>					
Salaries, wages bonuses and other benefits	11.4	10.9	11.2	4%	-2%
Repairs & Maintenance	10.5	9.6	9.6	9%	1%
Spare parts and supplies	8.8	10.5	9.8	-16%	7%
Depreciation and amortization	4.6	6.2	6.8	-25%	-9%
Freight and transportation	5.0	5.3	5.5	-6%	-3%
Security and outside services	4.2	3.2	2.7	32%	17%
Power and steam	52.3	43.2	45.9	21%	-6%
Insurance	.5	.5	.6	7%	-10%
Taxes and licenses	3.5	3.1	2.8	14%	11%
Others	.7	.7	.8	-5%	-5%
TOTAL	101.6	93.2	95.5	9%	-2%

Annex A

- Spare parts and supplies decreased by ₱1.7M or 16% as a function of sales as lesser raw sugar bags were processed this year compared to last year.
- Fully depreciated assets and stable spending in CAPEX brought down the depreciation expense by ₱1.6M or 25% this year as compared to last year's total of ₱6.2M.
- Power and steam account went up by ₱9.1M from last year's total of ₱43.2M due to higher electricity costs.

Cost of Industrial Services

Cost of industrial services rose by ₱3.7M or 14% from last year's ₱25.9M to ₱29.6M. The table below summarizes the breakdown of operating expenses.

COST OF INDUSTRIAL SERVICES <i>In Million Pesos</i>	2023	2022	2021	Growth %	
				2023 vs 2022	2022 vs 2021
Salaries, wages bonuses and other benefits	.3	.3	.3	2%	2%
Service Cost	6.0	5.2	6.8	15%	-24%
Repairs & Maintenance	.7	1.8	1.1	-63%	66%
Materials	.8	1.4	2.2	-40%	-38%
Depreciation and amortization	2.9	3.2	2.2	-10%	46%
Security and outside services	4.1	4.3	4.1	-4%	4%
Utilities	12.9	8.2	5.3	58%	53%
Rental expense	.0	.2	.2	-83%	0%
Professional fee	.0	.2	.2	-100%	15%
Taxes and licenses	.3	.3	.4	1%	-14%
Others	1.4	.8	.2	86%	216%
TOTAL	29.6	25.9	23.1	14%	12%

- Service cost rose by ₱0.8M from last year's ₱5.2M to ₱6.0M due to the availment of additional manpower services in the Subsidiary's water business.
- Repairs and maintenance went down from ₱1.8M to ₱0.7M or 63% due to the one-time repair activities done last year.
- Materials decreased by ₱0.5M from last year's total of ₱1.4M as a result of lesser applicants for water service connections in Bantog and Asturias.
- Utilities grew by 58% or ₱4.8M due to the increase in power rate brought by the high fuel prices.

Operating Expenses

Operating expenses grew by ₱10.2M or 8% from last year's ₱120.8M to ₱131.0M. The table below summarizes the breakdown of operating expenses:

OPERATING EXPENSES	2023	2022	2021	Growth %	
				2023 vs 2022	2022 vs 2021
<i>In Million Pesos</i>					
Salaries, wages bonuses and other benefits	26.0	30.3	32.7	-14%	-7%
Repairs & Maintenance	2.7	3.5	3.6	-21%	-3%
Management fees and bonuses	.1	.2	.2	-54%	14%
Taxes and licenses	26.5	14.5	8.7	83%	67%
Depreciation and amortization	5.2	9.2	9.0	-44%	3%
Transportation and travel	8.7	8.6	6.9	2%	23%
Security and outside services	8.3	5.8	7.0	43%	-17%
Rentals	3.3	3.9	4.9	-17%	-20%
Light and water	2.5	2.0	1.4	27%	44%
Entertainment, amusement and recreation	14.2	2.9	.9	393%	203%
Professional fees	28.4	30.1	26.3	-6%	15%
Dues and advertisements	.7	1.4	1.5	-52%	-2%
Postage, telephone and telegram	.4	.3	.3	29%	8%
Bank Charges	.2	.0	.0	300%	0%
Provision for doubtful accounts	.0	1.0	.0	-100%	0%
Others	3.9	7.0	6.2	-44%	13%
TOTAL	131.0	120.8	109.5	8%	10%

- Salaries and wages went down by 14% from last year's ₱30.3M due to the retirement of direct hired employees and rationalization of manpower requirements of support departments.
- Taxes and licenses increased by ₱12.0M or 83% due DST payments related to short-term loan renewal and other transactions.
- Depreciation and amortization decreased by ₱4.1M or 44% as scheduled and due to the recognition of fully depreciated non-mill assets.
- Security and outside services went high by ₱2.5M or 43% due to the additional security requirements and increase in security rates.
- Professional fees dropped by 6% or ₱1.7M from last year's ₱30.1M due to one-time engagements in legal services last year.

Balance Sheet Accounts

The table below presents the Balance Sheet Statements of the Company as of fiscal years dated June 30, 2023, 2022 and 2021.

(In Million Pesos)	FY 2023		FY 2022		FY 2021		GROWTH 2023 vs 2022		GROWTH 2022 vs 2021	
	AMT	%	AMT	%	AMT	%	AMT	%	AMT	%
ASSETS										
Current Assets										
Cash and cash equivalents	124.97	2%	169.77	3%	107.42	2%	-44.81	-26%	62.35	58%
Receivables	1,428.49	23%	1,341.41	22%	1,052.70	18%	87.08	6%	288.71	27%
Inventories	349.71	6%	243.02	4%	321.23	5%	106.68	44%	-78.21	-24%
Real estate held for sale and	988.59	16%	988.49	16%	988.49	17%	.10	0%	.00	0%
Other current assets	350.12	6%	309.87	5%	770.88	13%	40.25	13%	-461.01	-60%
	3,241.88	53%	3,052.57	50%	3,240.73	55%	189.30	6%	-188.16	-6%
Non-current Assets										
AFS financial assets	179.36	3%	147.16	2%	145.80	2%	32.20	22%	1.36	1%
Property, plant and equipment										
Land- at revalued amount	718.13	12%	1,044.98	17%	996.79	17%	-326.85	-31%	48.19	5%
Property and equipment- at cost	430.01	7%	452.63	7%	448.32	8%	-22.62	-5%	4.30	1%
Investment property	871.08	14%	456.84	7%	437.26	7%	414.24	91%	19.58	4%
Goodwill	502.42	8%	502.42	8%	502.42	9%	.00	0%	.00	0%
Other non-current assets	187.33	3%	196.79	3%	163.37	3%	-9.46	-5%	33.42	20%
Total Non Current Assets	2,888.32	47%	2,800.81	46%	2,693.97	46%	87.50	3%	106.85	4%
TOTAL ASSETS	6,130.19	100%	5,853.39	95%	5,934.70	101%	276.81	5%	-81.31	-1%
LIABILITIES AND EQUITY										
Current Liabilities										
Trade and other liabilities	680.38	11%	453.47	7%	599.71	10%	226.92	50%	-146.25	-24%
Short-term notes payable	898.08	15%	1,000.80	16%	1,008.36	17%	-102.72	-10%	-7.56	-1%
Current portion of notes payable	134.81	2%	105.87	2%	87.41	1%	28.94	27%	18.47	21%
Deposits	.00	0%	.00	0%	.00	0%	.00	0%	.00	0%
Income tax payable	.00	0%	.00	0%	.00	0%	.00	0%	.00	0%
Other current liabilities	113.86	2%	36.84	1%	27.70	0%	77.02	209%	9.14	33%
Total Current Liabilities	1,827.13	30%	1,596.98	26%	1,723.17	29%	230.15	14%	-126.19	-7%
Non-current liabilities										
Notes payable- net of current portion	525.07	9%	659.89	11%	770.85	13%	-134.82	-20%	-110.97	-14%
Retirement liability	23.73	0%	20.93	0%	7.21	0%	2.80	13%	13.72	190%
Deferred tax liability - net	256.77	4%	338.07	6%	317.69	5%	-81.30	-24%	20.38	6%
Other noncurrent liabilities	10.43	0%	20.01	0%	8.94	0%	-9.58	-48%	11.07	124%
Total Non Current Liabilities	816.00	13%	1,038.89	17%	1,104.69	19%	-222.89	-21%	-65.80	-6%
Equity										
Capital stock	282.55	5%	282.55	5%	282.55	5%	.00	0%	.00	0%
Retained earnings	2,462.72	40%	2,293.91	37%	2,213.92	38%	168.80	7%	80.00	4%
Revaluation increment	1,049.67	17%	975.01	16%	938.87	16%	74.66	8%	36.14	4%
Remeasurement gain/(loss) on defined benefit liability	-68.64	-1%	-67.35	-1%	-60.74	-1%	-1.29	2%	-6.61	11%
financial assets	129.85	2%	102.48	2%	101.33	2%	27.37	27%	1.15	1%
Less cost of 44,049,120 shares of stock in treasury	-369.08	-6%	-369.08	-6%	-369.08	-6%	.00	0%	.00	0%
Total Equity	3,487.06	57%	3,217.52	52%	3,106.83	53%	269.55	8%	110.68	4%
TOTAL LIABILITIES AND EQUITY	6,130.19	100%	5,853.39	95%	5,934.70	101%	276.81	5%	-81.31	-1%

