

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 20-IS

### INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter

CENTRAL AZUCARERA DE TARLAC, INC.

3. Province, country or other jurisdiction of incorporation or organization

Manila, Philippines

4. SEC Identification Number

PW0000727

5. BIR Tax Identification Code

000229931

6. Address of principal office

San Miguel, Tarlac City

Postal Code

2301

7. Registrant's telephone number, including area code

(632) 8818.62.70

8. Date, time and place of the meeting of security holders

January 27, 2026, 10:00 A.M., Luisita Golf Clubhouse, San Miguel, Tarlac City

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Jan 6, 2026

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

N.A.

Address and Telephone No.

N.A.

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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Common

238,496,840

13. Are any or all of registrant's securities listed on a Stock Exchange?

Yes          No

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

Philippine Stock Exchange Common

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## Central Azucarera de Tarlac, Inc. CAT

**PSE Disclosure Form 17-5 - Information Statement for Annual or  
Special Stockholders' Meeting**  
*References: SRC Rule 20 and  
Section 17.10 of the Revised Disclosure Rules*

<b>Date of Stockholders' Meeting</b>	Jan 27, 2026
<b>Type (Annual or Special)</b>	Annual
<b>Time</b>	10:00 AM
<b>Venue</b>	Luisita Golf Clubhouse, San Miguel, Tarlac City
<b>Record Date</b>	Jan 7, 2026

**Inclusive Dates of Closing of Stock Transfer Books**

<b>Start Date</b>	Jan 7, 2026
<b>End date</b>	Jan 27, 2026

**Other Relevant Information**

N.A.

Filed on behalf by:

<b>Name</b>	Addison Castro
<b>Designation</b>	Assistant Corporate Secretary and Compliance Officer

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b)  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter  
**CENTRAL AZUCARERA DE TARLAC, INC.**
3. **Manila, Philippines**  
 Province, country, or other jurisdiction of incorporation or organization
4. SEC Identification Number      **PW0000727**
5. BIR Tax Identification Code      **000229931**
6. **San Miguel, Tarlac City**                      **2301**  
 Address of principal office                      Postal Code
7. Registrant's telephone number, including Area Code **(632) 8818.62.70**
8. **January 27, 2026, 10:00 A.M., Luisita Golf Clubhouse, San Miguel, Tarlac City**  
 Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to Security Holders      **On or before January 6, 2026**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (Information on number of shares and amount of debt is applicable only to corporate registrants)
 

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding</u>
<b>Common Shares</b>	<b>238,496,840</b>
11. Are any or all of registrant's securities listed on a Stock Exchange?  
 Yes                          No
12. If yes, disclose the name of such Stock Exchange and the class of securities listed therein  
**Philippine Stock Exchange**                      **Common**

**CENTRAL AZUCARERA DE TARLAC, INC.**  
**Information Statement**

**A. GENERAL INFORMATION**

**Item 1. Date, time and place of Annual Meeting of Security Holders**

The Annual Stockholders' Meeting of Central Azucarera de Tarlac, Inc. (the "Company") is scheduled to be held on January 27, 2026, 10:00 a.m. at the clubhouse of Luisita Golf and Country Club, San Miguel, Tarlac City.

The complete mailing address of the Company is CAT, San Miguel, Tarlac City 2301.

The approximate date on which this Information Statement shall be sent to stockholders is on or before January 6, 2026. The complete Information Statement may be accessed by the stockholders at the Company's website <http://luisitasugar.com/>

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED TO SEND US A PROXY

**Item 2. Dissenters' Right of Appraisal**

Sections 11, 15, 36, 39, 41, 76, and 80 of the Revised Corporation Code enumerates the instances when a stockholder of any corporation may exercise his appraisal right. These are:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class;
2. In case of extending or shortening the term of corporate existence;
3. In case of a sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets;
4. In case of merger or consolidation.
5. In case the corporation invests its funds in any other corporation, business, or for any purpose other than its primary purpose.

There are no matters to be acted upon in the annual stockholders' meeting that may give rise to the exercise of a dissenter's right of appraisal under the Corporation Code.

If, at any time after this Information Statement has been distributed to the stockholders, an action that may give rise to the right of appraisal is proposed and voted upon at the meeting, then any dissenting stockholder who wishes to exercise his/her appraisal right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his/her shares to be determined as of the day prior to the date the vote was taken.

### **Item 3. Interest Of Certain Persons In Or Opposition To Matters To Be Acted Upon**

- a) No directors or officers, or nominees/candidates for election as a director of the Corporation, or any of their associates have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the annual stockholders' meeting other than election to office.
- b) The Company has not received any information from any director who intends to oppose any matter or action to be taken in the annual stockholders' meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **Item 4. Voting Securities and Principal Holders Thereof**

- a) Number of Shares Outstanding and the Number of Votes to which each class is entitled.

As of December 5, 2025, there are 238,496,840 outstanding shares entitled to be voted at the annual stockholders' meeting, 13,581,867 of which are foreign-owned shares. The number of votes due a security holder will depend on the number of shares he/she owns. Per share of stock is equivalent to one vote.

- b) Record Date.

Only stockholders of record as of January 7, 2026 are entitled to vote during the annual stockholders' meeting.<sup>1</sup>

- c) Voting Procedures of Directors.

In the election of directors, each stockholder may either (a) vote such number of shares for as many persons as there are directors to be elected; or (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit Provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder as shown in the books of the corporation multiplied by the whole number of directors to be elected.

The election is by ballot, unless there is a motion duly made and seconded that the election be made viva voce. The canvassing of ballots and the counting of votes shall be under the direct control and supervision of the Corporate Secretary or in the absence of the Corporate Secretary, the Assistant Corporate Secretary, who may be assisted by third parties if needed.

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<sup>1</sup> The register of shares of the Corporation and its transfer books shall be closed during the next twenty (20) days preceding the General Meeting upon which the election of the Directors is held and during the twenty (20) days preceding the date upon which dividends are declared payable and during such time as the Board of Directors may determine. (Section 2, Article I, Amended By-Laws)

**d) (i) Security Ownership of Certain Record and Beneficial Owners.**

As of December 5, 2025, the Security Owners of Certain Record and Beneficial Owners of more than 5% of the Company's outstanding capital stock is set forth in the table below:

<b>Title of Class</b>	<b>Name and Address of Record Owner and Relationship with Issuer</b>	<b>Name of Beneficial Ownership and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>Number of Shares Held</b>	<b>%</b>
Common	PCD Nominee Corporation 37/F Enterprise Tower 1, Ayala Avenue, Makati City	CAT Resource & Asset Holdings Inc. (CRAHI) and various individuals  CRAHI is a substantial shareholder of the Company owning 201,718,140 indirect shares or 84.58% and will be represented by Martin Ignacio P. Lorenzo and Fernando Ignacio C. Cojuangco in the ASM.	Filipino	225,831,185	94.69
<i>* Beneficial ownership through PCD Nominee Corporation</i>					
Common	CAT Resource & Asset Holdings Inc. (CRAHI) 3/F First Lucky Place 2259 Pasong Tamo Extension, Makati City	Martin Ignacio P. Lorenzo is the Chairman and CEO of CRAHI.	Filipino	102,876,250 (indirect/beneficial shares)	43.14
		Fernando Ignacio C. Cojuangco is the President and COO of CRAHI.	Filipino	98,841,890 (indirect/beneficial shares)	41.44

Apart from the foregoing, there are no other persons holding more than 5% of the Company's outstanding capital stock.

**(ii) Security Ownership of Management.**

As of December 15, 2025, the shareholdings of the incumbent directors and officers are set forth below:

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>%</b>
Common	Martin Ignacio P. Lorenzo	102,876,250 200 500 <sup>2</sup> 700 <sup>3</sup>	Indirect Filipino	43.13%
Common	Fernando Ignacio C. Cojuangco	98,841,890 200 500 <sup>4</sup>	Indirect Filipino	41.44%
Common	Fernan Victor P. Lukban	200	Indirect Filipino	0.00%
Common	Renato B. Padilla	10	Direct Filipino	0.00%
Common	Benjamin I. Espiritu	10	Direct Filipino	0.00%
Common	Martin Diego L. Lorenzo	500	Indirect Filipino	0.00%
Common	Mateo Rafael L. Lorenzo	700	Indirect Filipino	0.00%
Common	Pedro Francisco B. Cojuangco	500	Indirect Filipino	0.00%
Common	Cecile D. Macaalay	5,000	Indirect Filipino	0.00%
Common	Janette L. Peña	0	- Filipino	0.00%
Common	Addison B. Castro	0	- Filipino	0.00%

The aggregate ownership of all directors and officers is 201,725,460 shares or 84.58% of the total shares outstanding.

**(iii) Voting Trust Holders of 5% or More.**

The Company is not aware of any voting trust agreement with any stockholder owning more than 5% of the securities.

**e) Changes in Control.**

There has been no change in control of the Company since the beginning of its last fiscal year, and the Company is not aware of any existing, pending or potential transaction that may result in such change in control.

<sup>2</sup> Indirect shares of Director Martin Diego L. Lorenzo, son of Director Martin Ignacio P. Lorenzo.

<sup>3</sup> Indirect shares of Director Mateo Rafael L. Lorenzo, son of Director Martin Ignacio P. Lorenzo.

<sup>4</sup> Indirect shares of Director Pedro Francisco B. Cojuangco, son of Director Fernando Ignacio C. Cojuangco.

## **Item 5. Directors and Executive Officers**

As of December 5, 2025, the directors and executive officers of the Company and the number of years they have served as such are as follows:

<b>Name</b>	<b>Position</b>	<b>Term / Period Served</b>
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	October 15, 2014 up to present
Fernando Ignacio C. Cojuangco	President & COO	January 31, 2012 up to present
Fernan Victor P. Lukban	Director	October 15, 2014 up to present
	Treasurer	November 5, 2019 up to present
Martin Diego L. Lorenzo	Director	May 16, 2023 up to present
Mateo Rafael L. Lorenzo	Director	May 16, 2023 up to present
Pedro Francisco B. Cojuangco	Director	May 16, 2023 up to present
Renato B. Padilla	Independent Director	October 15, 2010 up to present
Benjamin I. Espiritu	Independent Director	October 29, 2013 up to present
Cecile D. Macaalay	Treasurer	October 15, 2014 up to November 5, 2019
	Chief Financial Officer	September 10, 2019 up to present
Janette L. Peña	Corporate Secretary	October 15, 2014 up to present
Addison B. Castro	Assistant Corporate Secretary	October 15, 2014 up to present

The following incumbent directors, namely: Messrs. Martin Ignacio P. Lorenzo, Fernando C. Cojuangco, Fernan Victor P. Lukban, Martin Diego L. Lorenzo, Mateo Rafael L. Lorenzo, and Pedro Francisco B. Cojuangco, have been nominated for election to the Board of Directors in the forthcoming annual stockholders' meeting.

The selection and nomination of the independent directors by the Corporate Governance Committee (which performs the functions of the Nomination Committee) is in compliance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors), and the Company's new Manual of Corporate Governance. Mr. Edward Albert E. Eviota has been nominated as independent director.

A summary of the qualifications of the incumbent directors who were nominated for election in the forthcoming annual stockholders' meeting, and the incumbent officers of the Company is set forth below:

**Martin Ignacio P. Lorenzo**, age 60, Filipino, is currently the Chairman & Chief Executive Officer of the Company. Concurrently, he is also the Chairman and Chief Operating Officer of CAT Resource & Asset Holdings Inc. He holds the same position in the investment holding company of CAT, First Lucky Holdings Corporation, and its subsidiaries, namely, Restaurants Concepts Group, Inc., Amang Rodriguez Holdings, Inc. Cocosorbetero Holdings, Inc., Hospitality School Management Group, Inc. Mr. Lorenzo is likewise the Chairman and Chief Executive Officer of Marlor Investments Corporation and holds the same position in its subsidiaries: Blue Mountains Corporation and LAC-DC. He is also the Chairman and President of First Lucky Property Corporation. He currently holds position in other investment companies, namely, St. Tropez Holdings Corporation and Sierra Madre Capital. He is a Director in Familia Lorenzo Foundation, Incorporated. Mr. Lorenzo has over 20 years of extensive experience in investments and operations in various industries including agriculture, manufacturing and food retail. He obtained his BS Management Engineering degree at Ateneo de Manila University in 1986. He obtained his

Master's in Business Administration in Wharton Graduate School, University of Pennsylvania, in 1990.

**Fernando C. Cojuangco**, age 63, Filipino, is currently the President and Chief Operating Officer of the Company. He holds the same position in CAT Resource & Asset Holdings Inc. and is also the Chairman and President of Liberty Insurance Corporation. He is the Chairman & Chief Operating Officer of North Star Estate Holdings. A lawyer by profession, he is a principal partner in MALCOLM Law Offices. Mr. Cojuangco has extensive experience in agriculture, real estate and insurance industries. He is a holder of a Bachelor of Arts degree in Economics from the University of California and Member of the Omicron Delta Epsilon Honors Society. He obtained his Bachelor of Laws degree with honors from the Ateneo de Manila University.

**Fernan Victor P. Lukban**, age 64, Filipino, is the Treasurer of the Company. He is one of the top Strategy and Family Business consultants in the Philippines. He is a founding fellow at the Institute of Corporate Directors in Manila and is also an International Fellow of the Australian Institute of Company Directors. He holds undergraduate degrees in Engineering from De La Salle University and graduate degrees in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific, Manila. He also has a Master's degree in Business Administration from IESE, Barcelona, Spain.

**Martin Diego L. Lorenzo, Jr.** age 35, Filipino, is a Director of the Company. He is the Co-Founder and CEO of Pickup Coffee, leading grab-and-go coffee chain in the country. He is also a director in First Lucky Holdings Corporation and its subsidiaries, namely, RestaurantConcepts Group, Inc. and Meatworld International Inc. He holds the same position in Pickup Ventures Pte Ltd, a holding company incorporated in Singapore. He is a graduate of BS Management Engineering at Ateneo de Manila University in 2012 and Masters in Business Administration in Wharton Graduate School in 2018.

**Mateo Rafael L. Lorenzo**, age 32, Filipino, is a Director of the Company. He is the Managing Director of Green Future Innovations, Inc, a bioethanol and co-generation plant and an affiliate of the Company. He is also a Director of First Lucky Holdings, Inc. and its subsidiaries namely, First Green Renewable Holdings, Inc. First Lucky Education Holdings, Corp., Meatworld International Inc., RestaurantConcepts Group, Inc., Focus Athletics, Inc., Tarlac Distillery Corp., and Courxera Holdings Corp. He obtained his BS Management Engineering at Ateneo de Manila University in 2014 and finished his Master's Degree in Business Administration from Wharton Graduate School in 2021.

**Pedro Francisco B. Cojuangco**, age 32, Filipino, is a Director of the Company. He is part of the management team of Central Luzon Cane Growers and Tarlac Distillery Corporation as the head of operations. He holds various directorship positions in North Star Estate Holdings, Inc. North Star Agro Energy Holdings Inc., Asturias Land and Asset Holdings Inc. and Farm Central Builder Holdings, Inc. He is also a Director in CAT Realty Corporation, Luisita Marketing Corp., and Mercanto Trading Corporation. He studied Political Science in Corpus Cristi College in Vancouver, Canada.

**Edward Albert E. Eviota**, age 63, Filipino. He is a practicing lawyer in the energy, infrastructure, information technology, logistics, transportation, and utilities sectors. Atty. Eviota heads the energy advisory, general commercial law, and infrastructure practice of the Dime and Eviota Law Firm. He is also currently the Corporate Secretary and Legal Counsel of the Philippine Independent Power Producers Association, Inc. (PIPPA). He is a founding member and remains a trustee of the Energy

Lawyers Association of the Philippines, Inc. (ELAP). Atty. Eviota obtained his Bachelor of Arts degree in Economics from Xavier University in 1983 and his Bachelor of Laws degree from the Ateneo de Manila University in 1988.

**Cecile D. Macaalay**, age 57, Filipino, is the Chief Finance Officer of the Company. She is a practicing Certified Public Accountant. She is also the Chief Finance Officer of First Lucky Holdings Corporation and the Director of its subsidiaries such as Restaurant Concepts Group, Inc., LAC - DC and Cocosorbetero Holdings, Inc. She is also the Treasurer of CAT Resource & Asset Holdings, Inc. and Assistant Treasurer of Amang Rodriguez Holdings, Inc.. She obtained her Bachelor of Science Degree in Business Administration and Accountancy at University of the Philippines in 1990.

**Janette L. Peña**, Janette L. Peña, age 65, Filipino, is the current Corporate Secretary the Company. She is also the Corporate Secretary of CAT Resource & Asset Holdings Inc. and First Lucky Holdings Corp. Ms. Peña is an Independent Director of The Manufacturer's Life Insurance Co. (Phils), Inc. Manulife Financial Plans, Inc., Manulife Chinabank Life Assurance Corporation, China Oceans Philippines, Inc., and Corporate Secretary for Macondray Philippines Co., Inc., other subsidiaries, among others. Ms. Peña graduated from the University of the Philippines with a Bachelor of Science degree in Business Economics (Cum laude). She received her Bachelor of Laws from the University of the Philippines College of Law (Cum laude) and ranked first in the 1985 Philippine Bar Exams. She completed her Master of Laws in Harvard Law School.

**Addison B. Castro**, age 62, Filipino, is the Assistant Corporate Secretary and Chief Compliance Officer of the Company. Atty. Castro is a practicing lawyer and a Principal Partner of Gatchalian and Castro Law Offices. He is the Chief Compliance Officer of Liberty Insurance Corporation. He was a professor of the Lyceum of the Philippines University, College of Law. He graduated with a degree of Bachelor of Science in Applied Economics at the De La Salle University in 1983. He obtained his Bachelor of Laws degree from the Ateneo de Manila University in 1988.

### **Family Relationships.**

Mr. Martin Ignacio P. Lorenzo, the Chairman of the Board and CEO, is the father of Mr. Martin Diego L. Lorenzo and Mr. Mateo Rafael L. Lorenzo, Directors.

Mr. Fernando Ignacio C. Cojuangco, the President and COO, is the father of Mr. Pedro Francisco B. Cojuangco, Director.

There are no other family relationships among the directors and officers of the Company.

### **Identification of Significant Personnel**

Mr. Noel Payongayong, Resident Manager, is a key personnel who is expected to make significant contribution to the business of the registrant.

### **Involvement in Certain Legal Proceedings**

To the best knowledge of the Company, as of the date of this report, none of its directors and officers have been involved during the past five (5) years in any legal or administrative

proceedings in the Philippines or elsewhere, which are material to an evaluation of the ability or integrity of any of the said directors, nominee for election as director, or executive officers; also, none of them have been convicted by final judgment in any criminal proceeding or being subject to a pending criminal proceeding, or being subject to any order, judgment or decree of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; nor being found in a civil action to have violated a securities or commodities law.

### **Certain Relationships and Related Transactions**

In the normal course of its business, the Company had transactions with related parties which are disclosed in the notes to the financial statements. Please see Note 23<sup>5</sup> (Related Party Transactions) of the Notes to Audited Financial Statements as of June 30, 2025. A copy of the Company's Annual Report with the Audited Financial Statements as of June 30, 2025 is attached as *Annex "A"*.

The Company has adopted a Policy on Material Related Party Transactions in compliance with the Securities and Exchange Commission's (SEC) Memorandum Circular No. 10, Series of 2019. No action is required to be taken at the annual stockholders' meeting with respect to any material related party transaction requiring the approval or ratification of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company.

The Company identifies an enterprise as a related party if it directly or indirectly owns, controls, or has an interest in the voting power of another related party that gives a significant influence over the enterprise.

Intercompany transactions as disclosed in the Audited Financial Statements of the Company mostly pertain to advances made to various related parties to support their operations. These advances are short-term and non-interest bearing and its payment procedure is through monetary consideration.

A Transfer Pricing Documentation, as required, is also prepared by an independent appraiser to study and ascertain that these are arms-length transactions, with the consideration of the related party's organizational structure, nature of the business, market conditions and risk analysis.

### **Resignation of Director**

No director has resigned or declined to stand for re-election because of disagreement with the Company on any matter relating to the Company's operations, policies or practices.

### **Item 6. Compensation of Directors and Executive Officers**

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<sup>5</sup> Marked as *Annex "A-2"*.

## Summary Compensation Table

Estimated Compensation for FY 2025 – 2026						
Name	Position	Salary & Professional Fees	Bonus	Transportation	Per Diem	Total
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	₱25,492,231.92	₱2,122,057.42	₱1,329,964.19	₱210,000	₱29,154,253.53
Fernando Ignacio C. Cojuangco	President & COO					
Mateo Rafael L. Lorenzo	Director					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations					
All Other Officers & Directors as a group						
<b>Total</b>		<b>₱25,492,231.92</b>	<b>₱2,122,057.42</b>	<b>₱1,329,964.19</b>	<b>₱210,000</b>	<b>₱29,154,253.53</b>

Compensation for FY 2024 – 2025						
Name	Position	Salary & Professional Fees	Bonus	Transportation	Per Diem	Total
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	₱24,992,384	₱2,080,448	₱1,303,886	₱210,000	₱28,586,719
Fernando Ignacio C. Cojuangco	President & COO					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations					
All Other Officers & Directors as a group						
<b>Total</b>		<b>₱24,992,384</b>	<b>₱2,080,448</b>	<b>₱1,303,886</b>	<b>₱210,000</b>	<b>₱28,586,719</b>

Compensation for FY 2023 – 2024						
Name	Position	Salary & Professional Fees	Bonus	Transportation	Per Diem	Total
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	₱17,327,809	₱1,455,562	₱1,609,066	₱242,500	₱20,634,937
Fernando Ignacio C. Cojuangco	President & COO					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations and Resident Manager					
All Other Officers & Directors as a group						
<b>Total</b>		<b>₱17,327,809</b>	<b>₱1,455,562</b>	<b>₱1,609,066</b>	<b>₱242,500</b>	<b>₱20,634,937</b>

Compensation for FY 2022 – 2023						
Name	Position	Salary & Professional Fees	Bonus	Transportation	Per Diem	Total
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	₱16,762,149	₱1,621,999	₱1,622,136	₱110,000	₱20,116,284

Fernando Ignacio C. Cojuangco	President & COO					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations and Resident Manager					
All Other Officers & Directors as a group						
<b>Total</b>		<b>P16,762,149</b>	<b>P1,621,999</b>	<b>P1,622,136</b>	<b>P110,000</b>	<b>P20,116,284</b>

The Director's Compensation is in accordance with Section 4, Article III of the Company's By-Laws, which provides:

"5. DIRECTOR'S COMPENSATION – The Board of Directors shall receive a fee of up to three percent (3%) of the net profits of the Corporation which shall be distributed proportionately among the directors; and each director shall receive a reasonable per diem in an amount to be determined by the Board of Directors for every board meeting actually attended. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor, **subject to the requirements of the Corporation Code.** (As amended by the Board of Directors on 11 March 2014 and the Stockholders on 22 April 2014; and further amended by the Board of Directors on 19 April 2016 and the Stockholders on 15 June 2016.)"

There are no other arrangements including consulting control. Further, there are no warrants and options outstanding as well as no warrants and options repriced.

