CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Corporate Information

Central Azucarera de Tarlac, Inc. (CAT; the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 19, 1927. The Parent Company and its wholly owned subsidiary, Luisita Land Corporation (LLC), collectively referred to as "the Group", are engaged in the production and sale of sugar and by-products, developing, leasing and selling real properties and other ancillary services.

As at June 30, 2023 and 2022, the Parent Company is 84.58% owned by CAT Resource & Asset Holdings, Inc. (CRAHI). The ultimate parent company is First Lucky Holdings Corporation.

LLC was incorporated and registered with the Philippine SEC on May 11, 1977. Currently, the subsidiary maintains and operates Luisita Industrial Park (LIP) and Luisita Business Park (LBP) in Tarlac and provides water distribution services to locators in LIP, LBP and residents of Las Haciendas de Luisita (LHDL), Brgy. Bantog and Brgy. Asturias. In September 2018, the properties management responsibility to Las Haciendas de Luisita (LHDL) has been turned over to Sta. Lucia Realty Corporation except its clubhouse.

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

Authorization for the Issuance of the Consolidated Financial Statements

The consolidated financial statements as at and for each of the three years in the period ended June 30, 2023 were authorized for issue in accordance with a resolution by the Board of Directors (BOD) on October 10, 2023.

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

Basis of Preparation

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

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

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation

The consolidated financial statements include the financial results of the Parent Company and its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

- contractual arrangement between the Group and other vote holders;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Its subsidiary is consolidated from the date of acquisition, being the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of a subsidiary are prepared for the same reporting year as the Group. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

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

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to existing standards effective as at July 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of the following amended standards did not have any significant impact on the consolidated financial statements:

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Summary of Significant Accounting Policies

<u>Current versus Noncurrent Classification</u>
The Group presents assets and liabilities in the consolidated balance sheet based on current/noncurrent classification. An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

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

<u>Business Combinations and Goodwill</u>
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with the changes in fair value recognized in the consolidated statement of income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Fair Value Measurement

The Group measures financial instruments such as financial assets at FVOCI and nonfinancial assets such as land carried at revalued amount and investment property at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 27. Fair values are determined based on an annual evaluation performed by an accredited external appraiser applying a valuation model approved by the International Valuation Standards Committee.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

<u>Cash</u>
Cash includes cash on hand and in banks.

<u>Financial Instruments</u>
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

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

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

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group's financial assets at amortized cost as at June 30, 2023 and 2022 consist of "Cash", "Receivables", long-term receivables and deferred charges lodged under "Other noncurrent assets" account in the consolidated balance sheets. The Group assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Group concluded these debt financial assets to be measured at amortized cost.

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

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

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

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

The Group's financial assets at FVOCI as at June 30, 2023 and 2022 consist of listed shares of stock and proprietary shares.

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

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

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

The Group does not have any financial asset at FVTPL as of June 30, 2023 and 2022.

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

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

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

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

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

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

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

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

Determining the Stage for Impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

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

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

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

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

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

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

The Group assesses at each reporting date whether there is an objective evidence that a financial or group of financial asset is impaired. Objective evidences of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

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

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

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

The Group's financial liabilities include "Trade and other payables (excluding customer's advances)", "Short-term notes payable" and "Notes payable".

Loans and Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income. This category generally applies to interest-bearing loans and borrowings.

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

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

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

Real Estate Held for Sale and Development
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:
- land cost;
- amounts paid to contractors for construction; and
- planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

The cost of real estate property sold before completion of the development is determined based on the actual costs incurred to date plus estimated costs to complete the development of the property.

Advances to Supplier for Goods and Services

Advances to suppliers represent advance payment on goods or services to be purchased in connection with the Groups' operations. These are recognized as an asset or charged against the consolidated statement of income upon actual receipt of goods or services, which is normally within twelve months or within the operating cycle.

Property, Plant and Equipment

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

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

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

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

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

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

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

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

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

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

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

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

Investment Property

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

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

Transfers are made to investment property when, and only when, there is a change in use evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development with a view to sale. For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Leases

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

Right-of-use (ROU) Assets

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. ROU assets are subject to impairment.

Depreciation and amortization is computed using the straight-line basis over the estimated useful lives of the assets, while leasehold improvements and ROU assets are amortized over their estimated useful lives or the term of the lease, whichever is shorter.

Group as a Lessee

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

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Refundable Deposits

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

Deferred Charges

Deferred charges are recognized when the Group incurs expenditures for its locators and homeowners.

Impairment of Nonfinancial Assets

Property, Plant and Equipment, Refundable Deposits and Advances

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

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

Goodwill

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGUs, to which the goodwill relates. Where the recoverable amount of the CGUs is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Equity

Capital Stock

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

Retained Earnings

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

Revaluation Increment

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

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

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

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

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

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

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

Industrial Services
Revenue from industrial services, which include water distribution services and locator fees are recognized over time based on output as the services are rendered.

Sale of Real Estate
The Group derives its revenue from the sale of real estate. Revenue from the sale of real estate projects under pre-completion stage, if any, are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date/ milestones reached/ time elapsed. This is prepared based on the project accomplishment report prepared by the management's project specialists as approved by the project manager which integrates the surveys of performance of the construction activities to date.

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

Expenses

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

Cost of Industrial Services
These are costs directly related to water distribution services are recognized when incurred.

Cost of Real Estate Sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as cost of land, expenditures for development and improvements of the property, if any. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as cost of sales while the portion allocable to the unsold area being recognized as part of real estate.

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

Income Taxes

Current Income Tax
Current income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Income Tax
Deferred income tax is provided, using the balance sheet liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and unused tax credits from excess minimum corporate income tax (MCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO and unused tax credits from excess MCIT can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognized only to the extent that it is probable that the

temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

Deferred income tax relating to items recognized in other comprehensive income is recognized in OCI.

Deferred income tax assets and liabilities are offset, if and only if, a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend to either settle current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets or liabilities are expected to be settled or recovered.

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

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

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

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

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

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

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

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

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income (OCI) in the period in which they arise. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund (other than non-transferable financial instruments issued by the reporting entity). Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a pre-tax discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of plan assets is higher than the present value of defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Borrowing Costs

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

Segment Information

For management reporting purposes, the Group is organized and managed separately according to the nature of the business. These operating businesses are the basis upon which the Group reports its segment information presented in Note 4 to the consolidated financial statements.

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
(b) with operating results regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance; and
(c) for which discrete financial information is available.

Earnings Per Share (EPS)

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

Basic earnings per share is calculated by dividing the net income of the Group for the year by the weighted average number of common shares outstanding during the year.

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

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

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

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the reporting period (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to June 30, 2023

The Group will adopt the standards enumerated below when these become effective. The Group does not expect the adoption of these new and amended PFRSs and PAS to have significant impact on the consolidated financial statements.

Effective beginning on or after July 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective beginning on or after July 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after July 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

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

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

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

Revenue Recognition on Sale of Goods and Services
Revenue recognition involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of goods that would meet the requirements of PFRS 15; (b) assessment of performance obligation and the probability that the entity will collect the consideration from the buyer; (c) determining method to estimate variable consideration and assessing the constraint; and (d) recognition of revenue as the Group satisfies the performance obligation.

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

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

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

d. *Recognition of Milling Income under Output Sharing Agreement (OSA) and Cane Purchase Agreement (CPA)*
The Group applies both OSA and CPA in relation to its milling operation. Under the OSA, milling income is recognized based on the fair value of the mill share at average raw sugar selling

price in the week with sugar production after considering in-purchase rate, which represents CPA. Under the CPA, the Group purchases raw sugar from the traders and/or planters. The in-purchase rate is derived by determining the total raw sugar purchases and the total planters' share. Raw production costs are allocated systematically based on the OSA and CPA rates.

Distinction Among Real Estate Inventories, Property, Plant and Equipment, and Investment Properties.
The Group determines whether properties are classified as real estate inventories, property, plant and equipment or investment properties:

- Real estate inventories comprise of properties that are held for sale in the ordinary course of business. These are parcels of land that the Group develops or intends to develop for future sale. Real estate inventories that are held for development pertain to the Group's strategic land banking activities for development or sale in the medium or long-term.
- Property, plant and equipment is held for use in the supply of goods or services or for administrative purposes.
- Investment property comprises land which is not occupied for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily for capital appreciation.

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

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

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

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

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

- *Inputs, Assumptions and Estimation Techniques in ECL Calculation*
  ECL calculation is performed for those financial assets that are not credit impaired. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in

credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. A significant increase is assessed to have occurred if there are significant payment delays, declining operating performance of the borrower, among others. ECLs are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

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

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

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

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

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

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

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

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

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

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

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

As at June 30, 2023 and 2022, the allowance for ECL on receivables amounted to ₱23.0 million. The carrying amounts of receivables and long-term receivables as at June 30, 2023 and 2022 amounted to ₱1.6 billion and ₱1.5 billion, respectively (see Notes 6 and 14).

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

Provision for inventory obsolescence amounted to nil and ₱1.5 million in 2023 and 2022, respectively. Reversal of inventory obsolescence amounted to ₱0.1 million and nil in 2023 and 2022, respectively (see Note 7). Provision for inventory writedown amounted to ₱25.1 million and nil in 2023 and 2022, respectively (see Note 7). The carrying amounts of inventories as at June 30, 2023 and 2022 amounted to ₱349.7 million and ₱243.0 million, respectively (see Note 7). The allowance for inventory obsolescence as at June 30, 2023 and 2022 amounted to ₱7.2 million and ₱7.4 million, respectively.

NRV of Real Estate held for Sale and Development
The Group provides allowance for decline in value of real estate whenever NRV of inventories becomes lower than cost due to damage, physical deterioration, change in price levels or other causes. Estimates of NRV are based on the most realizable evidence available at the time the estimates are made, of the amount the inventories are expected to realize.

There was no allowance for decline in real estate value in 2023 and 2022. The carrying amounts of real estate as at June 30, 2023 and 2022 amounted to ₱988.6 million and ₱988.5 million, respectively (see Note 8).

Revalued Amount of Land under Property, Plant and Equipment and Fair Value of Investment Property
The Group has property, plant and equipment and investment property that are carried at revalued amount and fair value, respectively. These consist of land which is being valued by reference to market using comparable prices adjusted for specific market factors such as location and condition of the property. The Group engaged an external appraiser to determine the revalued amount and fair value as at June 30, 2023 and 2022.

The significant methods and assumptions used by the appraiser in estimating fair values of land are discussed in Note 27. The revalued amount of land under property, plant and equipment as at June 30, 2023 and 2022 amounted to ₱0.7 billion and ₱1.0 billion, respectively (see Note 13). The fair value of land under investment property amounted to ₱871.1 million and ₱456.8 million as at June 30, 2023 and 2022, respectively (see Note 13).

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

by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the noncurrent assets.

The carrying values of property, plant and equipment carried at cost as at June 30, 2023 and 2022 amounted to ₱430.0 million and ₱452.6 million, respectively (see Note 12).

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

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

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

There were no provisions for impairment losses recognized in 2023 and 2022. The fair values of land under property plant and equipment as at June 30, 2023 and 2022 amounted to ₱0.7 billion and ₱1.0 billion, respectively (see Note 13). The carrying amounts of property, plant and equipment carried at cost, refundable deposits and advances are ₱766.2 million and ₱734.8 million as at June 30, 2023 and 2022, respectively (see Notes 9, 12 and 14).

Estimating Impairment of Goodwill
The Group performs impairment review on goodwill annually, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. This requires an estimation of the value in use of the CGU to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and to make use of a suitable discount rate to calculate the present value of those future cash flows.

The carrying amount of goodwill as at June 30, 2023 and 2022 amounted to ₱502.4 million. No impairment was recognized in 2023, 2022 and 2021 (see Note 10).

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

The Group's deferred income tax assets as at June 30, 2023 and 2022 amounted to ₱37.9 million and ₱33.0 million, respectively (see Note 24).

Retirement Plan
The determination of the obligation and cost for retirement is dependent on the selection of certain assumptions determined by management and used by actuaries in calculating such amounts. These include discount rate, turnover rate, mortality rate, salary increase rate and future retirement benefits increase. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligation. The assumptions used are disclosed in Note 22.

Retirement expense recognized in 2023 and 2022 amounted to ₱5.5 million and ₱5.1 million, respectively. The carrying amounts of the Group's retirement plan obligation amounted to ₱23.7 million and ₱20.9 million as at June 30, 2023 and 2022, respectively (see Note 22).

4. Segment Information

The Group's operating businesses are organized and managed according to the nature of the products and services marketed, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has operations only in the Philippines. The Group derives revenues from two main segments as follows:

Sugar and by-products
This segment pertains to the production of sugar (raw and refined) and its by-products such as molasses, alcohol and carbon dioxide.

Real estate and industrial services
This segment pertains to developing, leasing and selling real properties and other ancillary services.

<u>2023</u>

	Sugar and by-products	Real Estate and Industrial Services	Eliminations	Total
Revenues	**₱1,435,781,179**	**₱50,977,564**	**₱–**	**₱1,486,758,743**
Cost of goods sold and services	**1,095,032,420**	**29,564,512**	**–**	**1,124,596,932**
Gross income	**340,748,759**	**21,413,052**	**–**	**362,161,811**
Interest income	**4,605,834**	**798,857**	**–**	**5,404,691**
Operating expenses	**(115,892,365)**	**(15,127,950)**	**–**	**(131,020,315)**
Interest expense	**(132,587,030)**	**(1,003,631)**	**–**	**(133,590,661)**
Gain on revaluation of land	**94,149,020**	**–**	**–**	**94,149,020**
Other income (expense) - net	**(610,092)**	**1,640,673**	**–**	**1,030,581**
Segment income before income tax	**₱190,414,126**	**₱7,721,001**	**₱–**	**₱198,135,127**
Segment assets	**₱6,215,640,513**	**₱845,573,583**	**(₱931,020,719)**	**₱6,130,193,377**
Segment liabilities	**₱2,451,866,382**	**₱1,687,667,168**	**(₱1,496,404,355)**	**₱2,643,129,195**

2022

	Sugar and by-products	Real Estate and Industrial Services	Eliminations	Total
Revenues	₱1,388,310,274	₱47,339,649	₱–	₱1,435,649,923
Cost of goods sold and services	1,104,154,251	25,894,544	–	1,130,048,795
Gross income	284,156,023	21,445,105	–	305,601,128
Interest income	3,459,693	1,268,980	–	4,728,673
Operating expenses	(101,801,932)	(18,996,567)	–	(120,798,499)
Interest expense	(108,766,480)	(1,302,369)	–	(110,068,849)
Gain on revaluation of land	19,578,740	–	–	19,578,740
Other income - net	700,982	721,777	–	1,422,759
Segment income before income tax	₱97,327,026	₱3,136,926	₱–	100,463,952
Segment assets	₱6,025,766,447	₱846,335,789	(₱1,018,715,372)	₱5,853,386,864
Segment liabilities	₱2,525,955,592	₱1,694,012,188	(₱1,584,099,008)	₱2,635,868,772

2021

	Sugar and by-products	Industrial Services	Eliminations	Total
Revenues	₱1,321,192,872	₱47,421,120	₱–	₱1,368,613,992
Cost of goods sold and services	1,156,798,215	23,116,520	–	1,179,914,735
Gross income	164,394,657	24,304,600	–	188,699,257
Interest income	4,402,038	210,438	–	4,612,476
Operating expenses	(93,118,030)	(16,381,328)	–	(109,499,358)
Interest expense	(101,562,473)	–	–	(101,562,473)
Other income - net	8,443,482	1,532,817	–	9,976,299
Segment income (loss) before income tax	(₱17,440,326)	₱9,666,527	₱–	(₱7,773,799)
Segment assets	₱6,108,939,786	₱844,657,419	(₱1,018,900,361)	₱5,934,696,844
Segment liabilities	₱2,717,677,975	₱1,694,468,308	(₱1,584,283,997)	₱2,827,862,286

Inter-segment income and advances are eliminated upon consolidation and reflected in the eliminations column.