Cash

The decrease in cash by ₱44.8M or 25% is due from net cash provided by operating activities of ₱422.8M, net cash used in investing activities of ₱100.6M and net cash used in financing activities by ₱367.0M.

Inventories

The surge in inventory of 44% or ₱106.7M from last year's balance of ₱243.0M is due to the unsold sugar inventory as of the reporting period.

Other current assets

The increase of ₱40.2M or 13% in other current assets account is mainly due to advances made to suppliers and providers of services in time for the repair season.

AFS financial assets

The growth of ₱32.2M or 22% in AFS financial assets account is due to the appreciation of the golf shares owned by the Parent Company.

PPE and investment property

The net decrease of ₱349.5M in property, plant and equipment and increase in investment property account by ₱414.2M is due to the reclassification of the land property to the proper account and favorable price appreciation of the land assets of the Company.

Trade and other payables

Trade and other payables grew by ₱226.9M or 50% from ₱453.5M to ₱680.4M due to availment of longer payment terms of the suppliers' accounts.

Short-term notes payable

Due to the scheduled settlement of the working capital facilities to a local bank, the short-term notes payable account decreased by ₱102.7M or 10%.

Total Stockholders' Equity

The net increase in Stockholders' Equity of ₱269.5M or 8% is brought about by the reported consolidated net income of ₱168.8M, revaluation increment of ₱74.7M, unrealized cumulative gain on AFS financial assets of ₱27.4M, and remeasurement loss on defined benefit liability by ₱1.3M.

FY 2022 Review of Operations

Revenues

For the Fiscal Year 2021-2022, the gross revenues from the sale of products and services amounted to ₱1,435.6M, higher by ₱67.0M as compared to last year's ₱1,368.6M. While there is a significant drop in tonnage experienced this year from 466,737 down to 352,374 tons cane, the high sugar composite price, as well as the higher recovery rate of 1.61LKgTC, an improvement of 18% from last year's plays an integral part to the increase in sugar revenue.

- Sugar sales grew by ₱75.0M from last year's ₱409.8 due to the favorable increase in sugar composite price.
- Lower volume of raw sugar available for refining triggered the reduction in tolling revenues by 8% from 582,643 bags down to 533,773 bags.
- Molasses sales went down as the company opted to convert most of its molasses into alcohol.
- Alcohol sales showed an increment of ₱29.5M driven by the increased in volume from current's year production plus inventory carry-over from last year.
- Sustained volume in carbon dioxide sales over the past three years is due to the sale of food-grade, ISO-certified CO₂ to the beverage market.
- A steady revenue growth in the water and locator fees of a subsidiary company posted an increase of 12%.

Cost of Goods Sold & Milling Services

Cost of goods sold reduced to ₱1,011.0M from last year's ₱1,061.3M or 5%.

- Repairs and maintenance dipped by 34% from last year's ₱47.1M due to managed and improved repair & maintenance program and lesser equipment downtime.
- Depreciation went down due to attainment of full depreciable life of the assets and steady CAPEX acquisition.
- Freight & transportation is reduced by ₱ 6.7M or 17% percent due to lower volume of cane milled associated with trucking and hauling subsidies provided to planters.
- Security and outside services dropped by P5.9M or 13% due to the rationalization of security requirements in the Company's facilities.
- Power and steam consumed in the production consequently went down by P10.3M attributable to shorter milling season.
- Taxes and licenses decreased by P2.0M or 22% as a result of lower allocation of Input tax to VAT exempt sales.

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Cost of Tolling Services

Cost of tolling moderately decreased by ₱2.3M or 2% this year from ₱95.5MM to ₱93.2M.

- Spare parts and supplies increased due to high prices of chemicals used in refining.
- Fully depreciated assets and stable spending in CAPEX brought down the depreciation expense by ₱.6M this year as compared to last year's total of ₱6.8M.
- Power and steam account went down by ₱2.7M from last year's total of ₱45.9M as a function of lower power consumption in the Refinery Operations brought by lesser volume of sugar available for refinement.
- Efficient handling and movement of refined sugar caused the freight and transportation account to drop, totaling the expenditure to ₱5.3M this year.

Cost of Industrial Services

Cost of industrial services rose by ₱2.7M or 12% from last year's ₱23.1M to ₱25.9M.

- Service cost dropped by ₱1.6M from last year's ₱6.2M as the manpower billing from the service provider stabilizes.
- Repairs and maintenance went up from ₱1.1M to ₱1.8M or 66% due to dredging of LIP Ungot & Bojo creek.
- Materials is slightly down by ₱.8M from last year's total of ₱2.2M as a result of less applicants for water service connections in Bantog and Asturias.
- Depreciation increased by ₱1.0M or 46% corresponding to the acquisition of assets for the expansion of water concessionaire's operation.
- Utilities grew by 53% ₱2.8M due to the increase in power rate brought by the high fuel prices.

Operating Expenses

Operating expenses grew by ₱11.3M or 10% from last year's ₱109.5M to ₱120.8M.