### **Item 7. Independent Public Accountant**

In compliance with SRC Rule 68, Part I (3) (B) (ix), the Company ensures that its independent auditors shall comply with the provisions on long association of personnel, including partner rotation, as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC and such other standards as may be adopted by the Commission. In relation thereto, BOA Resolution No. 18, Series of 2018 prescribes that no individual shall be key audit partner of public interest entities for more than seven (7) years. For the fiscal year 2024-2025, Mr. Genghis O. Grospe is the engagement or signing partner.

a) The accounting firm of Sycip Gorres Velayo & Co. (SGV) is the independent public accountant of the Company for the fiscal year 2024-2025. There have been no disagreements with SGV on any matter relating to accounting principles or practice, financial statement disclosure or auditing scope or procedure. The same accounting firm is being recommended for re-appointment as the external auditor of the Company. No other matter in relation to the auditor is going to be taken up in the annual stockholders meeting.

b) Pursuant to SEC Memorandum Circular No. 8, Series of 2003, said firm assigns different Engagement Partners to the Company. Mr. Genghis O. Grospe has been assigned as the engaging or signing partner beginning fiscal year 2024-2025.

c) Representatives of SGV are expected to be present during the annual stockholders' meeting. They will have the opportunity to make a statement if they so desire and are expected to be able to respond to appropriate questions from stockholders.

d) The summary of fees paid by the Company to SGV & Co. for the last three (3) fiscal years are as follows:

	<b>FY 2024 – 2025</b>	<b>FY 2023 – 2024</b>	<b>FY 2022 – 2023</b>
Audit Fees and Other Related Services	₱1,370,400.00	₱1,405,800.00	₱1,370,400.00

### **Item 8. Compensation Plans**

No action is to be taken at the annual stockholders' meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

No action is to be taken at the annual stockholders' meeting with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

### **Item 10. Modification or Exchange of Securities**

No action is to be taken at the annual stockholders' meeting with respect to the modification of any class of securities of the Corporation, or the issuance or authorization of one class of securities of the Corporation in exchange for outstanding securities of another class.

### **Item 11. Financial and Other Information**

The Company's Audited Financial Statements and other financial information as of June 30, 2025, and the Management's Discussion and Analysis, and Plan of Operations which are hereby incorporated by reference, are contained in the Company's Annual Report (SEC Form 17-A) for fiscal year ended June 30, 2025, a copy of which is attached as *Annex "A"*.

The Company's interim financial statements and other financial information as of September 30, 2025 and the Management's Discussion and Analysis of Financial Condition, and Result of Operation for the same period, which are hereby incorporated by reference, are contained in the Company's Quarterly Report (SEC Form 17-Q) for the quarterly period ended September 30, 2025 (1<sup>st</sup> Quarter of Fiscal Year July 1, 2025 – June 30, 2026) a copy of which is attached as *Annex "B"*.

There have been no disagreements with SGV, the Company's independent public accountant, on any matter relating to accounting principles or practice, financial statement disclosure or auditing scope or procedure.

### **Item 12. Mergers, Consolidation, Acquisitions and Similar Matters**

No action will be taken at the annual stockholders' meeting with respect to any transaction involving merger, consolidation, acquisition or similar matters.

### **Item 13. Acquisition or Disposition of Property**

No action will be taken at the annual stockholders' meeting with respect to the acquisition or disposition of any property.

### **Item 14. Restatement of Account**

No action will be taken at the annual stockholders' meeting with respect to the restatement of any asset, capital or surplus account of the Company.

## **D. OTHER MATTERS**

### **Item 15. Action with Respect to Reports to be Submitted for Approval**

The Company will submit to the stockholders for approval the following:

- a) Minutes of the Annual Meeting of Stockholders held on January 28, 2025, a copy of which has been uploaded in the Company's website and is attached as *Annex "C"*;
- b) Annual Report and the Audited Financial Statements for the Fiscal Year ending June 30, 2025, copies of which have been uploaded in the Company's website and is attached as *Annex "A" and series*;<sup>6</sup>
- c) All Acts and Proceedings of the Board of Directors and Officers since the last Annual Meeting of the Stockholders;
- d) Election of Directors;
- e) Appointment of SGV as External Auditor; and

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<sup>6</sup> Copies of the Annual Report and Audited Financial Statements for the Fiscal Year ending June 30, 2025, will be provided by the Company upon written request of a security holder.

- f) Third Party Continuing Surety Agreement in favor of Bank of Commerce to secure a Php118,300,000.00 Term Loan of CRAHI for the Purchase of 520 Luisita Golf and Country Club, Inc. shares.

#### **Item 16. Matters Not Required to be Submitted**

There is no action to be taken at the annual stockholders' meeting with respect to any matter which is not required to be submitted to a vote of the stockholders.

#### **Item 17. Amendment of Charter, By-laws or Other Documents**

There is no amendment to the Company's Articles of Incorporation, By-Laws or any other documents to be submitted to a vote of the stockholders.

#### **Item 18. Other Proposed Action**

No action is to be taken at the annual stockholders' meeting with respect to any matter not specifically referred to above.

#### **Item 19. Voting Procedure**

Every stockholder shall be entitled to vote, in person or by proxy, for each share of stock held by him.

The manner of voting is non-cumulative, except as to the election of directors.

The approval of all items submitted to a vote would require the affirmative vote of a majority of the shares of the Corporation's capital stock.

In the election of directors, each stockholder may either (a) vote such number of shares for as many persons as there are directors to be elected; or (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit Provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder as shown in the books of the corporation multiplied by the whole number of directors to be elected.

The election is by ballot, unless there is a motion duly made and seconded that the election be made viva voce. The canvassing of ballots and the counting of votes shall be under the direct control and supervision of the Corporate Secretary or in the absence of the Corporate Secretary, the Assistant Corporate Secretary, who may be assisted by third parties if needed.

## **Management Report**

### **Business and General Information**

The Company's Business and General Information<sup>7</sup> provides for a brief description of the general nature and scope of the business, which is hereby incorporated by reference. The same can be found in Part I of the Company's Annual Report (SEC Form 17-A) for the fiscal year ended June 30, 2025, a copy of which is attached as *Annex "A."*

### **Management Discussion and Analysis with Plan of Operation**

The Company's Management Discussion and Analysis of Financial Condition and Result of Operation<sup>8</sup> is hereby incorporated by reference in the Company's Quarterly Report (SEC Form 17-Q) for the quarterly period ended September 30, 2025 (1<sup>st</sup> Quarter of Fiscal Year July 1, 2025 – June 30, 2026). A copy of the Company's Quarterly Report is attached as *Annex "B"*.

### **Market Information**

CAT shares are listed and traded in The Philippine Stock Exchange, Inc. The high and low share prices for each quarter during the last three (3) fiscal years are as follows:

<b>Market Information</b>				
<b>Fiscal Year</b>	<b>Quarter</b>	<b>Period</b>	<b>High</b>	<b>Low</b>
2022-2023	1Q	July – September	11.48	9.13
	2Q	October – December	10.66	8.00
	3Q	January – March	11.50	8.88
	4Q	April – June	11.00	9.01
2023-2024	1Q	July – September	10.50	8.80
	2Q	October – December	12.50	7.00
	3Q	January – March	22.4	10.54
	4Q	April – June	13.14	10.5
2024-2025	1Q	July – September	12.78	10
	2Q	October – December	11.62	10.02
	3Q	January – March	17.20	10.50
	4Q	April – June	16.02	9.00
2025-2026	1Q	July – September	11.20	9.86
	2Q	October – December 10, 2025	10.66	9.60

<sup>7</sup> Marked as *Annex "A-1"*.

<sup>8</sup> Marked as *Annex "B-1"*.

## **Corporate Governance**

The Company's directors, officers and employees complied with all the leading practices and principles on good corporate governance as embodied in its Manual on Corporate Governance. On 03 May 2017, the Company adopted its new Manual on Corporate Governance for Public Listed Companies in accordance with SEC Memorandum Circular No. 19, Series of 2016, which was submitted to the SEC on May 31, 2017. The Board Charter as well as the Charter of the Corporate Governance Committee (which performs the functions of the Nominations and Compensation Committee) and amended Charter of the Audit Committee (which performs the functions of the Board Risk Oversight and Related Party Transactions Committee) was also approved by the Board on May 3, 2017.

### **Matters with Respect to the Previously Held Annual Stockholders' Meeting and Other Items in Relation to Section 49 of the Revised Corporation Code**

a.) The Minutes of the of the previous annual stockholders' meeting held on 28 January 2025 contains the following information:

1. The stockholders voted viva voce during the course of the meeting, which was tabulated by the Office of the Corporate Secretary.
2. Stockholders were provided with the opportunity to be able to present their questions and/or comments. There was no comment/question raised during the presentation of the minutes.
3. The matters discussed and resolutions approved:
  - a) Reading and approval of the Minutes of the Annual Meeting of Stockholders held on 30 January 2024;
  - b) Approval of the Annual Report and the audited financial statements for FY ending 30 June 2024;
  - c) Ratification and confirmation of all acts and proceedings of the Board of Directors and Officers since the last annual meeting of the Stockholders;
  - d) Election of Directors; and
  - e) Appointment of external auditor
4. Voting results. Out of the 238,496,840 outstanding shares of common stock entitled to vote at the meeting, the holders of at least 204,073,760 shares, representing 85.57% of the outstanding shares were present in person or by proxy via remote communication. The votes garnered for each agenda items were as follows:
  - a.) Reading and approval of the Minutes of the Annual Meeting of Stockholders held on 30 January 2024 – 85.57% of the outstanding shares
  - b.) Approval of the Annual Report and the audited financial statements for FY ending 30 June 2024 - 85.57% of the outstanding shares

- c.) Ratification and confirmation of all acts and proceedings of the Board of Directors and Officers since the last annual meeting of the Stockholders - 85.57% of the outstanding shares
- d.) Election of Directors - each of the candidates/nominees for director, namely Mr. Martin Ignacio P. Lorenzo, Mr. Fernando C. Cojuangco, Mr. Fernan Victor P. Lukban, Mr. Renato B. Padilla (Independent), Mr. Benjamin I. Espiritu (Independent), Mr. Martin Diego L. Lorenzo, Jr., Mr. Mateo Rafael L. Lorenzo, and Mr. Pedro Francisco B. Cojuangco, received votes equivalent to 85.57% of the outstanding shares
- e.) Appointment of external auditor - 85.57% of the outstanding shares

5. The following directors, officers, and stockholders attended the meeting:

Mr. Martin Ignacio P. Lorenzo (Chairman & CEO)  
Mr. Fernando C. Cojuangco (President & COO)  
Mr. Fernan Victor P. Lukban (Director & Treasurer)  
Mr. Benjamin I. Espiritu (Independent Director)  
Mr. Renato B. Padilla (Independent Director)  
Mr. Mateo Rafael L. Lorenzo (Director)  
Mr. Pedro Francisco B. Cojuangco (Director)  
Ms. Cecile D. Macaalay (CFO)  
Ms. Janette L. Peña (Corporate Secretary)  
Mr. Addison B. Castro (Asst. Corporate Secretary and Compliance Officer)

Luisita Trust Fund through Unicapital  
CAT Resource Asset & Holdings, Inc. through BDO Securities

(b) No event which may be considered as material information on the current stockholders, and their voting rights has taken place;

(c) No comprehensive assessment of the company's performance, strategy and other affairs has been conducted;

(d) The Company's audited financial statement contains a Statement of Management Responsibility, which states that the management maintains a system of accounting and reporting that provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized;

(e) In accordance with the Company's By-Laws, dividends shall be declared only when the net profit of the corporation, after deducting the amount indicated in the preceding section, shall permit. The amount and dates of payment shall be determined by the Board of Directors. They may be paid in cash, in stock of the corporation, or both at the same time, as authorized by proper resolution of the Board of Directors and in accordance with the provisions of the Revised Corporation Code. No dividend may be declared which will impair or diminish the capital of the Corporation.

(f) The respective profiles of the directors are set forth on Pages 6 to 8, Item 5.

(g) Below is the attendance of each director at each of the meetings of the board in regular or special meetings:

Date and Type of Meeting	Directors Present
28 January 2025 Organizational Meeting	MARTIN P. LORENZO FERNANDO C. COJUANGCO FERNAN VICTOR P. LUKBAN BENJAMIN I. ESPIRITU (Independent) RENATO B. PADILLA (Independent) MATEO RAFAEL L. LORENZO PEDRO FRANCISCO B. COJUANGCO
27 May 2025 Regular	MARTIN P. LORENZO FERNANDO C. COJUANGCO RENATO B. PADILLA (Independent) BENJAMIN I. ESPIRITU (Independent) MATEO RAFAEL L. LORENZO PEDRO FRANCISCO B. COJUANGCO MARTIN DIEGO L. LORENZO, JR.
9 October 2025 Regular	MARTIN P. LORENZO FERNANDO C. COJUANGCO RENATO B. PADILLA (Independent) FERNAN VICTOR P. LUKBAN MATEO RAFAEL L. LORENZO PEDRO FRANCISCO B. COJUANGCO
9 December 2025 Regular	MARTIN P. LORENZO FERNANDO C. COJUANGCO FERNAN VICTOR P. LUKBAN BENJAMIN I. ESPIRITU (Independent) RENATO B. PADILLA (Independent) MATEO RAFAEL L. LORENZO PEDRO FRANCISCO B. COJUANGCO

(h) No appraisal report and performance report for the board were made. However, in compliance with the Company's Manual of Corporate Governance, the members of the Board are required to undergo annual seminar/training in matters relating to corporate governance or the sugar industry. The Corporate Governance Committee recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance.

(i) The compensation of the directors is indicated in Pages 10 to 11, Item 6.

(j) There were no disclosures on self-dealing and related party transactions from any of the directors.

## **Undertaking**

The Company through its Assistant Corporate Secretary, Addison B. Castro, with office address at 3/F First Lucky Place, 2259 Pasong Tamo Extension, Makati City undertakes to provide without charge upon written request of a security holder or his representative a copy of the Annual Report accomplished in SEC Form 17-A for fiscal year 2024-2025. Likewise, a copy of the Company's quarterly interim unaudited report, for the first quarter of fiscal year 2025-2026, discussion and inclusive of the management analysis, will be provided upon request to the shareholders.

At the discretion of management, a charge may be made for exhibits provided such charge is limited to reasonable expenses incurred by the Company in furnishing such exhibit.

## **SIGNATURE**

After a reasonable inquiry and to the best of my knowledge and belief. I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on this 12<sup>th</sup> of December 2025.

### **CENTRAL AZUCARERA DE TARLAC, INC.**

By:



**ADDISON B. CASTRO**

Assistant Corporate Secretary  
and Compliance Officer

addison.castro@gatchaliancastro.com

(02) 8892-0201

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

### TO ALL SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of the Stockholders of **CENTRAL AZUCARERA DE TARLAC**, will be held on Tuesday, 27 January 2026, at 10 a.m. at the Clubhouse of Luisita Golf and Country Club, San Miguel, Tarlac City. The Agenda for the meeting is as follows:

1. Call to order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Reading and Approval of the Minutes of the Annual Meeting of Stockholders held on 28 January 2025
5. Approval of the Annual Report and the Audited Financial Statement for fiscal year ending 30 June 2025
6. Ratification and Confirmation of All Acts and Proceedings of the Board of Directors and Officers Since the last Annual Meeting of the Stockholders
7. Election of Directors
8. Appointment of External Auditor
9. Third Party Continuing Surety Agreement in favor of Bank of Commerce to secure a Php118,300,000.00 Term Loan of CRAHI for the Purchase of 520 Luisita Golf & Country Club, Inc. Shares
10. Such Other Matters as may Properly Come Before the Meeting, and
11. Adjournment.

For purposes of said meeting, the Stock and Transfer Books of the Corporation shall be closed for twenty (20) days prior to the scheduled annual meeting, or for the period 7 to 27 January 2026. Accordingly, only stockholders of record as of 7 January 2025 shall be entitled to vote at said annual meeting.

The Information Statement, Management Report, SEC Form 17A, and other pertinent documents, including procedure for participation via remote communication, may be accessed on or downloaded from the Company's website <https://luisitasugar.com/> or the PSE Edge <https://edge.pse.com.ph/>.

The Organizational Meeting of the newly elected members of the Board shall be held immediately after the annual Stockholders meeting.

12 December 2025.



**JANETTE L. PEÑA**  
Corporate Secretary

## **CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **EDWARD ALBERT E. EVIOTA**, Filipino, of legal age and a resident of No. 1908 Sineguelas St., Dasmarinas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of CENTRAL AZUCARERA DE TARLAC, INC.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporation):

<b>COMPANY/ORGANIZATION</b>	<b>POSITION/ RELATIONSHIP</b>	<b>PERIOD OF SERVICE</b>
Dime and Eviota Law Firm	Senior Partner	2008 up to present
Philippine Independent Power Producers Association, Inc. (PIPPA)	Corporate Secretary and Legal Counsel	2010 –Present
Energy Lawyers Association of the Philippines, Inc. (ELAP)	Founding Member and Trustee	2018 –Present
Astronergy Development Group	Director and Legal Counsel	2013 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Central Azucarera De Tarlac, Inc. as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer, or substantial shareholder of Central Azucarera De Tarlac, Inc. other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

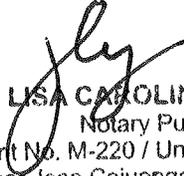
7. I shall inform the Corporate Secretary and the Compliance Officer of Central Azucarera De Tarlac, Inc. of any changes in the abovementioned information within five days from its occurrence.

DONE this 12<sup>th</sup> day of December 2025, at Makati City, Philippines.

  
**EDWARD ALBERT E. EVIOTA**  
Affiant

SUBSCRIBED AND SWORN to before me this 12<sup>th</sup> day of December 2025 at Makati City, affiant personally appeared before me and exhibited to me his Driver's License .

Doc. No. 897;  
Page No. 81;  
Book No. 5;  
Series of 2025.

  
**ATTY. LISA CAROLINA D. YÑIGUEZ**  
Notary Public  
Appointment No. M-220 / Until December 31, 2026  
5th Floor Jose Cojuangco and Sons Bldg.  
119 Dela Rosa St. corner C. Palanca St.,  
Legaspi Village, Makati City  
PTR No. 3742138 / 01.06.25 / Parañaque City  
IBP No. 495157/01.02.25/PPLM  
Roll No. 89553



**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM 17-A, AS AMENDED**

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

1. For the fiscal year ended  
Jun 30, 2025
2. SEC Identification Number  
727
3. BIR Tax Identification No.  
000229931
4. Exact name of issuer as specified in its charter  
Central Azucarera de Tarlac, Inc.
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
San Miguel, Tarlac City, Tarlac  
Postal Code  
2301
8. Issuer's telephone number, including area code  
8818-6270
9. Former name or former address, and former fiscal year, if changed since last report  
not applicable
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. Are any or all of registrant's securities listed on a Stock Exchange?  
Yes            No  
If yes, state the name of such stock exchange and the classes of securities listed therein:  
Philippine Stock Exchange, Common
12. Check whether the issuer:

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

Yes            No

(b) has been subject to such filing requirements for the past ninety (90) days

Yes            No

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

not applicable

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes            No

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders  
not applicable

(b) Any information statement filed pursuant to SRC Rule 20  
not applicable

(c) Any prospectus filed pursuant to SRC Rule 8.1  
not applicable

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



## Central Azucarera de Tarlac, Inc. CAT

**PSE Disclosure Form 17-1 - Annual Report**  
*References: SRC Rule 17 and  
Section 17.2 and 17.8 of the Revised Disclosure Rules*

<b>For the fiscal year ended</b>	Jun 30, 2025
<b>Currency</b>	In Pesos

### Balance Sheet

	Year Ending	Previous Year Ending
	Jun 30, 2025	Jun 30, 2024
<b>Current Assets</b>	1,939,806,096	3,505,753,001
<b>Total Assets</b>	6,701,514,625	6,525,545,897
<b>Current Liabilities</b>	1,686,186,215	1,956,859,323
<b>Total Liabilities</b>	2,239,995,043	2,653,696,454
<b>Retained Earnings/(Deficit)</b>	3,116,211,602	2,612,762,800
<b>Stockholders' Equity</b>	4,461,519,582	3,871,849,443
<b>Stockholders' Equity - Parent</b>	4,333,525,049	2,875,851,131
<b>Book Value Per Share</b>	18.71	16.23

### Income Statement

	Year Ending	Previous Year Ending
	Jun 30, 2025	Jun 30, 2024
<b>Gross Revenue</b>	1,425,445,117	5,286,079,400
<b>Gross Expense</b>	1,208,231,521	2,604,975,525
<b>Non-Operating Income</b>	395,233,595	312,844,640
<b>Non-Operating Expense</b>	96,307,639	629,440,487
<b>Income/(Loss) Before Tax</b>	516,139,552	2,364,508,029
<b>Income Tax Expense</b>	12,690,750	678,541,957

Net Income/(Loss) After Tax	503,448,802	1,685,966,072
Net Income/(Loss) Attributable to Parent Equity Holder	1,371,415,290	413,376,551
Earnings/(Loss) Per Share (Basic)	2.11	9.18
Earnings/(Loss) Per Share (Diluted)	2.11	9.18

#### Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Jun 30, 2025	Jun 30, 2024
<b>Liquidity Analysis Ratios:</b>			
;; Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.15	1.79
;; Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	0.8	1.62
;; Solvency Ratio	Total Assets / Total Liabilities	2.99	2.46
<b>Financial Leverage Ratios</b>			
;; Debt Ratio	Total Debt/Total Assets	0.33	0.41
;; Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	0.5	0.69
;; Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	6.36	19.61
;; Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.5	1.69
<b>Profitability Ratios</b>			
;; Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	0.26	0.57
;; Net Profit Margin	Net Profit / Sales	0.35	0.32
;; Return on Assets	Net Income / Total Assets	0.08	0.26
;; Return on Equity	Net Income / Total Stockholders' Equity	0.11	0.44
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	5.16	1.6

#### Other Relevant Information

not applicable

#### Filed on behalf by:

Name	Philip Bondoc
Designation	Corporate Planning Officer

P W 0 0 0 0 0 7 2 7

S.E.C Registration Number

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

(Company's Full Name)

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

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

**Cecile D. Macaalay**  
Contact Person

**(632) 818-6270**  
Company Telephone Number

0 6      3 0  
Month      Year  
Fiscal Year

**SEC 17-A**  
**ANNUAL REPORT FY 2025**

0 1      any  
Month      Year  
Annual Meeting

Secondary License Type, If Applicable

**CFD**  
Dept. Requiring this Doc

Amended Articles Number/Section

3 8 9  
Total No. of Stockholders

Total Amount of Borrowings  
Domestic      Foreign

To be accomplished by SEC Personnel Concerned

File Number

\_\_\_\_\_  
LCU

Document I.D.

\_\_\_\_\_  
Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

- 1. For the fiscal year ended **June 30, 2025**
- 2. SEC Identification Number **727** 3. BIR Tax Identification No. **000-229-931**
- 4. Exact name of issuer as specified in its charter **CENTRAL AZUCARERA DE TARLAC, INC.**
- 5. **Manila, Philippines**  
Province, Country or other jurisdiction of incorporation or organization
- 6.  (SEC Use Only)  
Industry Classification Code:
- 7. **San Miguel, Tarlac City, Tarlac**  
Address of principal office
- 1231**  
Postal Code
- 8. **(02) 818-6270**  
Issuer's telephone number, including area code
- 9. **n/a**  
Former name, former address, and former fiscal year, if changed since last report.
- 10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

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

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

Yes [  ] No [  ]

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

**PHILIPPINE STOCK EXCHANGE** **COMMON**

12. Check whether the issuer:

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

Yes [  ] No [  ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ]          No [ **X** ]

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

**Not applicable**

**CENTRAL AZUCARERA DE TARLAC****TABLE OF CONTENTS****SEC FORM 17-A**

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## **A. Description of Business**

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

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

### **Products and By-Products**

#### **Raw and Refined Sugar**

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

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

#### **Alcohol**

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

#### **Carbon Dioxide**

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

## **Industrial Services**

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

## **Industrial Profile**

For Crop Year 2024–2025, the global sugar market experienced a moderate deficit of 4.8 million metric tons (MMT), following a temporary balance the previous year. According to the International Sugar Organization (ISO) August 2025 Statistical Bulletin and Market Report, world sugar production rose to 177.77 MMT, representing a 1.0% increase from the previous crop year. However, global consumption grew faster at 1.6%, reaching 182.6 MMT, outpacing production and resulting in a continued drawdown in inventories.