5. **Cash**

	2023	2022
Cash in banks	**₱123,537,522**	₱168,346,152
Cash on hand	**1,427,707**	1,427,707
	₱124,965,229	₱169,773,859

Cash in banks earn interest at the respective bank deposit rates. Interest rates range from 0.05% to 2.10% per annum in 2023 and 2022.

Interest income earned from cash in banks amounted to ₱0.1 million, ₱0.2 million and ₱0.3 million in 2023, 2022 and 2021, respectively.

6. **Receivables**

	2023	2022
Trade	**₱61,379,596**	₱23,930,731
Nontrade:		
Due from related parties (see Note 23)	**1,279,722,890**	1,227,945,340
Planters' receivable	**35,670,436**	17,827,217
Advances to Luisita Golf and Country Club, Inc. (LGCCI)	**18,560,803**	25,709,492
Current portion of long-term receivables (see Note 14)	**15,274,674**	16,519,849
Others	**40,880,251**	52,489,158
	1,451,488,650	1,364,421,787
Less allowance for ECL	**22,999,237**	23,009,480
	₱1,428,489,413	₱1,341,412,307

Trade receivables are noninterest-bearing and are generally on 30 to 60-day credit terms. Interest income earned amounted to ₱0.8 million, ₱1.2 million and nil in 2023, 2022 and 2021, respectively.

Certain receivables from related parties are subject to interest at 4% to 10% per annum in 2023, 2022 and 2021 (see Note 23). Interest income earned from receivables from related parties amounted to ₱2.3 million, ₱3.0 million and ₱2.9 million in 2023, 2022 and 2021, respectively.

Planters' receivable pertains to the loan agreement entered into in 2019 that are subject to 6.5% interest per annum. Interest income earned amounted to ₱0.8 million, ₱0.3 million and ₱1.3 million in 2023, 2022 and 2021, respectively.

Advances to LGCCI pertain to advances made by the Group to its previous affiliates which are unsecured, noninterest-bearing and due upon demand.

Movements in the allowance for ECL are summarized below:

2023

	Trade	**Nontrade**	**Total**
Balances at beginning of year	**₱3,999,956**	**₱19,009,524**	**₱23,009,480**
Reversal	**(10,243)**	**–**	**(10,243)**
Balances at end of year	**₱3,989,713**	**₱19,009,524**	**₱22,999,237**

2022

	Trade	Nontrade	Total
Balances at beginning of year	₱2,997,300	₱19,009,524	₱22,006,824
Provision	1,004,436	–	1,004,436
Reversal	(1,780)	–	(1,780)
Balances at end of year	₱3,999,956	₱19,009,524	₱23,009,480

7. Inventories

	2023	2022
At cost:		
Alcohol	**₱95,192,536**	₱179,337,464
Molasses	**7,839,838**	2,013,930
At NRV:		
Sugar	**194,900,214**	805,487
Spare parts and supplies	**51,772,745**	60,864,394
	₱349,705,333	₱243,021,275

The following table is a rollforward analysis of the allowance for inventory obsolescence recognized on spare parts and supplies to arrive at NRV:

	2023	2022
Balances at beginning of year	**₱7,373,006**	₱5,835,166
Provision (see Note 19)	**–**	1,537,840
Reversal	**(124,620)**	–
Balances at end of year	**₱7,248,386**	₱7,373,006

A provision for inventory writedown was recognized on sugar inventories to arrive at NRV amounting to ₱25.1 million in 2023.

8. Real Estate Held for Sale and Development

	2023	2022
Land held for development	**₱981,516,357**	₱981,516,357
Land available for sale	**7,076,178**	6,978,016
	₱988,592,535	₱988,494,373

Land held for development pertain to land that are still undeveloped.

Land available for sale include land situated inside a first-class residential subdivision and an industrial community at LHDL, San Miguel, Tarlac.

On October 10, 2023, the BOD approved the resolution for the Group to sell its 200-hectare property lodged in “Land held for development” to Lima Land Inc. The sale is still subject to certain closing conditions which are in the process of being fulfilled.

9. Other Current Assets

	2023	2022
Advances to suppliers for goods and services	**₱319,798,750**	₱266,974,726
Prepaid tax	**25,488,886**	38,297,887
Prepaid insurance	**1,338,765**	1,535,371
Others	**3,496,982**	3,062,671
	₱350,123,383	₱309,870,655

10. **Goodwill** - net

The Group performed its impairment review of goodwill as at June 30, 2023 and 2022. Based on the impairment review, the recoverable amount exceeded the carrying value of the CGU, including goodwill, thus, no impairment loss was recognized. The carrying amount of goodwill as of June 30, 2023 and 2022 amounted to ₱502.4 million, which is net of the allowance for impairment of ₱199.7 million.

CGU pertains to the net asset of LLC. Recoverable amount pertains to the CGU's value in use. Value in use was derived using cash flow projections based on financial budgets approved by senior management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a 12.0% growth rate as at June 30, 2023 and 2022. Discount rate applied to the cash flow projections in determining value in use is 9.4% and 10.4% as at June 30, 2023 and 2022, respectively.

The calculations of value in use of goodwill are most sensitive to the following assumptions:

a) Discount rate - Discount rate was derived from the Group's weighted average cost of capital and reflect management's estimate of risks within the CGU. This is the benchmark used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rate, consideration has been given to various market information, including, but not limited to, government bond yield, bank lending rates and market risk premium and country risk premium.

b) Growth rate - The long-term rate used to extrapolate the budget for the investee company excludes expansions and possible acquisitions in the future. Management also recognizes the possibility of new entrants, which may have significant impact on existing growth rate assumptions. However, management believes that new entrants will not have a significant adverse impact on the forecast included in the budget.

c) Selling price of LLC's real estate - The estimated selling price is based on current market price as adjusted to consider future development in the vicinity which will result to increased value of existing land once the sale is consummated.

<u>Sensitivity to Changes in Assumptions</u>
The sensitivity analysis below shows by how much each significant assumption should increase (decrease) before any impairment of goodwill is recognized, assuming all other assumptions were held constant:

Significant Assumptions	**2023**	2022
Discount rates	**245.00%**	31.90%
Selling price	**(59.92%)**	(56.53%)

No reasonably possible change in the growth rate would cause the carrying amount of the CGU to exceed its recoverable amount.

11. **Financial Assets at FVOCI**

	2023	2022
Proprietary shares	**₱178,800,000**	₱146,500,000
Investment in shares of stock:		
Listed	**393,612**	495,180
Unlisted	**162,000**	162,000
	₱179,355,612	₱147,157,180

The movements in financial assets at FVOCI are as follows:

	2023	2022
Balances at beginning of year	**₱147,157,180**	₱145,800,368
Changes in the fair value	**32,198,432**	1,356,812
Balances at end of year	**₱179,355,612**	₱147,157,180

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

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

	2023	2022
Balances at beginning of year	**₱102,478,917**	₱101,325,627
Unrealized gains on financial assets at FVOCI	**27,368,667**	1,153,290
Balances at end of year	**₱129,847,584**	₱102,478,917

12. Property, Plant and Equipment - at cost

2023

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Land Improvements	Furniture, fixtures and equipment	Transportation equipment	Communication and utility systems	Roads and bridges	Construction in progress	ROU Asset-Agricultural Equipment (see Note 25)	ROU Asset-Transportation Equipment (see Note 25)	Total
Cost:												
Balances at beginning of year	**₱797,752,404**	**₱207,265,030**	**₱158,952,415**	**₱35,662,491**	**₱28,688,916**	**₱52,953,367**	**₱5,662,528**	**₱8,245,127**	**₱10,055,047**	**₱36,159,887**	**₱8,700,000**	**₱1,350,097,212**
Additions	**14,283,250**	**3,444,593**	**14,600**	**1,057,456**	**984,528**	**1,230,929**	**227,653**	**–**	**31,218,145**	**–**	**7,800,000**	**60,261,154**
Retirement and write-off	**–**	**–**	**–**	**–**	**–**	**(1,263,393)**	**–**	**–**	**–**	**–**	**–**	**(1,263,393)**
Reclassifications	**25,069,766**	**(357,144)**	**–**	**205,604**	**–**	**–**	**–**	**–**	**(24,918,226)**	**–**	**–**	**–**
Balances at end of year	**837,105,420**	**210,352,479**	**158,967,015**	**36,925,551**	**29,673,444**	**52,920,903**	**5,890,181**	**8,245,127**	**16,354,966**	**36,159,887**	**16,500,000**	**1,409,094,973**
Accumulated depreciation and amortization:												
Balances at beginning of year	**613,915,320**	**91,554,496**	**96,126,904**	**18,337,752**	**19,452,341**	**45,206,677**	**2,839,442**	**8,245,111**	**–**	**1,357,912**	**435,000**	**897,470,955**
Depreciation and amortization (see Notes 17, 18, 19 and 20)	**44,207,722**	**18,325,465**	**8,924,310**	**1,864,130**	**2,338,231**	**1,991,760**	**248,754**	**–**	**–**	**2,943,436**	**2,034,699**	**82,878,507**
Retirement and write-off	**–**	**–**	**–**	**–**	**–**	**(1,263,393)**	**–**	**–**	**–**	**–**	**–**	**(1,263,393)**
Reclassifications	**357,144**	**(357,144)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balances at end of year	**658,480,186**	**109,522,817**	**105,051,214**	**20,201,882**	**21,790,572**	**45,935,044**	**3,088,196**	**8,245,111**	**–**	**4,301,348**	**2,469,699**	**979,086,069**
Net book values	**₱178,625,234**	**₱100,829,662**	**₱53,915,801**	**₱16,723,669**	**₱7,882,872**	**₱6,985,859**	**₱2,801,985**	**₱16**	**₱16,354,966**	**₱31,858,539**	**₱14,030,301**	**₱430,008,904**

2022

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Land Improvements	Furniture, fixtures and equipment	Transportation equipment	Communication and utility systems	Roads and bridges	Construction in progress	ROU Asset-Agricultural Equipment (see Note 25)	ROU Asset-Transportation Equipment (see Note 25)	Total
Cost:												
Balances at beginning of year	₱776,721,826	₱198,569,103	₱155,537,669	₱33,134,010	₱26,734,887	₱54,211,985	₱5,659,278	₱8,245,127	₱5,086,655	₱–	₱–	₱1,263,900,540
Additions	2,668,715	15,432,936	1,865,016	529,938	1,971,350	754,864	6,813	–	52,439,075	36,159,887	8,700,000	120,528,593
Retirement and write-off	(142,996)	(31,974,559)	(180,000)	–	(17,321)	(2,013,482)	(3,563)	–	–	–	–	(34,331,921)
Reclassifications	18,504,859	25,237,550	1,729,730	1,998,543	–	–	–	–	(47,470,683)	–	–	–
Balances at end of year	797,752,404	207,265,030	158,952,415	35,662,491	28,688,916	52,953,367	5,662,528	8,245,127	10,055,047	36,159,887	8,700,000	1,350,097,212
Accumulated depreciation and amortization:												
Balances at beginning of year	565,571,757	82,578,308	85,673,905	16,529,943	16,630,472	37,754,315	2,595,000	8,245,111	–	–	–	815,578,811
Depreciation and amortization (see Notes 17, 18, 19 and 20)	51,479,301	16,653,500	10,661,564	1,807,809	2,838,743	7,464,266	258,665	–	–	1,357,912	435,000	92,956,760
Retirement and write-off	(142,996)	(7,677,312)	(180,000)	–	(16,874)	(7,009)	(3,563)	–	–	–	–	(8,027,754)
Reclassifications and other adjustments	(2,992,742)	–	(28,565)	–	–	(4,895)	(10,660)	–	–	–	–	(3,036,862)
Balances at end of year	613,915,320	91,554,496	96,126,904	18,337,752	19,452,341	45,206,677	2,839,442	8,245,111	–	1,357,912	435,000	897,470,955
Net book values	₱183,837,084	₱115,710,534	₱62,825,512	₱17,324,739	₱9,236,574	₱7,746,690	₱2,823,086	₱16	₱10,055,047	₱34,801,975	₱8,625,000	₱452,626,257

Property, plant and equipment costing ₱1.3 million and ₱34.3 million that are fully depreciated and no longer in use were retired in 2023 and 2022, respectively.

13. Land

Fair Value of Land

The fair value, categorized as Level 3 in the fair value hierarchy, is based on valuations determined by an independent appraiser, accredited by the Philippine SEC, as at June 30, 2023 and 2022. The valuation models used by the appraiser are in accordance with that recommended by the International Valuation Standards Council and is based on the land's highest and best use.

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

Based on the appraisal reports in 2023 and 2022, the fair value of the Group's land recognized under property, plant and equipment and investment property increased by ₱87.4 million and ₱67.7 million for the years ended June 30, 2023 and 2022, respectively.