- Salaries and wages went down by 7% from last year's ₱32.7M due to the retirement of direct hired employees
- Taxes and licenses increased by ₱5.8M or 67% due DST payments related to short-term loan renewal.
- Transportation and travel up by 23% or ₱1.6M mainly because of the consistent fuel price hike.
- Security and outside services slightly dropped by ₱1.1M or 17% due to the rationalization of security requirements in the Company's facilities.
- Entertainment, amusement and recreation grew by ₱1.9M as the company streamlined non-operating costs to preserve profitability margin.
- Professional fees went up by 15% from last year's P26.3M due payments to legal services related to clean up of Lot titles.

Balance Sheet Accounts

Cash

The increase in cash by ₱62.35M or 58% is due from net cash provided by operating activities of ₱201.7M, net cash from investing activities of ₱53.1M and net cash used in financing activities by ₱192.6M.

Receivables

The increment in receivables by ₱288.7M or 27% from ₱1,052.74M to ₱1,341.1M is due to the advances made to affiliated companies.

Inventories

The reduction in Inventory of 24% or from last year's balance of ₱321.23M is brought about by the unloading of inventory for alcohol sales.

Other current assets

The significant drop of ₱461.0M or 60% in other current assets is a result of the reclassification of refundable deposits account to due from related party, this amount refers to the deposit made by the company to CRAHI as consideration for the grant of exclusivity to acquire parcels of land.

Other non-current assets

Other non-current assets grew by ₱33.4M or 20% from ₱163.3M to ₱196.7M as there are additional advances to supplier for the cost incurred in land preparation, planting and harvesting.

Trade and other payables

Trade and other payables significantly decreased by ₱146.2M or 24% from ₱599.7M to ₱453.7M due to strategic settlement of obligations.

Other non-current liabilities

Other non-current liabilities upturn of ₱11.7M or 124 % from last year's balance of ₱8.9M is due to the additional lease facility acquired from the bank for the acquisition of new equipment.

Total Stockholders' Equity

The net increase in Stockholders' Equity of ₱110.6M or 4% is brought about by the reported consolidated net income of ₱80.0M, revaluation increment of ₱36.1M and unrealized cumulative gain on AFS financial assets of ₱1.1M

FY 2021 Review of Operations

Revenues

For the Fiscal Year 2020-2021, the gross revenues from the sale of products and services amounted to ₱1,368.6M, lower by ₱157.1M as compared to last year's ₱1,525.7M. While molasses revenue contributed ₱119.0M increase, most of the profit centers have observed reductions in quantities sold. Due to unfavorable weather conditions prior to and during the early weeks of the milling season, quality of cane milled suffered that further resulted to the decline in the 50-kg yield per ton cane.

- Sugar sales dropped by ₱82.1M from last year's ₱491.9 following the reduction of the mill share by 54,106 bags due to the low-yielding canes.
- Output of the refinery operations moderated from 712,859 bags to 582,643 resulting to a decrease in tolling income of ₱31.2M as compared to last year's ₱173.1M.
- Decline in alcohol sales by ₱104.6M is due to the strategic inventory buildup of alcohol inventory in line for next year's sale.
- Sustained growth in carbon dioxide sales over the past three years is due to the sale of food-grade, ISO-certified CO₂ to the beverage market.

Cost of Goods Sold & Milling Services

Cost of goods sold reduced to ₱1,061.3M from last year's ₱1,117.8M or 5%.

- Continued milling operations and lesser work interruptions due to Covid restrictions were observed this year compared to last year, thus resulting to the increase in salaries and wages by ₱5.8M or 7% from last year's total of ₱78.8M.
- Inventory, spare parts and supply diminished to ₱704.9M from ₱755.8M of last year due to lesser consumption of supplemental fuel, molasses and process chemicals.
- Increase in trucking and hauling subsidies given to cane planters caused the freight and transportation account to grow by ₱6.6M or ₱39.1M total this year.
- Power and steam consumed in the production consequently went down by ₱2.6M attributable to lesser sugar and alcohol volume processed.

Cost of Tolling Services

Cost of tolling moderately decreased by ₱4.4M or 4% this year from ₱99.9MM to ₱95.5M.

- Power and steam account dropped by ₱3.6M from last year's total of ₱49.5M as a function of lower power consumption in the Refinery Operations.
- Fully depreciated assets and stable spending in CAPEX brought down the depreciation expense by ₱1.3M this year as compared to last year's total of ₱8.1M.
- Efficient handling and movement of refined sugar caused the freight and transportation account to drop, totaling the expenditure to ₱5.5M this year.

Cost of Industrial Services

Cost of industrial services rose by ₱4.8M or 26% from last year's ₱18.3M to ₱21.3M.

- Service cost grew by ₱2.6M from last year's ₱4.2M by reason of accrual of billings from manpower service provider.
- Repairs and maintenance increased from ₱0.9M to ₱1.1M or 23% due to the repair cost of the generator set in one of the water pump stations.

- Various materials are procured in connection to the expansion of the water concessionaire's operation brought the Materials account to increase by ₱1.0M or a total of ₱2.2M balance of the year.

Operating Expenses

Operating expenses significantly diminished by ₱32.4M or 23% from last year's ₱141.9M to ₱109.5M.

- Taxes and licenses went down by ₱7.1M or 45% due to one-time tax settlements of the Subsidiary last fiscal year.
- Depreciation and amortization decreased to ₱9.0M from ₱11.8M as a result of the consummation of the depreciable years of various non-mill assets.
- Entertainment, amusement and recreation significantly reduced by ₱9.5M as the company streamlined non-operating costs to preserve profitability margin.
- Professional fees dropped to ₱26.3M from last year's ₱29.8M due to the retirement of consultants.

Balance Sheet Accounts

Cash

The decrease in cash by ₱153.8M or 59% is due from net cash provided by operating activities of ₱159.9M, net cash used in investing activities by ₱672.3M and net cash from financing activities by ₱358.7M.

Receivables

The increase in receivables by ₱171.3M or 10% from ₱881.4M to ₱1,052.7M is due to the advances made to affiliated companies.

Inventories

The surge amounting to ₱84.2M or 35% of the reported ending inventory is due to the unsold alcohol products.

Other current assets

The upturn of ₱564.2M or 273% in other current assets are due to refundable deposits made to acquire parcels of land for expansion program, and advances made to a supplier of sugarcane feedstock to sustain cane expansion program.

AFS financial assets

The increase of ₱33.1M or 29% in available-for-sale assets is due to the increase in the fair valuation of proprietary golf shares owned by the Company.

Other non-current assets

Other non-current assets dropped by ₱69.7M or 30% from ₱233.11.9M to ₱163.4M due to reclassification of advances for land maintenance account.

Trade and other payables

The Company renegotiated its payments to suppliers, thus causing the trade payables account to increase by ₱137.9M from the opening balance of ₱461.7M.

Income tax payable

There is no income tax payment for the year.

Total Stockholders' Equity

The net decrease in Stockholders' Equity of ₱334.1 or 10% is brought about by the reduction of retained earnings by ₱419.2M, movements in the revaluation increment of ₱49.4M, remeasurements gains on defined benefit liability of ₱7.5M and unrealized cumulative loss on AFS of ₱28.1M.

LIQUIDITY & SOLVENCY RATIO

Current Ratio

The current ratio indicates a company's ability to meet short-term debt obligations. The Company's current ratio has improved because of increased in cash levels, receivables and inventory.

Asset to Equity Ratio

The asset to equity ratio indicates the relationship of the total assets of the company to its stockholder's equity. The Company's assets have been slightly financed more by debt than equity as a result of the acquisition of the Company and its subsidiary.