This widening consumption gap is largely driven by robust demand across Asia and Africa, where population growth and expanding industrial usage have continued to fuel sugar consumption. Meanwhile, end stocks declined to approximately 97.5 MMT, lowering the stock-to-consumption ratio to around 53.4%, compared with 54.4% the previous year — indicating a tighter global market environment.

Several major producing countries influenced the 2024–2025 balance. Brazil, the world’s largest producer, recorded exceptional cane volumes but experienced lower sucrose recovery due to erratic weather and muddy cane conditions. A significant portion of Brazilian cane was diverted to ethanol, given sustained high energy prices, limiting sugar availability for export. India also maintained export restrictions to secure domestic supplies amid concerns of weaker monsoon rainfall, while Thailand’s production recovered partially following the 2023 drought but remained below pre-El Niño levels.

In contrast, the European Union and Russia saw steady beet production despite dry summers, and Pakistan and the Philippines increased imports to cover domestic supply shortfalls. These factors collectively sustained global prices at firm levels throughout 2025. The average ISA Daily Raw Sugar Price settled at USD 16.74 cents per pound, while the ISO White Sugar Index averaged USD 475.30 per metric ton, marking a mild recovery in the white premium to USD 106.24/ton as import demand from Asia strengthened.

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

	World Sugar Balance (Million Metric Tons, Raw Value)			
	2024-25	2023-24	Change	
			in MMT	in Percent
Production	188.5	185.1	3.400	1.84%
Consumption	189.9	189.9	-	0.00%
Surplus/(Deficit)	(1.400)	(4.800)		
Import Demand	63.6	63.4	0.200	0.32%
Export Availability	63.5	63.4	0.100	0.16%
End Stocks	42.8	44.200	(1.400)	-3.17%
<b>Stock/Consumption Ratio, in percent</b>	<b>22.54%</b>	<b>23.28%</b>		

In the Philippines, the effects of these global trends were immediately felt. The sustained global deficit and higher international prices exerted upward pressure on domestic retail and import costs, further straining the local market already challenged by high input costs in fertilizers, fuel, and labor. As a net importer, the Philippines faced higher landed prices for refined sugar, amplifying local inflationary pressures during 2024–2025.

Despite these challenges, the Sugar Regulatory Administration (SRA) continued its proactive approach to maintain supply stability through policy instruments such as Sugar Orders No. 2, 3, and 5. These policies served as the backbone of the country’s strategic response to both climatic and market disruptions.

Sugar Order No. 2 (SO 2) sustained the mechanism for traders to purchase 300,000 MT of locally produced sugar at a premium, ensuring farmers received fair farmgate prices despite yield volatility. Sugar Order No. 3 (SO 3) authorized the export of 25,300 MT of raw sugar to the United States under the country’s quota commitments, balancing inventory management and international trade obligations. Sugar Order No. 5 (SO 5), reissued in August 2024 in anticipation of the extended El Niño phenomenon, introduced production support and climate-adaptation measures to mitigate the impact of drought conditions on sugarcane yields. These included incentives for efficient irrigation systems, inputs for ratoon rehabilitation, and special assistance for smallholder planters.

Together, these measures stabilized the domestic sugar market and ensured sustained supply flow from cane fields to mills even during weather-related stress.

Below are the tons cane milled for CY2024-2025.

<b>CANE TONNAGE - PHILIPPINES - CY 2024-25 &amp; CY 2023-24</b>						
<b>M I L L S</b>	<b>TONS CANE MILLED</b>				<b>% SHARE IN TOTAL</b>	
	<b>2024-25</b>	<b>2023-24</b>	<b>GROWTH</b>	<b>%</b>	<b>2024-25</b>	<b>2023-24</b>
<b>LUZON</b>						
Cagayan	171,601	155,050	16,551	10.67%	0.66%	0.72%
Bicol	109,680	90,271	19,410	21.50%	0.42%	0.42%
Batangas	641,145	655,814	(14,669)	-2.24%	2.47%	3.05%
Tarlac	410,453	418,533	(8,080)	-1.93%	1.58%	1.95%
<b>VISAYAS</b>						
Panay	2,107,262	1,435,598	671,664	46.79%	8.12%	6.68%
Eastern Visayas	292,942	230,806	62,136	26.92%	1.13%	1.07%
Negros	15,897,074	13,874,189	2,022,885	14.58%	61.23%	64.56%
<b>MINDANAO</b>	6,331,109	4,630,321	1,700,788	36.73%	24.39%	21.55%
<b>Total</b>	<b>25,961,266</b>	<b>21,490,581</b>	<b>4,470,685</b>	<b>20.80%</b>	<b>100.00%</b>	<b>100.00%</b>

As of August 2025, the Philippines milled a total of 22.63 million tons of cane, marking a 5.3% increase from the previous year's 21.49 million tons

The average recovery rate likewise improved to 1.82 LKG per ton of cane, compared with 1.80 in the previous crop year. Consequently, raw sugar production reached approximately 2.04 MMT, up by 6.1% from the previous 1.92 MMT.

The Visayas region maintained its dominant position, accounting for around 65% of total sugar output, supported by improved cane supply in Negros. Mindanao posted the strongest growth at 17%, led by expansion in Bukidnon and Davao-based mills, contributing about 22% of the national total. Meanwhile, Luzon's share slightly declined to 13%, although Central Azucarera de Tarlac (CAT) notably sustained growth of +21.8%, with total cane milled rising from 418,533 tons in 2023–2024 to 509,900 tons in 2024–2025 — an indicator of operational recovery and improved planter participation.

While the industry's overall performance reflected resilience, some subregions such as Batangas and Bicol continued to face lower cane volumes due to dry spells and area conversions. Nevertheless, the productivity gains in Tarlac, Negros, and Mindanao offset these declines, leading to positive year-on-year national growth in both cane tonnage and sugar output.

Looking ahead, the SRA aims to reinforce the sugar industry's adaptive capacity through continued policy synchronization, diversification, and research support. The 2025 strategy includes:

- Expansion of climate-resilient cane varieties and irrigation-assisted block farming;
- Enhanced partnerships with mill districts for productivity mapping and digital monitoring;
- Priority incentives for traders engaged in local sourcing; and
- Export balance mechanisms to prevent local price distortion while honoring international commitments.

The Philippine sugar industry has weathered yet another challenging year amid climate volatility and tight global markets. Despite these headwinds, national output growth, improved recovery rates, and effective policy interventions underscore the sector's capacity for adaptation.

As global sugar dynamics evolve, the Philippines must continue to align its policies with climate realities, technological modernization, and global trade trends — ensuring that both farmers and consumers benefit from a stable and resilient sugar economy.

### **Transactions With and/or Dependence on Related Parties**

The Company's transactions with related parties are disclosed in Note 23 (pages 41-44) of the Company's audited financial statements. In addition, the Company's operations are not dependent on its related parties. The Company provides working capital support to its related parties.

### **Research and Development Spend**

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

### **Government Regulations**

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

### **Cost and effects of compliance with environmental laws**

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

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

## **Employee**

As of June 30, 2025, following is the employee details:

	Exec./Mgrl./Supv.		Rank/File		Retainer/ Consultant	Total
	Perm.	Prob.	Perm.	Prob.		
CAT- TARLAC	104	2	206	11	18	341
CAT- MAKATI	9		3			12
LLC	5		1			6
<b>TOTAL</b>	<b>118</b>	<b>2</b>	<b>210</b>	<b>11</b>	<b>18</b>	<b>359</b>

## **Major Risk in the Business of CAT**

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

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

Another notable common operational risk is the breakdown of factory facilities resulting to downtime and leading to decreased production output. To mitigate such risks, the Company conducts its preventive maintenance and repair programs during the off-milling season (June to October) in preparation for an uninterrupted subsequent milling, refinery and distillery operations.

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

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

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

## **B. Properties**

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

Areas of reference on its existing use	Area in	% against
	sq.meters	total land area
Industrial	593,495	43.43%
Not used in business and operation	750,538	54.92%
Held for sale and development (thru LLC)	22,626	1.66%
<b>Total</b>	<b>1,366,659</b>	<b>100.00%</b>

### **Factory Plants/Buildings Used In Business Operations**

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

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

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

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

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

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

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

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

**C. Legal Proceedings**

The Company is currently not under any legal proceedings.

**D. Submission of Matters to a Vote of Security Holders**

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

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## PART II – SECURITIES OF THE REGISTRANT

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

#### Market Information

Central Azucarera de Tarlac is a Company whose common shares are listed in the Philippine Stock Exchange since April 1977. The following tables list the Company's Stock Price for the 3-year period from FY 2023-2025 and its last trading date.

Market Information				
Year	Quarter	Period	High	Low
2025-2026	1Q	July - September	11.20	9.86
2025-2025	1Q	July - September	12.78	10.00
	2Q	October - December	11.62	10.02
	3Q	January - March	17.20	10.50
	4Q	April - June	16.02	9.00
2023-2024	1Q	July - September	10.50	8.80
	2Q	October - December	12.50	7.00
	3Q	January - March	22.00	10.54
	4Q	April - June	22.40	10.54
2022 - 2023	1Q	July - September	11.48	9.13
	2Q	October - December	10.66	8.00
	3Q	January - March	11.50	9.50
	4Q	April - June	11.00	9.01

Market Information (Last Trading Date)	
Date	October 13, 2025
Open	10.24
High	10.24
Low	10.24
Close	10.24
Volume	4,200

## **Holders of Security**

The following table enumerates the top 20 shareholders of the Company as of June 30, 2025.

<b>Name of Stockholder</b>	<b>Citizenship</b>	<b>Amount Subscribed (Php)</b>	<b>No. of Shares Held</b>	<b>% Total Outstanding</b>
1 PCD NOMINEE CORPORATION (FILIPINO)	Filipino	261,553,448	261,545,108	92.57%
2 PCD NOMINEE CORPORATION (FOREIGN)	Others	8,606,347	8,596,847	3.04%
3 ROMULO, MARILES C.	Filipino	441,240	441,240	0.16%
4 OLLER, MA. MERCE FORMENTI	Spanish	430,880	430,880	0.15%
5 SANTIAGO, O' MARINA SOLDEVILLA	Spanish	369,040	369,040	0.13%
6 SENCHERMES, JUAN GALOBART	Spanish	326,160	326,160	0.12%
7 ALCANTARA, VALERIO	Filipino	280,160	280,160	0.10%
8 DELA RIVA, CARMEN GALOBART	Spanish	277,440	277,440	0.10%
9 IRAGORRI, EDUARDO GALLARZA	Spanish	272,560	272,560	0.10%
10 MENDOZA, NESTOR C.	Filipino	250,960	250,960	0.09%
11 MORTON, CHARLES V.	American	243,440	243,440	0.09%
12 CHUA, WILLINGTON	Filipino	233,100	233,100	0.08%
13 CHEE, LIM BENG	Chinese	231,840	231,840	0.08%
14 RECTOR DEL SEMINARIO MAYOR DE SAN CARLOS	Filipino	221,480	221,480	0.08%
15 FORD, THOMAS J.	American	210,320	210,320	0.07%
16 MARTIN, FRANCISCO LON	Filipino	204,400	204,400	0.07%
17 GUTIERRES, TERESA MARTINEZ VDA DE	Spanish	198,160	198,160	0.07%
18 HEIRS OF MA. VICTORIA MARFA SATRUSTEGUI	Spanish	178,720	178,720	0.06%
19 SATRUSTEGUI, MA. ISABEL MARFA	Spanish	178,720	178,720	0.06%
20 GUTIERREZ, JESUS MOLINA	Filipino	163,000	163,000	0.06%
<b>TOTAL:</b>		<b>274,871,415</b>	<b>274,853,575</b>	<b>97.28%</b>

The following table lists the security ownership of certain record and beneficial owners the Company owning more than 5% of its Common Shares as of June 30, 2025.

<b>Title of Class</b>	<b>Name</b>	<b>Number of Shares Held</b>	<b>Name of Beneficial Ownership</b>	<b>Citizenship</b>	<b>%</b>
Common Shares	PCD Nominee Corporation*	270,141,955	PCD Nominee Corporation	Various	113.3%
<i>*Beneficial ownership through PCD Nominee Corporation</i>					
Common Shares	CAT Resource & Asset Holdings Inc.	201,718,140	Martin P. Lorenzo 102,876,250 shares	Filipino	84.6%
			Fernando C. Cojuangco 98,841,890 shares	Filipino	

The following table identifies the shareholdings of Directors and Officers of the Company as of June 30, 2025.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	%
Common	Martin Ignacio P. Lorenzo	102,876,250	Indirect	Filipino	43%
		200	Indirect	Filipino	0%
Common	Fernando C. Cojuangco	98,841,890	Indirect	Filipino	41%
		200	Indirect	Filipino	0%
Common	Martin Diego L. Lorenzo, Jr.	500	Indirect	Filipino	0%
Common	Mateo Rafael L. Lorenzo	700	Indirect	Filipino	0%
Common	Pedro Francisco C. Cojuangco	500	Indirect	Filipino	0%
Common	Fernan Victor P. Lukban	200	Indirect	Filipino	0%
Common	Renato B. Padilla	10	Direct	Filipino	0%
Common	Benjamin I. Espiritu	10	Direct	Filipino	0%
Common	Cecile D. Macaalay	5000	Indirect	Filipino	0%
Common	Janette L. Peña	0	-	Filipino	0%
Common	Addison B. Castro	0	-	Filipino	0%
<b>Total</b>		<b>201,725,460</b>			<b>85%</b>

### **Dividends**

2024 – 2025 - No dividends declared  
2023 – 2024 - ₱ 6.44 per share – February 7, 2024  
2022 – 2023 - No dividends declared  
2021 – 2022 - No dividends declared  
2020 – 2021 - ₱ 1.81 per share – November 10, 2020  
2019 – 2020 - No dividends declared  
2018 – 2019 - No dividends declared  
2017 – 2018 - ₱ 0.18 per share – June 28, 2018

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

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

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## **B. Description of Registrant's Securities**

As of June 30, 2025, the Company's Authorized Capital Stock remains at ₱400,000,000 divided into 400,000,000 Common Shares with a par value of ₱1.00 per share. As of the same date, 238,496,840 shares are outstanding and are held by 389 stockholders.

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

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

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## **PART III - FINANCIAL INFORMATION**

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

#### **Executive Summary**

Central Azucarera de Tarlac (CAT) reported normalized financial performance in FY 2025 following the exceptional results of the previous year, which were primarily driven by a one-time real estate sale. Despite a significant decline in total revenue, the company-maintained profitability through efficient operations, disciplined cost management, and strong gains from investment properties.

Total revenue for FY 2025 reached ₱1,425.4 million, a 73% decrease from FY 2024, primarily reflecting the absence of the ₱3.6-billion real estate transaction recorded last year. The decline in sugar sales was partly deliberate, as CAT strategically managed the timing of inventory releases to preserve margins amid softer market prices. In addition, industry-wide sales were affected by increased importation, which led to a general slowdown in sugar demand and pricing across the sector. The company processed 410,453 TC slightly below FY 2024's 418,533 TC, consistent with overall market conditions. Core sugar operations contributed ₱713.2 million, while service and industrial income remained stable, collectively accounting for over 40% of total revenue.

Gross profit stood at ₱365.5 million, representing a 26% margin, consistent with pre-FY 2024 levels. The decrease in gross profit was primarily due to the decline in sugar prices during the fiscal year, which compressed margins and affected overall profitability. Despite this, the remaining inventory in the industry following the wave of importation continued to exert downward pressure on market prices, limiting recovery in selling prices across the sector.

Operating profit before interest and taxes (EBIT) reached ₱217.2 million, reflecting normalized results after excluding the one-time real estate gains recognized in FY 2024. While operating income was affected by lower sales volumes and declining sugar prices, CAT effectively calibrated its operating expenses to align with reduced revenues, demonstrating strong cost discipline and operational resilience. On a comparable basis, operating performance remained stable relative to FY 2023, despite challenging market conditions. EBITDA closed at ₱687.6 million, supported by a ₱475.9 million gain on investment property revaluation.

Net income amounted to ₱503.4 million, down 70% year-on-year due to the absence of one-time gains in FY 2024. However, this reflects a much stronger performance from normal operations, nearly three times higher than FY 2023's ₱168.8 million, underscoring CAT's improved efficiency, cost control, and profitability from its core business. Earnings per share stood at ₱2.11, demonstrating sustained financial strength despite industry challenges and the normalization of revenue.

Looking forward, CAT remains focused on strengthening its core sugar business, maintaining cost efficiency, and maximizing asset utilization. With a leaner cost structure and consistent investment property gains, the company is positioned to sustain stable earnings and long-term shareholder value in the coming fiscal year.

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The following table is the Consolidated Statement of Income of the Company and its subsidiary, Luisita Land Corporation (“LLC”), for the fiscal years ending June 30, 2025, 2024 & 2023.

(In Million Pesos )	FY 2025		FY 2024		FY 2023	
	410,453 TC		418,533 TC		339,142 TC	
	AMT	%	AMT	%	AMT	%
<b>REVENUE</b>	<b>1,425.45</b>	<b>100%</b>	<b>5,286.08</b>	<b>100%</b>	<b>1,486.76</b>	<b>100%</b>
Sale of sugar and by-products	713.26	50%	950.85	67%	764.21	54%
Tolling of Refined Sugar	113.20	8%	175.86	12%	154.35	11%
Service Income	531.78	37%	506.99	36%	517.22	36%
Industrial services	67.21	5%	52.37	4%	50.98	4%
Real estate sale	.00	0%	3,600.00	253%	.00	0%
<b>COST OF GOODS SOLD AND SERVICES</b>	<b>1,059.91</b>	<b>74%</b>	<b>2,252.80</b>	<b>43%</b>	<b>1,124.60</b>	<b>76%</b>
Costs of goods sold and services	910.09	64%	1,127.66	21%	993.45	67%
Costs of tolling services	115.73	8%	112.20	2%	101.58	7%
Cost of industrial services	34.09	2%	31.42	1%	29.56	0%
Cost of real estate	.00	0%	981.52	19%	.00	0%
<b>GROSS PROFIT</b>	<b>365.53</b>	<b>26%</b>	<b>3,033.28</b>	<b>57%</b>	<b>362.16</b>	<b>24%</b>
<b>OPERATING EXPENSES</b>	<b>148.32</b>	<b>10%</b>	<b>352.18</b>	<b>7%</b>	<b>131.02</b>	<b>9%</b>
<b>OPERATING PROFIT BEFORE INTEREST AND TAXES</b>	<b>217.21</b>	<b>15%</b>	<b>2,681.10</b>	<b>51%</b>	<b>231.14</b>	<b>16%</b>
Interest expense and bank charges	(96.31)	-7%	(127.02)	-2%	(133.59)	-9%
Interest income	19.30	1%	27.50	1%	4.79	0%
Gain on fair value change of investment property	475.97	67%	292.97	31%	94.15	12%
Loss on discounting	(104.61)	-7%	.00	0%	.00	0%
Impairment of goodwill	.00	0%	(502.42)	-99%	.00	0%
Others - net	4.58	0%	(7.63)	0%	1.65	0%
<b>INCOME BEFORE TAX</b>	<b>516.14</b>	<b>36%</b>	<b>2,364.51</b>	<b>45%</b>	<b>198.14</b>	<b>13%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>12.69</b>	<b>1%</b>	<b>678.54</b>	<b>13%</b>	<b>29.33</b>	<b>2%</b>
<b>NET INCOME</b>	<b>503.45</b>	<b>35%</b>	<b>1,685.97</b>	<b>32%</b>	<b>168.80</b>	<b>11%</b>
<b>EBITDA</b>	<b>687.65</b>	<b>48%</b>	<b>2,545.87</b>	<b>48%</b>	<b>405.22</b>	<b>27%</b>
<b>EPS</b>	<b>P2.11</b>		<b>P7.07</b>		<b>P0.71</b>	

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## **Plan of Operation**

### **Outlook for FY 2025-2026**

The global sugar market outlook for Fiscal Year 2025–2026 indicates a potential shift toward stabilization after consecutive years of deficit. While production growth is projected to regain momentum across major producing regions, overall market fundamentals remain tight due to weather uncertainties, volatile input costs, and persistent consumption growth in key importing economies.

The International Sugar Organization (ISO) estimates that the 2024–25 sugar cycle will close with a deficit of approximately 4.8 million tons, largely driven by adverse climatic conditions in India and Thailand and the diversion of sugarcane toward ethanol production in Brazil. However, for the 2025–26 season, the deficit is forecast to narrow sharply to just 0.23 million tons, as favorable conditions and improved yields in Asia are expected to offset weaker recoveries elsewhere.

Despite this near-balance in supply and demand, the market remains price-sensitive. The ISO reported that in August 2025, the average ISA Daily Raw Sugar Price stood at US ¢ 16.74/lb, close to July’s four-year low, while the ISO White Sugar Index averaged US \$ 475.30 per ton, slightly higher than the previous months due to strong import demand from Pakistan, the Philippines, and other key buyers. The nominal white sugar premium widened to US \$ 106.24 per ton, reflecting robust refined sugar consumption and tightening white-grade availability

Speculative positioning in the futures market continues to underscore cautious sentiment. Hedge funds maintained a net-short stance through August 2025, while overall speculative holdings declined to a combined net long of just 51,700 lots, down from 61,800 lots in July. This bearish posture suggests persistent uncertainty regarding Brazil’s sucrose yields, India’s export policy, and macro-economic headwinds such as currency volatility and energy price movements

Based on ISO’s latest statistical tables, world sugar production is estimated at 177.77 million tons, while global consumption stands slightly higher at 181.46 million tons, resulting in a deficit of about 3.7 million tons. Global end-stocks are forecast to decline to approximately 96 million tons, equivalent to a stock-to-consumption ratio of 52–53%, marking one of the tightest balances in recent years

International trade is expected to remain active, with total exports approaching 64 million tons and imports around 65 million tons, underscoring the continued reliance of deficit economies on cross-border supply. Price trajectories are likely to remain sensitive to weather patterns in Brazil, India, and Thailand, as well as to ethanol policy adjustments in major producing countries.

The latest World Sugar Balance estimate for the 2025-26 calendar year is as follows:

	World Sugar Balance (Million tons, raw value)			
	2025-26	2024-25	Change	
			in mln t	in percent
Production	188.7	188.500	0.200	0.11%
Consumption	188.9	189.900	(1.000)	-0.53%
Surplus/(Deficit)	(0.200)	(1.400)		
Import Demand	65.537	63.600	1.937	3.05%
Export Availability	64.468	63.500	0.968	1.52%
End Stocks	96.133	42.800	53.333	124.61%
<b>Stock/Consumption Ratio, in percent</b>	<b>50.89%</b>	<b>22.54%</b>		

For Crop Year (CY) 2025–2026, the Sugar Regulatory Administration (SRA) expects continued tightness in the country’s sugar balance. Based on Sugar Order No. 1 (Series of 2025–2026), total raw sugar production is estimated at 1.920 million metric tons (raw value), with a possibility of decline due to RSSI infestation and excessive rainfall in key producing areas such as Negros Occidental.

Sugar Classes	Production MMT	% Allocation
"A" or U.S. Market Sugar	-	0%
"B" or Domestic Sugar Market	1.920	100%
"D" or World Sugar Market	-	0%
	<b>1.920</b>	<b>100%</b>

Domestic sugar withdrawal (consumption) for the same crop year is projected at 2.20 million metric tons, indicating a production deficit that will continue to challenge supply security. To stabilize domestic availability, the SRA has classified 100% of the crop as “B” or Domestic Market Sugar under Sugar Order No. 1, effectively suspending export allocations under the U.S. TRQ program.