Property, Plant and Equipment

Movements in land at revalued amount recognized under property, plant and equipment are summarized below:

	2023	2022
Balances at beginning of year	**₱1,044,982,955**	₱996,790,400
Change in fair value of property, plant and equipment	**(6,766,655)**	48,192,555
Reclassification to investment property	**(320,087,350)**	–
Balances at end of year	**₱718,128,950**	₱1,044,982,955

In 2023, the Group reclassified land with a revalued amount of ₱320.1 million from *Property, Plant and Equipment* to *Investment Property* due to the actual change in use of the property as approved by the BOD.

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

	2023	2022
Balances at beginning of year	**₱975,011,171**	₱938,866,755
Changes in fair value of property, plant and equipment	**(5,074,991)**	36,144,416
Recycled from deferred income tax liability	**79,733,223**	–
Balances at end of year	**₱1,049,669,403**	₱975,011,171

Attributable to:

	2023	2022
Property, plant and equipment	**₱453,669,653**	₱777,677,534
Property, plant and equipment reclassified to investment property	**595,999,750**	197,333,637
	₱1,049,669,403	₱975,011,171

Deferred income tax liability on revaluation increment as of June 30, 2023 and 2022 amounted to ₱177.8 million and ₱259.2 million (see Note 24). Due to change in management's use of the asset, from "owner-occupied" to "for capital appreciation", which resulted to a reclassification of land from *Property, Plant and Equipment* to *Investment Property,* the related deferred income tax liability amounting to ₱79.7 million was derecognized against revaluation increment in 2023.

The value of land recognized under property, plant and equipment if carried at cost as at June 30, 2023 and 2022 is ₱6.9 million and ₱8.1 million, respectively.

Investment Property

Movements in land at fair value recognized under investment property are summarized below:

	2023	2022
Balances at beginning of year	**₱456,842,820**	₱437,264,080
Change in fair value of investment property	**94,149,020**	19,578,740
Reclassification from property, plant and equipment	**320,087,350**	–
Balances at end of year	**₱871,079,190**	₱456,842,820

The value of land recognized under investment property if carried at cost as at June 30, 2023 and 2022 is ₱2.9 million and ₱1.8 million, respectively. The Group has no restrictions on the realizability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. The Group has neither earned rental income nor incurred direct operating expenses from its investment property.

14. Other Noncurrent Assets

	2023	2022
Long-term receivables	**₱142,380,493**	₱157,522,742
Deferred charges	**24,786,704**	24,716,046
Recoverable and other deposits	**14,801,479**	14,801,479
Others	**19,782,828**	15,225,748
	201,751,504	212,266,015
Less current portion (see Note 6)	**15,274,674**	16,519,849
	₱186,476,830	₱195,746,166

In 2021, the Group and one of its suppliers agreed that the Group will be reimbursed for the amount advanced to the supplier for costs to be incurred for future land preparation, planting and harvesting. In 2022, ₱168.4 million that is subject to reimbursement will be paid in 3 equal amounts over a period of 3 years was renegotiated for a reimbursement in 10 equal amounts over a period of 10 years. The remeasurement of these long-term receivables resulted to the recognition of ₱7.7 million loss in 2022. Current portion that is expected to be collected within the next 12 months is included under the "Receivables" account (see Note 6).

Deferred charges includes accumulated cost incurred for LHDL such as security, repairs and maintenance and power, among others. Annual dues received from homeowners and collections from use of LHDL facilities are credited to this account.

15. **Trade and Other Payables**

	2023	2022
Trade payables	**₱141,910,540**	₱141,897,155
Accruals:		
Spare parts, supplies and inventory cost	**457,976,402**	230,279,986
Interest and penalties	**7,328,374**	10,202,374
Professional fees	**6,115,948**	7,196,717
Salaries, wages and other benefits	**3,902,454**	5,070,902
Taxes	**3,712,533**	1,366,551
Others	**18,764,844**	12,279,882
Dividends payable (see Note 26)	**23,874,579**	23,874,579
Advances from related parties (see Note 23)	**11,816,959**	17,622,931
Customers' advances	**1,570,168**	1,565,194
Other payables	**3,409,726**	2,110,035
	₱680,382,527	₱453,466,306

Trade payables are noninterest-bearing and are generally settled within a 30-day credit term.

16. **Notes Payable**

Short-term Bank Notes

	2023	2022
Working capital facilities	**₱877,999,999**	₱981,499,999
Promissory notes	**20,080,031**	19,299,373
	₱898,080,030	₱1,000,799,372

Working Capital Facilities Agreement (WCFA)
The Group has an existing WCFA with BDO. Under the WCFA, the Group has an outstanding drawdown of ₱878.0 million and ₱981.5 million, as at June 30, 2023 and 2022, at 6.5% to 8.75% and at 6.0% to 6.50% interest rate per annum, respectively.

Promissory Notes
The promissory notes are for a period of one year or shorter with an interest rate of 4% per annum and is not collateralized. This is to be paid at maturity date including the principal amount.

Total interest expense incurred on all short-term notes amounted to ₱77.4 million, ₱61.8 million and ₱64.4 million in 2023, 2022 and 2021, respectively.

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

	2023	2022
Bank Loan A - ₱509,724,245 loan, in which the interest rate will be the higher of (i) the seven (7) year benchmark plus margin of 250 bps, divided by 0.99 for the first 2 years and divided by 0.95 for the final 5 years; and (ii) 5% divided 0.99 for the first 2 years and divided by 0.95 for the final 5 years	**₱363,652,188**	₱420,385,026
Bank Loan B - ₱415,275,755 loan, in which the interest rate will be the higher of (i) the seven (7) year benchmark plus margin of 250 bps, divided by 0.99 for the first 2 years and divided by 0.95 for the final 5 years; and (ii) 5% divided 0.99 for the first 2 years and divided by 0.95 for the final 5 years	**296,229,779**	345,374,019
	659,881,967	765,759,045
Less current portion - net of transaction costs	**134,811,646**	105,872,300
Noncurrent portion - net of transaction costs	**₱525,070,321**	₱659,886,745

The facility contains a loan covenant requiring the Group to meet certain financial ratio starting November 15, 2021 (see Note 28). The loan is secured by a collateral which consist of certain parcels of land and financial assets at FVOCI amounting to ₱1.1 billion and ₱139.0 million, respectively.

The Group recognized interest expense amounting to ₱50.8 million, ₱43.6 million and ₱34.0 million for the years ended June 30, 2023, 2022 and 2021, respectively.

17. Cost of Goods Sold and Milling and Tolling Services

	2023	2022	2021
Inventory costs, spare parts, and supplies	**₱683,085,065**	₱731,969,776	₱714,663,163
Salaries, wages, bonuses and other benefits (see Note 20)	**98,355,533**	93,937,194	95,865,325
Depreciation and amortization (see Notes 12 and 20)	**74,799,752**	80,466,045	102,969,733
Repairs and maintenance	**68,405,465**	40,659,973	56,692,762
Power and steam	**58,979,180**	47,392,051	60,478,601
Security and outside services	**46,644,998**	41,385,672	46,812,120
Freight and transportation	**40,503,004**	37,672,216	44,532,897
Taxes and licenses	**9,011,547**	10,372,757	12,075,890
Insurance	**5,451,459**	5,093,747	5,200,789
Others	**9,796,417**	15,204,820	17,506,935
	₱1,095,032,420	₱1,104,154,251	₱1,156,798,215

18. **Cost of Industrial Services**

	2023	2022	2021
Power and steam	**₱12,944,554**	₱8,183,450	₱5,344,547
Service cost	**5,961,604**	5,168,483	6,816,669
Security and outside services	**4,121,364**	4,289,428	4,123,903
Depreciation and amortization (see Notes 12 and 20)	**2,925,944**	3,240,870	2,214,610
Professional fees	**1,056,125**	206,125	178,571
Materials	**827,965**	1,372,400	2,196,923
Repairs and maintenance	**673,153**	1,815,656	1,095,137
Taxes and licenses	**347,756**	342,748	397,773
Salaries, wages, bonuses and other benefits (see Note 20)	**325,933**	320,576	314,911
Others	**380,114**	954,808	433,475
	₱29,564,512	₱25,894,544	₱23,116,519

19. **Operating Expenses**

	2023	2022	2021
Professional fees	**₱28,396,257**	₱30,093,746	₱26,251,409
Taxes and licenses	**26,534,727**	14,528,952	8,677,823
Salaries, wages, bonuses and other benefits (see Note 20)	**26,003,381**	30,281,139	32,708,901
Entertainment, amusement and recreation	**14,172,187**	2,873,859	949,407
Freight and transportation	**8,705,331**	8,573,022	6,947,375
Security and other outside services	**6,830,043**	5,803,399	6,954,248
Depreciation and amortization (see Notes 12 and 20)	**5,152,811**	9,249,845	9,004,664
Rentals	**3,254,419**	3,905,303	4,881,628
Repairs and maintenance	**2,739,688**	3,477,951	3,568,900
Light and water	**2,506,284**	1,976,165	1,372,160
Dues and advertisements	**1,491,415**	1,441,069	1,475,179
Postage, telephone and telegram	**410,159**	317,333	293,664
Bank charges	**172,183**	43,045	2,025
Management fees and bonuses	**110,000**	240,000	210,000
Provision for ECL (see Note 6)	**–**	1,004,436	–
Others	**4,541,430**	6,989,235	6,201,975
	₱131,020,315	₱120,798,499	₱109,499,358

20. **Nature of Expenses**

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

	2023	2022	2021
Cost of goods sold and milling and tolling services (see Note 17)	**₱74,799,752**	₱80,466,045	₱102,969,733
Cost of industrial services (see Note 18)	**2,925,944**	3,240,870	2,214,610
Operating expenses (see Note 19)	**5,152,811**	9,249,845	9,004,664
	₱82,878,507	₱92,956,760	₱114,189,007

Personnel costs included in the consolidated statements of income are as follows:

	2023	2022	2021
Cost of goods sold and milling and tolling services (see Note 17)			
Salaries, wages, bonuses and other benefits	**₱98,355,533**	₱93,937,194	₱95,865,325
Cost of industrial services (see Note 18)			
Salaries, wages, bonuses and other benefits	**325,933**	320,576	314,911
Operating expenses (see Note 19)			
Salaries, wages, bonuses and other benefits	**26,003,381**	30,281,139	32,708,901
Other income - net (see Note 21)			
Net retirement expense	**5,508,055**	5,097,623	7,582,923
	₱130,192,902	₱129,636,532	₱136,472,060

21. **Other Income -** net

	2023	2022	2021
Insurance fee	**₱3,213,878**	₱5,335,426	₱9,106,898
Storage fee	**2,914,295**	1,416,821	3,469,385
Net retirement expense (see Notes 20 and 22)	**(5,508,055)**	(5,097,623)	(7,582,923)
Sale of scraps	–	4,134,917	4,936,239
Others	**410,463**	(4,366,782)	46,700
	₱1,030,581	₱1,422,759	₱9,976,299

22. **Retirement Plan**

Parent Company

The Parent Company maintains a tax-qualified, funded, noncontributory defined benefit retirement plan covering substantially all of its permanent employees. The benefits are based on years of service and compensation during the latest year of employment. The latest retirement valuation was made as at June 30, 2023.

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

2023

		Net Benefit Cost in Profit and Loss				Remeasurements in Other Comprehensive Income				
							Actuarial Changes Arising From Changes in			
	Balances at Beginning of Year	**Current Service Cost**	**Net Interest**	**Subtotal**	**Benefits paid**	**Loss on Plan Assets**	**Financial Assumptions**	**Experience Adjustments**	**Subtotal**	**Balances at End of Year**
Fair Value of Plan Assets	**₱21,589,933**	**₱–**	**₱1,394,573**	**₱1,394,573**	**₱–**	**(₱3,225,561)**	**₱–**	**₱–**	**(₱3,225,561)**	**₱19,758,945**
Present Value of Defined Benefit Obligation	**(42,515,131)**	**(4,352,151)**	**(2,550,477)**	**(6,902,628)**	**4,406,362**	**–**	**(577,274)**	**2,100,343**	**1,523,069**	**(43,488,328)**
Retirement Benefit Obligation	**(₱20,925,198)**	**(₱4,352,151)**	**(₱1,155,904)**	**(₱5,508,055)**	**₱4,406,362**	**(₱3,225,561)**	**(₱577,274)**	**₱2,100,343**	**(₱1,702,492)**	**(₱23,729,383)**

2022

		Net Benefit Cost in Profit and Loss				Remeasurements in Other Comprehensive Income				
							Actuarial Changes Arising From Changes in			
	Balances at Beginning of Year	Current Service Cost	Net Interest	Subtotal	Benefits paid	Loss on Plan Assets	Financial Assumptions	Experience Adjustments	Subtotal	Balances at End of Year
Fair Value of Plan Assets	₱35,229,713	₱–	₱1,577,376	₱1,577,376	₱–	(₱15,217,156)	₱–	₱–	(₱15,217,156)	₱21,589,933
Present Value of Defined Benefit Obligation	(42,435,772)	(4,750,291)	(1,924,708)	(6,674,999)	258,177	–	4,543,353	1,794,110	6,337,463	(42,515,131)
Retirement Benefit Obligation	(₱7,206,059)	(₱4,750,291)	(₱347,332)	(₱5,097,623)	₱258,177	(₱15,217,156)	₱4,543,353	₱1,794,110	(₱8,879,693)	(₱20,925,198)

The fair value of the Parent Company's plan assets by each class as at June 30 are as follows:

	2023	2022
Assets:		
Cash and cash equivalents	**₱168,956**	₱168,724
Investments in shares of stock	**21,348,780**	23,180,000
	21,517,736	23,348,724
Liability:		
Payable to CAT	**1,758,791**	1,758,791
Net	**₱19,758,945**	₱21,589,933

Cash equivalents are short-term deposits made for varying periods up to three months and are not subject to significant credit risk and changes in value. Investments in shares of stock consist mainly of the Parent Company's shares which are traded in the PSE with LTF owning 0.97% or 2,318,000 common shares as at June 30, 2023 and 2022.

The principal actuarial assumptions used as at June 30 are as follows:

	2023	2022
Future salary increase rate	**5.00%**	5.00%
Discount rate	**6.18%**	6.41%

The discount rate used is a single weighted average rate based on bootstrapped Bloomberg Valuation Rates at various tenors as at June 30, 2023 and 2022. Rates for intermediate durations were interpolated. The rates were then weighted by the expected benefit payments at those durations to arrive at the single weighted average discount rate.

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

	2023	2022
Discount rate		
Increase of 1%	**(₱2,425,102)**	(₱2,397,191)
Decrease of 1%	**2,764,023**	2,730,527
Future salary increase rate		
Increase of 1%	**₱3,053,752**	₱2,998,359
Decrease of 1%	**(2,729,720)**	(2,677,879)

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

The Parent Company expects to contribute ₱7.6 million to the defined benefit plan in the next fiscal year.