Debt to Equity Ratio

Debt-to-Equity ratio is the ratio of total liabilities of the company to its stockholder's equity. The Debt-to-Equity ratio slightly diminished due to the increased availment of a loan from a local bank.

Debt Service Coverage Ratio

This ratio is a measure to determine the company's ability to service its outstanding debt. The Company's debt service coverage had improved due to higher earnings during the current year.

LIQUIDITY & SOLVENCY RATIO	FY 2023	FY 2022
Current ratio	1.77	1.91
Asset-to-equity ratio	1.76	1.82
Debt-to-equity ratio	0.67	0.70
Debt Service Coverage Ratio	0.35	0.24

Plans, Commitments, and events that have material impact on the issuer's liquidity

To the best of our knowledge, there are no known trends, demand, commitments, events or uncertainties that will have a material impact on our liquidity.

We do not foresee any event that will trigger direct or contingent financial obligations including default or acceleration of any obligations.

We do not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationship of the company with consolidated entities or other persons created during the reporting period.

We do not see, at this point, any known trends, uncertainties that have had or that are reasonably expected to have a material impact on net sales/revenues/income from continuing operations.

We do not have any elements of income or loss that did not arise from our continuing operations.

We do not see at this point any seasonal aspects that have a material effect on the financial condition or result of operations.

Changes in and Disagreements with Accountants On Accounting and Financial Disclosures

There have been no disagreements with the Company's auditor, Sycip Gorres, Velayo and Co., for the last 3 fiscal years on accounting, financial concerns and disclosures in the Financial Statements, which is attached hereto as Exhibit "A".

The consolidated fees, net of VAT billed for the last two fiscal years by the Company's external auditor for the Company's annual financial statements audit were ₱1,370,400 for FYs 2023 and 2022.

The Audit Committee has the function of, among other things, reviewing the performance of the external auditor and of recommending to the Board of Directors the appointment or discharge of external auditors as well as reviewing and approving audit-related and none audit services to be rendered by external auditors.

PART IV - MANAGEMENT AND CERTAIN SECURITY HOLDERS

A. Directors, Independent Directors and Executive Officers of The Registrant

Directors, Independent Directors and Executive Officers

The following are the Directors, Independent Directors and Corporate Officers of the registrant. The Directors were elected during the Annual Meeting of Stockholders held on January 31, 2023 while additional directors were appointed on May 16, 2023 to hold office for one (1) year and until their successors are elected and qualified.

Name	Position	Membership in the Corporate Governance Committee
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	Chairman of Executive Committee
Fernando Ignacio C. Cojuangco	President & COO	Member of Executive Committee
Martin Diego L. Lorenzo, Jr.	Director	
Mateo Rafael L. Lorenzo	Director	
Pedro Francisco C. Cojuangco	Director	
Fernan Victor P. Lukban	Treasurer	Member of Executive Committee Member of Audit Committee Member of Corporate Governance Committee
Renato B. Padilla	Independent Director	Chairman of Corporate Governance Committee
Benjamin I. Espiritu	Independent Director	Chairman of Audit Committee Member of Corporate Governance Committee
Cecile D. Macaalay	Chief Finance Officer	
Janette L. Peña	Corporate Secretary	
Addison B. Castro	Asst. Corp. Secretary	

Martin Ignacio P. Lorenzo, age 58, Filipino, is currently the Chairman & Chief Executive Officer of CAT. Concurrently, he is also the Chairman and Chief Operating Officer of CAT Resource & Asset Holdings Inc. He holds the same position in the investment holding company of CAT, First Lucky Holdings Corporation, and its subsidiaries, namely, Restaurants Concepts Group, Inc., Amang Rodriguez Holdings, Inc. Cocosorbetero Holdings, Inc., Hospitality School Management Group, Inc. Mr. Lorenzo is likewise the Chairman and Chief Executive Officer of Marlor Investments Corporation and holds the same position in its subsidiaries: Blue Mountains Corporation and LAC-DC. He is also the Chairman and President of First Lucky Property Corporation. He currently holds position in other investment companies, namely, St. Tropez Holdings Corporation and Sierra Madre Capital. He is a Director in Familia Lorenzo Foundation, Incorporated. Mr. Lorenzo has over 20 years of extensive experience in investments and operations in various industries including agriculture, manufacturing and food retail. He obtained his BS Management Engineering degree at Ateneo de Manila University in 1986. He obtained his Master's in Business Administration in Wharton Graduate School, University of Pennsylvania, in 1990.

Fernando C. Cojuangco, age 61, Filipino, is currently the President and Chief Operating Officer of the Company. He holds the same position in CAT Resource & Asset Holdings Inc. and is also the Chairman and President of Liberty Insurance Corporation. He is the Chairman & Chief Operating Officer of North Star Estate Holdings. A lawyer by profession, he is a principal partner in MALCOLM Law Offices. Mr. Cojuangco has extensive experience in agriculture, real estate and insurance industries. He is a holder of a Bachelor of Arts degree in Economics from the University of California and Member of the Omicron Delta Epsilon Honors Society. He obtained his Bachelor of Laws degree with honors from the Ateneo de Manila University.

Fernan Victor P. Lukban, age 62, Filipino, is the Treasurer of the Company. He is one of the top Strategy and Family Business consultants in the Philippines. He is a founding fellow at the Institute of Corporate Directors in Manila and is also an International Fellow of the Australian Institute of Company Directors. He holds undergraduate degrees in Engineering from De La Salle University and graduate degrees in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific, Manila. He also has a Master's degree in Business Administration from IESE, Barcelona, Spain.

Martin Diego L. Lorenzo, Jr. age 33, Filipino, is a Director of the Company. He is the Co-Founder and CEO of Pickup Coffee, leading grab-and-go coffee chain in the country. He is also a director in First Lucky Holdings Corporation and its subsidiaries, namely, RestaurantConcepts Group, Inc. and Meatworld International Inc. He holds the same position in Pickup Ventures Pte Ltd, a holding company incorporated in Singapore. He is a graduate of BS Management Engineering at Ateneo de Manila University in 2012 and Masters in Business Administration in Wharton Graduate School in 2018.

Mateo Rafael L. Lorenzo, age 31, Filipino, is a Director of the Company. He is the Managing Director of Green Future Innovations, Inc, a bioethanol and co-generation plant and an affiliate of the Company. He is also a Director of First Lucky Holdings, Inc. and its subsidiaries namely, First Green Renewable Holdings, Inc. First Lucky Education Holdings, Corp., Meatworld International Inc., RestaurantConcepts Group, Inc., Focus Athletics, Inc., Tarlac Distillery Corp., and Courxera Holdings Corp. He obtained his BS Management Engineering at Ateneo de Manila University in 2014 and finished his Master's Degree in Business Administration from Wharton Graduate School in 2021.

Pedro Francisco B. Cojuangco, age 31, Filipino, is a Director of the Company. He is part of the management team of Central Luzon Cane Growers and Tarlac Distillery Corporation as the head of operations. He holds various directorship positions in North Star Estate Holdings, Inc. North Star Agro Energy Holdings Inc., Asturias Land and Asset Holdings Inc and Farm Central Builder Holdings, Inc. He is also a Director in CAT Realty Corporation, Luisita Marketing Corp., and Mercanto Trading Corporation. He is undergraduate of Political Science in Corpus Cristi College in Vancouver, Canada.