The production-consumption gap highlights the country’s dependence on imports to meet industrial and household demand. The SRA and industry stakeholders are expected to strengthen measures on cane rehabilitation, pest management, and yield improvement, while expanding efforts in mechanization and irrigation support to counter weather-related disruptions.

Despite easing global raw sugar prices compared to 2022–2023 peaks, the local market is projected to remain firm through FY 2025–2026. Limited domestic supply and higher import costs will continue to support elevated price levels, benefitting millers and planters, but increasing cost pressures on industrial users in the beverage, confectionery, and ethanol sectors.

Overall, CY 2025–2026 is shaping up as a transitional but constrained period for the Philippine sugar sector — defined by biological risks, volatile weather patterns, and policy-driven domestic prioritization under the SRA’s stabilization framework.

## **Management Discussion and Analysis**

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

<b>Revenue</b>	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>
Revenue (in millions)	1,425.45	5,286.08	1,486.76
% Growth	-73.0%	255.5%	3.6%

<b>EBITDA</b>	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>
EBITDA (in millions)	687.6	2,545.9	405.2
% Growth	-73%	528%	38%
EBITDA Margin	48%	48%	27%

<b>Net Income</b>	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>
Net income (in millions)	503.45	1,685.97	168.80
% Growth	-70%	899%	111%
Net Income Margin	35%	32%	11%

<b>Earnings per share</b>	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>
Earnings per share	2.11	7.07	0.71

<b>Milling Recovery</b>	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>
Milling recovery (Lkg/TC)	1.503	1.599	1.579

## **FY 2025 Review of Operations**

### **Revenues**

<b>REVENUES</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>Growth %</b>	
				<b>2025 vs 2024</b>	<b>2024 vs 2023</b>
<b>In Million Pesos</b>					
Sale of sugar and by-products	713.3	950.9	764.2	-25%	24%
Tolling of Refined Sugar	113.2	175.9	154.4	-36%	14%
Service Income - Milling Fee	531.8	507.0	517.2	5%	-2%
Industrial services	67.2	52.4	51.0	28%	3%
Real estate sale	.0	3,600.0	.0	-100%	0%
<b>TOTAL</b>	<b>1,425.4</b>	<b>5,286.1</b>	<b>1,486.8</b>	<b>-73%</b>	<b>256%</b>

The Company generated total revenues of ₱1,425.4 million for FY 2025, compared to ₱5,286.1 million in FY 2024 and ₱1,486.8 million in FY 2023. The year-on-year decline of 73% versus FY 2024 is primarily attributable to the absence of real estate sales during the period.

In FY 2024, the Company, through its Subsidiary, recognized approximately ₱3,600.0 million in revenue from the sale of land to a third-party developer. This was a significant, non-recurring transaction and did not repeat in FY 2025. Excluding that one-time real estate sale, revenues in FY 2025 reflect the performance of the Company's core operating units: milling, sugar and by-product sales, tolling/refining, and industrial services.

- Revenue from the sale of raw sugar and related by-products amounted to ₱713.3 million in FY 2025, compared to ₱950.9 million in FY 2024 and ₱764.2 million in FY 2023. The 25% decrease versus FY 2024 was mainly due to softer pricing and lower sales volume during the period following a stronger pricing environment in the prior year.
- Revenue from refining and tolling services was ₱113.2 million in FY 2025, versus ₱175.9 million in FY 2024 and ₱154.4 million in FY 2023. The 36% decrease from the prior year reflects lower throughput and reduced tolling activities.
- Revenue from industrial services, which includes estate-related services such as water supply and locator/estate fees, increased to ₱67.2 million in FY 2025 from ₱52.4 million in FY 2024 and ₱51.0 million in FY 2023. This represents a 28% improvement year-on-year and reflects higher activity within the industrial estate and incremental service billings.

### **Cost of Goods Sold & Milling Services**

Cost of Goods Sold and Milling Services was ₱910.1 million in FY 2025, compared with ₱1,127.7 million in FY 2024 and ₱993.5 million in FY 2023. This represents a 19% decrease versus FY 2024. The reduction in costs during FY 2025 was driven mainly by lower consumption of process inputs and supplies, while maintaining essential capability in core production areas.

COST OF GOODS SOLD AND MILLING SERVICES	2025	2024	2023	Growth %	
				2025 vs 2024	2024 vs 2023
<i>In Million Pesos</i>					
Salaries, wages bonuses and other benefits	101.4	90.3	87.0	12%	4%
Repairs & Maintenance	67.6	66.8	57.9	1%	15%
Inventory cost, spare parts and supplies	542.1	787.7	674.3	-31%	17%
Depreciation and amortization	71.8	67.1	70.2	7%	-4%
Freight and transportation	54.4	42.4	35.5	28%	19%
Security and outside services	44.0	47.9	42.5	-8%	13%
Power and steam	7.0	5.6	6.7	25%	-15%
Insurance	5.9	5.2	4.9	15%	6%
Taxes and licenses	4.8	4.7	5.5	0%	-14%
Others	11.0	9.8	9.1	12%	8%
<b>TOTAL</b>	<b>910.1</b>	<b>1,127.7</b>	<b>993.5</b>	<b>-19%</b>	<b>14%</b>

- Costs related to consumables, spare parts and operating supplies declined to ₱542.1 million in FY 2025 from ₱787.7 million in FY 2024, a decrease of 31%. This reflects lower drawdown of production inputs compared to the elevated levels required in the prior year.
- Salaries, wages, bonuses and other employee benefits in production and milling operations were ₱101.4 million in FY 2025, up from ₱90.3 million in FY 2024 and ₱87.0 million in FY 2023. The 12% increase year-on-year supported ongoing mill operations and logistics.
- Freight and transportation costs increased to ₱54.4 million in FY 2025 from ₱42.4 million in FY 2024 (+28%). The increase is primarily related to the movement of cane and finished goods.
- Power and steam costs were ₱7.0 million in FY 2025, up 25% from ₱5.6 million in FY 2024, reflecting energy cost pressures during the milling period.

### **Cost of Tolling Services**

Cost of Tolling Services amounted to ₱115.7 million in FY 2025, compared to ₱112.2 million in FY 2024 and ₱101.6 million in FY 2023. This represents a 3% increase versus FY 2024.

COST OF TOLLING SERVICES	2025	2024	2023	Growth %	
				2025 vs 2024	2024 vs 2023
<i>In Million Pesos</i>					
Salaries, wages bonuses and other benefits	12.2	12.8	11.4	-4%	12%
Repairs & Maintenance	13.1	11.7	10.5	12%	11%
Inventory cost, spare parts and supplies	12.9	16.6	8.8	-22%	88%
Depreciation and amortization	3.9	3.8	4.6	3%	-17%
Freight and transportation	14.6	9.0	5.0	63%	79%
Security and outside services	3.5	2.8	4.2	28%	0%
Power and steam	51.6	50.4	52.3	2%	-4%
Insurance	.6	.6	.5	7%	11%
Taxes and licenses	2.1	3.4	3.5	-38%	-3%
Others	1.0	1.2	.7	-15%	67%
<b>TOTAL</b>	<b>115.7</b>	<b>112.2</b>	<b>101.6</b>	<b>3%</b>	<b>10%</b>

- Repairs and maintenance rose to ₱13.1 million in FY 2025 from ₱11.7 million in FY 2024 (+12%), reflecting asset upkeep for refining facilities.
- Freight and transportation expenses increased to ₱14.6 million in FY 2025 from ₱9.0 million in FY 2024 (+63%). This increase was driven by the movement and handling of refined sugar among storage and distribution points.
- Power and steam costs remained broadly stable at ₱51.6 million in FY 2025 versus ₱50.4 million in FY 2024 (+2%), indicating consistent refinery energy efficiency.
- Inventory cost, spare parts and supplies, including process chemicals, decreased to ₱12.9 million in FY 2025 from ₱16.6 million in FY 2024 (-22%), reflecting tighter control over refinery consumables.
- Personnel costs related to tolling operations were ₱12.2 million in FY 2025, slightly below ₱12.8 million in FY 2024 (-4%).

### **Cost of Industrial Services**

Cost of Industrial Services was ₱34.1 million in FY 2025, compared to ₱31.4 million in FY 2024 and ₱29.6 million in FY 2023, representing an 8% increase year-on-year.

COST OF INDUSTRIAL SERVICES <i>In Million Pesos</i>	2025	2024	2023	Growth %	
				2025 vs 2024	2024 vs 2023
Salaries, wages bonuses and other benefits	.2	.5	.3	-62%	62%
Service Cost	8.2	.0	.0	0%	-100%
Repairs & Maintenance	1.5	8.6	.7	-83%	1177%
Materials	1.7	1.3	.8	30%	60%
Depreciation and amortization	2.7	2.4	2.9	12%	-17%
Security and outside services	7.7	6.1	4.1	28%	47%
Retirement	.0	1.5	6.0	-100%	-74%
Utilities	10.2	9.8	12.9	4%	-24%
Professional fee	.8	.4	1.1	90%	-62%
Taxes and licenses	.3	.2	.3	64%	-40%
Others	.8	.5	.3	53%	48%
<b>TOTAL</b>	<b>34.1</b>	<b>31.4</b>	<b>29.6</b>	<b>8%</b>	<b>6%</b>

- Security and related contracted services increased to ₱7.7 million in FY 2025 from ₱6.1 million in FY 2024 (+28%), in line with the expansion of areas under management within the industrial estate.
- Direct service cost was ₱8.2 million in FY 2025 (nil in FY 2024), reflecting costs directly attributable to providing estate-related services to locators and tenants.
- Repairs and maintenance decreased significantly to ₱1.5 million in FY 2025 from ₱8.6 million in FY 2024 (-83%). The prior year included substantial scheduled maintenance and rehabilitation work in common facilities that did not recur at the same level in FY 2025.

### **Operating Expenses**

Operating Expenses totaled ₱148.3 million in FY 2025, compared to ₱352.2 million in FY 2024 and ₱131.0 million in FY 2023. The 58% reduction versus FY 2024 primarily reflects the normalization of expenses that were elevated last year due to financing- and transaction-related activities.

OPERATING EXPENSES <i>In Million Pesos</i>	2025	2024	2023	Growth %	
				2025 vs 2024	2024 vs 2023
Salaries, wages bonuses and other benefits	21.9	32.9	26.0	-34%	27%
Repairs & Maintenance	4.4	4.8	2.7	-8%	73%
Management fees and bonuses	.2	.2	.1	-13%	120%
Taxes and licenses	21.3	138.5	26.5	-85%	422%
Depreciation and amortization	16.0	8.4	5.2	89%	64%
Freight and Transportation	11.2	12.2	8.7	-8%	41%
Security and outside services	13.4	9.4	6.8	43%	38%
Rentals	5.5	5.7	3.3	-5%	77%
Light and water	1.8	2.4	2.5	-27%	-3%
Entertainment, amusement and recreation	6.5	79.9	14.2	-92%	464%
Professional fees	37.4	49.0	28.4	-24%	72%
Dues and advertisements	1.4	1.1	1.5	32%	-28%
Postage, telephone and telegram	.3	.2	.4	32%	-46%
Provision for inventory obsolescence	.0	.6	.0	-100%	0%
Bank Charges	.0	.0	.2	-52%	-90%
Provision for doubtful accounts	.0	.2	.0	-100%	0%
Others	7.2	6.5	4.5	9%	44%
<b>TOTAL</b>	<b>148.3</b>	<b>352.2</b>	<b>131.0</b>	<b>-58%</b>	<b>169%</b>

- Taxes and licenses declined from ₱138.5 million in FY 2024 to ₱21.3 million in FY 2025 (-85%). The FY 2024 figure included documentary stamp tax and other taxes related to loan renewals, local business tax assessments, settlement of certain tax exposures, and taxes associated with the Subsidiary's non-recurring land sale.
- Professional fees totaled ₱37.4 million in FY 2025, compared to ₱49.0 million in FY 2024 (-24%). The prior year included extensive use of external advisers and consultants in relation to corporate transactions and regulatory matters. While professional services remained significant in FY 2025, overall requirements were lower.
- Administrative personnel costs were ₱21.9 million in FY 2025, down from ₱32.9 million in FY 2024 (-34%). This reduction reflects cost management initiatives and organizational streamlining in support functions.
- Depreciation and amortization within operating expenses increased to ₱16.0 million in FY 2025 from ₱8.4 million in FY 2024 (+89%). This increase is associated with capitalized assets supporting administration and estate operations, which are now subject to depreciation.
- Security and outside services recorded under operating expenses increased to ₱13.4 million in FY 2025 from ₱9.4 million in FY 2024 (+43%), reflecting higher security coverage across Company sites.

## Balance Sheet Accounts

(In Million Pesos)	FY 2025		FY 2024		FY 2023		GROWTH	
	AMT	%	AMT	%	AMT	%	AMT	%
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and cash equivalents	322.95	5%	865.89	13%	124.97	2%	-542.94	-63%
Receivables	856.70	13%	2,009.81	31%	1,428.49	22%	-1,153.11	-57%
Inventories	598.00	9%	336.88	5%	349.71	5%	261.12	78%
Real estate held for sale and development	10.10	0%	10.21	0%	988.59	15%	-.10	-1%
Other current assets	152.06	2%	282.96	4%	350.12	5%	-130.91	-46%
	<b>1,939.81</b>	<b>29%</b>	<b>3,505.75</b>	<b>54%</b>	<b>3,241.88</b>	<b>50%</b>	<b>-1,565.95</b>	<b>-45%</b>
<b>Non-current Assets</b>								
AFS financial assets	210.13	3%	211.19	3%	179.36	3%	-1.06	-1%
Property, plant and equipment								
Land- at revalued amount	1,097.97	16%	979.27	15%	718.13	11%	118.70	12%
Property and equipment- at cost	448.47	7%	456.95	7%	430.01	7%	-8.47	-2%
Investment property	1,640.02	24%	1,164.05	18%	871.08	13%	475.97	41%
Deferred income tax assets	3.58	0%	.96	0%	.85	0%	2.61	272%
Due from related parties -non current	1,172.40	17%	.00	0%	.00	0%	1,172.40	100%
Goodwill	.00	0%	.00	0%	502.42	8%	.00	0%
Other non-current assets	189.14	3%	207.37	3%	186.48	3%	-18.23	-9%
<b>Total Non Current Assets</b>	<b>4,761.71</b>	<b>71%</b>	<b>3,019.79</b>	<b>46%</b>	<b>2,888.32</b>	<b>44%</b>	<b>1,741.92</b>	<b>58%</b>
<b>TOTAL ASSETS</b>	<b>6,701.51</b>	<b>100%</b>	<b>6,525.55</b>	<b>100%</b>	<b>6,130.19</b>	<b>94%</b>	<b>175.97</b>	<b>3%</b>
<b>LIABILITIES AND EQUITY</b>								
<b>Current Liabilities</b>								
Trade and other liabilities	646.49	10%	589.08	9%	680.38	11%	57.41	10%
Short-term notes payable	838.00	13%	785.00	12%	898.08	15%	53.00	7%
Current portion of notes payable	136.50	2%	135.63	2%	134.81	2%	.87	1%
Deposits	20.85	0%	21.53	0%	94.76	2%	-.67	-3%
Income tax payable	21.77	0%	407.86	6%	.00	0%	-386.09	0%
Other current liabilities	22.57	0%	17.75	0%	19.10	0%	4.81	27%
<b>Total Current Liabilities</b>	<b>1,686.19</b>	<b>25%</b>	<b>1,956.86</b>	<b>30%</b>	<b>1,827.13</b>	<b>30%</b>	<b>-270.67</b>	<b>-14%</b>
<b>Non-current liabilities</b>								
Notes payable- net of current portion	252.93	4%	389.44	6%	525.07	9%	-136.50	-35%
Retirement liability	12.98	0%	8.14	0%	23.73	0%	4.84	60%
Deferred tax liability - net	265.92	4%	272.86	4%	256.77	4%	-6.93	-3%
Other noncurrent liabilities	21.97	0%	26.40	0%	10.43	0%	-4.44	-17%
<b>Total Non Current Liabilities</b>	<b>553.81</b>	<b>8%</b>	<b>696.84</b>	<b>11%</b>	<b>816.00</b>	<b>13%</b>	<b>-143.03</b>	<b>-21%</b>
<b>Equity</b>								
Capital stock	282.55	4%	282.55	4%	282.55	5%	.00	0%
Retained earnings	3,116.21	47%	2,612.76	40%	2,462.72	40%	503.45	19%
Revaluation increment	1,334.55	20%	1,245.52	19%	1,049.67	17%	89.02	7%
Remeasurement gain/(loss) on defined benefit liability	-58.71	-1%	-56.81	-1%	-68.64	-1%	-1.90	3%
Unrealized cumulative gain on AFS financial assets	156.01	2%	156.91	2%	129.85	2%	-.90	-1%
Less cost of 44,049,120 shares of stock in treasury	-369.08	-6%	-369.08	-6%	-369.08	-6%	.00	0%
<b>Total Equity</b>	<b>4,461.52</b>	<b>67%</b>	<b>3,871.85</b>	<b>59%</b>	<b>3,487.06</b>	<b>57%</b>	<b>589.67</b>	<b>15%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,701.51</b>	<b>100%</b>	<b>6,525.55</b>	<b>100%</b>	<b>6,130.19</b>	<b>100%</b>	<b>175.97</b>	<b>3%</b>

## Cash

Cash and cash equivalents were ₱322.95 million as of 30 June 2025, versus ₱865.89 million in FY 2024. The decrease in cash by ₱542.7M is due from net cash used by operating activities of ₱448.5M, net cash provided by investing activities of ₱135.4M and net cash used in financing activities by ₱229.5M.

## Receivables

Receivables decreased to ₱856.70 million from ₱2,009.81 million, reflecting both collections and the reclassification of longer-term receivables to non-current assets.

### **Inventories**

Inventories increased to ₱598.00 million from ₱336.88 million, reflecting timing of sales of sugar and alcohol and higher finished goods on hand.

### **Other current assets**

Other current assets decreased to ₱152.06 million from ₱282.96 million, due to lower advances and prepaid balances.

### **Investment property**

Higher carrying values for land and investment property, reflecting updated valuations and continued development of the Company's industrial and estate assets. Land carried at revalued amount increased to ₱1,097.97 million from ₱979.27 million, while investment property increased to ₱1,640.02 million from ₱1,164.05 million.

### **Trade and other payables**

Trade and other payables increased to ₱646.49 million from ₱589.08 million, reflecting normal operating activity.

### **Income tax payable**

Income tax payable declined significantly to ₱21.77 million from ₱407.86 million in FY 2024, following payment of taxes associated with FY 2024 earnings and the FY 2024 property transaction.

### **Notes payable**

Notes payable (non-current portion) declined to ₱252.93 million from ₱389.44 million, reflecting scheduled repayments of bank borrowings.

### **Retained earnings**

Higher retained earnings, which rose to ₱3,116.21 million in FY 2025 from ₱2,612.76 million in FY 2024, reflecting the Company's profitability after taxes and financing costs.

## **FY 2024 Review of Operations**

### **Revenues**

In the Fiscal Year 2023-2024, gross revenues from the sale of products and services amounted to ₱5,286.1 million, marking an increase of ₱3,799.3 million or 256% in comparison to the previous year's total of ₱1,486.8 million. In relation to the core business of the Company, the sugarcane as raw materials grew by an outstanding 23% or 79,391 tons, paving the way for the increase in sales of raw sugar, tolling services and carbon dioxide. Additionally, the Subsidiary successfully completed the sale of a parcel of land to another developer. This transaction not only generated additional revenue but also strategically positioned the Company for future growth and development opportunities in the real estate sector.

- Despite the decline in sugar price of ₱469 per bag, raw sugar revenues increased by ₱221.8 million or 48%, as the volume of bags sold rose by 121,065 LKG.
- Tolling revenue saw a remarkable growth of 13% or ₱21.0M, driven by a significant increase in the volume of raw sugar being refined from 484,234 bags to 595,573 bags this current fiscal year.
- While the selling price of alcohol is increased by ₱6 per liter or 9%, this did not negate the overall drop in alcohol revenues by ₱15.6M or 6%. A significant volume of alcohol inventory remains unsold as of the reporting period.
- A steady revenue growth in the water and locator fees of the Subsidiary posted an increase of 3%.

### **Cost of Goods Sold & Milling Services**

Cost of goods sold significantly amplified to ₱2,252.8M from last year's ₱1,124.6M or 100%.

- Repairs and maintenance grew by 15% from last year's ₱57.9M due to scheduled repairs program implemented this current reporting period to ensure equipment and facilities remain at optimal condition.
- The increase in the cost of goods sold, rising from ₱674.3 million to ₱787.7 million—a difference of ₱113.5 million or 17%—is primarily driven by the costs associated with inventory, spare parts, and supplies.
- Freight & transportation rose by ₱ 6.9M, reflecting a 19% increase driven by higher volume of cane milled. This uptick is closely linked to the trucking and hauling subsidies extended to planters, which aim to facilitate the transportation of sugar cane from farms to the mill.
- Expenditures on security and outside services increased by ₱5.5M or 13% due to a comprehensive review and rationalization of security requirements across the Company's facilities.

### **Cost of Tolling Services**

Cost of tolling moderately decreased by ₱10.6M or 10% this year from ₱101.6M to ₱112.2M.

- Spare parts and supplies increased by ₱7.7M or 88% from ₱8.8M to ₱16.6M due to the higher consumption of chemicals used in the refining process.
- Handling and movement of refined sugar to different warehouses to support the operations brought the freight and transportation account to increase by ₱3.9M or 79%, from last year's total of ₱5.0M.
- Power and steam consumption went down from ₱52.3M to ₱50.4M due to the efficient run of the refinery operations and the consistent and timely delivery of raw inputs.

### **Cost of Industrial Services**

Cost of industrial services slightly rose by ₱1.8M or 6% from last year's ₱29.6M to ₱31.4M.

- Repairs and maintenance went up from ₱4.8M to ₱2.7M or 77% due to scheduled maintenance work in the industrial zone and in the water distribution channels.
- Security services increased to ₱6.1M from last year's ₱4.1M or 47% due to additional security postings and requirement along the managed property.
- Retirement expense dropped by ₱4.4M or 74% due to programmed retirement of key employees last year.

- Utilities expense decreased from ₱12.9M to ₱9.8M or ₱3.1M due to the efficient management of the facilities and proper charging of billings to the consumers.

### **Operating Expenses**

Operating expenses grew by ₱223.5M or 171% from last year's ₱131.0M to ₱354.5M.

- Salaries and wages went up by 27% from last year's ₱26.0M to ₱32.9M to the hiring of additional manpower in the support service departments.
- Repairs and maintenance increased from ₱2.7M to ₱4.8M due to the improvements made in the amenities.
- Taxes and licenses grew by ₱111.9M or 422% due DST payments related to short-term loan renewal, increase in local business tax, settlement of tax liabilities, and one-time tax payments from the sale of a real property of the Subsidiary.
- Entertainment, amusement and recreation account increased to ₱79.9M from last year's ₱14.2M or ₱65.7M as a result of the business development, networking efforts and marketing strategies implemented by the Company during the reporting period.

### **Balance Sheet Accounts**

The table below presents the Balance Sheet Statements of the Company as of fiscal years dated June 30, 2024, 2023 and 2022.

#### **Cash**

The increase in cash by ₱740.9M or 593% is due from net cash provided by operating activities of ₱3,229.8M, net cash used in investing activities of ₱629.9M and net cash used in financing activities by ₱1,858.9M.