The average duration of the defined benefit obligation as at June 30, 2023 and 2022 is 10.25 years and 17 years, respectively.

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

2023

	Expected Benefit Payments		
Plan Year	**Normal Retirement**	**Other than Normal Retirement**	**Total**
Less than 1 year	**₱7,122,495**	**₱1,500,571**	**₱8,623,066**
1 year to less than 5 years	**29,902,984**	**5,310,408**	**35,213,392**
5 years to less than 10 years	**18,556,420**	**–**	**18,556,420**
10 years to less than 15 years	**16,157,918**	**–**	**16,157,918**
15 years to less than 20 years	**20,670,429**	**–**	**20,670,429**
20 years and above	**86,884,795**	**–**	**86,884,795**

2022

	Expected Benefit Payments		
Plan Year	Normal Retirement	Other than Normal Retirement	Total
Less than 1 year	₱4,173,522	₱1,278,678	₱5,452,200
1 year to less than 5 years	13,644,314	6,301,938	19,946,252
5 years to less than 10 years	34,745,695	335,363	35,081,058
10 years to less than 15 years	16,519,505	–	16,519,505
15 years to less than 20 years	22,797,462	–	22,797,426
20 years and above	85,393,087	–	85,393,087

23. **Related Party Transactions**

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

Transactions with Related Parties

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

		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
Shareholders						
Receivables	(a)	**2023** 2022	**₱–** ₱–	**₱40,178** ₱–	To be received in cash; non-interest bearing; due and demandable	Unsecured
Payables	(b)	**2023** 2022	**20,000** –	**(9,735,195)** (9,715,195)	To be settled in cash; non-interest bearing; due and demandable	Unsecured
CRAHI						
Notes receivables	(c)	**2023** 2022	**–** –	**77,356,586** 79,593,715	To be received in cash; 4% per annum; due and demandable	Unsecured; no impairment
Advances	(c)	**2023** 2022	**18,643,730** 4,459,550	**433,463,364** 414,819,634	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Deposits	(d)	**2023** 2022	**–** –	**493,000,000** 493,000,000	Non-interest bearing; due and demandable	Unsecured; no impairment
Interest income		**2023** 2022	**2,329,171** 3,027,549	**–** –		
Trust Fund						
Receivables	(e)	**2023** 2022	**–** 3,776,137	**7,731,389** 10,766,219	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Common Control						
Green Future Innovations, Inc. (GFII)	(f)	**2023** 2022	**(110,912,209)** (151,825,805)	**16,424,789** (5,825,972)	To be settled in cash; non-interest bearing; due within one year	Unsecured
Tarlac Distillery Corporation (TADISCO)	(g)	**2023** 2022	**(16,833,759)** 2,710,666	**142,436,037** 125,116,021	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
First Green Renewable Holdings, Inc. (FGRHI)	(h)	**2023** 2022	**–** –	**83,508,050** 83,508,050	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Buena Vista Corporate Asset (BVCAHI)	(i)	**2023** 2022	**–** –	**14,112,176** 14,112,176	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
First Lucky Agro-Industrial Corporation (FLAIC)	(j)	**2023** 2022	**–** –	**(2,081,764)** (2,081,764)	To be settled in cash; non-interest bearing; due and demandable	Unsecured
CAT Foundation	(k)	**2023** 2022	**130,770** –	**1,130,770** 1,000,000	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
Blue Mountains Corp. (BMC)	(i)	**2023** 2022	**–** –	**5,772,500**	To be received in cash non interest bearing due and demandable	Unsecured; no impairment

(Forward)

		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
Directors, Officers and Employees						
Receivables	(l)	**2023**	**₱–**	**₱4,747,051**	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
		2022	(₱809,738)	₱6,029,525		
Total due from related parties (see Note 6)		**2023**		**₱1,279,722,890**		
		2022		₱1,227,945,340		
Total advances from related parties (see Note 15)		**2023**		**(₱11,816,959)**		
		2022		(₱17,622,931)		

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

a. Pertains to the advances of the Group to North Star Estate Holdings, Inc. for its working capital requirements.

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

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

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

   In 2022, the grant of exclusivity was not exercised and eventually expired, thus the deposits became due and demandable.

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

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

f. In 2023, these are sale of molasses and cash advances given to GFII to fund their working capital requirements. In 2022, these are advances from GFII.

g. Pertains to sale of alcohol and cash advances given to TADISCO to fund their working capital requirements.

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

i. Pertains to cash advances given to BVCAHI and BMC to fund their working capital requirements.

j. Pertains to purchases of agricultural products from FLAIC.

k. Pertains to cash advances made to the CAT Foundation.

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

Compensation of Key Management Personnel
Short-term employee benefits of key management personnel amounted to ₱20.0 million, ₱21.1 million and ₱20.1 million for the years ended June 30, 2023, 2022 and 2021, respectively.

24. Income Taxes

Net deferred income tax assets are as follows:

	2023	2022
Deferred income tax assets recognized in profit or loss:		
Allowance for ECL	**₱685,794**	₱688,355
Estimated liability for cash surrender value	**98,634**	303,282
Retirement benefits	**250,813**	237,463
	1,035,241	1,229,100
Deferred income tax liability on retirement benefit recognized in other comprehensive income	**(185,813)**	(188,653)
Net deferred income tax assets	**₱849,428**	₱1,040,447

Net deferred income tax liabilities are as follows:

	2023	2022
Recognized in profit or loss		
Deferred income tax assets:		
Allowance for inventory obsolescence and writedown	**₱8,076,217**	₱1,843,252
Lease liabilities	**5,751,854**	6,745,534
Allowance for ECL	**1,786,463**	1,786,463
Unamortized portion of past service costs	**–**	552,974
	15,614,534	10,928,223
Deferred income tax liabilities:		
Fair value adjustment on real estate held for sale and development	**(65,988,356)**	(65,988,356)
Retirement benefit	**(15,337,264)**	(15,612,687)
ROU assets	**(11,472,210)**	(10,766,744)
Unrealized foreign exchange gains - net	**(6,359)**	(31,287)
Others	**(151,928)**	(151,928)
	(77,341,583)	(81,622,779)
Recognized in other comprehensive income		
Deferred income tax asset on retirement benefit	**21,269,608**	20,843,985
Deferred income tax liability on unrealized cumulative gains on financial assets at FVOCI	**(22,898,956)**	(18,069,192)
	(1,629,348)	2,774,793
Deferred income tax liability recognized directly in equity on revaluation increment on property, plant and equipment	**(177,800,958)**	(259,225,844)
Net deferred income tax liabilities	**₱256,771,889**	₱338,073,830

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

	2023	2022	2021
Income tax at statutory tax rate	**₱49,533,782**	₱25,115,989	(₱1,943,450)
Income tax effects of:			
Net nondeductible expenses	**3,162,847**	209,605	26,353
Changes in unrecognized deferred income tax assets	**204,648**	78,890	(2,800,186)
Gain on fair value change of investment property	**(23,537,255)**	(4,894,685)	–
Interest income already subjected to final tax	**(33,467)**	(41,365)	(70,897)
Change in tax rate due to CREATE	**–**	–	(15,521,084)
	₱29,330,555	₱20,468,434	(₱20,309,264)

25. **Agreements**

Milling Agreements

The Group's milling agreements with various planters provide for a 67.0%, 2.0% and 31.0% sharing among the planters, planters' association and the Group, respectively, of sugar and molasses produced every crop year. As a consequence of the milling agreements and tolling contracts (for refined sugar) with planters and traders, the Group holds the sugar stock of the planters and traders for safekeeping. The following table summarizes the sugar obligations of the Group:

	2023	2022
Refined sugar - traders	**16,758 Lkg**	12,824 Lkg

Lease Agreements

Office Space

In previous years, the Group transferred its main office and entered into a lease agreement with Celestite, Inc., commencing on December 1, 2014 ("initial Lease Term"), extendible at the option of the lessee for an additional period of three years ("extended Lease Term") subject to mutually acceptable rates, terms, and conditions. The Group paid advance rental and security deposit amounting to ₱0.9 million and ₱0.8 million, respectively.

The lease agreement did not qualify as a lease following the requirements of PFRS 16 as there is no identified asset in the agreement. Expense recognized related to this lease agreement amounted to ₱3.3 million, ₱3.9 million and ₱4.9 million in 2023, 2022 and 2021, respectively.

Transportation and Agricultural Equipment

The Group has the following lease agreements:

a. In March 2022, the Group entered into a lease agreement with RCBC Leasing for the lease of twenty (20) units of 2022 Club Car Tempo 2-seater Golf Carts for a monthly rental of ₱235,133.
b. In January 2022, the Group entered into a lease agreement with RCBC Leasing for the lease of three (3) units of 2014 John Deere Sugarcane Harvesters for a monthly rental of ₱575,304.
c. In December 2021, the Group entered into a lease agreement with RCBC Leasing for the lease of three (3) units of Holland TS6.120 $WD Tractors for a monthly rental payment of ₱234,802.

d. In April 2023, the Group entered into a lease agreement with RCBC Leasing for the lease of twenty (20) units of 2023 Club Car Tempo 2-seater Golf Carts for a monthly rental of ₱210,809.

Upon expiry of the lease, RCBC Leasing has the option to sell to the Group the properties subject matter of the lease for the price equivalent to the residual value.

Shown below is the carrying amount and movement of the lease liabilities recognized on transportation and agricultural equipment as at and for the years ended June 30, 2023 and 2022, respectively.

	2023	2022
Balances at beginning of year	**₱26,982,136**	₱–
Additions	**7,800,000**	39,492,759
Accretion of interest	**2,960,587**	1,423,906
Lease payments	**(14,735,309)**	(13,934,529)
Balances at end of year	**23,007,414**	26,982,136
Less current portion of lease liabilities	**12,841,307**	9,721,338
Lease liabilities - noncurrent	**₱10,166,107**	₱17,260,798

The following are the amounts recognized in the consolidated statements of income for the years ended June 30, 2023 and 2022, respectively:

	2023	2022
Amortization of ROU assets	**₱4,978,135**	₱1,792,912
Accretion of interest on lease liabilities	**2,960,587**	1,423,906
	₱7,938,722	₱3,216,818

26. **Equity**

Capital Stock

The Parent Company's shares of stock were listed in the PSE on April 12, 1977. The authorized capital stock of the Parent Company at that time is 40,000,000 shares at ₱10 par value. In 2016, the Parent Company executed a 10 for 1 stock split decreasing the par value to ₱1 per share. As at June 30, 2023 and 2022, the authorized capital stock is 400,000,000 shares and the issued shares is 282,545,960 shares. There was no active trading on the Parent Company's outstanding shares in the PSE until the Philippine SEC issued an order on January 29, 2014 lifting the order of suspension made in 2010 in relation to the registration of and permit to sell the said securities.

The total number of shareholders is 394 and 393 as at June 30, 2023 and 2022, respectively.

For the year ended June 30, 2020, in relation to the Agreement entered into by the Parent Company and LTF, the Parent Company reacquired its own shares of stock for a total value of ₱369.1 million [see Note 23(e)]. This amount is recognized as part of the Group's treasury stocks.

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

	2023	2022
Unappropriated	**₱962,716,378**	₱793,911,806
Appropriated	**1,500,000,000**	1,500,000,000
	₱2,462,716,378	₱2,293,911,806

On June 30, 2020, the BOD approved the appropriation of its retained earnings amounting to ₱2.0 billion. Portion of this appropriation was reversed by ₱500.0 million on June 30, 2021 to consider the current development of the projects where this appropriation is intended. As at June 30, 2023 and 2022, the retained earnings that remains appropriated are for the continuation of the following projects within the next two to three years:

- ₱525.0 million for sugar business expansion which will cover the following:
  - intensified leasing of land for the purpose of increasing cane tonnage;
  - investment in logistics, such as additional trucks and trailers to improve delivery time;
  - upgrade of the refinery machineries and more robust yearly repairs; and
  - research and development costs to identify potential areas for improvement to increase cane tonnage to one million.

- ₱350.0 million for rum production which will cover the additional investment needed for bottling and mixing facilities to increase production capacity and costs for brand study.

- ₱625.0 million for ethanol production which will cover the construction of dehydrator equipment to bring alcohol proof grade from 94 to 99 in order to expand its existing ethanol business to petroleum companies in addition to its existing transactions with pharmaceutical companies.

As at June 30, 2023 and 2022, dividends payable in relation to a dividend declaration in 2020 was recognized under “Trade and other payables” account and amounted to ₱23.9 million (see Note 15). No dividend declaration was made for the years ended June 30, 2023 and 2022.

In accordance with the Revised SRC Rule 68, Annex 68-D, the Parent Company’s unappropriated retained earnings available for dividend declaration amounted to ₱321.7 million as of June 30, 2023.

Basic/Diluted Earnings Per Share
The basic/diluted earnings per share for the years ended June 30 are computed as follows:

	2023	2022	2021
Net income (a)	**₱168,804,572**	₱79,995,518	₱12,535,465
Weighted average number of shares (b):			
Issued shares	**282,545,960**	282,545,960	282,545,960
Less treasury stocks	**44,041,920**	44,041,920	44,049,120
	238,504,040	238,504,040	238,496,840
Basic/diluted earnings per share (a/b)	**₱0.708**	₱0.335	₱0.053

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

27. Fair Value Measurement and Financial Instruments

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

2023

	Fair Value Measurement Using			
	Quoted Prices in Active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Land classified as property, plant and equipment	**₱–**	**₱–**	**₱718,128,950**	**₱718,128,950**
Investment property	**–**	**–**	**871,079,190**	**871,079,190**
Financial assets at FVOCI - Quoted	**179,193,612**	**–**	**–**	**179,193,612**
	₱179,193,612	**₱–**	**₱1,589,208,140**	**₱1,768,401,752**

2022

	Fair Value Measurement Using			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Land classified as property, plant and equipment	₱–	₱–	₱1,044,982,955	₱1,044,982,955
Investment property	–	–	456,842,820	456,842,820
Financial assets at FVOCI - Quoted	146,995,180	–	–	146,995,180
	₱146,995,180	₱–	₱1,501,825,775	₱1,648,820,955

The following are the relevant information and assumptions used in determining the fair value of land classified as PPE and investment property:

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

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

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

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

Unobservable Inputs	Amount or Percentage of Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
Sale/asking price per sq. m.	₱900 to ₱1,500	The higher the value, the higher the fair value
Conditions on sale of comparable properties	15.0%	The more onerous the conditions in contract of sale of comparable properties, the higher the fair value
Physical adjustments	50.0%	The superiority of the quality of the Group's land, the higher the fair value

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

Below are the descriptions of the Group's financial instruments that are carried in the consolidated financial statements as at June 30, 2023 and 2022.