Renato B. Padilla, age 77, Filipino, is an Independent Director of the Company. He is a lawyer by profession and is currently the General Manager of the Philippine International Convention Center (PICC) in Manila. He was formerly an Undersecretary of the Department of Agrarian Reform from 1989-1995.

Benjamin I. Espiritu Ph. D., age 70, Filipino, is an Independent Director of the Company. He is a practicing Certified Public Accountant, President & CEO of Change Management International, Inc. and Chairman of Banco de Mindoro, Inc. He was Dean of Far Eastern University Makati, and Chair of the Accounting, Finance, Business and Governance Department of the De La Salle University Graduate School of Business. He served as Governor of the Province of Oriental, Mindoro. He earned his Ph.D., Major in Public Administration from the University of Santo Tomas, Master in National Security Administration from the National Defense College of the Philippines, Master of Business Administration and Bachelor of Science in Commerce, Major in Accounting degrees from De La Salle University.

Cecile D. Macaalay, age 55, Filipino, is the Chief Finance Officer of the Company. She is a practicing Certified Public Accountant. She is also the Chief Finance Officer of First Lucky Holdings Corporation and the Director of its subsidiaries such as Restaurant Concepts Group, Inc., LAC -DC and Cocosorbetero Holdings, Inc. She is also the Treasurer of CAT Resource & Asset Holdings, Inc. and Assistant Treasurer of Amang Rodriguez Holdings, Inc.. She obtained her Bachelor of Science Degree in Business Administration and Accountancy at University of the Philippines in 1990.

Janette L. Peña, age 63, Filipino, is the current Corporate Secretary the Company. She is also the Corporate Secretary of CAT Resource & Asset Holdings Inc. and First Lucky Holdings Corp. Ms. Peña is an Independent Director of The Manufacturer's Life Insurance Co. (Phils), Inc. Manulife Financial Plans, Inc., Manulife Chinabank Life Assurance Corporation, China Oceans Philippines, Inc., and Corporate Secretary for Macondray Philippines Co., Inc., other subsidiaries, among others. Ms. Peña graduated from the University of the Philippines with a Bachelor of Science degree in Business Economics (Cum laude). She received her Bachelor of Laws from the University of the Philippines College of Law (Cum laude) and ranked first in the 1985 Philippine Bar Exams. She completed her Master of Laws in Harvard Law School.

Addison B. Castro, age 60, Filipino, is the Assistant Corporate Secretary of the Company. Atty. Castro is a practicing lawyer and a Principal Partner of Gatchalian Castro & Mawis Law Offices. He is a professor of the Lyceum of the Philippines University, College of Law since 2008. He graduated with a degree of Bachelor of Science in Applied Economics at the De La Salle University in 1983. He obtained his Bachelor of Laws degree from the Ateneo de Manila University in 1988.

Family Relationships

Mr. Martin Ignacio P. Lorenzo is the father of Mr. Martin Diego L. Lorenzo Jr. and Mateo Rafael L. Lorenzo, while Mr. Pedro Francisco B. Cojuangco is the son of Mr. Fernando C. Cojuangco.

Identification of Significant Personnel

Mr. Noel M. Payongayong, VP – Operations and Resident Manager and Mr. Kevin Patrick Peñalba, General Manager are some of the key personnel who are expected to make significant contribution to the business of the registrant.

Involvement in Certain Legal Proceedings

None of the directors and officers was involved during the past five years in any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding or being subject to a pending criminal proceeding, or being subject to any order, judgment or decree of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; nor being found in a civil action to have violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated. As of the years ended June 30, 2023 and June 30, 2022, the Company is not involved in any litigation it considers material.

B. Executive Compensation

The following table summarizes the compensation of key management personnel of the Company for the fiscal years June 30, 2023, 2022 and 2021.

FY 2022-2023						
Name	Position	Salary & Professional fees	Bonus	Transportation	Per Diem	Total
July 1, 2022 - June 30, 2023						
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	P16,762,149	P1,621,999	P16,221,436	P110,000	P34,715,584
Fernando Ignacio C. Cojuangco	President & COO					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations & Resident Manager					
Marcelo P. Karaan II	VP for Human Resources					
All Other Officers & Directors as a group						
TOTAL		P16,762,149	P1,621,999	P16,221,436	P110,000	P34,715,584

FY 2021-2022						
Name	Position	Salary & Professional fees	Bonus	Transportation	Per Diem	Total
July 1, 2021 - June 30, 2022						
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	P18,057,440	P1,607,130	P1,788,299	P240,000	P21,692,869
Fernando Ignacio C. Cojuangco	President & COO					
Marco P. Lorenzo	Director					
Cecile D. Macaalay	Chief Finance Officer					
Marcelo P. Karaan II	VP for Human Resources					
All Other Officers & Directors as a group						
TOTAL		P18,057,440	P1,607,130	P1,788,299	P240,000	P21,692,869

FY 2020-2021						
Name	Position	Salary & Professional fees	Bonus	Transportation	Per Diem	Total
July 1, 2020 - June 30, 2021						
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	P17,610,304	P994,465	P1,572,387	P199,500	P20,376,656
Fernando Ignacio C. Cojuangco	President & COO					
Marco P. Lorenzo	Director					
Cecile D. Macaalay	Chief Finance Officer					
Marcelo P. Karaan II	VP for Human Resources					
All Other Officers & Directors as a group						
TOTAL		P17,610,304	P994,465	P1,572,387	P199,500	P20,376,656

The Directors Compensation consists of per diem and transportation allowance. There are no any other arrangement including consulting control. Further, there are no warrants and options outstanding as well as no warrants and options repriced.

C. Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The following table identifies the security ownership of certain record and beneficial owners the Company owning more than 5% of its Common Shares as of June 30, 2023.

Title of Class	Name	Number of Shares Held	Name of Beneficial Ownership	Citizenship	%
Common Shares	PCD Nominee Corporation*	225,831,185	PCD Nominee Corporation	Various	94.7%
<i>*Beneficial ownership through PCD Nominee Corporation</i>					
Common Shares	CAT Resource & Asset Holdings Inc.	201,718,140	Martin P. Lorenzo 102,876,250 shares	Filipino	84.6%
			Fernando C. Cojuangco 98,841,890 shares	Filipino	

Security Ownership of Management

The following table identifies the security ownership of Management as of June 30, 2023.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	%
Common	Martin Ignacio P. Lorenzo	102,876,250	Indirect	Filipino	43%
		200	Indirect	Filipino	0%
Common	Fernando C. Cojuangco	98,841,890	Indirect	Filipino	41%
		200	Indirect	Filipino	0%
Common	Fernan Victor P. Lukban	200	Indirect	Filipino	0%
Common	Cecile D. Macaalay	5,000	Direct	Filipino	0%
Common	Janette L. Peña	0		Filipino	0%
	Addison B. Castro	0		Filipino	0%
Total		201,723,740			85%

PART V - CORPORATE GOVERNANCE

The Company's directors, officers and employees complied with all the leading practices and principles on good corporate governance as embodied in its Manual on Corporate Governance.

The Company also complied with the appropriate self-rating assessment and performance evaluation system to determine and measure compliance with its Manual on Corporate Governance.