#### **Receivables**

The increment in receivables by ₱581.3M or 41% from ₱1,052.74M to ₱1,341.1M is due to the advances made to the affiliated companies.

#### **Real estate held for sale and development**

The reduction in real estate inventory by ₱978.4 or from last year's balance of ₱988.6M is brought about by the sale of the Subsidiary's land to another developer.

#### **Other current assets**

The drop of ₱67.2M or 19% in other current assets is a due to the reduction of the advances made to suppliers of goods and services.

#### **Property, Plant and Equipment and Investment Property**

The adjustment in the fair value of the land within the vicinity of Tarlac caused the valuation of the land in PPE account to increase by ₱261.1M of 36%, and in Investment Property account by ₱292.0M or 34%.

#### **Trade and other payables**

Trade and other payables decreased by ₱91.3M or 13% from ₱680.4M to ₱589.1M due to strategic settlement of obligations and trade payables.

### **Short-term and long-term payables**

Settlement of notes payable from a commercial bank caused these accounts to drop by ₱113.1M or 13% in short-term notes, while ₱135.6M or 26% in long-term payables.

### **Income tax payable**

The recognition of income tax payable as of the balance sheet date by ₱407.9M as compared to nil last year is a result of the profitable sugar operations and the sale of the land of the Subsidiary.

### **Total Stockholders' Equity**

The net increase in Stockholders' Equity of ₱395.3M or 6% is brought about by the net increase in retained earnings of ₱150.0M, revaluation increment of ₱195.8M unrealized cumulative gain on AFS financial assets of ₱27.0M, and remeasurement gain on defined benefit liability by ₱11.8M.

## **FY 2023 Review of Operations**

### **Revenues**

In the Fiscal Year 2022-2023, gross revenues from the sale of products and services amounted to P1,486.8 million, marking an increase of P51.2 million in comparison to the previous year's total of P1,435.6 million. Despite a notable drop in tonnage, which decreased from 352,374 tons to 339,141 tons of cane for the year, the boost in sugar prices was the primary factor contributing to the increase in service income, specifically from milling fees.

- Sugar sales decreased by 4%, resulting in a decrease of P19.5 million. This decline can be attributed to both lower sugar cane tonnage and an unsold inventory of 65,000 bags equivalent of raw sugar, which is being held for strategic pricing purposes.
- The tolling fee increased by 19%, amounting to a total of P24.9 million, despite a decrease in cane supply. This increase was primarily driven by higher tolling rates, which rose from P244 per bag to P320 per bag.
- Molasses sales declined due to the limited volume available for sale.
- Alcohol sales experienced a significant decrease of 28%, resulting in a loss of P105 million. This decline was primarily due to low alcohol production, as there was no additional sourcing of molasses to increase alcohol production.
- The decline in CO<sub>2</sub> sales is due to reduced alcohol production, as CO<sub>2</sub> is a byproduct of the alcohol production process.
- A steady revenue growth in the water and locator fees of a subsidiary company posted an increase of 8%.

### **Cost of Goods Sold & Milling Services**

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

- Repairs and maintenance dipped by 34% from last year's ₱47.1M due to managed and improved repair & maintenance program and lesser equipment downtime.
- Depreciation went down due to attainment of full depreciable life of the assets and steady CAPEX acquisition.
- Freight & transportation is reduced by ₱ 6.7M or 17% percent due to lower volume of cane milled associated with trucking and hauling subsidies provided to planters.
- Security and outside services dropped by ₱5.9M or 13% due to the rationalization of security requirements in the Company's facilities.
- Power and steam consumed in the production consequently went down by ₱10.3M attributable to shorter milling season.
- Taxes and licenses decreased by ₱2.0M or 22% as a result of lower allocation of Input tax to VAT exempt sales.

### **Cost of Tolling Services**

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

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

### **Cost of Industrial Services**

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

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

### **Operating Expenses**

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

- Salaries and wages went down by 7% from last year's ₱32.7M due to the retirement of direct hired employees
- Taxes and licenses increased by ₱5.8M or 67% due DST payments related to short-term loan renewal.

- Transportation and travel up by 23% or ₱1.6M mainly because of the consistent fuel price hike.
- Security and outside services slightly dropped by ₱1.1M or 17% due to the rationalization of security requirements in the Company's facilities.
- Entertainment, amusement and recreation grew by ₱1.9M as the company streamlined non-operating costs to preserve profitability margin.
- Professional fees went up by 15% from last year's P26.3M due payments to legal services related to clean up of Lot titles.

### **Balance Sheet Accounts**

#### **Cash**

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

#### **Receivables**

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

#### **Inventories**

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

#### **Other current assets**

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

#### **Other non-current assets**

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

#### **Trade and other payables**

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

#### **Other non-current liabilities**

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

#### **Total Stockholders' Equity**

The net increase in Stockholders' Equity of ₱110.6M or 4% is brought about by the reported

consolidated net income of ₱80.0M, revaluation increment of ₱36.1M and unrealized cumulative gain on AFS financial assets of ₱1.1M

## **LIQUIDITY & SOLVENCY RATIO**

### **Current Ratio**

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

### **Asset to Equity Ratio**

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

### **Debt to Equity Ratio**

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

### **Debt Service Coverage Ratio**

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

<b>LIQUIDITY &amp; SOLVENCY RATIO</b>	<b>FY 2025</b>	<b>FY 2024</b>
Current ratio	1.15	1.79
Asset-to-equity ratio	1.50	1.69
Debt-to-equity ratio	0.43	0.61
Debt Service Coverage Ratio	0.64	2.43

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

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

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

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

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

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

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

### **Changes in and Disagreements with Accountants On Accounting and Financial Disclosures**

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

The consolidated fees, net of VAT billed for the last two fiscal years by the Company's external auditor for the Company's annual financial statements audit were ₱1,370,400 for FYs 2025 and 2024.

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

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## PART IV - MANAGEMENT AND CERTAIN SECURITY HOLDERS

### A. Directors, Independent Directors and Executive Officers Of The Registrant

Directors, Independent Directors and Executive Officers

The following are the Directors, Independent Directors and Corporate Officers of the registrant. The Directors were elected during the Annual Meeting of Stockholders held on January 30, 2025 to hold office for one (1) year and until their successors are elected and qualified.

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

**Martin Ignacio P. Lorenzo**, age 60, Filipino, is currently the Chairman & Chief Executive Officer of CAT. Concurrently, he is also the Chairman and Chief Operating Officer of CAT Resource & Asset Holdings Inc. He holds the same position in the investment holding company of CAT, First Lucky Holdings Corporation, and its subsidiaries, namely, Restaurants Concepts Group, Inc., Amang Rodriguez Holdings, Inc. Cocosorbetero Holdings, Inc., Hospitality School Management Group, Inc. Mr. Lorenzo is likewise the Chairman and Chief Executive Officer of Marlor Investments Corporation and holds the same position in its subsidiaries: Blue Mountains Corporation and LAC-DC. He is also the Chairman and President of First Lucky Property Corporation. He currently holds position in other investment companies, namely, St. Tropez Holdings Corporation and Sierra Madre Capital. He is a Director in Familia Lorenzo Foundation, Incorporated. Mr. Lorenzo has over 20 years of extensive experience in investments and operations in various industries including agriculture, manufacturing and food retail. He obtained his BS Management Engineering degree at Ateneo de Manila University in 1986. He obtained his Master's in Business Administration in Wharton Graduate School, University of Pennsylvania, in 1990.

**Fernando C. Cojuangco**, age 63, Filipino, is currently the President and Chief Operating Officer of the Company. He holds the same position in CAT Resource & Asset Holdings Inc. and is also the Chairman and President of Liberty Insurance Corporation. He is the Chairman & Chief Operating Officer of North Star Estate Holdings. A lawyer by profession, he is a principal partner in MALCOLM Law Offices. Mr. Cojuangco has extensive experience in agriculture, real estate and insurance industries. He is a holder of a Bachelor of Arts degree in Economics from the University of California and Member of the Omicron Delta Epsilon Honors Society. He obtained his Bachelor of Laws degree with honors from the Ateneo de Manila University.

**Fernan Victor P. Lukban**, age 64, Filipino, is the Treasurer of the Company. He is one of the top Strategy and Family Business consultants in the Philippines. He is a founding fellow at the Institute of Corporate Directors in Manila and is also an International Fellow of the Australian Institute of Company Directors. He holds undergraduate degrees in Engineering from De La Salle University and graduate degrees in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific, Manila. He also has a Master's degree in Business Administration from IESE, Barcelona, Spain.

**Martin Diego L. Lorenzo, Jr.** age 35, Filipino, is a Director of the Company. He is the Co-Founder and CEO of Pickup Coffee, leading grab-and-go coffee chain in the country. He is also a director in First Lucky Holdings Corporation and its subsidiaries, namely, RestaurantConcepts Group, Inc. and Meatworld International Inc. He holds the same position in Pickup Ventures Pte Ltd, a holding company incorporated in Singapore. He is a graduate of BS Management Engineering at Ateneo de Manila University in 2012 and Masters in Business Administration in Wharton Graduate School in 2018.

**Mateo Rafael L. Lorenzo**, age 33, Filipino, is a Director of the Company. He is the Managing Director of Green Future Innovations, Inc, a bioethanol and co-generation plant and an affiliate of the Company. He is also a Director of First Lucky Holdings, Inc. and its subsidiaries namely, First Green Renewable Holdings, Inc. First Lucky Education Holdings, Corp., Meatworld International Inc., RestaurantConcepts Group, Inc., Focus Athletics, Inc., Tarlac Distillery Corp., and Courxera Holdings Corp. He obtained his BS Management Engineering at Ateneo de Manila University in 2014 and finished his Master's Degree in Business Administration from Wharton Graduate School in 2021.

**Pedro Francisco B. Cojuangco**, age 33, Filipino, is a Director of the Company. He is part of the management team of Central Luzon Cane Growers and Tarlac Distillery Corporation as the head of operations. He holds various directorship positions in North Star Estate Holdings, Inc. North Star Agro Energy Holdings Inc., Asturias Land and Asset Holdings Inc and Farm Central Builder Holdings, Inc. He is also a Director in CAT Realty Corporation, Luisita Marketing Corp., and Mercanto Trading Corporation. He studied Political Science in Corpus Cristi College in Vancouver, Canada.

**Renato B. Padilla**, age 79, Filipino, is an Independent Director of the Company. He is a lawyer by profession and is currently the General Manager of the Philippine International Convention Center (PICC) in Manila. He was formerly an Undersecretary of the Department of Agrarian Reform from 1989-1995.

**Benjamin I. Espiritu Ph. D**, age 72, Filipino, is an Independent Director of the Company. He is a practicing Certified Public Accountant, President & CEO of Change Management International, Inc. and Chairman of Banco de Mindoro, Inc. He was Dean of Far Eastern University Makati, and Chair of the Accounting, Finance, Business and Governance Department of the De La Salle University Graduate School of Business. He served as Governor of the Province of Oriental, Mindoro. He earned his Ph.D., Major in Public Administration from the University of Santo Tomas, Master in National Security Administration from the National Defense College of the Philippines, Master of Business Administration and Bachelor of Science in Commerce, Major in Accounting degrees from De La Salle University.

**Cecile D. Macaalay**, age 57, Filipino, is the Chief Finance Officer of the Company. She is a practicing Certified Public Accountant. She is also the Chief Finance Officer of First Lucky Holdings Corporation and the Director of its subsidiaries such as Restaurant Concepts Group, Inc., LAC -DC and Cocosorbetero Holdings, Inc. She is also the Treasurer of CAT Resource & Asset Holdings, Inc. and Assistant Treasurer of Amang Rodriguez Holdings, Inc.. She obtained her Bachelor of Science Degree in Business Administration and Accountancy at University of the Philippines in 1990.

**Janette L. Peña**, age 65, Filipino, is the current Corporate Secretary the Company. She is also the Corporate Secretary of CAT Resource & Asset Holdings Inc. and First Lucky Holdings Corp. Ms. Peña is an Independent Director of The Manufacturer's Life Insurance Co. (Phils), Inc. Manulife Financial Plans, Inc., Manulife Chinabank Life Assurance Corporation, China Oceans Philippines, Inc., and Corporate Secretary for Macondray Philippines Co., Inc., other subsidiaries, among others. Ms. Peña graduated from the University of the Philippines with a Bachelor of Science degree in Business Economics (Cum laude). She received her Bachelor of Laws from the University of the Philippines College of Law (Cum laude) and ranked first in the 1985 Philippine Bar Exams. She completed her Master of Laws in Harvard Law School.

**Addison B. Castro**, age 62, Filipino, is the Assistant Corporate Secretary of the Company. Atty. Castro is a practicing lawyer and a Principal Partner of Gatchalian Castro & Mawis Law Offices. He is a professor of the Lyceum of the Philippines University, College of Law since 2008. He graduated with a degree of Bachelor of Science in Applied Economics at the De La Salle University in 1983. He obtained his Bachelor of Laws degree from the Ateneo de Manila University in 1988.

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## **Family Relationships**

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

## **Identification of Significant Personnel**

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

## **Involvement in Certain Legal Proceedings**

None of the directors and officers was involved during the past five years in any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding or being subject to a pending criminal proceeding, or being subject to any order, judgment or decree of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; nor being found in a civil action to have violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated. As of the years ended June 30, 2025 and June 30, 2024, the Company is not involved in any litigation it considers material.

## **B. Executive Compensation**

The following table summarizes the compensation of key management personnel of the Company for the fiscal years June 30, 2025, 2024 and 2023.

FY 2024-2025						
Name	Position	Salary & Professional fees	Bonus	Transportation	Per Diem	Total
<b>July 1, 2024 - June 30, 2025</b>						
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	P24,992,384	P2,080,448	P1,303,886	P210,000	P28,586,719
Fernando Ignacio C. Cojuangco	President & COO					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations & Resident Manager					
All Other Officers & Directors as a group						
<b>TOTAL</b>		<b>P24,992,384</b>	<b>P2,080,448</b>	<b>P1,303,886</b>	<b>P210,000</b>	<b>P28,586,719</b>

FY 2023-2024						
Name	Position	Salary & Professional fees	Bonus	Transportation	Per Diem	Total
<b>July 1, 2022 - June 30, 2023</b>						
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	P17,327,809	P1,455,562	P1,609,066	P242,500	P20,634,937
Fernando Ignacio C. Cojuangco	President & COO					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations & Resident Manager					
All Other Officers & Directors as a group						
<b>TOTAL</b>		<b>P17,327,809</b>	<b>P1,455,562</b>	<b>P1,609,066</b>	<b>P242,500</b>	<b>P20,634,937</b>

FY 2022-2023						
Name	Position	Salary & Professional fees	Bonus	Transportation	Per Diem	Total
<b>July 1, 2022 - June 30, 2023</b>						
Martin Ignacio P. Lorenzo	Chairman of the Board & CEO	P16,762,149	P1,621,999	P1,622,136	P110,000	P20,116,284
Fernando Ignacio C. Cojuangco	President & COO					
Cecile D. Macaalay	Chief Finance Officer					
Noel M. Payongayong	VP for Operations & Resident Manager					
All Other Officers & Directors as a group						
<b>TOTAL</b>		<b>P16,762,149</b>	<b>P1,621,999</b>	<b>P1,622,136</b>	<b>P110,000</b>	<b>P20,116,284</b>

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

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

#### Security Ownership of Certain Record and Beneficial Owners

The following table identifies the security ownership of certain record and beneficial owners the Company owning more than 5% of its Common Shares as of June 30, 2025.

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

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## **Security Ownership of Management**

The following table identifies the security ownership of Management as of June 30, 2025.

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

## **PART V - CORPORATE GOVERNANCE**

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

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

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

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

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

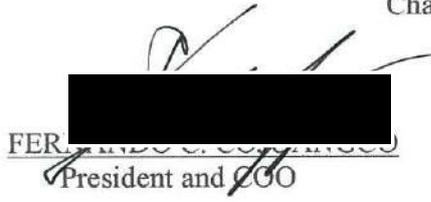
**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on \_\_\_\_\_ 2025:

By:

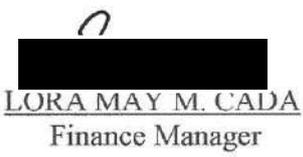


MARTIN P. LORENZO  
Chairman of the Board and CEO

  
FERNANDO C. COJUANGCO  
President and COO

  
JANETTE L. PENA  
Secretary

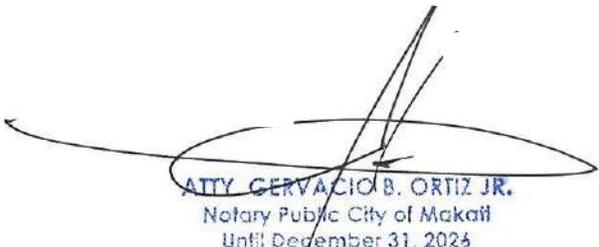
  
CECILE D. MACAALAY  
Chief Finance Officer

  
LORA MAY M. CADA  
Finance Manager

**SUBSCRIBED AND SWORN** to before me this day of OCT 28 2025 2025 affiant (s) exhibiting to me their PASSPORT ID's as follow :

- NAME
- Martin Ignacio P. Lorenzo
- Fernando C. Cojuangco
- Janette L. Pena
- Cecile D. Macaalay
- Lora May M. Cada

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Page No. 6  
Book No. XIV  
Series of 2025

  
ATTY. GERVAICIO B. ORTIZ JR.  
Notary Public City of Makati  
Until December 31, 2026  
IBP No. 05729-Lifetime Member  
MCLE Compliance No. VIII-0040999  
valid until April 14, 2026  
Appointment No. M-007 (2025-2026)  
PTR No. 10466005 Jan. 2, 2025/Makati  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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

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

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

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

Form Type  
**A A C F S**

Department requiring the report  
**C R M D**

Secondary License Type, If Applicable  
**N / A**

**COMPANY INFORMATION**

Company's Email Address <b>N/A</b>	Company's Telephone Number <b>8818-6270</b>	Mobile Number <b>N/A</b>
No. of Stockholders <b>390</b>	Annual Meeting (Month / Day) <b>Last Tuesday of January</b>	Fiscal Year (Month / Day) <b>06/30</b>

**CONTACT PERSON INFORMATION**

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

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

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

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



## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the consolidated financial statements of Central Azucarera de Tarlac, Inc. and its subsidiary (the Group), which comprise the consolidated balance sheets as at June 30, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended June 30, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated balance sheets of the Group as at June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended June 30, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

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



## **Valuation of Land**

The Group carries land in its consolidated balance sheet as property, plant and equipment and investment property and accounts for these using the revaluation and fair value model, respectively. Land represents 40.86% of the total consolidated assets of the Group as at June 30, 2025. The determination of the revalued amount and fair value of these parcels of land involves significant management judgments and estimations. The valuation also requires the assistance of the external appraiser whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land as a key audit matter.

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

### *Audit Response*

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

We also assessed the adequacy of the related disclosures in the consolidated financial statements.

## **Ownership of Sugar Inventories**

The Group's sugar inventories amounted to ₱448.4 million as at June 30, 2025. Ownership of sugar inventories is evidenced by sugar quedans, a warehouse receipt document representing rights over a specified quantity of sugar in a warehouse or sugar central which is unique to the Philippine sugar industry. Accordingly, the Group's physical possession of sugar inventories may not necessarily indicate ownership. We considered establishing ownership of sugar inventory as a key audit matter because it includes accounting for quedans, a negotiable instrument representing sugar ownership, and sugar delivery orders. Count procedures require the determination of sugar inventory accountabilities to third parties.

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

### *Audit Response*

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



## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended June 30, 2025, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended June 30, 2025 are expected to be made available to us after the date of this auditor's report.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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



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

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

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

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

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



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

SYCIP GORRES VELAYO & CO.

*Genghis O. Grospe*

Genghis O. Grospe

Partner

CPA Certificate No. 121500

Tax Identification No. 255-541-291

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-139-2024, March 8, 2024, valid until March 7, 2027

PTR No. 10465310, January 2, 2025, Makati City

October 9, 2025





## Central Azucarera de Tarlac, Inc.

### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **CENTRAL AZUCARERA DE TARLAC, INC. and Subsidiary** (the Group) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended June 30, 2025 and 2024 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**MARTIN P. LORENZO**  
Chairman and CEO

**FERNANDO C. COJUANGCO**  
President and COO

**CECILE D. MACAALAY**  
Chief Finance Officer

**SUBSCRIBED AND SWORN** to before me this day of OCT 28 2025 2025 affiant(s) exhibiting to me their PASSPORT ID's as follows:

NAME  
Martin Ignacio P. Lorenzo  
Fernando C. Cojuangco  
Cecile D. Macaalay

Doc. No. 40  
Page No. 9  
Book No. XIV  
Series of 2025

**ATTY. GERVASIO B. ORTIZ JR.**  
Notary Public City of Makati  
Until December 31, 2026  
IBP No. 05729-Lifetime Member  
MCLE Compliance No. VIII-0040999  
valid until April 14, 2028  
Appointment No. M-007 (2025-2026)  
PTR No. 10466005 Jan. 2, 2025/Makati  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

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

	June 30	
	2025	2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 5)	₱322,949,953	₱865,891,881
Receivables (Note 6)	856,698,459	2,009,809,873
Inventories (Note 7)	597,999,927	336,883,771
Real estate held for sale and development (Note 8)	10,101,925	10,205,657
Other current assets (Note 9)	152,055,832	282,961,819
<b>Total Current Assets</b>	<b>1,939,806,096</b>	<b>3,505,753,001</b>
<b>Noncurrent Assets</b>		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 11)	210,129,392	211,190,112
Due from related parties (Note 23)	1,172,403,569	-
Property, plant and equipment:		
Land - at revalued amount (Note 13)	1,097,965,750	979,266,750
Property, plant and equipment - at cost (Note 12)	448,474,146	456,948,670
Investment property (Note 13)	1,640,020,440	1,164,053,340
Deferred income tax assets - net (Note 24)	3,575,134	961,244
Other noncurrent assets (Note 14)	189,140,098	207,372,780
<b>Total Noncurrent Assets</b>	<b>4,761,708,529</b>	<b>3,019,792,896</b>
<b>TOTAL ASSETS</b>	<b>₱6,701,514,625</b>	<b>₱6,525,545,897</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 15)	₱646,494,618	₱589,080,463
Income tax payable	21,768,442	407,862,712
Short-term notes payable (Note 16)	837,999,999	784,999,999
Current portion of notes payable (Note 16)	136,501,998	135,634,521
Other current liabilities (Note 25)	43,421,158	39,281,628
<b>Total Current Liabilities</b>	<b>1,686,186,215</b>	<b>1,956,859,323</b>
<b>Noncurrent Liabilities</b>		
Notes payable - net of current portion (Note 16)	252,933,802	389,435,800
Deferred income tax liabilities - net (Note 24)	265,923,968	272,856,200
Retirement benefit obligation (Note 22)	12,984,592	8,140,180
Other noncurrent liabilities (Note 25)	21,966,466	26,404,951
<b>Total Noncurrent Liabilities</b>	<b>553,808,828</b>	<b>696,837,131</b>
<b>Total Liabilities</b>	<b>2,239,995,043</b>	<b>2,653,696,454</b>
<b>Equity</b>		
Capital stock (Note 26)	282,545,960	282,545,960
Retained earnings (Note 26)	3,116,211,602	2,612,762,800
Revaluation increment (Note 13)	1,334,547,003	1,245,522,753
Remeasurement losses on retirement plan (Note 22)	(58,711,790)	(56,810,489)
Unrealized cumulative gains on financial assets at FVOCI (Note 11)	156,005,297	156,906,909
	4,830,598,072	4,240,927,933
Treasury stock (Note 26)	(369,078,490)	(369,078,490)
<b>Total Equity</b>	<b>4,461,519,582</b>	<b>3,871,849,443</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱6,701,514,625</b>	<b>₱6,525,545,897</b>