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

Long-term Receivables
The carrying value of long-term receivables approximates its fair value based on the discounted value of future cash flows using applicable rate of 1.93% as at June 30, 2023 and 2022 (Level 3; see Note 2).

Notes Payable
The fair value of notes payable amounting to ₱496.0 million (carrying value of ₱659.9 million) and ₱717.3 million (carrying value of ₱765.8 million) is based on the discounted value of future cash flows using applicable rates plus credit spread for similar types of loans ranging from 9.09% to 9.20% and 4.05% to 6.34% as at June 30, 2023 and 2022, respectively (Level 3; see Note 2).

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

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

28. Financial Risk Management Objectives and Policies

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

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

Liquidity Risk

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

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

2023

	Within 30 Days	**Within 1 Year**	**More than 1 Year**	**Total**
Trade and other payables*	**₱2,854,052**	**₱666,487,568**	**₱–**	**₱669,341,620**
Short-term notes payable	**–**	**898,421,986**	**–**	**898,421,986**
Notes payable	**–**	**138,750,000**	**531,875,000**	**670,625,000**
Lease liabilities	**–**	**15,072,590**	**10,933,894**	**26,006,484**
	₱2,854,052	**₱1,718,732,144**	**₱542,808,894**	**₱2,264,395,090**

**Excluding statutory liabilities*

2022

	Within 30 Days	Within 1 Year	More than 1 Year	Total
Trade and other payables*	₱17,808,677	₱424,088,704	₱–	₱441,897,381
Short-term notes payable	–	1,001,571,347	–	1,001,571,347
Notes payable	–	157,321,939	762,784,775	920,106,714
Lease liabilities	–	12,542,882	17,260,798	29,803,680
	₱17,808,677	₱1,595,524,872	₱780,045,573	₱2,393,379,122

**Excluding statutory liabilities*

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

2023

	Within 30 Days	**Within 1 Year**	**Above 1 Year**	**Total**
Cash	**₱124,965,229**	**₱–**	**₱–**	**₱124,965,229**
Receivables:				
Trade	**18,669,247**	**42,710,349**	**–**	**61,379,596**
Planters' receivable	**–**	**35,670,436**	**–**	**35,670,436**
Due from related parties	**350,881**	**1,279,372,009**	**–**	**1,279,722,890**
Advances	**–**	**18,560,803**	**–**	**18,560,803**
Long-term receivables	**–**	**16,519,849**	**132,158,794**	**148,678,643**
Deferred Charges	**–**	**–**	**24,786,704**	**24,786,704**
Others	**–**	**40,880,251**	**–**	**40,880,251**
Financial assets at FVOCI	**–**	**179,355,612**	**–**	**179,355,612**
	₱143,985,357	**₱1,613,069,309**	**₱156,945,498**	**₱1,914,000,164**

2022

	Within 30 Days	Within 1 Year	Above 1 Year	Total
Cash	₱169,773,859	₱–	₱–	₱169,773,859
Receivables:				
Trade	19,002,928	4,927,803	–	23,930,731
Planters' receivable	–	17,827,217	–	17,827,217
Due from related parties	181,298	1,227,764,042	–	1,227,945,340
Advances	–	25,709,492	–	25,709,492
Long-term receivables	–	16,519,849	141,002,893	157,522,742
Deferred Charges	–	–	24,716,046	24,716,046
Others	–	52,489,158	–	52,489,158
Financial assets at FVOCI	–	147,157,180	–	147,157,180
	₱188,985,085	₱1,492,394,741	₱165,718,939	₱1,847,071,765

Credit Risk

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

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

	2023	2022
Cash	**₱124,965,229**	₱169,773,859
Receivables	**1,428,489,413**	1,341,412,307
Financial assets at FVOCI	**179,355,612**	147,157,180
Noncurrent portion of long-term receivables	**127,105,819**	141,002,893
Deferred charges	**24,786,704**	24,716,046
Total credit risk exposure	**₱1,884,702,777**	₱1,824,062,285

Since the Group trades only with recognized third parties, there is no requirement for collateral on trade receivables.

The Groups cash and investment in shares of stock recognized as financial assets at FVOCI are neither past due nor impaired. The analysis of the Group's receivables is as follows:

2023

	Total	Neither Past Due nor Impaired	Past Due but not Impaired 30 Days	90 Days	More than 150 Days	Impaired
Trade	**₱61,379,596**	**₱41,742,909**	**₱27,920**	**₱27,397**	**₱15,591,657**	**₱3,989,713**
Planters' receivables	**35,670,436**	**9,163,879**	**14,788,050**	**6,214,238**	**–**	**5,504,269**
Due from related parties	**1,279,722,890**	**4,747,051**	**–**	**–**	**1,274,629,673**	**346,166**
Advances	**18,560,803**	**–**	**–**	**–**	**5,401,714**	**13,159,089**
Long-term receivables	**142,380,493**	**142,380,493**	**–**	**–**	**–**	**–**
Deferred Charges	**24,786,704**	**–**	**–**	**–**	**24,786,704**	**–**
Others	**40,880,251**	**40,880,251**	**–**	**–**	**–**	**–**
	₱1,603,381,173	**₱238,914,583**	**₱14,815,970**	**₱6,241,635**	**₱1,320,409,748**	**₱22,999,237**

2022

	Total	Neither Past Due nor Impaired	Past Due but not Impaired 30 Days	90 Days	More than 150 Days	Impaired
Trade	₱23,930,731	₱3,901,790	₱220,523	₱77,097	₱15,731,365	₱3,999,956
Planters' receivables	17,827,217	7,910,300	3,233,655	1,178,983	–	5,504,269
Due from related parties	1,227,945,340	6,029,525	–	–	1,221,569,649	346,166
Advances	25,709,492	–	–	–	12,550,403	13,159,089
Long-term receivables	157,522,742	157,522,742	–	–	–	–
Deferred charges	24,716,046	–	–	–	24,716,046	–
Others	52,489,158	52,489,158	–	–	–	–
	₱1,530,140,726	₱227,853,515	₱3,454,188	₱1,2256,080	₱1,274,567,463	₱23,009,480

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

2023

	Grade High	Standard	Total
Loans and receivables:			
Cash	**₱124,965,229**	**₱–**	**₱124,965,229**
Trade receivables	**41,742,909**	**–**	**41,742,909**
Planters' receivables	**9,163,879**	**–**	**9,163,879**
Due from related parties	**4,747,051**	**–**	**4,747,051**
Long-term receivables	**142,380,493**	**–**	**142,380,493**
Others	**40,880,251**	**–**	**40,880,251**
Financial assets at FVOCI:			
Proprietary	**178,800,000**	**–**	**178,800,000**
Listed	**393,612**	**–**	**393,612**
Unlisted	**–**	**162,000**	**162,000**
	₱543,073,424	**₱162,000**	**₱543,235,424**

2022

	Grade High	Standard	Total
Loans and receivables:			
Cash	₱169,773,859	₱–	₱169,773,859
Trade receivables	3,901,790	–	3,901,790
Planters' receivables	7,910,300	–	7,910,300
Due from related parties	6,029,525	–	6,029,525
Long-term receivables	157,522,742	–	157,522,742
Others	52,489,158	–	52,489,158

(Forward)

	Grade		
	High	Standard	Total
Financial assets at FVOCI:			
Proprietary	₱146,500,000	₱–	₱146,500,000
Listed	495,180	–	495,180
Unlisted	–	162,000	162,000
	₱544,622,554	₱162,000	₱544,784,554

Credit Quality of Financial Assets
The credit quality of financial assets is managed by the Group using high grade and standard grade as internal credit ratings.

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

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

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

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

	2023	2022
Increase (decrease) in income before income tax at 30 basis points:		
Increase in basis points	**(₱2,081,756)**	(₱1,378,608)
Decrease in basis points	**2,081,756**	1,360,169

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

	2023	2022
Short-term notes payable	**₱898,080,030**	₱1,000,799,372
Notes payable	**659,881,967**	765,759,045
Trade and other payables	**680,382,527**	453,466,306
Other liabilities	**148,012,782**	77,770,219
Total debt (a)	**2,386,357,306**	2,297,794,942
Equity	**3,487,064,182**	3,217,518,092
Total debt and equity (b)	**₱5,873,421,488**	₱5,515,313,034
Gearing ratio (a/b)	**0.41**	0.42

In addition to the gearing ratio which the Group is monitoring, the notes payable agreement requires the Group to maintain a debt to equity that is not exceeding 2.33x. Furthermore, a Debt Service Coverage Ratio of not less than 1.10x is also required under the agreement which the Group was able to meet.

29. Note to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities are as follows:

2023

	July 1, 2022	**Net cash flows**	**Interest expense**	**Amortization**	**Reclassification**	**June 30, 2023**
Current interest-bearing loans and borrowings	**₱1,106,671,672**	**(₱180,069,834)**	**₱77,350,492**	**₱–**	**₱28,939,346**	**₱1,032,891,676**
Non-current interest-bearing loans and borrowings	**659,886,745**	**(151,212,722)**	**35,587,722**	**9,747,922**	**(28,939,346)**	**525,070,321**
Interest on loans and borrowings	**10,202,374**	**(8,307,513)**	**5,433,513**	**–**	**–**	**7,328,374**
Total liabilities from financing activities	**₱1,776,760,791**	**(₱339,590,069)**	**₱118,371,727**	**₱9,747,922**	**₱–**	**₱1,565,290,371**

2022

	July 1, 2021	Net cash flows	Interest expense	Amortization	Reclassification	June 30, 2022
Current interest-bearing loans and borrowings	₱1,095,761,905	(₱69,314,615)	₱61,758,774	₱–	₱18,465,608	₱1,106,671,672
Non-current interest-bearing loans and borrowings	770,852,352	(141,234,143)	43,640,836	5,093,308	(18,465,608)	659,886,745
Interest on loans and borrowings	11,135,300	(2,755,967)	1,823,041	–	–	10,202,374
Total liabilities from financing activities	₱1,877,749,557	(₱213,304,725)	₱107,222,651	₱5,093,308	₱–	₱1,776,760,791

2021

	July 1, 2020	Net cash flows	Interest expense	Amortization	Reclassification	June 30, 2021
Current interest-bearing loans and borrowings	₱1,007,841,467	₱–	₱–	₱–	₱87,920,438	₱1,095,761,905
Non-current interest-bearing loans and borrowings	–	854,911,166	–	3,347,878	(87,406,692)	770,852,352
Interest on loans and borrowings	3,707,097	(86,322,994)	94,264,943	–	(513,746)	11,135,300
Total liabilities from financing activities	₱1,011,548,564	₱768,588,172	₱94,264,943	₱3,347,878	₱–	₱1,877,749,557

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Central Azucarera de Tarlac, Inc. and its subsidiary (the Group) as at June 30, 2023 and 2022, and for each of the three years in the period ended June 30, 2023, included in this Form 17-A and have issued our report thereon dated October 10, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]
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

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Central Azucarera de Tarlac, Inc. and its subsidiary (the Group) as at June 30, 2023 and 2022, and for each of the three years in the period ended June 30, 2023, and have issued our report thereon dated October 10, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the consolidated financial statements as at June 30, 2023 and 2022, and for each of the three years in the period ended June 30, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

[redacted]

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 AND SUBSIDIARY
INDEX TO FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE

SUPPLEMENTARY SCHEDULES

CENTRAL AZUCARERA DE TARLAC AND SUBSIDIARY

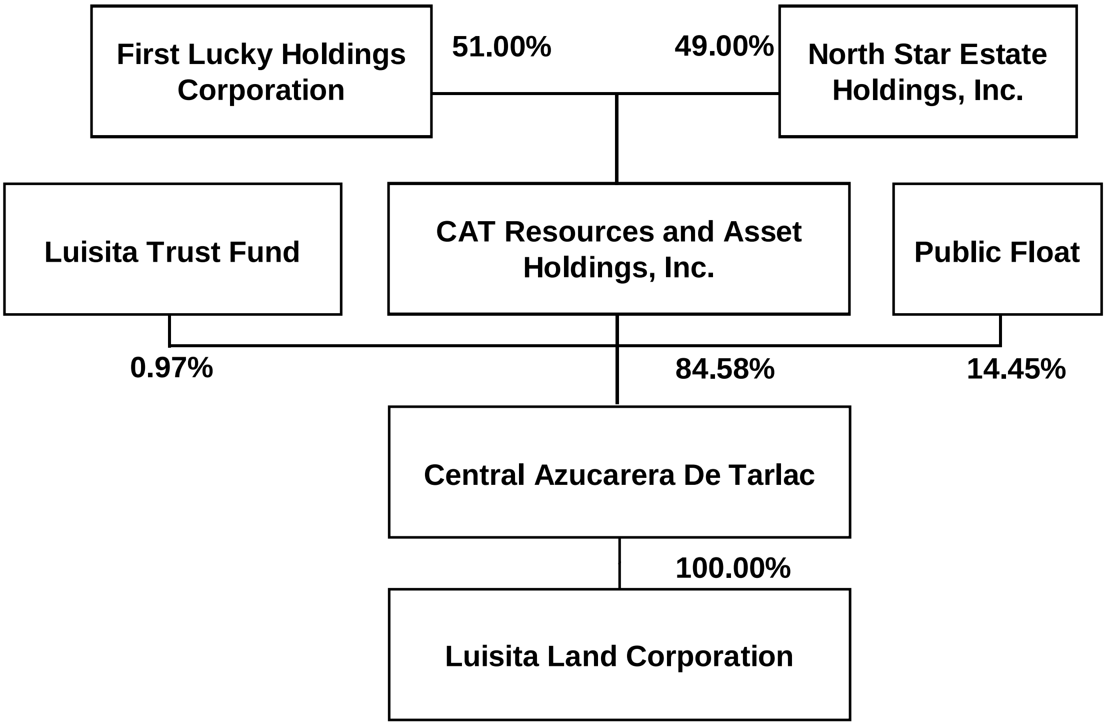
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