None of the Company's directors, officers or employees has deviated from the Manual on Corporate Governance.

A continuing review of the Company's Audit Committee Charter is being undertaken to ensure faithful compliance with and further improve its corporate governance.

The Company's Annual Corporate Governance Report is filed separately.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on OCT 11 2023 2023:

By:

[Redacted Signature]

MARTIN P. LORENZO
Chairman of the Board and CEO

[Redacted Signature]

FERNANDO C. COJUANGCO
President and COO

[Redacted Signature]

JANETTE L. PEÑA
Secretary

[Redacted Signature]

CECILE D. MACAALAY
Chief Finance Officer

[Redacted Signature]

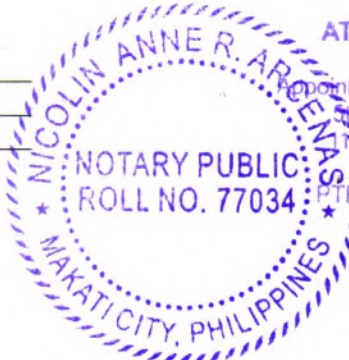
LORA MAY M. CADA
Finance Manager

OCT 11 2023

SUBSCRIBED AND SWORN to before me this day of _____ 2023 affiant (s) exhibiting to me their PASSPORT ID's as follows:

NAME	ID No	EXPIRING ON
Martin Ignacio P. Lorenzo	[Redacted]	Jul. 31, 2029
Fernando C. Cojuangco	[Redacted]	Aug. 19, 2031
Janette L. Pena	[Redacted]	Jan. 28, 2028
Cecile D. Macaalay	[Redacted]	Nov. 23, 2031
Lora May M. Cada	[Redacted]	May 21, 2028

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ATTY. NICOLINA R. ARCENAS
Notary Public
Appointment No. M-117 / Until December 31, 2024
5th Floor Jose Cojuangco & Sons Bldg.
Dela Rosa St. corner C. Palanca St.
Legaspi Village, Makati City
PTR No. 9572585/ 01.06.2023/Makati City
BP No. 293706/01.10.2023/PPLM
Roll No. 77034

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	0	0	0	0	0	7	2	7
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COMPANY NAME

C	E	N	T	R	A	L	A	Z	U	C	A	R	E	R	A	D	E	T	A	R	L	A	C	,	I
N	C	.	A	N	D	S	U	B	S	I	D	I	A	R	Y										

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

S	A	N	M	I	G	U	E	L	,	T	A	R	L	A	C	C	I	T	Y					

Form Type
A A C F S

Department requiring the report
C R M D

Secondary License Type, If Applicable
N / A

COMPANY INFORMATION

Company's Email Address N/A	Company's Telephone Number 8818-6270	Mobile Number N/A
No. of Stockholders 393	Annual Meeting (Month / Day) Last Tuesday of January	Fiscal Year (Month / Day) 06/30

CONTACT PERSON INFORMATION

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

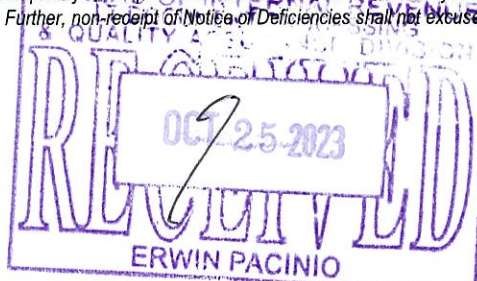
Name of Contact Person Ms. Cecile D. Macaalay	Email Address cdmacaalay@icloud.com	Telephone Number/s 8818-6270	Mobile Number N/A
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CONTACT PERSON'S ADDRESS

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

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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





Central Azucarera de Tarlac, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **CENTRAL AZUCARERA DE TARLAC, INC. and Subsidiary** (the Group) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended June 30, 2023 and 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

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

MARTIN P. LORENZO
Chairman and CEO

FERNANDO C. COJUANGCO
President and COO

CECILE D. MACAALAY
Chief Finance Officer

OCT 11 2023

SUBSCRIBED AND SWORN to before me this day of _____ 2023 affiant(s) exhibiting to me their PASSPORT ID's as follows:

NAME	ID No	EXPIRING ON
Martin Ignacio P. Lorenzo	[REDACTED]	Jul. 31, 2029
Fernando C. Cojuangco	[REDACTED]	Aug. 19, 2031
Cecile D. Macaalay	[REDACTED]	N [REDACTED]

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ATTY. NICOLIN ANNE R. ARCENAS
Notary Public
Appointment No. M-117 / Until December 31, 2024
5th Floor Jose Cojuangco & Sons Bldg.
119 Dela Rosa St. corner C. Palanca St.
Legaspi Village, Makati City
PTR No. 9572585/ 01.06.2023/Makati City
IBP No. 293706/01.10.2023/PPLM
Roll No. 77034

Barangay San Miguel, Tarlac City, Tarlac; Telephone- (045) 491-1089, Telefax- (045) 491-1084



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Central Azucarera de Tarlac, Inc. and its subsidiary (the Group), which comprise the consolidated balance sheets as at June 30, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended June 30, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated balance sheets of the Group as at June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended June 30, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

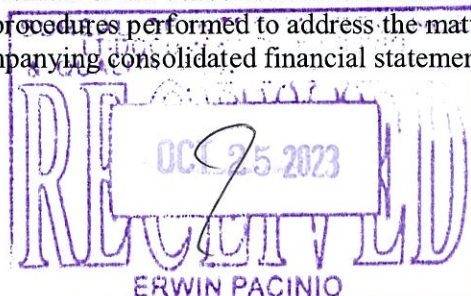
Basis for Opinion

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Valuation of Land

The Group carries land in its consolidated balance sheet as property, plant and equipment and investment property and accounts for these using the revaluation and fair value model, respectively. Land represents 25.92% of the total consolidated assets of the Group as at June 30, 2023. The determination of the revalued amount and fair value of these parcels of land involves significant management judgments and estimations. The valuation also requires the assistance of the external appraiser whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land as a key audit matter.

The disclosures relating to land are included in Note 13 to the consolidated financial statements.

Audit Response

We evaluated the competence and objectivity of the external appraiser by considering its qualifications, experience and reporting responsibilities. We reviewed the methodology and assumptions used in the valuation of land. We assessed the methodology adopted by referencing common valuation models and independently comparing the relevant information in the valuation to external factors, such as sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price.

Impairment Testing of Goodwill

Under PFRS, the Group is required to test the amount of goodwill for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at June 30, 2023, the Group's goodwill attributable to its investment in Luisita Land Corporation (LLC) amounted to ₱502.4 million, which is net of ₱199.7 million impairment. These amounts are considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions, specifically growth rate, discount rate and selling price of LLC's real estate.

The Group's disclosures about goodwill are included in Note 10 to the consolidated financial statements.

Audit Response

We involved our internal specialist in reviewing certain assumptions used in determining the recoverable amount. We compared the key assumptions used, such as growth rate against the historical performance of LLC and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We compared the selling price used in the assumptions against comparable properties within the vicinity. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.