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended June 30		
	2025	2024	2023
<b>REVENUES</b>			
Sale of sugar and by-products	₱713,263,644	₱950,853,739	₱764,213,381
Milling income	531,777,543	506,993,741	517,215,855
Tolling fees	113,195,637	175,863,314	154,351,943
Industrial services	67,208,293	52,368,606	50,977,564
Real estate sale (Note 8)	–	3,600,000,000	–
	<b>1,425,445,117</b>	<b>5,286,079,400</b>	<b>1,486,758,743</b>
<b>COST OF GOODS SOLD AND SERVICES</b>			
Cost of goods sold and milling and tolling services (Note 17)	1,025,824,005	1,239,861,838	1,095,032,420
Cost of industrial services (Note 18)	34,088,940	31,419,767	29,564,512
Cost of real estate sale (Note 8)	–	981,516,357	–
	<b>1,059,912,945</b>	<b>2,252,797,962</b>	<b>1,124,596,932</b>
<b>GROSS INCOME</b>	<b>365,532,172</b>	<b>3,033,281,438</b>	<b>362,161,811</b>
<b>OPERATING EXPENSES</b> (Note 19)	<b>(148,318,576)</b>	<b>(352,177,563)</b>	<b>(131,020,315)</b>
<b>OTHER INCOME (EXPENSE)</b>			
Fair value gains on investment property (Note 13)	475,967,100	292,974,150	94,149,020
Interest income (Notes 5, 6, 14 and 23)	19,295,236	27,502,335	5,404,691
Interest expense (Notes 16, 25 and 29)	(96,307,639)	(127,021,916)	(133,590,661)
Impairment of goodwill (Note 10)	–	(502,418,570)	–
Loss on discounting (Notes 6 and 23)	(104,605,512)	–	–
Other income (expense) - net (Note 21)	4,576,771	(7,631,845)	1,030,581
<b>INCOME BEFORE INCOME TAX</b>	<b>516,139,552</b>	<b>2,364,508,029</b>	<b>198,135,127</b>
<b>PROVISION FOR (BENEFIT FROM)</b>			
<b>INCOME TAX</b> (Note 24)			
Current	51,118,748	736,571,142	33,417,894
Deferred	(38,427,998)	(58,029,185)	(4,087,339)
	<b>12,690,750</b>	<b>678,541,957</b>	<b>29,330,555</b>
<b>NET INCOME</b>	<b>₱503,448,802</b>	<b>₱1,685,966,072</b>	<b>₱168,804,572</b>
<b>Basic/diluted earnings per share</b> (Note 26)	<b>₱2.111</b>	<b>₱7.069</b>	<b>₱0.708</b>

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended June 30		
	2025	2024	2023
<b>NET INCOME</b>	<b>₱503,448,802</b>	₱1,685,966,072	₱168,804,572
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Items that will not be reclassified to profit or loss - net of income tax effect:</i>			
Revaluation increase on land under property, plant and equipment (Note 13)	<b>89,024,250</b>	195,853,350	74,658,232
Unrealized gains (losses) on financial assets at FVOCI (Note 11)	<b>(901,612)</b>	27,059,325	27,368,667
Remeasurement gains (losses) on retirement plan (Note 22)	<b>(1,901,301)</b>	11,826,164	(1,285,381)
	<b>86,221,337</b>	234,738,839	100,741,518
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱589,670,139</b>	₱1,920,704,911	₱269,546,090

*See accompanying Notes to Consolidated Financial Statements.*



**CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED JUNE 30, 2025**

	Capital Stock (Note 26)	Retained Earnings (Note 26)		Total	Revaluation Increment (Note 13)	Remeasurement Gains (Losses) on Retirement Plan (Note 22)	Unrealized Cumulative Gains on Financial Assets at FVOCI (Note 11)	Treasury Stock (Note 26)	Total Equity
		Unappropriated	Appropriated						
Balances at July 1, 2022	₱282,545,960	₱793,911,806	₱1,500,000,000	₱2,293,911,806	₱975,011,171	(₱67,351,272)	₱102,478,917	(₱369,078,490)	₱3,217,518,092
Total comprehensive income (loss)	–	168,804,572	–	168,804,572	74,658,232	(1,285,381)	27,368,667	–	269,546,090
Balances at June 30, 2023	282,545,960	962,716,378	1,500,000,000	2,462,716,378	1,049,669,403	(68,636,653)	129,847,584	(369,078,490)	3,487,064,182
Total comprehensive income	–	1,685,966,072	–	1,685,966,072	195,853,350	11,826,164	27,059,325	–	1,920,704,911
Dividend declaration (Note 26)	–	(1,535,919,650)	–	(1,535,919,650)	–	–	–	–	(1,535,919,650)
Reversal of appropriation (Note 26)	–	1,500,000,000	(1,500,000,000)	–	–	–	–	–	–
Balances at June 30, 2024	282,545,960	2,612,762,800	–	2,612,762,800	1,245,522,753	(56,810,489)	156,906,909	(369,078,490)	3,871,849,443
Total comprehensive income (loss)	–	503,448,802	–	503,448,802	89,024,250	(1,901,301)	(901,612)	–	590,314,721
Appropriation (Note 26)	–	(1,100,000,000)	1,100,000,000	–	–	–	–	–	–
Balances at June 30, 2025	<b>₱282,545,960</b>	<b>₱2,016,211,602</b>	<b>₱1,100,000,000</b>	<b>₱3,116,211,602</b>	<b>₱1,334,547,003</b>	<b>(₱58,711,790)</b>	<b>₱156,005,297</b>	<b>(₱369,078,490)</b>	<b>₱4,461,519,582</b>

*See accompanying Notes to Consolidated Financial Statements.*



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

	Years Ended June 30		
	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	₱516,139,552	₱2,364,508,029	₱198,135,127
Adjustments for:			
Loss on discounting (Notes 6 and 23)	104,605,512	–	–
Interest expense (Notes 16 and 25)	96,307,639	127,021,916	133,590,661
Depreciation and amortization (Notes 12, 17, 18, 19 and 20)	94,493,478	81,844,399	82,878,507
Provision for inventory writedown (Notes 3 and 7)	23,679,470	–	25,056,480
Provision for estimated credit losses (ECL) (Notes 3, 6 and 19)	7,375,068	2,540,352	–
Net retirement loss (Notes 20, 21 and 22)	3,968,075	5,789,085	5,561,461
Net unrealized foreign exchange losses (gains)	254,423	(34,811)	(25,437)
Fair value gains on investment property (Note 13)	(475,967,100)	(292,974,150)	(94,149,020)
Interest income (Notes 5, 6, 14 and 23)	(19,295,236)	(27,502,335)	(5,404,691)
Reversal of provision for ECL (Notes 3, 6 and 21)	(7,837,936)	(2,331,249)	(10,243)
Provision for (reversal of) inventory obsolescence (Notes 3 and 7)	(185,313)	601,016	(124,620)
Impairment of goodwill (Note 10)	–	502,418,570	–
Operating income before working capital changes	343,537,632	2,761,880,822	345,508,225
Decrease (increase) in:			
Receivables	(125,239,638)	(19,719,915)	(30,018,490)
Inventories	(284,610,313)	12,220,546	(131,615,918)
Real estate held for sale and development	103,732	978,386,878	(98,162)
Other current assets	(21,761,537)	(161,546,866)	(73,670,622)
Increase (decrease) in:			
Trade and other payables	55,548,803	(168,225,417)	235,596,193
Deposits	(673,765)	(73,233,771)	77,148,981
Net cash generated from (used in) operations	(33,095,086)	3,329,762,277	422,850,207
Income taxes paid	(415,451,481)	(100,000,000)	–
Net cash flows from (used in) operating activities	(448,546,567)	3,229,762,277	422,850,207
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net changes in accounts with related parties (Note 23)	152,058,844	(553,543,848)	(57,583,522)
Additions to property, plant and equipment (Note 12)	(44,780,342)	(74,791,836)	(52,461,154)
Decrease (increase) in other noncurrent assets	18,232,682	(20,895,950)	9,269,336
Interest received	9,931,306	19,329,534	133,868
Net cash flows from (used in) investing activities	135,442,490	(629,902,100)	(100,641,472)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of:			
Interest (Note 29)	(90,989,292)	(121,339,046)	(126,716,739)
Notes payable (Note 29)	(82,634,521)	(247,891,677)	(208,727,571)
Lease liabilities (Note 29)	(18,343,796)	(20,149,381)	(14,735,309)
Transaction costs (Note 29)	(3,115,479)	(3,938,354)	(9,747,922)
Dividends (Notes 26 and 29)	(1,920,930)	(1,458,696,472)	–
Decrease in other noncurrent liabilities	(32,579,410)	(6,953,406)	(7,115,261)
Net cash flows used in financing activities	(229,583,428)	(1,858,968,336)	(367,042,802)
<b>NET INCREASE (DECREASE) IN CASH</b>	(542,687,505)	740,891,841	(44,834,067)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	(254,423)	34,811	25,437
<b>CASH AT BEGINNING OF YEAR</b>	865,891,881	124,965,229	169,773,859
<b>CASH AT END OF YEAR (Note 5)</b>	₱322,949,953	₱865,891,881	₱124,965,229

See accompanying Notes to Consolidated Financial Statements.



# **CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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### **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, 2025 and 2024, 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, Brgy. Asturias and Brgy. Mapalacsiao. In September 2018, the properties management responsibility to 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, 2025 were authorized for issue in accordance with a resolution by the Board of Directors (BOD) on October 9, 2025.

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### **2. Basis of Preparation, Statement of Compliance, Basis of Consolidation and Material Accounting Policy Information**

#### 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 (PFRS) Accounting Standards.



### 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, 2024. 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:

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

### **Material Accounting Policy Information**

#### Current versus Noncurrent Classification

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.

#### Business Combinations and Goodwill

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.

#### Cash

Cash includes cash on hand and in banks.

#### Financial Instruments

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, 2025 and 2024 consist of "Cash", "Receivables", "Due from related parties", 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, 2025 and 2024 consist of listed and unlisted 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 at June 30, 2025 and 2024.

#### *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 depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the 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:

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

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

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

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

#### *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.



*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.

*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.

*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.

*Interest Income*

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

*Other Income (Expense)*

This includes revenue and expenses recognized when earned or incurred 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 Real Estate Sale*

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.

*Cost of Industrial Services*

These are costs directly related to water distribution services are recognized when incurred.

*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 to the extent that it is probable that taxable profit will be available against which the deductible temporary differences 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.

### Retirement Cost

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

Events after the reporting date 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. Events after the reporting date 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, 2025

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, 2025*

- Amendments to PAS 21, *Lack of Exchangeability*

##### *Effective beginning on or after July 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

##### *Effective beginning on or after July 1, 2027*

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

##### *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*

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### **3. Summary of Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards 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.



### Judgments

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

#### *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. For related party receivables, the Group estimated ECL using a benchmarking approach, this approach involved the use of loss rates derived from comparable market data and industry peers, which were evaluated to reflect the credit risk characteristics of the counterparties, as well as the nature and aging of the receivables.

In the case of certain 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, Philippine Stock Exchange index 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, 2025 and 2024, the allowance for ECL on receivables and due from related parties amounted to ₱22.7 million and ₱23.2 million, respectively. The carrying amounts of receivables, due from related parties and long-term receivables as at June 30, 2025 and 2024 amounted to ₱2.2 billion, respectively (see Notes 6, 14 and 23).



*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.

Reversal of and provision for inventory obsolescence amounted to ₱0.2 million and ₱0.6 million in 2025 and 2024, respectively. Provision for inventory writedown amounted to ₱23.7 million and nil in 2025 and 2024, respectively (see Note 7).

The allowance for inventory obsolescence as at June 30, 2025 and 2024 amounted to ₱7.7 million and ₱7.8 million, respectively. The carrying amounts of inventories as at June 30, 2025 and 2024 amounted to ₱598.0 million and ₱336.9 million, respectively (see Note 7).

*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, 2025 and 2024.

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, 2025 and 2024 amounted to ₱1.1 billion and ₱979.3 million, respectively (see Note 13). The fair value of land under investment property amounted to ₱1.6 billion and ₱1.2 billion as at June 30, 2025 and 2024, 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, 2025 and 2024 amounted to ₱448.5 million and ₱456.9 million, respectively (see Note 12).



#### *Impairment of Nonfinancial Assets*

The Group assesses whether there are any indicators of impairment for property plant and equipment 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 2025 and 2024. The carrying amounts of property, plant and equipment carried at cost and advances are ₱591.8 million and ₱734.3 million as at June 30, 2025 and 2024, respectively (see Notes 9 and 12).

#### *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. Impairment of goodwill was recognized in 2024 (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, 2025 and 2024 amounted to ₱62.5 million and ₱32.4 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 2025 and 2024 amounted to ₱3.9 million and ₱5.7 million, respectively. The carrying amounts of the Group's retirement plan obligation amounted to ₱13.0 million and ₱8.1 million as at June 30, 2025 and 2024, 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.

#### 2025

	Sugar and by-products	Real Estate and Industrial Services	Eliminations	Total
Revenues	₱1,358,236,824	₱67,208,293	₱-	₱1,425,445,117
Cost of goods sold and services	1,025,824,005	34,088,940	-	1,059,912,945
Gross income	332,412,819	33,119,353	-	365,532,172
Interest income	16,634,585	2,660,651	-	19,295,236
Operating expenses	(124,376,049)	(23,942,527)	-	(148,318,576)
Interest expense	(96,242,792)	(64,847)	-	(96,307,639)
Fair value gain on investment property	475,967,100	-	-	475,967,100
Loss on discounting	(94,251,443)	(10,354,069)	-	(104,605,512)
Other income - net	4,370,737	206,034	-	4,576,771
<b>Segment income before income tax</b>	<b>₱514,514,957</b>	<b>₱1,624,595</b>	<b>₱-</b>	<b>₱516,139,552</b>
<b>Segment assets</b>	<b>₱6,463,678,415</b>	<b>₱372,842,109</b>	<b>(₱135,005,899)</b>	<b>₱6,701,514,625</b>
<b>Segment liabilities</b>	<b>₱2,130,153,366</b>	<b>₱39,609,792</b>	<b>₱70,231,885</b>	<b>₱2,239,995,043</b>

#### 2024

	Sugar and by-products	Real Estate and Industrial Services	Eliminations	Total
Revenues	₱1,633,710,794	₱3,652,368,606	₱-	₱5,286,079,400
Cost of goods sold and services	1,239,861,838	748,982,701	263,953,423	2,252,797,962
Gross income	393,848,956	2,903,385,905	(263,953,423)	3,033,281,438
Interest income	16,173,477	11,328,858	-	27,502,335
Operating expenses	(128,557,777)	(223,619,786)	-	(352,177,563)
Interest expense	(124,743,957)	(2,277,959)	-	(127,021,916)
Fair value gain on investment property	292,974,150	-	-	292,974,150
Impairment of goodwill	-	-	(502,418,570)	(502,418,570)
Other income (expense) - net	5,319,694	(12,951,539)	-	(7,631,845)
<b>Segment income before income tax</b>	<b>₱455,014,543</b>	<b>₱2,675,865,479</b>	<b>(₱766,371,993)</b>	<b>₱2,364,508,029</b>
<b>Segment assets</b>	<b>₱5,762,077,866</b>	<b>₱1,661,463,451</b>	<b>(₱897,995,420)</b>	<b>₱6,525,545,897</b>
<b>Segment liabilities</b>	<b>₱2,886,226,735</b>	<b>₱530,465,138</b>	<b>(₱762,995,419)</b>	<b>₱2,653,696,454</b>



2023

	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)
Fair value gain on investment property	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

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

## 5. Cash

	2025	2024
Cash in banks	₱322,423,515	₱864,464,174
Cash on hand	526,438	1,427,707
	<b>₱322,949,953</b>	<b>₱865,891,881</b>

Cash in banks earn interest at the respective bank deposit rates. Interest rates range from 0.05% to 2.1% and 0.05% to 5.05% per annum in 2025 and 2024, respectively.

Interest income earned from cash in banks amounted to ₱0.9 million, ₱18.7 million and ₱0.1 million in 2025, 2024 and 2023, respectively.

## 6. Receivables

	2025	2024
Trade	₱102,191,667	₱79,440,306
Nontrade:		
Due from related parties (see Note 23)	654,463,618	1,833,359,737
Planters' receivable	72,600,078	47,179,591
Current portion of long-term receivables (see Note 14)	24,029,214	22,618,655
Advances to Luisita Golf and Country Club, Inc. (LGCCCI)	962,746	12,891,835
Others	25,149,379	37,480,860
	<b>879,396,702</b>	<b>2,032,970,984</b>
Less allowance for ECL	22,698,243	23,161,111
	<b>₱856,698,459</b>	<b>₱2,009,809,873</b>

Trade receivables are noninterest-bearing within its credit terms, which is 30 to 60 days. Interest income earned on past due accounts amounted to ₱0.3 million, ₱0.1 million and ₱0.8 million in 2025, 2024 and 2023, respectively.



Certain receivables from related parties are subject to interest at 4% to 5% per annum in 2025, 2024 and 2023. Interest income earned from receivables from related parties amounted to ₱2.9 million, ₱4.9 million and ₱2.3 million in 2025, 2024 and 2023, respectively (see Note 23).

Planters' receivable pertains to the loan agreement entered into in 2019 that are subject to 6.5% interest per annum which increased to 9% in 2024. Interest income earned amounted to ₱3.8 million, ₱2.5 million and ₱0.8 million in 2025, 2024 and 2023, respectively.

As of June 30, 2025, based on the latest available information, the Group has made an evaluation that cash advances and deposits given to certain related parties totaling ₱1.3 billion will be collected beyond 12 months. Accordingly, the Group reclassified this amount to "Due from related parties" account under "Noncurrent assets" in the consolidated balance sheet. The reclassification of these advances resulted to the recognition of ₱104.6 million discounting loss in 2025.

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

Movements in the allowance for ECL are summarized below:

### 2025

	Trade	Nontrade	Total
<b>Balances at beginning of year</b>	<b>₱4,845,106</b>	<b>₱18,316,005</b>	<b>₱23,161,111</b>
<b>Provisions (see Note 21)</b>	<b>7,274,841</b>	<b>100,227</b>	<b>7,375,068</b>
<b>Reversals (see Note 21)</b>	<b>(1,839,528)</b>	<b>(5,998,408)</b>	<b>(7,837,936)</b>
<b>Balances at end of year</b>	<b>₱10,280,419</b>	<b>₱12,417,824</b>	<b>₱22,698,243</b>

### 2024

	Trade	Nontrade	Total
Balances at beginning of year	₱3,989,713	₱19,009,524	₱22,999,237
Provisions (see Note 19)	1,144,722	1,395,630	2,540,352
Reversals (see Note 19)	(242,100)	(2,089,149)	(2,331,249)
Write-off	(47,229)	-	(47,229)
<b>Balances at end of year</b>	<b>₱4,845,106</b>	<b>₱18,316,005</b>	<b>₱23,161,111</b>

## 7. Inventories

	2025	2024
At cost:		
Alcohol	<b>₱31,731,806</b>	₱80,207,945
Molasses	<b>13,280,698</b>	1,643,927
At NRV:		
Sugar	<b>448,367,872</b>	188,731,647
Spare parts and supplies	<b>104,619,551</b>	66,300,252
	<b>₱ 597,999,927</b>	₱336,883,771



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

	2025	2024
Balances at beginning of year	₱7,849,402	₱7,248,386
Reversal (see Note 21)	(185,313)	–
Provision (see Note 19)	–	601,016
<b>Balances at end of year</b>	<b>₱7,664,089</b>	<b>₱7,849,402</b>

Provision for inventory writedown on sugar inventories to arrive at NRV amounted to ₱23.7 million and nil in 2025 and 2024, respectively.

## 8. Real Estate Held for Sale

Land available for sale amounting to ₱10.1 million and ₱10.2 million in 2025 and 2024, respectively, includes parcels of land developed into a first-class residential subdivision and an industrial community located at LHDL, San Miguel, Tarlac.

Land held for development pertains to land that is still undeveloped.

On October 10, 2023, the BOD approved the resolution for the company to sell its 200-hectare property lodged in “Land held for development” to Lima Land, Inc. On December 8, 2023, the sale of the property was consummated for a consideration of ₱3.6 billion.

## 9. Other Current Assets

	2025	2024
Advances to suppliers for goods and services	₱143,348,540	₱276,318,859
Prepaid tax	3,533,207	3,985,966
Prepaid insurance	935,874	1,534,389
Others	4,238,211	1,122,605
<b>Total</b>	<b>₱152,055,832</b>	<b>₱282,961,819</b>

## 10. Goodwill

The Group performed its impairment review of goodwill as at June 30, 2024 and 2023. Based on the impairment review as at June 30, 2024, the carrying value of the CGU, including goodwill, exceeded the recoverable amount by ₱502.4 million. This was recognized as impairment of goodwill for the year ended June 30, 2024. As at June 30, 2023, 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, 2024 and 2023 amounted to nil and ₱502.4 million, respectively.

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 6.3% and 12.0% growth rate as at June 30, 2024 and 2023, respectively. Discount rate applied to the cash flow projections in determining value in use is 9.7% and 9.4% as at June 30, 2024 and 2023, respectively.



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

- a) Discount rate (2024 and 2023) - 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 (2024 and 2023) - 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 (2023) - 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.