AS AT JUNE 30, 2023

Unappropriated Retained Earnings as at July 1, 2022, *as restated*		₱1,076,770,522
Accumulated fair value adjustment on investment property		(455,053,847)
Unappropriated Retained earnings as at July 1, 2022, *as adjusted to available for dividend declaration*		621,716,675
Add: Net income actually earned/realized during the period		
Net income during the year closed to retained earnings	163,213,246	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (mark-to-market gain)	–	
Fair value adjustment of investment property resulting to gain	(94,149,020)	
Adjustment due to deviation from PFRS/GAAP - gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transaction accounted for under PFRS	–	
Subtotal	(94,149,020)	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustment due to deviation from PFRS/GAAP - loss	–	
par Loss on fair value adjustment on investment property (after tax)	–	
Subtotal	–	
Net income actually earned during the period		69,064,226
Add (Less):		
Dividend declarations during the year	–	
Appropriation of retained earnings during the period	–	
Reversal of appropriations	–	
Reversal of revaluation increment to retained earnings	–	
Effect of prior period adjustments	–	
Treasury shares	(369,078,490)	
Subtotal		(369,078,490)
Retained earnings as at June 30, 2023 available for dividends		₱321,702,411

CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY

CONGLOMERATE MAP
AS AT JUNE 30, 2023



CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY

FINANCIAL SOUNDNESS INDICATORS

AS AT JUNE 30, 2023

	FORMULA	2023	2022
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	**1.77**	1.91
Acid test ratio	Cash + Accounts receivable / Current liabilities	**0.85**	0.95
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	**0.76**	0.82
Asset to equity ratio	Total assets / Total equity	**1.76**	1.82
Net debt to equity ratio	Total liabilities - Cash / Total equity	**0.72**	0.77
Interest coverage ratio	Earnings before interest and tax / Interest expense	**2.48**	1.91
PROFITABILITY RATIOS			
Operating margin	Operating profit / Total revenues	**0.16**	0.13
Return on equity	Net income after tax / Total equity	**0.05**	0.02

Annex A: Reporting Template
(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	Central Azucarera de Tarlac
Location of Headquarters	San Miguel, Tarlac City, Tarlac
Location of Operations	San Miguel, Tarlac City, Tarlac
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Central Azucarera de Tarlac
Business Model, including Primary Activities, Brands, Products, and Services	Central Azucarera de Tarlac ("CAT") is engaged in the business of manufacturing sugar and its by-products
Reporting Period	July 1, 2022 to June 30, 2023
Highest Ranking Person responsible for this report	Atty. Adison B. Castro, Compliance Officer Engr. Noel M. Payongayong PME, VP Operation/Resident Manager

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
A focus group was created to determine the materiality of data covered by the scope of this Sustainability Report. The focus group composed of representatives from different departments of the Company evaluated impacts of the company's operations to the economy, society and environment towards sustainable development. The following were considered to be the material indicators for their significant economic, environmental, and social impacts of the Company: • Economic performance • Compliance with laws, rules and regulations, and policies of the government • Procurement practices • Consumption and conservation of energy, water and other raw materials • Management of impact to the environment • Management of labor • Relationship with the community

[1] See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	1,486,758,743	PhP
Direct economic value distributed:		
a. Operating costs	1,124,596,932	PhP
b. Employee wages and benefits	98,6821,466	PhP
c. Payments to suppliers, other operating costs	295,014,387	Php
d. Dividends given to stockholders and interest payments to loan providers	133,590,66	PhP
e. Taxes given to government	168,196,317	PhP
f. Investments to community (e.g. donations, CSR)	1,000,000	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company's operations directly impact the economy of its, employees, planters, suppliers, community, and the government. Part of the gross revenue is allotted for the salaries and wages of the Company's employees, payment to the services rendered and/or products provided by suppliers, taxes due to the government.	Employees, suppliers, planters, community, and the government.	The Company ensures compliance with laws, rules and regulations, and policies in relation to the proper treatment of labor, including payment of salaries and wages, faithful compliance with obligations contractual relations with planters, suppliers, and payment of correct taxes.
What are the Risk/s and Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
Change or amendment in laws, rules and regulations and policies of the government, including its agencies.	Employees, planters suppliers, community, and the government.	The Company ensures compliance with the laws rules and regulations and policies of the government, including its agencies, are properly observed by the Company. The Management conducts weekly meetings during the milling season to

		discuss business operations, including risks and opportunities.

Climate-related risks and opportunities[2]

Governance Disclose the organization's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	The Board exercises its oversight function in the operations of the Company including identification of climate related risks and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities	The Management conducts weekly meetings, where they identify and assess risks and opportunities, including climate related, through the report of department heads/units. A dedicated team regularly monitors weather conditions, more particularly rainfall, to determine or predict the yield of planted sugar canes.

Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Being agriculturally dependent, the Company's business relies on the volume of planted and harvested sugar cane. The productivity of sugarcane and sugar is strongly influenced by climatic conditions from planting to harvesting.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	No sufficient data available to determine climate related risks and opportunities.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	No sufficient data available to determine resilience of the organization's strategy.

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	Each department/unit head is tasked to report risks identified by his/her department/unit, including climate change related risks.
b) Describe the organization's processes for managing climate-related risks	No sufficient data available to determine processes for managing climate-related risks.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	No data available.
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	No data available.

Procurement Practices

Proportion of spending on local suppliers

Disclosure			Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers:				
Purchase Requisition	Fabrication	11,453,486.37	Per PR =	%
	Indent	63,632,593.20		
	Local	273,588,852.04		
	TOTAL	348,674,931.61		
Purchase Order	Fabrication	9,306,686.00	Per PO =	%
	Indent	61,865,080.84		
	Local	253,511,377.10		
	TOTAL	324,683,143.94		

Material Receipt	Fabrication Indent Local TOTAL	5,099,797.00 61,707,976.84 237,012,396.69 303,820,170.53 (Actual Delivery)		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company sources its supply of sugar cane from local sugar cane farmers/planters, which are mostly located within the province of Tarlac. The Company also engages services of local suppliers for repairs, construction, procurement of supplies etc. The operations of the Company provide livelihood to the community.	Suppliers, particularly the farmers/planters.	The Company ensures compliance with its internal mechanism of procuring services and/or products.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company has encountered low supply of sugar cane, which can be attributed to both natural causes and to man-made causes. Some farmers shifted into planting other crops which can be harvested quickly compared to sugar cane.	Suppliers, particularly the farmers/planters.	The Company constantly monitors procurement of supplies and services from local suppliers. It also provides assistance to local farmers/planters in the planting and harvesting of sugar cane.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Procurement of sugarcane planted and harvested within the province ensures that the sugarcanes are at their peak condition for processing and the farmers/planters are adequately compensated.	Suppliers, particularly the farmers/planters.	The Company prioritizes procurement of supplies and services within the province.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	No available data	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	No available data	%
Percentage of directors and management that have received anti-corruption training	No available data	%
Percentage of employees that have received anti-corruption training	No available data	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	none	#
Number of incidents in which employees were dismissed or disciplined for corruption	none	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	none	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Anti-corruption policies and practices enables the Company to protect itself, employees, and suppliers. The Company has a procurement team, which sets the guidelines in the procurement of supplies and/or services.	Employees, Suppliers	The Company ensures compliance with laws, rules, and regulations relative to anti-corruption or anti-bribery. Further, the Company discourages/prohibits employees from receiving gifts from third-parties by reason of their employment.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No sufficient available data to determine the risks and the affected stakeholders.		The Company has put in place policies on Conflict of Interest, which prohibits employees, officers and directors to engage in personal or business interest that is antagonistic to that of the

		corporation or stands to acquire or gain financial advantage at the expense of the corporation. The Company has a policy on whistleblowing which provides for formal procedure for anyone to raise his/her concerns regarding an illicit or unethical event inside the Company.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No sufficient available data to determine opportunities in managing incidents of corruption.		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources – purchased and generated)		GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity – purchased and generated) Generated 7,526,242 kwh Renewable Purchased 5,731,831 kwh Non Renewable	13,528,073	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	Not applicable	GJ
Energy reduction (LPG)	Not applicable	GJ
Energy reduction (diesel)	Not applicable	GJ
Energy reduction (electricity)	No sufficient data can be provided.	kWh

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	83,604.04	Tons
• non-renewable	No available data	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

The Company recognizes that its energy consumption produces an impact to the environment, particularly the emission of pollutants. The Company has shifted to using renewable materials in producing energy for the operations of its plant.	Community.	The Company utilizes its own energy, which is a by-product in the processing of sugar cane to minimize consumption of other forms of energy. The materials used in the operations are renewable.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company's reference in using renewable energy significantly decreased risk of producing carbon footprint.	Community	The Company ensures compliance with environmental laws, rules and regulations, and policies to minimize or control its environmental impact.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company continues to study means on how to further conserve energy and utilize the use of biomass in producing energy.	Community.	The Company ensures that steps towards utilizing renewable energy is compliant with environmental laws, rules and regulations, and policies to minimize or control its environmental impact.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal Deepwell 1,232,370.06 Surface 20,939,376.12	22,171,746.18	Cubic meters
Water consumption Deepwell 1,232,370.06 Surface 19,086,026.12	20,318,396.18	Cubic meters
Water recycled and reused Deepwell 613,241.47 Surface 19,086,026.12 Condensate	19,699,267.59	Cubic meters

What is the impact and where does it occur? What is the	Which stakeholders are affected?	Management Approach

organization's involvement in the impact?		
The Company's operations heavily rely on water supply as the processing from sugar cane involves water consumption	Community	The Company ensures that water withdrawal and consumption is monitored and that proper conservation for recycling and re-using water is in place.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company recognizes the risk of possible water shortage due to increasing competition from non-agricultural and water demands from the energy and industry sectors.	Community	The Company ensures that water withdrawal and consumption is monitored and that proper conservation and management of water are in pace such as recycling/reusing.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company manages water risks by identifying protocols in water usage, and improving means in water recycling and/or reusing.	Community	The Company ensures that water withdrawal and consumption is monitored and that proper conservation and management of water are in pace such as recycling/reusing.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN[3] Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company does not own, lease, or manage sites near or adjacent to protected areas and areas of high biodiversity value outside protected areas.		

[3] International Union for Conservation of Nature

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company does not own, lease, or manage sites near or adjacent to protected areas and areas of high biodiversity value outside protected areas.		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company does not own, lease, or manage sites near or adjacent to protected areas and areas of high biodiversity value outside protected areas.		

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company does not emit GHG or ODS since it uses biomass fuel energy.		The Company ensures compliance with relevant environmental laws, rules and regulations, and policies. Safety measures are undertaken to produce minimal impact on the environment. The Company decided to stop the use of bunker fuels or other fuels that emit GHG and ODS and has shifted to biomass fuel energy production from plants and animals.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company does not emit GHG or ODS since it uses biomass fuel energy. Thus, GHG or ODS risks are not applicable.		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

The Company does not emit GHG or ODS since it uses biomass fuel energy. Thus, GHG or ODS opportunities are not applicable.

Air pollutants

Disclosure	Average	Units
NO_x BGW RLY RK1 RK2 RK1: 9.46 RK2: 12.72	11.09	mg/Ncm
SO_x BGW RLY RK1 RK2 RK1: 6.26 RK2: 3.55	4.91	Mg/Ncm
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM) BGW RLY RK1 RK2 98.63 147.82 155.59 153.32	138.84	Mg/Ncm

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company's level of recorded air pollutants is compliant with environmental laws. However, air pollution may impact the health of its employees and the community.	Employees and Community	The Company shall ensure compliance with environmental laws, rules and regulations and shall strictly monitor its operations to ensure air pollutants are maintained at a minimum level.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Air pollutants may pose minimal health risk to the employees and members of the community.	Employees and Community	The Company shall ensure compliance with environmental laws, rules and regulations and shall strictly monitor its operations to ensure air pollutants are maintained at a minimum level.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No sufficient data is available to accurately define opportunities brought by the Company's operations.		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	9.649.46	tons
Reusable		kg
Recyclable – Bagasse	894.54	tons
Composted – (Filter Cake, Boiler Ash)	8,730.06	tons
Incinerated		kg
Residuals/Landfilled (Garbage)	24.86	tons

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	2.267	tons
Total weight of hazardous waste transported		kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company's solid wastes such sugar cane press mud are turned into fertilizer and feed supplements. The Company's hazardous wastes may have a great impact on the environment.	Community	The Company ensures compliance with environmental laws, rules and regulations, and policies in managing solid wastes and hazardous wastes. The Company has devised ways for the safe recycle/reuse of the solid wastes.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Hazardous wastes may pose minimal health risk to the employees and members of the community.	Employees and community.	The Company ensures compliance with environmental laws, rules and regulations, and policies in managing solid wastes and hazardous wastes.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company conducts study and experiment on other uses of solid waste.	Suppliers and community	The Company conducts study and experiment on compost tea brewer assoil conditioner to bring back nutrients to the

		soil. This approach may help increase the yield or produce of farmers/planters.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	408.00	M3/day
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company's effluents may have an impact on the environment and on the health of the people living within the community.	Community	The Company ensures compliance with environmental laws, rules and regulations, and policies in managing wastewater. Proper safeguards have been set up to conserve water.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No sufficient data available to determine risks of the effluents.		The Company ensures compliance with environmental laws, rules and regulations, and policies in managing wastewater. Proper safeguards have been set up to conserve water.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No sufficient data available to determine the opportunities related to the effluents.		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company ensures compliance with environmental laws, rules and regulations, and policies. Thus, no monetary or non-monetary sanctions were meted against the Company.		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company ensures compliance with environmental laws, rules and regulations, and policies. Thus, no monetary or non-monetary sanctions were meted against the Company.		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company ensures compliance with environmental laws, rules and regulations, and policies. Thus, no monetary or non-monetary sanctions were meted against the Company.		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[4]	312	
a. Number of female employees	37	#
b. Number of male employees	275	#
Attrition rate[5]	12.26%	rate
Ratio of lowest paid employee against minimum wage	1.00%	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100%	100%
PhilHealth	Y	100%	100%
Pag-ibig	Y	100%	100%
Parental leaves	Y	5.41%	5.82%
Vacation leaves	Y	89.19%	97.82%
Sick leaves	Y	89.19%	97.82%
Medical benefits (aside from PhilHealth)	Y	89.19%	97.82%
Housing assistance (aside from Pag-ibig)	N	Not Applicable	
Retirement fund (aside from SSS)	Y	0%	2.93%
Further education support	Y		
Company stock options	N	Not Applicable	Not Applicable
Telecommuting	N	Not Applicable	Not Applicable

[4] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
[5] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Flexible-working Hours	N	Not Applicable	Not Applicable
(Others) Life Insurance	Y	100%	100%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company provides local employment within the province with majority of its employees are based from Tarlac. It offers employment opportunities to nearby provinces like Pampanga, Pangasinan, Nueva Ecija and La Union.	The Company ensures compliance with labor laws, rules and regulations, and policies implemented by the Department of Labor and Employment and other government agencies.
What are the Risk/s Identified?	**Management Approach**
The available manpower pool becomes smaller due to several factors, such as competing labor demand from rising developments in the province and nearby provinces. In addition, attractive offers for skilled workers abroad becomes a threat to the company as it may lose experienced employees. Pool for qualified blue collared jobs also decreased. The rise in popularity of remote and freelance work also attracts employees to transfer to other companies offering such work arrangement	The Company ensures compliance with labor laws, rules and regulations, and policies implemented by the Department of Labor and Employment and other government agencies. The Company also provides additional benefits and engagement programs for the welfare of its employees and their dependents. To address the increase in attrition, the Company took advantage of internal hiring which also opened opportunities for career advancement for experienced and high-performing workers
What are the Opportunity/ies Identified?	**Management Approach**
The economic impact the Covid-19 pandemic to less resilient industries has resulted into the availability of experienced candidates in the labor market. The experience during COVID 19 pandemic influenced workers to choose stable local employment within or near their place of residence. With the easing Covid-19 pandemic related restrictions, applicants from other provinces started applying for work opportunities again and fresh graduates have also joined the labor market.	The Company's recruitment processes were made more flexible and adaptable to the current situation. Management introduced virtual screening and pre-employment practices to simplify the hiring process for applicants while ensuring the safety of employees and the applicants.