Ownership of Sugar Inventories

The Group's sugar inventories amounted to ₱194.9 million as at June 30, 2023. Ownership of sugar inventories is evidenced by sugar quedans, a warehouse receipt document representing rights over a specified quantity of sugar in a warehouse or sugar central which is unique to the Philippine sugar industry. Accordingly, the Group's physical possession of sugar inventories may not necessarily indicate ownership. We considered establishing ownership of sugar inventory as a key audit matter because it includes accounting for quedans, a negotiable instrument representing sugar ownership, and sugar delivery orders. Count procedures require the determination of sugar inventory accountabilities to third parties.

The disclosures relating to inventories are included in Note 7 to the consolidated financial statements.

Audit Response

We obtained understanding of the Group's accounting over the quedanning system. We observed the conduct of inventory count procedures of the Group. We traced the results of the test counts to the inventory compilation. We reviewed the reconciliation of the physical inventory compilation and the quedan accountability report. We inspected the corresponding quedans and traced the quantity and owner to the quedan accountability report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended June 30, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended June 30, 2023 are expected to be made available to us after the date of this auditor's report.

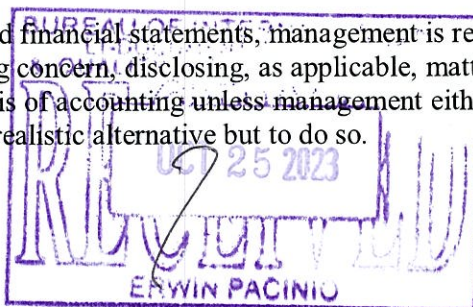
Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

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



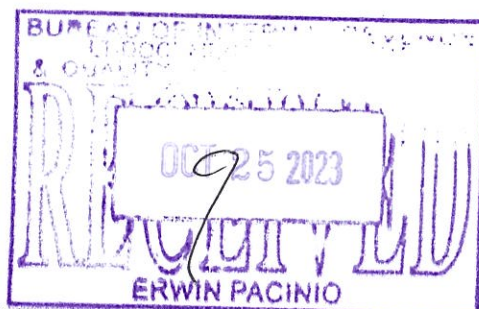
Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

The engagement partner on the audit resulting in this independent auditor's report is Genghis O. Grospe.

SYCIP GORRES VELAYO & CO.



Genghis O. Grospe

Partner

CPA Certificate No. 121500

Tax Identification No. 255-541-291

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 121500-SEC (Group A)

Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions

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. 08-001998-139-2021, April 27, 2021, valid until April 26, 2024

PTR No. 9564629, January 3, 2023, Makati City

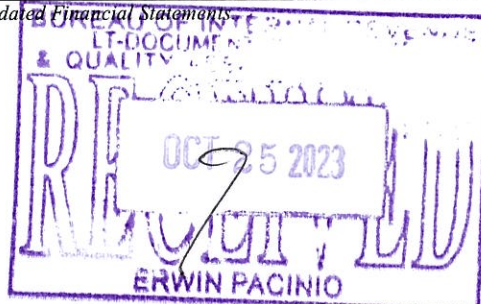
October 10, 2023



CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	June 30	
	2023	2022
ASSETS		
Current Assets		
Cash (Note 5)	₱124,965,229	₱169,773,859
Receivables (Note 6)	1,428,489,413	1,341,412,307
Real estate held for sale and development (Note 8)	988,592,535	988,494,373
Inventories (Note 7)	349,705,333	243,021,275
Other current assets (Note 9)	350,123,383	309,870,655
Total Current Assets	3,241,875,893	3,052,572,469
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 11)	179,355,612	147,157,180
Property, plant and equipment:		
Land - at revalued amount (Note 13)	718,128,950	1,044,982,955
Property, plant and equipment - at cost (Note 12)	430,008,904	452,626,257
Goodwill - net (Note 10)	502,418,570	502,418,570
Investment property (Note 13)	871,079,190	456,842,820
Deferred income tax assets - net (Note 24)	849,428	1,040,447
Other noncurrent assets (Note 14)	186,476,830	195,746,166
Total Noncurrent Assets	2,888,317,484	2,800,814,395
TOTAL ASSETS	₱6,130,193,377	₱5,853,386,864
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 15)	₱680,382,527	₱453,466,306
Short-term notes payable (Note 16)	898,080,030	1,000,799,372
Current portion of notes payable (Note 16)	134,811,646	105,872,300
Other current liabilities (Note 25)	113,857,291	36,839,461
Total Current Liabilities	1,827,131,494	1,596,977,439
Noncurrent Liabilities		
Notes payable - net of current portion (Note 16)	525,070,321	659,886,745
Deferred income tax liabilities - net (Note 24)	256,771,889	338,073,830
Retirement benefit obligation (Note 22)	23,729,383	20,925,198
Other noncurrent liabilities (Note 25)	10,426,108	20,005,560
Total Noncurrent Liabilities	815,997,701	1,038,891,333
Total Liabilities	2,643,129,195	2,635,868,772
Equity		
Capital stock (Note 26)	282,545,960	282,545,960
Retained earnings (Note 26)	2,462,716,378	2,293,911,806
Revaluation increment (Note 13)	1,049,669,403	975,011,171
Remeasurement losses on retirement plan (Note 22)	(68,636,653)	(67,351,272)
Unrealized cumulative gains on financial assets at FVOCI (Note 11)	129,847,584	102,478,917
	3,856,142,672	3,586,596,582
Treasury stock (Note 26)	(369,078,490)	(369,078,490)
Total Equity	3,487,064,182	3,217,518,092
TOTAL LIABILITIES AND EQUITY	₱6,130,193,377	₱5,853,386,864

See accompanying Notes to Consolidated Financial Statements



CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended June 30		
	2023	2022	2021
REVENUES			
Sale of sugar and by-products	₱764,213,381	₱935,579,039	₱890,407,749
Milling income	517,215,855	322,671,201	289,298,312
Tolling fees	154,351,943	130,060,034	141,486,811
Industrial services	50,977,564	47,339,649	42,359,965
Real estate sale	-	-	5,061,155
	1,486,758,743	1,435,649,923	1,368,613,992
COST OF GOODS SOLD AND SERVICES			
Cost of goods sold and milling and tolling services (Note 17)	1,095,032,420	1,104,154,251	1,156,798,215
Cost of industrial services (Note 18)	29,564,512	25,894,544	23,116,519
Cost of real estate sale	-	-	1
	1,124,596,932	1,130,048,795	1,179,914,735
GROSS INCOME	362,161,811	305,601,128	188,699,257
OPERATING EXPENSES (Note 19)	(131,020,315)	(120,798,499)	(109,499,358)
OTHER INCOME (EXPENSE)			
Fair value gains on investment property	94,149,020	19,578,740	-
Interest income (Notes 5, 6 and 23)	5,404,691	4,728,673	4,612,476
Interest expense (Notes 16 and 25)	(133,590,661)	(110,068,849)	(101,562,473)
Other income - net (Notes 13 and 21)	1,030,581	1,422,759	9,976,299
INCOME (LOSS) BEFORE INCOME TAX	198,135,127	100,463,952	(7,773,799)
PROVISION FOR (BENEFIT FROM)			
INCOME TAX (Note 24)			
Current	33,417,894	10,057,412	2,834,578
Deferred	(4,087,339)	10,411,022	(23,143,842)
	29,330,555	20,468,434	(20,309,264)
NET INCOME	₱168,804,572	₱79,995,518	₱12,535,465
Basic/diluted earnings per share (Note 26)	₱0.708	₱0.335	₱0.053

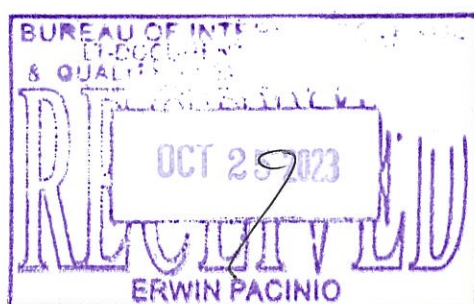
See accompanying Notes to Consolidated Financial Statements.



CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2023	2022	2021
NET INCOME	₱168,804,572	₱79,995,518	₱12,535,465
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items that will not be reclassified to profit or loss - net of income tax effect:</i>			
Revaluation increase on land under property, plant and equipment (Note 13)	74,658,232	36,144,416	49,435,541
Remeasurement gains (losses) on retirement plan (Note 22)	(1,285,381)	(6,609,690)	7,465,671
Unrealized gains on financial assets at FVOCI (Note 11)	27,368,667	1,153,290	28,153,588
	100,741,518	30,688,016	85,054,800
TOTAL COMPREHENSIVE INCOME	₱269,546,090	₱110,683,534	₱97,590,265

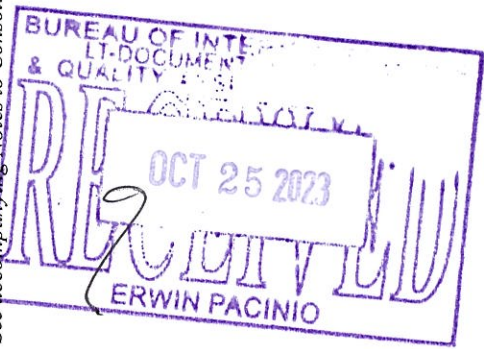
See accompanying Notes to Consolidated Financial Statements.



CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED JUNE 30, 2023

	Capital Stock (Note 26)		Retained Earnings (Note 26)		Total	Revaluation Increment (Note 13)	Remeasurement Gains (Losses) on Retirement Plan (Note 22)	Unrealized Cumulative Gains on Financial Assets at FVOCI (Note 11)	Treasury Stock (Note 26)	Total Equity
	Unappropriated	Appropriated	Unappropriated	Appropriated						
Balances at July 1, 2020	₱282,545,960	₱633,078,103	₱2,000,000,000	₱2,633,078,103	₱889,431,214	(₱68,207,253)	₱73,172,039	(₱369,078,490)	₱3,440,941,573	
Total comprehensive income	-	12,535,465	-	12,535,465	49,435,541	7,465,671	28,153,588	-	97,590,265	
Reversal of appropriation (Note 26)	-	500,000,000	(500,000,000)	-	-	-	-	-	-	
Dividend declaration (Note 26)	-	(431,697,280)	-	(431,697,280)	-	-	-	-	-	
Balances at June 30, 2021	282,545,960	713,916,288	1,500,000,000	2,213,916,288	938,866,755	(60,741,582)	101,325,627	(369,078,490)	3,106,834,558	
Total comprehensive income (loss)	-	79,995,518	-	79,995,518	36,144,416	(6,609,690)	1,153,290	-	110,683,534	
Balances at June 30, 2022	282,545,960	793,911,806	1,500,000,000	2,293,911,806	975,011,171	(67,351,272)	102,478,917	(369,078,490)	3,217,518,092	
Total comprehensive income (loss)	-	168,804,572	-	168,804,572	74,658,232	(1,285,381)	27,368,667	-	269,546,090	
Balances at June 30, 2023	₱282,545,960	₱962,716,378	₱1,500,000,000	₱2,462,716,378	₱1,049,669,403	(₱68,636,653)	₱129,847,584	(₱369,078,490)	₱3,487,064,182	

See accompanying Notes to Consolidated Financial Statements.



CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱198,135,127	₱100,463,952	(₱7,773,799)
Adjustments for:			
Interest expense (Notes 16 and 25)	133,590,661	110,068,849	101,562,473
Depreciation and amortization (Notes 12, 17, 18, 19 and 20)	82,878,507	92,956,760	114,189,007
Provision for inventory writedown (Notes 3 and 7)	25,056,480	-	-
Net retirement loss (Notes 20, 21 and 22)	5,561,461	4,906,218	7,582,923
Fair value gains on investment property (Note 13)	(94,149,020)	(19,578,740)	-
Interest income (Notes 5, 6 and 23)	(5,404,691)	(4,728,673)	(4,612,476)
Provision for (reversal of) inventory losses (Notes 3 and 7)	(124,620)	1,537,840	-
Net unrealized foreign exchange losses (gains)	(25,437)	(125,148)	54,189
Provision for estimated credit losses (ECL) (Notes 3 and 6)	-	1,004,436	-
Loss on disposal of property, plant and equipment	-	-	23,320
Reversal of provision for ECL (Notes 3 and 6)	-	-	(9,442)
Operating income before working capital changes	345,518,468	286,505,494	211,016,195
Decrease (increase) in:			
Receivables	(30,028,733)	51,138,353	13,076,395
Real estate held for sale and development	(98,162)	-	1
Inventories	(131,615,918)	76,675,473	(84,159,300)
Other current assets	(73,670,622)	(42,044,220)	(72,530,515)
Increase (decrease) in:			
Trade and other payables	235,596,193	(144,823,170)	109,225,636
Deposits	77,148,981	1,537,728	1,838,068
Net cash generated from operations	422,850,207	228,989,658	178,466,480
Income tax paid	-	-	(18,588,916)
Net cash provided by operating activities	422,850,207	228,989,658	159,877,564
CASH FLOWS FROM INVESTING ACTIVITIES			
Net changes in accounts with related parties (Note 23)	(57,583,522)	162,497,014	(128,063,935)
Additions to property, plant and equipment (Note 12)	(52,461,154)	(97,261,288)	(61,335,084)
Decrease (increase) in other noncurrent assets	9,269,336	(33,496,640)	9,771,432
Interest received	133,868	165,458	283,590
Refundable deposit to a related party (Notes 9 and 23)	-	-	(493,000,000)
Net cash flows from (used in) investing activities	(100,641,472)	31,904,544	(672,343,997)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Notes payable	(208,727,571)	(92,450,091)	(46,250,000)
Interest	(126,716,739)	(111,001,775)	(86,322,994)
Transaction costs (Note 16)	(9,747,922)	(5,093,308)	(23,838,834)
Dividends (Note 26)	-	(1,187,076)	(407,676,837)
Increase (decrease) in other noncurrent liabilities	(21,850,570)	11,065,950	(2,234,467)
Proceeds from long-term notes payable (Note 16)	-	-	925,000,000
Net cash flows from (used in) financing activities	(367,042,802)	(198,666,300)	358,676,868
NET INCREASE (DECREASE) IN CASH	(44,834,067)	62,227,902	(153,789,565)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	25,437	125,148	(54,189)
CASH AT BEGINNING OF YEAR	169,773,859	107,420,809	261,264,563
CASH AT END OF YEAR (Note 5)	₱124,965,229	₱169,773,859	₱107,420,809

See accompanying Notes to Consolidated Financial Statements.