## 11. Financial Assets at FVOCI

	2025	2024
Proprietary shares	<b>₱209,600,000</b>	₱210,600,000
Investment in shares of stock:		
Listed	<b>367,392</b>	428,112
Unlisted	<b>162,000</b>	162,000
	<b>₱210,129,392</b>	₱211,190,112

The movements in financial assets at FVOCI are as follows:

	2025	2024
Balances at beginning of year	<b>₱211,190,112</b>	₱179,355,612
Changes in the fair value	<b>(1,060,720)</b>	31,834,500
Balances at end of year	<b>₱210,129,392</b>	₱211,190,112

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:

	2025	2024
Balances at beginning of year	<b>₱156,906,909</b>	₱129,847,584
Unrealized gain (loss) on financial assets at FVOCI	<b>(901,612)</b>	27,059,325
Balances at end of year	<b>₱156,005,297</b>	₱156,906,909



## 12. Property, Plant and Equipment - at cost

### 2025

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Transportation equipment	Land improvements	Furniture, fixtures and equipment	Communication and utility systems	Roads and bridges	Construction in progress	ROU asset - building (see Note 25)	ROU asset - transportation equipment (see Note 25)	ROU asset - agricultural equipment (see Note 25)	Total
<b>Cost:</b>													
Balances at beginning of year	₱889,086,957	₱211,803,893	₱162,958,917	₱52,920,903	₱43,025,534	₱32,045,061	₱5,890,181	₱8,245,127	₱25,244,545	₱28,922,329	₱21,570,000	₱36,159,887	₱1,517,873,334
Additions	432,144	2,165,000	–	22,264,000	–	1,636,936	83,214	–	53,152,050	–	–	6,575,000	86,308,344
Adjustments	(757,092)	–	–	–	–	–	–	–	–	–	–	–	(757,092)
Reclassifications	46,728,044	38,427,287	21,513,470	–	438,728	86,607	212,202	–	(70,778,749)	–	–	(36,159,887)	467,702
<b>Balances at end of year</b>	<b>935,490,053</b>	<b>252,396,180</b>	<b>184,472,387</b>	<b>75,184,903</b>	<b>43,464,262</b>	<b>33,768,604</b>	<b>6,185,597</b>	<b>8,245,127</b>	<b>7,617,846</b>	<b>28,922,329</b>	<b>21,570,000</b>	<b>6,575,000</b>	<b>1,603,892,288</b>
<b>Accumulated depreciation and amortization:</b>													
Balances at beginning of year	700,561,801	127,528,595	112,003,987	47,956,509	22,095,923	23,664,349	3,349,849	8,245,111	–	3,640,915	4,397,854	7,479,771	1,060,924,664
Depreciation and amortization (see Notes 17, 18, 19 and 20)	46,864,172	18,447,134	7,012,491	4,962,427	1,316,299	1,755,906	184,261	–	–	4,314,000	5,784,466	3,852,322	94,493,478
Reclassifications	–	10,649,508	–	–	–	–	–	–	–	–	–	(10,649,508)	–
<b>Balances at end of year</b>	<b>747,425,973</b>	<b>156,625,237</b>	<b>119,016,478</b>	<b>52,918,936</b>	<b>23,412,222</b>	<b>25,420,255</b>	<b>3,534,110</b>	<b>8,245,111</b>	<b>–</b>	<b>7,954,915</b>	<b>10,182,320</b>	<b>682,585</b>	<b>1,155,418,142</b>
<b>Net book values</b>	<b>₱188,064,080</b>	<b>₱95,770,943</b>	<b>₱65,455,909</b>	<b>₱22,265,967</b>	<b>₱20,052,040</b>	<b>₱8,348,349</b>	<b>₱2,651,487</b>	<b>₱16</b>	<b>₱7,617,846</b>	<b>₱20,967,414</b>	<b>₱11,387,680</b>	<b>₱5,892,415</b>	<b>₱448,474,146</b>

### 2024

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Transportation equipment	Land improvements	Furniture, fixtures and equipment	Communication and utility systems	Roads and bridges	Construction in progress	ROU asset - building (see Note 25)	ROU asset - transportation equipment (see Note 25)	ROU asset - agricultural equipment (see Note 25)	Total
<b>Cost:</b>													
Balances at beginning of year	₱837,105,420	₱210,352,479	₱158,967,015	₱52,920,903	₱36,925,551	₱29,673,444	₱5,890,181	₱8,245,127	₱16,354,966	–	₱16,500,000	₱36,159,887	₱1,409,094,973
Additions	1,384,730	450,000	3,991,902	–	5,677,572	2,377,421	–	–	60,910,211	28,922,329	5,070,000	–	108,784,165
Retirement and write-off	–	–	–	–	–	(5,804)	–	–	–	–	–	–	(5,804)
Reclassifications	50,596,807	1,001,414	–	–	422,411	–	–	–	(52,020,632)	–	–	–	–
<b>Balances at end of year</b>	<b>889,086,957</b>	<b>211,803,893</b>	<b>162,958,917</b>	<b>52,920,903</b>	<b>43,025,534</b>	<b>32,045,061</b>	<b>5,890,181</b>	<b>8,245,127</b>	<b>25,244,545</b>	<b>28,922,329</b>	<b>21,570,000</b>	<b>36,159,887</b>	<b>1,517,873,334</b>
<b>Accumulated depreciation and amortization:</b>													
Balances at beginning of year	658,480,185	109,522,818	105,051,214	45,935,044	20,201,882	21,790,572	3,088,196	8,245,111	–	–	2,469,699	4,301,348	979,086,069
Depreciation and amortization (see Notes 17, 18, 19 and 20)	42,081,616	18,005,777	6,952,773	2,021,465	1,894,041	1,879,581	261,653	–	–	3,640,915	1,928,155	3,178,423	81,844,399
Retirement and write-off	–	–	–	–	–	(5,804)	–	–	–	–	–	–	(5,804)
<b>Balances at end of year</b>	<b>700,561,801</b>	<b>127,528,595</b>	<b>112,003,987</b>	<b>47,956,509</b>	<b>22,095,923</b>	<b>23,664,349</b>	<b>3,349,849</b>	<b>8,245,111</b>	<b>–</b>	<b>3,640,915</b>	<b>4,397,854</b>	<b>7,479,771</b>	<b>1,060,924,664</b>
<b>Net book values</b>	<b>₱188,525,156</b>	<b>₱84,275,298</b>	<b>₱50,954,930</b>	<b>₱4,964,394</b>	<b>₱20,929,611</b>	<b>₱8,380,712</b>	<b>₱2,540,332</b>	<b>₱16</b>	<b>₱25,244,545</b>	<b>₱25,281,414</b>	<b>₱17,172,146</b>	<b>₱28,680,116</b>	<b>₱456,948,670</b>

The cost of fully depreciated property and equipment that are still being used in the Company's operations amounted to ₱691.6 million and ₱647.4 million as of June 30, 2025 and 2024, 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, 2025 and 2024. The valuation models used by the appraiser are in accordance with that recommended by the International Valuation Standards Council and are 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, the fair value of the Group's land recognized under property, plant and equipment and investment property increased by ₱118.7 million and ₱476.0 million in 2025, and by ₱261.1 million and ₱293.0 million in 2024, respectively.

#### Property, Plant and Equipment

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

	2025	2024
Balances at beginning of year	₱979,266,750	₱718,128,950
Change in fair value of property, plant and equipment	118,699,000	261,137,800
Balances at end of year	<b>₱1,097,965,750</b>	<b>₱979,266,750</b>

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

	2025	2024
Balances at beginning of year	₱1,245,522,753	₱1,049,669,403
Changes in fair value of property, plant and equipment	89,024,250	195,853,350
Balances at end of year	<b>₱1,334,547,003</b>	<b>₱1,245,522,753</b>

Attributable to:

	2025	2024
Property, plant and equipment	₱818,280,474	₱729,256,224
Property, plant and equipment reclassified to investment property	516,266,529	516,266,529
	<b>₱1,334,547,003</b>	<b>₱1,245,522,753</b>

Deferred income tax liability on revaluation increment as of June 30, 2025 and 2024 amounted to ₱272.8 million and ₱243.1 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, 2025 and 2024 is ₱6.9 million.

Investment Property

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

	2025	2024
Balances at beginning of year	₱1,164,053,340	₱871,079,190
Change in fair value of investment property	475,967,100	292,974,150
Balances at end of year	<b>₱1,640,020,440</b>	<b>₱1,164,053,340</b>

The value of land recognized under investment property if carried at cost as at June 30, 2025 and 2024 is ₱2.9 million. 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.

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**14. Other Noncurrent Assets**

	2025	2024
Long-term receivables	₱171,100,996	₱184,789,000
Deferred charges	26,546,924	25,685,369
Recoverable and other deposits	15,164,557	15,510,444
Others	356,835	4,006,622
	<b>213,169,312</b>	<b>229,991,435</b>
Less current portion (see Note 6)	24,029,214	22,618,655
	<b>₱189,140,098</b>	<b>₱207,372,780</b>

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.

In 2025 and 2024, the Group incurred advances to a supplier totaling ₱8.9 million and ₱57.7 million, respectively, which will be paid over periods of 7 and 8 years at annual interest rates of 6.66% and 7.08%, respectively.

Current portion that is expected to be collected within the next 12 months is included under the “Receivables” account (see Note 6). Interest income earned amounted to ₱5.2 million and ₱1.3 million in 2025 and 2024, respectively.

Deferred charges include 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

	2025	2024
Trade payables	<b>₱160,853,650</b>	₱231,113,363
Accruals:		
Taxes	<b>74,362,204</b>	93,686,187
Interest and penalties	<b>7,010,084</b>	5,279,116
Salaries, wages and other benefits	<b>6,606,583</b>	6,203,873
Professional fees	<b>5,395,216</b>	8,888,048
Spare parts, supplies and inventory cost	–	97,177,218
Others	<b>24,255,200</b>	28,562,791
Advances from related parties (see Note 23)	<b>262,081,764</b>	11,909,958
Dividends payable (see Notes 26 and 29)	<b>99,176,827</b>	101,097,757
Customers' advances	<b>1,471,027</b>	1,568,681
Retention payable	<b>29,783</b>	665,395
Other payables	<b>5,252,280</b>	2,928,076
	<b>₱646,494,618</b>	₱589,080,463

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

## 16. Notes Payable

### *Short-term loan*

The Group has an existing Working Capital Facilities Agreement (WCFA) with BDO. Under the WCFA, the Group has an outstanding drawdown of ₱838.0 million and ₱785.0 million as at June 30, 2025 and 2024 at 7.50% to 7.75% and at 8.0% to 9.0% interest rate per annum, respectively.

Total interest expense incurred on all short-term notes amounted to ₱59.5 million, ₱79.9 million and ₱77.4 million in 2025, 2024 and 2023, 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:

	2025	2024
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	<b>₱214,607,174</b>	₱289,355,448

*(Forward)*



	2025	2024
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 by 0.99 for the first 2 years and divided by 0.95 for the final 5 years	<b>₱174,828,626</b>	₱235,714,873
	<b>389,435,800</b>	525,070,321
Less current portion - net of transaction costs	<b>136,501,998</b>	135,634,521
Noncurrent portion - net of transaction costs	<b>₱252,933,802</b>	₱389,435,800

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 collaterals which consist of certain parcels of land and financial assets at FVOCI amounting to ₱1.5 billion and ₱1.1 billion as of June 30, 2025 and June 30, 2024, respectively.

The Group recognized interest expense amounting to ₱32.9 million, ₱38.1 million and ₱50.8 million for the years ended June 30, 2025, 2024 and 2023, respectively.

#### 17. Cost of Goods Sold and Milling and Tolling Services

	2025	2024	2023
Inventory costs, spare parts, and supplies	<b>₱555,009,508</b>	₱804,303,584	₱683,085,065
Salaries, wages, bonuses and other benefits (see Note 20)	<b>113,629,801</b>	103,091,468	98,355,533
Repairs and maintenance	<b>93,773,255</b>	78,460,496	68,405,465
Depreciation and amortization (see Notes 12 and 20)	<b>75,789,591</b>	70,962,934	74,799,752
Freight and transportation	<b>68,962,651</b>	51,377,389	40,503,004
Security and outside services	<b>47,490,328</b>	50,674,708	46,644,998
Power and steam	<b>40,932,013</b>	56,059,382	58,979,180
Taxes and licenses	<b>6,875,859</b>	8,133,222	9,011,547
Insurance	<b>6,579,213</b>	5,781,408	5,451,459
Others	<b>16,781,786</b>	11,017,247	9,796,417
	<b>₱1,025,824,005</b>	₱1,239,861,838	₱1,095,032,420



## 18. Cost of Industrial Services

	2025	2024	2023
Power and steam	<b>₱10,153,357</b>	₱9,799,047	₱12,944,554
Service cost	<b>8,164,759</b>	8,597,485	5,961,604
Security and outside services	<b>7,744,718</b>	6,073,120	4,121,364
Depreciation and amortization (see Notes 12 and 20)	<b>2,727,836</b>	2,436,423	2,925,944
Materials	<b>1,722,615</b>	1,328,809	827,965
Repairs and maintenance	<b>1,474,723</b>	1,526,852	673,153
Professional fees	<b>766,842</b>	403,053	1,056,125
Taxes and licenses	<b>342,214</b>	208,822	347,756
Salaries, wages, bonuses and other benefits (see Note 20)	<b>201,119</b>	529,424	325,933
Others	<b>790,757</b>	516,732	380,114
	<b>₱34,088,940</b>	₱31,419,767	₱29,564,512

## 19. Operating Expenses

	2025	2024	2023
Professional fees	<b>₱37,356,153</b>	₱48,974,805	₱28,396,257
Salaries, wages, bonuses and other benefits (see Note 20)	<b>21,882,420</b>	32,907,038	26,003,381
Taxes and licenses	<b>21,298,988</b>	138,509,286	26,534,727
Security and other outside services	<b>18,881,691</b>	9,408,195	6,830,043
Depreciation and amortization (see Notes 12 and 20)	<b>15,976,051</b>	8,445,042	5,152,811
Freight and transportation	<b>11,247,925</b>	12,235,149	8,705,331
Entertainment, amusement and recreation	<b>6,462,613</b>	79,871,617	14,172,187
Repairs and maintenance	<b>3,507,689</b>	4,752,986	2,739,688
Light and water	<b>1,757,123</b>	2,421,904	2,506,284
Dues and advertisements	<b>1,418,193</b>	1,072,168	1,491,415
Postage, telephone and telegram	<b>293,352</b>	221,574	410,159
Management fees and bonuses	<b>210,000</b>	242,500	110,000
Bank charges	<b>8,700</b>	17,990	172,183
Rentals (see Note 25)	-	5,746,670	3,254,419
Provision for inventory obsolescence (see Note 7)	-	601,016	-
Provision for ECL	-	209,103	-
Others	<b>8,017,678</b>	6,540,520	4,541,430
	<b>₱148,318,576</b>	₱352,177,563	₱131,020,315



## 20. Nature of Expenses

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

	2025	2024	2023
Cost of goods sold and milling and tolling services (see Note 17)	<b>₱75,789,591</b>	₱70,962,934	₱74,799,752
Cost of industrial services (see Note 18)	<b>2,727,836</b>	2,436,423	2,925,944
Operating expenses (see Note 19)	<b>15,976,051</b>	8,445,042	5,152,811
	<b>₱94,493,478</b>	₱81,844,399	₱82,878,507

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

	2025	2024	2023
Cost of goods sold and milling and tolling services (see Note 17)			
Salaries, wages, bonuses and other benefits	<b>₱113,629,801</b>	₱103,091,468	₱98,355,533
Cost of industrial services (see Note 18)			
Salaries, wages, bonuses and other benefits	<b>201,119</b>	529,424	325,933
Operating expenses (see Note 19)			
Salaries, wages, bonuses and other benefits	<b>21,882,420</b>	32,907,038	26,003,381
Other income - net			
Net retirement expense (see Notes 21 and 22)	<b>3,930,945</b>	5,726,935	5,508,055
	<b>₱139,644,285</b>	₱142,254,865	₱130,192,902

## 21. Other Income (Expense) - net

	2025	2024	2023
Insurance fee	<b>₱3,850,610</b>	₱2,947,563	₱3,213,878
Storage fee	<b>3,241,782</b>	2,036,351	2,914,295
Reversal of provision for ECL (see Note 6)	<b>462,868</b>	-	-
Reversal of inventory obsolescence (see Note 7)	<b>185,313</b>	-	-
Net retirement expense (see Notes 20 and 22)	<b>(3,930,945)</b>	(5,726,935)	(5,508,055)
Sale of scraps	-	4,731,500	-
Loss on cancellation of real estate contracts	-	(11,671,480)	(132,418)
Others	<b>767,143</b>	51,156	542,881
	<b>₱4,576,771</b>	(₱7,631,845)	₱1,030,581



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## 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, 2025.

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*.



**2025**

	Balances at Beginning of Year	Net Benefit Cost in Profit and Loss			Benefits Paid	Remeasurements in Other Comprehensive Income					Balances at End of Year
		Current Service Cost	Net Interest	Subtotal		Actuarial Changes Arising From Changes in					
						Return on Plan Assets	Demographic Assumptions	Financial Assumptions	Experience Adjustments	Subtotal	
Fair Value of Plan Assets	₱36,107,358	₱-	₱2,617,621	₱2,617,621	₱-	(₱1,677,916)	₱-	₱-	₱-	(₱1,677,916)	₱37,047,063
Present Value of Defined Benefit Obligation	(44,247,538)	(3,689,878)	(2,858,688)	(6,548,566)	1,571,879	-	-	(537,674)	(269,756)	(807,430)	(50,031,655)
Retirement Benefit Obligation	(₱8,140,180)	(₱3,689,878)	(₱241,067)	(₱3,930,945)	₱1,571,879	(₱1,677,916)	₱-	(₱537,674)	(₱269,756)	(₱2,485,346)	(₱12,984,592)

**2024**

	Balances at Beginning of Year	Net Benefit Cost in Profit and Loss			Benefits Paid	Remeasurements in Other Comprehensive Income					Balances at End of Year
		Current Service Cost	Net Interest	Subtotal		Actuarial Changes Arising From Changes in					
						Return on Plan Assets	Demographic Assumptions	Financial Assumptions	Experience Adjustments	Subtotal	
Fair Value of Plan Assets	₱19,758,945	₱-	₱1,191,167	₱1,191,167	₱-	₱15,157,246	₱-	₱-	₱-	₱15,157,246	₱36,107,358
Present Value of Defined Benefit Obligation	(43,488,328)	(4,493,886)	(2,424,216)	(6,918,102)	5,706,239	-	-	1,463,954	(1,011,301)	452,653	(44,247,538)
Retirement Benefit Obligation	(₱23,729,383)	(₱4,493,886)	(₱1,233,049)	(₱5,726,935)	₱5,706,239	₱15,157,246	₱-	₱1,463,954	(₱1,011,301)	₱15,609,899	(₱8,140,180)



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

	2025	2024
Assets:		
Cash and cash equivalents	<b>₱18,785,785</b>	₱18,773,280
Investments in shares of stock	<b>26,193,400</b>	25,266,200
	<b>44,979,185</b>	44,039,480
Liability:		
Payable to CAT	<b>7,932,122</b>	7,932,122
Net	<b>₱37,047,063</b>	₱36,107,358

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, 2025 and 2024.

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

	2025	2024
Future salary increase rate	<b>5.00%</b>	5.00%
Discount rate	<b>6.58%</b>	6.79%

The discount rate used is a single weighted average rate based on bootstrapped Bloomberg Valuation Rates at various tenors as at June 30, 2025 and 2024. 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:

	2025	2024
Discount rate		
Increase of 1%	<b>(₱2,420,305)</b>	(₱2,170,281)
Decrease of 1%	<b>2,787,162</b>	2,472,289
Future salary increase rate		
Increase of 1%	<b>₱3,112,075</b>	₱2,761,049
Decrease of 1%	<b>(2,757,625)</b>	(2,469,004)

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 Group expects to contribute ₱3.3 million to the defined benefit plan in the next fiscal year.

The average duration of the defined benefit obligation as at June 30, 2025 and 2024 is 10.62 years and 10.17 years, respectively.



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

**2025**

Plan Year	Expected Benefit Payments		Total
	Normal Retirement	Other than Normal Retirement	
Less than 1 year	₱3,777,589	₱1,712,428	₱5,490,017
1 year to less than 5 years	37,138,991	2,213,626	39,352,617
5 years to less than 10 years	14,550,943	–	14,550,943
10 years to less than 15 years	22,000,309	–	22,000,309
15 years to less than 20 years	21,841,065	–	21,841,065
20 years and above	116,112,152	–	116,112,152

**2024**

Plan Year	Expected Benefit Payments		Total
	Normal Retirement	Other than Normal Retirement	
Less than 1 year	₱2,749,197	₱1,543,004	₱4,292,201
1 year to less than 5 years	33,945,770	3,848,490	37,794,260
5 years to less than 10 years	14,374,587	–	14,374,587
10 years to less than 15 years	15,384,544	–	15,384,544
15 years to less than 20 years	22,586,492	–	22,586,492
20 years and above	94,258,187	–	94,258,187

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**23. Related Party Transactions Annex A-2**

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:

Current

		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
<b>Shareholders</b>						
Receivables	(a)	2025 2024	₱– ₱–	₱41,479 40,178	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
Payables	(b)	2025 2024	– 92,999	– (9,828,194)	To be settled in cash; non-interest bearing; due and demandable	Unsecured
<b>CRAHI</b>						
Notes receivables	(c)	2025 2024	– 2,324,699	– 79,681,285	To be received in cash; 4% per annum; due and demandable	Unsecured; no impairment
Advances	(c)	2025 2024	– 68,638,347	– 627,034,844	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Deposits	(d)	2025 2024	– –	– 493,000,000	Non-interest bearing; due and demandable	Unsecured; no impairment
<b>Trust Fund</b>						
Receivables	(e)	2025 2024	– 1,188,830	8,920,219 8,920,219	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
<b>Common Control</b>						
Green Future Innovations, Inc. (GFII)	(f)	2025 2024	102,954,880 203,893,527	323,273,196 220,318,316	To be received in cash; non-interest bearing; due within one year	Unsecured; with impairment
Tarlac Distillery Corporation (TADISCO)	(g)	2025 2024	1,259,761 4,224,571	143,133,699 141,176,276	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
First Green Renewable Holdings, Inc. (FGRHI)	(h)	2025 2024	– –	83,508,050 83,508,050	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
StarBreaker Corp. (SBC) Trade receivable	(i)	2025 2024	– 4,441,518	– –	To be received in cash; non-interest bearing; due and demandable	Unsecured
Notes receivable	(j)	2025 2024	– 76,204,740	– 76,202,740	To be received in cash; 5% per annum; due within one year	Unsecured; no impairment
Meatworld International, Inc. (MII)	(j)	2025 2024	7,845,068 57,849,041	49,680,685 57,849,041	To be received in cash; 5% per annum; due within one year	Unsecured; no impairment
Tarraco Group Incorporated (TGI)	(j)	2025 2024	– 22,533,425	22,533,425 22,533,425	To be received in cash; 5% per annum; due within one year	Unsecured; no impairment
Buena Vista Corporate Asset (BVCAHI)	(k)	2025 2024	– 3,430	14,115,606 14,115,606	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment

(Forward)



		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
Blue Mountains Corp. (BMC)	(k)	2025 2024	₱– ₱–	₱5,772,500 ₱5,772,500	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
First Lucky Agro- Industrial Corporation (FLAIC)	(l)	2025 2024	– –	(2,081,764) (2,081,764)	To be settled in cash; non-interest bearing; due and demandable	Unsecured
CAT Foundation	(m)	2025 2024	1,000,000 –	1,000,000 –	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
<b>Directors, Officers and Employees Receivables</b>	(n)	2025 2024	– –	2,484,759 3,207,257	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Payables	(o)	2025 2024	(260,000,000) –	(260,000,000) –	To be settled in cash; non-interest bearing; due and demandable	Unsecured
<b>Total due from related parties (see Note 6)</b>		2025 2024		₱654,463,618 ₱1,833,359,737		
<b>Total advances from related parties (see Note 15)</b>		2025 2024		(₱262,081,764) (₱11,909,958)		

### Noncurrent

		Year	Transactions	Outstanding Receivables	Terms	Conditions
<b>Shareholders Receivables</b>	(p)	2025 2024	₱70,258,945 ₱–	₱70,258,945 ₱–	To be received in cash; non-interest bearing; due upon demand	Unsecured; with impairment
<b>CRAHI Notes receivables</b>	(c)	2025 2024	129,943,987 –	209,625,272 –	To be received in cash; 4% per annum; due upon demand	Unsecured; with impairment
Advances	(c)	2025 2024	3,491,007 –	504,124,864 –	To be received in cash; non-interest bearing; due upon demand	Unsecured; with impairment
Deposits	(d)	2025 2024	– –	493,000,000 –	Non-interest bearing; due upon demand	Unsecured; with impairment
		2025 2024		1,277,009,081 –		
Loss on discounting		2025 2024		104,605,512 –		
		2025 2024		₱1,172,403,569 ₱–		

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. Interest income earned amounted to ₱3.5 million, ₱2.3 million and ₱3.0 million in 2025, 2024 and 2023, respectively. As of June 30, 2025, the outstanding balance was reclassified from “Receivables” under current assets to “Due from related parties” under “Noncurrent assets” in the consolidated balance sheet (see Note 6).
- d. Pertains to the refundable deposits given to CRAHI as consideration for the grant of exclusivity to acquire parcels of land owned by CRAHI within 180 days, subject to extension as agreed by both parties. As of June 30, 2025, the outstanding balance was reclassified from “Receivables” under current assets to “Due from related parties” under noncurrent assets in the consolidated balance sheet (see Note 6).
- e. Pertains to cash paid for the payment of retirement benefits to CAT employees covered under the retirement plan administered by LTF.
- f. Pertains to sale of molasses and alcohol and cash advances given to GFII for working capital.
- g. Pertains to sale of alcohol, rent income and cash advances given to TADISCO for working capital.
- h. Pertains to cash advances given to FGRHI for working capital
- i. Pertains to sale of refined sugar to SBC.
- j. Pertains to short-term promissory notes subject to 5% interest per annum given to SBC, MII and TGI for working capital. Total interest income earned from the promissory notes amounted to ₱2.6 million in 2025 and 2024, respectively
- k. Pertains to cash advances given to BVCAHI and BMC for working capital.
- l. Pertains to purchases of agricultural products from FLAIC.
- m. Pertains to cash advances made to the CAT Foundation.
- n. 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.
- o. These payables represent amounts owed by the Group to employees, directors, or officers for business expenses that are expected to be incurred on behalf of the Group
- p. Pertains to the advances of the Group to First Lucky Holdings, Inc. for its working capital requirements.