Employee Training and Development

Disclosure	**Quantity**	**Units**
Total training hours provided to employees		
a. Female employees	712	hours
b. Male employees	1,240	hours
Average training hours provided to employees		
a. Female employees	19.24	hours/employee
b. Male employees	4.51	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The Company provides its employees relevant trainings to excel in their jobs, prepare them for greater responsibilities, and advancement in their careers. These training opportunities also attract potential employees.	The Company ensures that Selection and Hiring Policy is properly observed. It also continuously assesses and allocates training programs for the employees.
What are the Risk/s Identified?	**Management Approach**
Some employees eventually resign after receiving training in exchange for opportunities in other industries and/or companies. This affects transfer of knowledge.	The Company designed programs for retention programs to attract employees to stay.
What are the Opportunity/ies Identified?	**Management Approach**
The Covid-19 pandemic introduced virtual/ online training programs that are relatively cheaper and more convenient for employees.	The Company recognizes the potential of this trend and has started availing online training

	opportunities in lieu of the traditional mode of training.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	Not applicable.	%
Number of consultations conducted with employees concerning employee-related policies	2	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Employees feel heard and involved, thus instilling in them a sense of accountability in complying with the said policies.	Management encourages the active involvement of the Labor-Management Cooperation (LMC) group in the design, implementation and evaluation of policies, programs and activities that promote the employees' and the community's welfare.
What are the Risk/s Identified?	**Management Approach**
Too much involvement may sometimes hinder timeliness of decision-making.	The Company allows the LMC to conduct meetings among themselves to narrow down options to be suggested.
What are the Opportunity/ies Identified?	**Management Approach**

Constant and open dialogue between the management and employees' representatives fosters good relations and opportunities to relay concerns. Potential sources of employees' dissatisfaction are immediately identified and addressed.	Monthly meetings are being conducted to discuss pressing issues of the Company and the employees.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	11.86%	%
% of male workers in the workforce	88.14%	%
Number of employees from indigenous communities and/or vulnerable sector*	4	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
While there is a small representation of female workers, majority of them occupy critical positions in the organization	The Company ensures that hiring and promotion are based on merit and fitness. The Company does not adapt criteria which will result into discrimination based on gender, age, race or religion and ensures compliance to mandated laws for the vulnerable sectors. Moreover, disciplinary measures are in accordance with the prevailing laws, rules and regulations.
What are the Risk/s Identified?	**Management Approach**

Some conditions inherent to the nature of work may come in conflict with the nondiscrimination policy (e.g. working at heights for people with certain disabilities	The Company, first and foremost, considers the safety of its employees in assigning tasks to the latter. It ensures that the medical and social needs of its employees are being addressed.
What are the Opportunity/ies Identified?	**Management Approach**
Through proper support and empowerment, employees from the vulnerable sector are able to contribute greatly to the attainment of the Company's targets and objectives	The Company ensures that proper and ample support will be provided thru coaching, training opportunities and equal treatment.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	859,956.00	Man-hours
No. of work-related injuries	8	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

The Company's operations is exposed to certain occupational hazards.	The Company ensures compliance with laws, rules and regulations and policies on health and occupational safety.
What are the Risk/s Identified?	**Management Approach**
Employees may be at risk to certain occupational hazards or work-related accidents, which are unforeseen in the ordinary course of operations.	The Company ensures compliance with laws, rules and regulations and policies on health and occupational safety.
What are the Opportunity/ies Identified?	**Management Approach**
No sufficient data available.	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Anti-Sexual Harassment Policy
Child labor	Y	4.1.10 of Selection and Hiring Policy
Human Rights	Y	Anti-Sexual Harassment Policy, Drug-free Workplace Program, Health Programs (HIV and Aids Prevention, Tuberculosis and Hepatitis Prevention, Mental Health Policy)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company maintains compliance with its policies, which are related to labor laws and human rights issues.	The Company ensures compliance with labor laws, rules and regulations, and policies. The Company is committed in observing its Mission and Vision Statement, company policies such as Anti-Sexual Harassment Policy, Drug-free Workplace Program and Mental Health Policy. Moreover, the Company is also dedicated in ensuring that the Corporate Social Responsibility programs benefits its employees and the community.
What are the Risk/s Identified?	**Management Approach**

The Company has identified that non-compliance to labor laws and human rights may pose a risk to its employees. Furthermore, the Company may also suffer from litigation and/or payment of fines from governing bodies for noncompliance.	The Company, through its HR Department, ensures the proper implementation of labor laws and coordinates with the Department of Labor and Employment and other attached agencies thru submission of regular reports, cascading of newly formulated guidelines to concerned employees, participation during meetings, consultations and trainings and cooperation during compliance inspections.
What are the Opportunity/ies Identified?	**Management Approach**
The Company maintains its notable track record in compliance and upholds its status as a reputable employer	The Company maintains its good relations with the DOLE and attached agencies, local branches of the SSS, Philhealth, PAGIBIG and BIR, Provincial and City Employment Service Offices and administrators of nearby companies.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: ________________________

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	6.9.6, 7.1 of Vendor Accreditation Procedure
Forced labor	Y	The Company considers that rights under existing laws to prevent forced labor, child labor and other human rights issue are obligatory.
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	6.9.7, 6.9.8, 7.3 of Vendor Accreditation Procedure

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

No sufficient available data.	The Company requires that its suppliers comply with relevant laws, rules and regulations, and policies relating to security of data.
What are the Risk/s Identified?	**Management Approach**
No sufficient available data.	
What are the Opportunity/ies Identified?	**Management Approach**
No sufficient available data.	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
The Company has provided the local community with opportunity for employment and business opportunities.	Barangays surrounding plant.	Not applicable	No.	Not applicable.	Not applicable.

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: Not applicable

Certificates	Quantity	Units
FPIC process is still undergoing	Not applicable	#
CP secured	Not applicable	#

What are the Risk/s Identified?	Management Approach
Not applicable.	
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable.	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	0/0	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
While the Company maintains good relationship with its customers, there is no sufficient data to determine the impact of managing customer satisfaction.	
What are the Risk/s Identified?	**Management Approach**
No sufficient data to determine the risks in managing customer satisfaction since the customers do not answer the feedback forms given by the management.	
What are the Opportunity/ies Identified?	**Management Approach**
No sufficient data to determine the opportunities in managing customer satisfaction since the customers do not answer the feedback forms given by the management.	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
No sufficient available data.	The Company ensures compliance with relevant laws, rules and regulations, and policies relating to food.
What are the Risk/s Identified?	**Management Approach**
No sufficient available data.	
What are the Opportunity/ies Identified?	**Management Approach**
No sufficient available data.	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
No sufficient available data.	
What are the Risk/s Identified?	**Management Approach**
No sufficient available data.	
What are the Opportunity/ies Identified?	**Management Approach**
No sufficient available data.	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
No sufficient available data.	The Company ensures compliance with the Data Privacy Act, other relevant laws, rules and regulations, and policies relating to security of data. The Company does not retain personal information not necessary for the conduct of its business.
What are the Risk/s Identified?	**Management Approach**
No sufficient available data.	
What are the Opportunity/ies Identified?	**Management Approach**
No sufficient available data.	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Manufacturing of sugar.	SDG 2: Zero hunger	No available data.	No available data.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

Count	Name	Holdings
1	ABACUS SECURITIES CORP.	9,300
2	BARBARA T. ABAD	20,240
3	JOSE LUIS ABAD	8,240
4	REMEDIOS ABAD	1,540
5	CLODUALDO ACADEMIA	10,000
6	ANTONIO AGUILAR	10,000
7	CECILIA A. ALAMPAY	640
8	DELIA A. ALAMPAY	640
9	VALERIO ALCANTARA	280,160
10	RODERICK ALAIN ALVAREZ	10,000
11	ROMELITO A. AMORANTO	9,600
12	JOSEFA V. ANASTACIO	1,480
13	WILLY CHUA ANG	19,240
14	ANSALDO, GODINEZ & CO., INC.	1,380
15	ANSELMO TRINIDAD & CO., INC.	6,660
16	ANTONIA, GLORIA, RAFAEL, ANGELES AND LOURDES CAMPOS	240
17	ANTONIO, ANGELES, & VICENTE GONZALES	2,360
18	CORAZON ANTONIO	10,000
19	AQUINO, DENNIS T., OR EVANGELINE G. AQUINO OR TERESA G. AQUINO	21,040
20	AQUINO, REMEDIOS M.,ITF SERVILLANO M. AQUINO JR.	32,040
21	AQUINO, RENE P. , OR MICAEL V. AQUINO OR MELANIE V. AQUINO	21,080
22	NAPOLEON ARANETA	10,000
23	ENRIQUE A. ARCE	9,600
24	LUIS T. ARRIOLA	96,600
25	ROGINIA BANACIA	10,000
26	ANGEL BANAS	96,600
27	RONALD BARIT	10,000
28	MA. ANGELES G. BARRANCO	12,600
29	BDC # 132-317-78	8,040
30	BENJAMIN CO-CA & CO., INC.	1,880
31	BERNADETTE DE LEON	1,000
32	ADELA MIRA BERTRAND	10,600
33	DOLORES MIRA BERTRAND	10,600
34	ENCARNACION MIRA BERTRAND	10,400
35	JOSE VICENTE MIRA BERTRAND	10,400
36	OFELIA R. BLANCO	1,000
37	DIONISIO LLANO BONA	15,040
38	JOSE LLANO BONA	2,800
39	ANTONIO CAMPOS BOUFFARD	3,490
40	LUISA C. BOYARSKI	8,240
41	FERNANDO M. BRAGANZA JR.	8,000
42	ANTONIO M. BRAGANZA	8,000
43	EMILIA M. BRAGANZA	8,000
44	FERNANDO M. BRAGANZA	2,960
45	RENATO M. BRAGANZA	8,000
46	CARMEN A. BROOKS	4,800
47	RAFAEL V. CABRERA	54,800
48	FELICIANA CAMARA	34,240
49	QUIRICO S. CAMUS JR.	15,760
50	ELISEO CANDO	10,000
51	MA. LONIA CANTORIA	10,000

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

Count	Name	Holdings
103	DE PARELLADA, ANGELES CAMPOS	160
104	DE PRADERA, GLORIA CAMPOS	160
105	DELA CRUZ, EDITHA M.	25,240
106	DELA RIVA, CARMEN GALOBART	277,440
107	DELGADO, HERMENEGILDO A.	10,000
108	DELGADO, NELLIE C.	33,190
109	DINO, REV. FR. ISIDRO D.	2,520
110	DIZON, NILDA S.	59,400
111	DIZON, VIRGINIA	30,160
112	DONATO, BELARIO S.	128,200
113	DONATO, MARIANO	7,160
114	DONGON, AMADO	48,280
115	DURDULAW, ARTEMIO	48,280
116	DY, ENGRACIA	28,960
117	E. SANTAMARIA & CO., INC.	6,000
118	EDWINA, ANGELICA, MICHELLE LITTON ORTIGAS	1,320
119	ELIGIR & YAPTINCHAY, INC.	1,880
120	ELNAR, CARLOS	4,800
121	ENRILE, REINALISSA B.	20,000
122	EQUITABLE SECURITIES (PHIL.), INC.	500
123	ERANA, AMANDA L.	38,160
124	ESCALER, JOSE O.	1,600
125	ESPIRITU, BENJAMIN IGNACIO	10
126	ESTATE OF ALLEN CHAM	27,680
127	ESTATE OF EMILIANO J. VALDES	42,280
128	FACTORAN JR., FULGENCIO	200
129	FAYLONA, MA. CHRISTINA F.	32,400
130	FERNANDEZ, DIT	38,600
131	FERNANDEZ, GODOFREDO C.	51,440
132	FERNANDEZ, JESUS PELLON	55,040
133	FLORES, ANTONIO	10,000
134	FONG, FRANCISCO WING SIEN	70,480
135	FORD, THOMAS J.	210,320
136	FORD, THOMAS J.(MRS.)	63,400
137	FORMOSO, ALVARA PAPA	7,160
138	FOX E.L.	9,600
139	FRANCES AGNES LLANEZA	13,200
140	GAERLAN, ELENA A.	9,600
141	GARCIA, MERCEDES A.	25,720
142	GARROVILLAS, ADRIANO B.	5,720
143	GIOK, TAN KIM	3,800
144	GO, MARTINA L.	4,000
145	GOMEZ, JESUS PINO	42,280
146	GONZALES, ANTONIO A.	12,640
147	GONZALES, FELIX	160
148	GONZALES, FELIX GARCIA	42,280
149	GONZALES, MARIANO	1,360
150	GONZALES, VICENTE A.	12,640
151	GUAN, TAN	115,880
152	GUERRERO, LEON MA.	8,240
153	GUEVARRA, ANTONIO	5,720

Count	Name	Holdings
154	GUEVARRA, ESTELLA YAP	1,880
155	GURREA, CARLOS JOSE Y PALENZUELA	5,840
156	GURREA, MA. ROBERTA Y PALENZUELA	5,840
157	GUTIERRES, TERESA MARTINEZ VDA DE	198,160
158	GUTIERREZ, JESUS MOLINA	163,000
159	GUTIERREZ, LEONILA	10,000
160	GUZMAN, MA. LUISA GARCIA	120
161	HAW, MADING	23,160
162	HEIRS OF JORGE JOSE DE LEON	24,425
163	HEIRS OF JOSE NATIVIDED BARTOLOME DE LEON II	24,425
164	HEIRS OF JUAN LEOPOLDO DE LEON	24,425
165	HEIRS OF MA. LUISA DE LEON ESCALER	24,425
166	HEIRS OF MA. VICTORIA MARFA SATRUSTEGUI	178,720
167	HEIRS OF OSCAR TRINIDAD DE LEON	24,425
168	HEIRS OF REGINA TERESA DE LEON JALANDONI	24,425
169	HEREDEROS DE MISS M.J. WARD	19,400
170	HERNANDEZ, JOSE	3,160
171	HERNANDEZ, PACITA	3,160
172	HERNANDEZ, PEDRO	3,160
173	HIJOS DE F. ESCANO, INC.	9,600
174	HING, CO PENG	34,740
175	HIONG, CO CHE	19,240
176	HO, SUSANA Y.	38,600
177	HOY, TOMAS TSEN	16,160
178	HU, TIU	17,320
179	IGLESIAS, AURORA CARRANZA VDA DE	84,800
180	IGLESIAS, JOSE LUIS	21,440
181	IGLESIAS, JOSE MARIA	21,440
182	ILETO, VIRGINIA M.	3,400
183	IRAGORRI, EDUARDO GALLARZA	272,560
184	J.J. ORTIGAS & CO., INC.	4,240
185	JALANDONI, REGINA DE LEON	3,030
186	JIMENEZ, FEDERICO P.	8,760
187	JUMANGIT, ERLINDA	5,520
188	KRAMER JR.,ERNEST A.	36,680
189	KRAMER, FEDERICO JOSE	36,720
190	KRAMER, VICTOR ANTONIO O.	36,720
191	L. RECIO & CO., INC.	6,240
192	LAFUENTE, LEOPOLDO	16,960
193	LAGDAMEO, SOL C.	10,000
194	LAHOZ, MANUEL	10,000
195	LEANA CONSOLIDATED CORPORATION	14,160
196	LEDESMA, MAVIS DEL ROSARIO	12,120
197	LIAN, YAP SIO	11,520
198	LIM, FELIMON	27,160
199	LIM, GALNIESA KONG	100,440
200	LIM, JENNY T.	127,560
201	LIM, JOSEFINA T.	127,560
202	LIM, JUDY	11,520
203	LIM, RAMON	9,600
204	LIM, VIRGILIO	40

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

Count	Name	Holdings
256	OSIAS, JOSEPH	10,000
257	OWEN NATHANIEL S. AU ITF: LI MARCUS AU	20
258	PACHECO, GENEROSA	3,800
259	PADILLA, RENATO BRIONES	10
260	PANICUCCI, TRINIDAD DE LEON	24,430
261	PANLILIO, CARLOS D.	106,960
262	PANLILIO, LUIS D.	26,740
263	PANLILIO, PABLO D.	53,480
264	PANLILIO, TERESITA D.	53,480
265	PASCASIO, PAMELA A., &/OR EDWIN FRANCIS PASCASIO &/OR MIRIAM A. PASCASIO	21,080
266	PCD NOMINEE CORPORATION (FILIPINO)	261,315,494
267	PCD NOMINEE CORPORATION (FOREIGN)	8,759,741
268	PHILSEC INVESTMENT CORPORATION	2,960
269	PICORNELL ORTIGAS & COMPANY	2,240
270	PIN, KONG CHAI	11,520
271	PLANAS, LOURDES CAMPOS	160
272	PLOFINO, MANUEL	10,000
273	PO, JANE	11,520
274	PO, LIM CHU	121,560
275	PO,PACITA	28,960
276	PO, THOMAS	2,040
277	PRICE, PILAR	15,030
278	PRIETO, AURELIO	4,400
279	PRIETO, JOSE	4,080
280	PRIETO, VALENTIN	9,360
281	PRIETO, VICENTE	6,120
282	PUNSALAN, CARLO A.	1,880
283	QUEROL, JESUS T.	9,600
284	RECTOR DEL SEMINARIO MAYOR DE SAN CARLOS	221,480
285	REGINA CAPITAL DEV. CORP. 000351	10,000
286	REYES JR., NARCISO	26,400
287	REYES, ANTONIO Z.	31,200
288	REYES, NORMA L., ITF NORMAN L. REYES	19,780
289	REYES, NORMA L.,ITF NANETTE L. REYES	14,080
290	REYES, NORMA L.,ITF NARCISO REYES III	44,070
291	REYES, NORMA L.,ITF NICANOR L. REYES	32,120
292	REYES, PERLITO C.	520
293	REYES, PRISCILA A.	1,480
294	RICHARDS, RAMORA C.	8,240
295	RIVILLA, LUIS TIRSO	36,000
296	ROASA, SAMUEL T.	8,880
297	ROBINOZ, BEATRIZ, &/OR EDWIN ROBINOZ	3,400
298	ROBIOU, FRANCISCO DE URMENETA	54,360
299	ROBLES, RAFAEL CAMPOS	1,680
300	ROBLES, REMEDIOS WARREN	19,400
301	ROCHA PEREZ INC.	12,120
302	RODRIGUEZ, JOAQUIN, &/OR SONJA RODRIGUEZ	62,880
303	ROJO, MONA LIZA	10,000
304	ROMULO, MARILES C.	441,240
305	S.J. ROXAS & C OMPANY, INC.	3,770
306	SALA, SALVADOR E.	18,320

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

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

Total Stockholders : **282,545,960**

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **06 December 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **727**

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

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

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

6. (SEC Use Only)
   Industry Classification Code

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

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

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

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

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

11. Indicate the item numbers reported herein:

Item 9. Other items

The Board of Directors of Central Azucarera de Tarlac ("CAT") during its meeting held on 06 December 2022, approved the following:

> The Annual Stockholders' Meeting shall be held on the second Tuesday of January in accordance with the By-Laws, which is 31 January 2023 at 10:00 AM.

SIGNATURES

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

06 December 2022.

CENTRAL AZUCARERA DE TARLAC
Issuer

By:

[redacted]
ADDISON B. CASTRO
Assistant Corporate Secretary &
Compliance Officer

3SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **31 January 2023**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **727**

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

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

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

6. (SEC Use Only)
   Industry Classification Code

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

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

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**238,496,840**

11. Indicate the item numbers reported herein:

Results of the Annual Stockholders' Meeting Held on 31 January 2023

In the recently concluded Annual Stockholders' Meeting of Central Azucarera de Tarlac ("CAT"), stockholders as of 11 January 2023 (record date) approved / ratified the following reports / proposals / acts:

1. The Minutes of the Annual Meeting of Stockholders held on 25 January 2022;

2. The Audited Financial Statements for the Fiscal Year Ending June 30, 2022, contained in the Annual Report for the Fiscal Year 2021-2022;

3. All acts and proceedings of the Board of Directors and Officers since the last Annual Meeting of the Stockholders;

4. Reappointment of Sycip Gorres Velayo & Company as external auditors of the Company for Fiscal Year 2022-2023.

5. In the same meeting, the stockholders elected the following nominees to the Board of Directors:
    1. MARTIN IGNACIO P. LORENZO
    2. FERNANDO IGNACIO C. COJUANGCO
    3. VIGOR D. MENDOZA II
    4. FERNAN VICTOR P. LUKBAN
    5. RENATO B. PADILLA -- Independent Director
    6. BENJAMIN I. ESPIRITU -- Independent Director

SIGNATURES

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

31 January 2023.

CENTRAL AZUCARERA DE TARLAC

[redacted]

By:

ADDISON B. CASTRO
Assistant Corporate Secretary &
Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **31 January 2023**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **727**

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

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

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

6. (SEC Use Only)
   Industry Classification Code

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

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

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**238,496,840**

11. Indicate the item numbers reported herein:

Results of the Organizational Board Meeting Held on 31 January 2023

The results of the organizational board meeting of the board of directors which was immediately held after the annual stockholders' meeting on 31 January 2023 are:

A. The following were elected / appointed officers of CAT:

Name	Position
MARTIN IGNACIO P. LORENZO	Chairman of the Board and Chief Executive Officer
FERNANDO IGNACIO C. COJUANGCO	President and Chief Operations Officer
CECILE D. MACAALAY	Chief Financial Officer
FERNAN VICTOR P. LUKBAN	Treasurer
JANETTE L. PEÑA	Corporate Secretary
ADDISON B. CASTRO	Assistant Corporate Secretary and Compliance Officer

B. The following were appointed to constitute the Board's Audit Committee, Corporate Governance Committee and Executive Committee:

AUDIT COMMITTEE

BENJAMIN I. ESPIRITU	Chairman
VIGOR D. MENDOZA II	Member
FERNAN VICTOR P. LUKBAN	Member

CORPORATE GOVERNANCE COMMITTEE

RENATO B. PADILLA	Chairman
BENJAMIN I. ESPIRITU	Member
FERNAN VICTOR P. LUKBAN	Member

EXECUTIVE COMMITTEE

MARTIN IGNACIO P. LORENZO	Chairman
FERNANDO C. COJUANGCO	Member
FERNAN VICTOR P. LUKBAN	Member

SIGNATURES

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

31 January 2023.

CENTRAL AZUCARERA DE TARLAC
Issuer

By:

[redacted]
ADDISON B. CASTRO
Assistant Corporate Secretary &
Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **March 30, 2023**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **727**   3. BIR Tax Identification No. **000-229-931**

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

5. **Manila, Philippines**
   Province, country or other jurisdiction of incorporation   6. (SEC Use Only) Industry Classification Code

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

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

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

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

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

11. Indicate the item numbers reported herein:

Item 9. Other items

The Board of Directors of Central Azucarera de Tarlac ("CAT") during its meeting held on March 30, 2023, approved the following:

> The Special Stockholders' Meeting shall be held on May 16, 2023, Tuesday, at 10:00 AM, in person at the Luisita Golf & Country Club and through remote communication, for the election of three (3) additional directors.

SIGNATURES

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

March 30, 2023.

CENTRAL AZUCARERA DE TARLAC
Issuer

By:

[redacted]

ADDISON B. CASTRO
Assistant Corporate Secretary &
Compliance Officer

3SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **16 May 2023**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **727**

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

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

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

6. (SEC Use Only)
   Industry Classification Code

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

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

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**238,496,840**

11. Indicate the item numbers reported herein:

Results of the Special Stockholders' Meeting Held on 16 May 2023

In the recently concluded Special Stockholders' Meeting of Central Azucarera de Tarlac ("CAT"), stockholders elected the following additional directors to complete the members of the Board of Directors

1. MARTIN DIEGO L. LORENZO
2. MATEO RAFAEL L. LORENZO
3. PEDRO FRANCISCO B. COJUANGCO

SIGNATURES

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

16 May 2023.

CENTRAL AZUCARERA DE TARLAC
Issuer

By: [redacted]
ADDISON B. CASTRO
Assistant Corporate Secretary &
Compliance Officer

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule A. Marketable Securities - (Current Marketable Equity Securities and Other Short-Term Cash Investments)

Name of Issuing entity and association of each issue (1)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (2)	Valued based on market quotation at balance sheet date (3)	Income received and accrued
		NONE TO REPORT		
TOTAL	Php	-	0	

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of Debtor	Balance, July 1, 2022	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at, June 30, 2023
Advances to officers and employees - cash advance for business expenses	5,435,684.78	57,025,511.16	(57,714,145)				4,747,051.31
	5,435,684.78	57,025,511.16	(57,714,144.63)	-	-	-	4,747,051.31

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule C. Non-Current Marketable Equity Securities, Other Long-Term Investments in Stock, and Other Investments

Name of Issuing entity and description of Investment	Beginning Balance		Additions		Ending Balance	
	Number of shares or principal amount of bonds and notes	Amount in Pesos	Equity in earnings (losses) of investees for the period	Other	Number of shares or principal amounts of bonds and notes	Amount in Pesos
Proprietary shares						
Luisita Golf and Country Club, Inc.	556	139,000,000	27,800,000		556	166,800,000
Alabang Golf & Country Club	1	7,500,000	4,500,000		1	12,000,000
Investment in shares of stock		-				-
Philippine Long Distance Corporation	3,426	495,180	(101,568)		3,426	393,612
CAT Realty Corporation	35,000	147,000	0		35,000	147,000
Economic Development Foundation, Inc	1	15,000	0		1	15,000
		147,157,180	32,198,432	-		179,355,612

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule D. Indebtedness of Unconsolidated Subsidiaries and Related Parties

Name of Related parties (1)	Balance at beginning of period	Balance at end of period
North Star Estate Holdings	28,507,377	40,178
CAT Resource and Asset Holdings, Inc.	987,413,349	1,003,819,950
Luisita Trust Fund	10,766,219	7,731,389
Luisita Golf & Country Club, Inc.	25,709,492	18,560,803
Tarlac Distillery Corporation	125,116,021	142,436,037
Green Future Innovation, Inc.	-	16,424,789
First Green Renewable Holdings, Inc.	83,508,050	83,508,050
Buenavista Corporate Asset Holding, Inc.	14,112,176	14,112,176
CAT Foundation	1,000,000	1,130,770
Blue Mountains Corp.		5,772,500
TOTAL	1,276,132,684	1,293,536,642

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule E. Intangible Assets - Other Assets

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
Goodwill	502,418,570					502,418,570

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule F. Long Term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Notes Payable - Banks		134,811,646	525,070,321
Total		**134,811,646**	**525,070,321**

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule G. Indebtedness to Related Parties

Name of related party	Balance at beginning of period	Balance at end of period
First Lucky Holdings Corporation	9,715,195	9,735,195
First Lucky Agro-Industrial Corporation	2,081,764	2,081,764
Green Future Innovation, Inc.	-	
Total	**11,796,959**	**11,816,959**

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule H. Guarantees of Securities of Other Issuers (1)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
		NONE TO REPORT		

Securities and Exchange Commission
SRC Rule 68, as amended
Annex 68.1 M, Schedules

Schedule I. Capital Stock (1)

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares	400,000,000	238,496,840		102,876,250	Martin Ignacio P. Lorenzo	
				98,841,890	Fernando C. Cojuangco	
TOTAL	400,000,000	238,496,840		201,718,140		