Compensation of Key Management Personnel

Short-term employee benefits of key management personnel amounted to ₱20.4 million, ₱20.0 million and ₱21.1 million for the years ended June 30, 2025, 2024 and 2023, respectively.



## 24. Income Taxes

Net deferred income tax assets are as follows:

	2025	2024
<i>Deferred income tax assets recognized in profit or loss:</i>		
Loss on discounting	₱2,588,517	₱-
Allowance for ECL	677,646	673,987
Retirement benefit	275,635	266,351
Estimated liability for cash surrender value	246,299	246,299
	<b>3,788,097</b>	1,186,637
<i>Deferred income tax liability on retirement benefit recognized in other comprehensive income</i>	<b>(212,963)</b>	(225,393)
<b>Net deferred income tax assets</b>	<b>₱3,575,134</b>	₱961,244

Net deferred income tax liabilities are as follows:

	2025	2024
<i>Recognized in profit or loss</i>		
<i>Deferred income tax assets:</i>		
Loss on discounting	₱23,562,861	₱-
Lease liabilities	7,637,152	10,011,256
Allowance for inventory obsolescence and writedown	7,835,890	1,962,351
Allowance for ECL	1,719,363	1,838,739
Unrealized foreign exchange losses - net	63,607	-
	<b>40,818,873</b>	13,812,346
<i>Deferred income tax liabilities:</i>		
ROU assets	(9,561,877)	(17,783,419)
Retirement benefit	(14,742,324)	(15,332,090)
Unrealized foreign exchange gains - net	-	(8,703)
Others	(151,928)	(151,928)
	<b>16,362,744</b>	(19,463,794)
<i>Deferred income tax asset on retirement benefit recognized in other comprehensive income</i>	<b>17,988,470</b>	17,367,133
<i>Deferred income tax liabilities recognized in other comprehensive income</i>		
Revaluation increment on land under property, plant and equipment	(272,760,158)	(243,085,408)
Unrealized cumulative gains on financial assets at FVOCI	(27,515,024)	(27,674,131)
	<b>(300,275,182)</b>	(270,759,539)
<b>Net deferred income tax liabilities</b>	<b>(₱265,923,968)</b>	₱272,856,200



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:

	2025	2024	2023
Income tax at statutory tax rate	<b>₱129,034,888</b>	₱591,127,007	₱49,533,782
Income tax effects of:			
Net nondeductible expenses	<b>2,885,464</b>	165,342,696	3,162,847
Gains on fair value change of investment property	<b>(118,991,775)</b>	(73,243,538)	(23,537,255)
Interest income already subjected to final tax	<b>(237,827)</b>	(4,684,208)	(33,467)
Changes in unrecognized deferred income tax assets	-	-	204,648
	<b>₱12,690,750</b>	₱678,541,957	₱29,330,555

## 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:

	2025	2024
Refined sugar - planters (Lkg)	<b>135,469</b>	60,448
Refined sugar - traders (Lkg)	<b>30,860</b>	30,170
Total	<b>166,329</b>	90,618

### 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, lodged under "Recoverable and other deposits" (see Note 14).

The lease agreement did not qualify as a lease following the requirements of PFRS 16 as there is no identified asset in the agreement until March 2024. This changed with the contract renewal, which incorporated an amendment that identified an asset and a mutual agreement between the lessor and the lessee for the renewal of the lease term. The Group paid an additional advance rental and security deposit amounting to ₱0.7 million and ₱0.6 million, respectively.

Rent expense recognized related to this lease agreement amounted to nil, ₱5.7 million and ₱3.3 million in 2025, 2024 and 2023, respectively.

#### *Transportation and Agricultural Equipment*

In previous years, the Group has entered into multiple lease agreements with RCBC Leasing, covering various transportation and agricultural equipment.



In 2025, the Group entered into new lease agreements with RCBC Leasing for one (1) unit of Toro Multi Pro Sprayer and one (1) unit of Toro 648 Greens Aerator. In the same year, lease agreements for three (3) Holland TS6.120 \$WD Tractors and three (3) 2014 John Deere Sugarcane Harvesters ended, resulting in the reclassification of these ROU assets to PPE upon execution of the deed of sale (see Note 12).

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.

*Office Space and Parking Area*

In March 2024, the Group entered into a lease agreement with Celestite, Inc. for the lease of its main office and parking area at a monthly rental of ₱541,786 and is subject to 10% annual escalation.

Shown below is the carrying amount and movement of the lease liabilities recognized on transportation and agricultural equipment, office space and parking area as at and for the years ended June 30, 2025 and 2024, respectively.

	2025	2024
Balances at beginning of year	₱40,045,023	₱23,007,414
Additions	5,260,000	33,992,329
Accretion of interest	3,587,379	3,194,661
Lease payments	(18,343,796)	(20,149,381)
Balances at end of year	30,548,606	40,045,023
Less current portion of lease liabilities	9,830,852	13,803,903
Lease liabilities - noncurrent	₱20,717,754	₱26,241,120

The following are the amounts recognized in the consolidated statements of income for the years ended June 30, 2025 and 2024, respectively:

	2025	2024
Amortization of ROU assets	₱13,950,788	₱8,747,493
Accretion of interest on lease liabilities	3,587,379	3,194,661
	₱17,538,167	₱11,942,154

## 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, 2025 and 2024, 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 390 and 392 as at June 30, 2025 and 2024, 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. This amount is recognized as part of the Group's treasury stock.



Retained Earnings

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

	2025	2024
Unappropriated	<b>₱2,016,211,602</b>	₱2,612,762,800
Appropriated	<b>1,100,000,000</b>	-
	<b>₱3,116,211,602</b>	₱2,612,762,800

On June 30, 2020, the BOD approved the appropriation of its retained earnings amounting to ₱2.0 billion to fund a variety of projects. Portion of this appropriation amounting to ₱500.0 million was reversed on June 30, 2021 to consider the current development of the projects. On February 7, 2024, the BOD approved the reversal of the rest of the appropriation following the status of the related projects this appropriation is intended for.

On February 7, 2024, the BOD declared dividends amounting to ₱1,535.9 million at ₱6.44 per share out of the Parent Company's unappropriated retained earnings to stockholders of record as of February 22, 2024. Dividends amounting to ₱1,458.7 million was paid in 2024 (see Note 29).

As at June 30, 2025, and 2024, dividends payable related to the dividend declarations in 2024 and 2020 were recognized under the "Trade and other payables" account and amounted to ₱99.2 million and ₱101.1 million, respectively (see Note 15).

In accordance with the Revised SRC Rule 68 Annex D, as further revised by SEC Memorandum Circular No. 16 Annex A, the Parent Company's unappropriated retained earnings available for dividend declaration amounted to ₱406.2 million as of June 30, 2024. The BOD approved to appropriate ₱200.0 million and ₱900.0 million on October 8, 2024 and May 27, 2025, respectively, of its retained earnings for the funding of its capital expenditures within the next three years intended to enhance the production of its facilities.

Basic/Diluted Earnings Per Share

The basic/diluted earnings per share for the years ended June 30 are computed as follows:

	2025	2024	2023
Net income (a)	<b>₱503,448,802</b>	₱1,685,966,072	₱168,804,572
Weighted average number of shares (b):			
Issued shares	<b>282,545,960</b>	282,545,960	282,545,960
Less treasury stocks	<b>44,041,920</b>	44,041,920	44,041,920
	<b>238,504,040</b>	238,504,040	238,504,040
Basic/diluted earnings per share (a/b)	<b>₱2.111</b>	₱7.069	₱0.708

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:

### 2025

	Fair Value Measurement Using			Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Land classified as property, plant and equipment	₱-	₱-	₱1,097,965,750	₱1,097,965,750
Investment property	-	-	1,640,020,440	1,640,020,440
Financial assets at FVOCI - quoted	209,967,392	-	-	209,967,392
	<b>₱209,967,392</b>	<b>₱-</b>	<b>₱2,737,986,190</b>	<b>₱2,947,953,582</b>

### 2024

	Fair Value Measurement Using			Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Land classified as property, plant and equipment	₱-	₱-	₱979,266,750	₱979,266,750
Investment property	-	-	1,164,053,340	1,164,053,340
Financial assets at FVOCI - quoted	211,028,112	-	-	211,028,112
	<b>₱211,028,112</b>	<b>₱-</b>	<b>₱2,143,320,090</b>	<b>₱2,354,348,202</b>

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.

<u>Unobservable Inputs</u>	<u>Amount or Percentage of Unobservable Inputs</u>	<u>Relationship of Unobservable Inputs to Fair Value</u>
Sale/asking price per sq. m.	₱1,220 to ₱2,440	The higher the value, the higher the fair value
Conditions on sale of comparable properties	30.0%	The more onerous the conditions in contract of sale of comparable properties, the higher the fair value
Physical adjustments	75.0%	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, 2025 and 2024.

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 ranging from 1.93% to 7.08% as at June 30, 2025 and 2024 (Level 3; see Note 2).

Deferred Charges

The fair value of deferred charges amounting to ₱19.2 million (carrying value of ₱26.5 million) and ₱18.8 million (carrying value of ₱25.7 million) as at June 30, 2025 and 2024, respectively, is based on the discounted value of future cash flows using the applicable risk-free rates adjusted for credit risk. The discount rates used are 5.94% and 6.43% in 2025 and 2024, respectively (Level 3; see Note 2).

Notes Payable

The fair value of notes payable amounting to ₱256.4 million (carrying value of ₱389.4 million) and ₱364.5 million (carrying value of ₱525.1 million) is based on the discounted value of future cash flows using applicable rates plus credit spread for similar types of loans ranging from 8.22% to 8.75% and 8.58% to 9.30% as at June 30, 2025 and 2024, 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 (Level 1; see Note 2).

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, due from related parties, financial assets at FVOCI, long-term receivables and deferred charges lodged under "Other noncurrent assets" account, short-term notes payable, notes payable and lease liabilities lodged under "Other current liabilities" and "Other noncurrent liabilities" accounts. 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:

### 2025

	Within 30 Days	Within 1 Year	More than 1 Year	Total
Trade and other payables*	₱7,175,882	₱542,881,207	₱23,276	₱550,080,365
Short-term notes payable	–	869,339,791	–	869,339,791
Notes payable	–	158,250,036	268,050,373	426,300,409
Lease liabilities	–	12,431,819	23,091,176	35,522,995
	<b>₱7,175,882</b>	<b>₱1,582,902,853</b>	<b>₱291,164,825</b>	<b>₱1,881,243,560</b>

\*Excluding statutory liabilities

### 2024

	Within 30 Days	Within 1 Year	More than 1 Year	Total
Trade and other payables*	₱6,472,915	₱481,392,031	₱–	₱487,864,946
Short-term notes payable	–	814,933,555	–	814,933,555
Long-term loan	–	166,063,494	425,915,245	591,978,739
Lease liabilities	–	18,956,493	28,513,056	47,469,549
	<b>₱6,472,915</b>	<b>₱1,481,345,573</b>	<b>₱454,428,301</b>	<b>₱1,942,246,789</b>

\*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:

**2025**

	Within 30 Days	Within 1 Year	Above 1 Year	Total
Cash	₱322,949,953	₱–	₱–	₱322,949,953
Receivables:				
Trade	9,084,954	93,106,713	–	102,191,667
Due from related parties	205,207	654,258,411	1,277,009,081	1,931,472,699
Long-term receivables	–	24,029,214	147,071,781	171,100,995
Planters' receivable	–	72,600,078	–	72,600,078
Deferred charges	–	–	26,546,924	26,546,924
Advances	–	962,746	–	962,746
Others	–	25,149,379	–	25,149,379
Financial assets at FVOCI	–	210,129,392	–	210,129,392
	<b>₱332,240,114</b>	<b>₱1,080,235,933</b>	<b>₱1,450,627,786</b>	<b>₱2,863,103,833</b>

**2024**

	Within 30 Days	Within 1 Year	Above 1 Year	Total
Cash	₱865,891,881	₱–	₱–	₱865,891,881
Receivables:				
Trade	5,474,828	73,965,478	–	79,440,306
Due from related parties	437,760	1,832,921,977	–	1,833,359,737
Long-term receivables	–	27,812,659	180,400,169	208,212,828
Planters' receivable	–	47,179,591	–	47,179,591
Deferred charges	–	–	25,685,369	25,685,369
Advances	–	12,891,835	–	12,891,835
Others	–	37,480,860	–	37,480,860
Financial assets at FVOCI	–	211,190,112	–	211,190,112
	<b>₱871,804,469</b>	<b>₱2,243,442,512</b>	<b>₱206,085,538</b>	<b>₱3,321,332,519</b>

**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, due from related parties, 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:

	2025	2024
Cash in banks	₱322,423,515	₱864,464,174
Receivables	856,698,459	2,009,809,873
Due from related parties	1,172,403,569	–
Financial assets at FVOCI	210,129,392	211,190,112
Noncurrent portion of long-term receivables	147,071,782	162,170,345
Deferred charges	26,546,924	25,685,369
Others	25,149,379	37,480,860
Total credit risk exposure	<b>₱2,760,423,020</b>	<b>₱3,310,800,733</b>



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:

## 2025

	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired
			30 Days	90 Days	More than 150 Days	
Trade	₱102,191,667	₱67,919,127	₱8,422,251	₱6,556,906	₱9,012,964	₱10,280,419
Planters' receivables	72,600,078	3,212,508	43,405,539	3,113,157	16,567,835	6,301,039
Due from related parties	1,931,472,699	2,187,349	—	—	1,928,987,940	297,410
Advances	24,991,960	—	—	—	23,584,418	1,407,542
Long-term receivables	147,071,781	147,071,781	—	—	—	—
Deferred charges	26,546,924	—	—	—	26,546,924	—
Others	25,149,379	13,546,537	—	—	7,191,009	4,411,833
	<b>₱2,330,024,488</b>	<b>₱233,937,302</b>	<b>₱51,827,790</b>	<b>₱9,670,063</b>	<b>₱2,011,891,090</b>	<b>₱22,698,243</b>

## 2024

	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired
			30 Days	90 Days	More than 150 Days	
Trade	₱79,440,306	₱49,635,715	₱10,761,150	₱9,037,579	₱5,160,756	₱4,845,106
Planters' receivables	47,179,591	34,492,615	—	12,988	8,212,477	4,461,511
Due from related parties	1,833,359,737	1,504,560	—	—	1,830,152,480	1,702,697
Advances	12,891,835	—	—	—	12,891,835	—
Long-term receivables	184,789,000	184,789,000	—	—	—	—
Deferred charges	25,685,369	—	—	—	25,685,369	—
Others	37,480,860	18,138,054	—	—	7,191,009	12,151,797
	<b>₱2,220,826,698</b>	<b>₱288,559,944</b>	<b>₱10,761,150</b>	<b>₱9,050,567</b>	<b>₱1,889,293,926</b>	<b>₱23,161,111</b>

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

## 2025

	Current	Days past due			Credit-Impaired	Total
		30 Days	90 Days	150 Days		
Expected credit loss rate	0%	4.00%	0.49%	40.74%	100.00%	10.06%
Estimated total gross carrying amount at default	₱67,919,127	₱8,773,071	₱6,589,519	₱15,209,566	₱3,700,384	₱102,191,667
Expected credit loss	—	350,820	32,613	6,196,602	3,700,384	10,280,419

## 2024

	Current	Days past due			Credit-Impaired	Total
		30 Days	90 Days	150 Days		
Expected credit loss rate	0.08%	0.25%	1.03%	15.98%	100.00%	6.10%
Estimated total gross carrying amount at default	₱49,677,613	₱10,788,301	₱9,131,909	₱6,142,097	₱3,700,386	₱79,440,306
Expected credit loss	41,898	27,151	94,330	981,342	3,700,385	4,845,106



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

**2025**

	Grade		Total
	High	Standard	
<b>Loans and receivables:</b>			
Cash in banks	P322,423,515	P-	P322,423,515
Trade receivables	67,919,127	-	67,919,127
Planters' receivables	3,212,508	-	3,212,508
Due from related parties	2,187,349	-	2,187,349
Long-term receivables	147,071,781	-	147,071,781
Others	13,546,537	-	13,546,537
<b>Financial assets at FVOCI:</b>			
Proprietary	209,600,000	-	209,600,000
Listed	367,392	-	367,392
Unlisted	-	162,000	162,000
	<b>P766,328,209</b>	<b>P162,000</b>	<b>P766,490,209</b>

**2024**

	Grade		Total
	High	Standard	
<b>Loans and receivables:</b>			
Cash in banks	P864,464,174	P-	P864,464,174
Trade receivables	49,635,715	-	49,635,715
Planters' receivables	34,492,615	-	34,492,615
Due from related parties	1,504,560	-	1,504,560
Long-term receivables	184,789,000	-	184,789,000
Others	18,138,054	-	18,138,054
<b>Financial assets at FVOCI:</b>			
Proprietary	210,600,000	-	210,600,000
Listed	428,112	-	428,112
Unlisted	-	162,000	162,000
	<b>P1,364,052,230</b>	<b>P162,000</b>	<b>P1,364,214,230</b>

**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:

	<b>2025</b>	2024
Increase (decrease) in income before income tax at 30 basis points:		
Increase in basis points	<b>(₱746,812)</b>	(₱942,010)
Decrease in basis points	<b>745,520</b>	942,010

### 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, income tax payable and other liabilities. Equity includes capital stock, retained earnings, revaluation increment, remeasurement losses on retirement plan, unrealized cumulative gains on financial assets at FVOCI and net of treasury stock.

	<b>2025</b>	2024
Short-term notes payable	<b>₱837,999,999</b>	₱784,999,999
Notes payable	<b>389,435,800</b>	525,070,321
Trade and other payables	<b>646,494,618</b>	589,080,463
Income tax payable	<b>21,768,442</b>	407,862,712
Other liabilities	<b>78,372,216</b>	73,826,759
Total debt (a)	<b>1,974,071,075</b>	2,380,840,254
Equity	<b>4,461,519,582</b>	3,871,849,443
Total debt and equity (b)	<b>6,435,590,657</b>	₱6,252,689,697
Gearing ratio (a/b)	<b>0.31</b>	0.38

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:

### 2025

	July 1, 2024	Net cash flows	Interest Expense	Amortization	Dividend declaration	Reclassification/ Others	June 30, 2025
Current interest-bearing loans and borrowings	₱920,634,520	(₱82,634,521)	₱-	₱-	₱-	₱136,501,998	₱974,501,997
Non-current interest-bearing loans and borrowings	389,435,800	-	-	-	-	(136,501,998)	252,933,802
Interest on loans and borrowings	5,279,116	(90,989,292)	89,604,781	3,115,479	-	-	7,010,084
Dividend payable	101,097,757	(1,920,930)	-	-	-	-	99,176,827
Lease liabilities	40,045,023	(18,343,796)	3,587,379	-	-	5,260,000	30,548,606
<b>Total liabilities from financing activities</b>	<b>₱1,456,492,216</b>	<b>(₱193,888,539)</b>	<b>₱93,192,160</b>	<b>₱3,115,479</b>	<b>₱-</b>	<b>₱5,260,000</b>	<b>₱1,364,171,316</b>

### 2024

	July 1, 2023	Net cash flows	Interest Expense	Amortization	Dividend declaration	Reclassification/ Others	June 30, 2024
Current interest-bearing loans and borrowings	₱1,032,891,676	(₱247,891,677)	₱-	₱-	₱-	₱135,634,521	₱920,634,520
Non-current interest-bearing loans and borrowings	525,070,321	-	-	-	-	(135,634,521)	389,435,800
Interest on loans and borrowings	7,328,374	(121,339,046)	115,487,292	3,938,354	-	(135,858)	5,279,116
Dividend payable	23,874,579	(1,458,696,472)	-	-	1,535,919,650	-	101,097,757
Lease liabilities	23,007,414	(20,149,381)	3,194,661	-	-	33,992,329	40,045,023
<b>Total liabilities from financing activities</b>	<b>₱1,612,172,364</b>	<b>(₱1,848,076,576)</b>	<b>₱118,681,953</b>	<b>₱3,938,354</b>	<b>₱1,535,919,650</b>	<b>₱33,856,471</b>	<b>₱1,456,492,216</b>

### 2023

	July 1, 2022	Net cash flows	Interest expense	Amortization	Dividend declaration	Reclassification/ Others	June 30, 2023
Current interest-bearing loans and borrowings	₱1,106,807,601	(₱208,727,571)	₱-	₱-	₱-	₱134,811,646	₱1,032,891,676
Non-current interest-bearing loans and borrowings	659,881,967	-	-	-	-	(134,811,646)	525,070,321
Interest on loans and borrowings	10,202,374	(126,716,739)	114,094,817	9,747,922	-	-	7,328,374
Dividend payable	23,874,579	-	-	-	-	-	23,874,579
Lease liabilities	26,982,136	(14,735,309)	2,960,587	-	-	7,800,000	23,007,414
<b>Total liabilities from financing activities</b>	<b>₱1,827,748,657</b>	<b>(₱350,179,619)</b>	<b>₱117,055,404</b>	<b>₱9,747,922</b>	<b>₱-</b>	<b>₱7,800,000</b>	<b>₱1,612,172,364</b>



## **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, 2025 and 2024, and for each of the three years in the period ended June 30, 2025, included in this Form 17-A and have issued our report thereon dated October 9, 2025. 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 basic 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.**



Genghis O. Grospe

Partner

CPA Certificate No. 121500

Tax Identification No. 255-541-291

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-139-2024, March 8, 2024, valid until March 7, 2027

PTR No. 10465310, January 2, 2025, Makati City

October 9, 2025



## **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, 2025 and 2024, and for each of the three years in the period ended June 30, 2025, and have issued our report thereon dated October 9, 2025. 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 (PFRS) Accounting Standards 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 required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the consolidated financial statements as at June 30, 2025 and 2024, and for each of the three years in the period ended June 30, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Genghis O. Grospe

Partner

CPA Certificate No. 121500

Tax Identification No. 255-541-291

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-139-2024, March 8, 2024, valid until March 7, 2027

PTR No. 10465310, January 2, 2025, Makati City

October 9, 2025



**CENTRAL AZUCARERA DE TARLAC AND SUBSIDIARY  
INDEX TO FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE**

**SUPPLEMENTARY SCHEDULES**

A Financial Assets

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

C Amounts Receivable from Related Parties which are  
Eliminated during the Consolidation of Financial Statements

D Long-Term Debt

E Indebtedness to Related Parties

F Guarantees of Securities of Other Issuers

G Capital Stock

Reconciliation of Retained Earnings Available for Dividend Declaration

Conglomerate map

Financial Soundness Indicators

**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the reporting period ended June 30, 2025

**CENTRAL AZUCARERA DE TARLAC, INC.**

**San Miguel, Tarlac City**

<b>Unappropriated Retained Earnings, beginning of reporting period (July 1, 2024)</b>		<b>₱406,185,162</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	—	
Effect of restatements or prior-period adjustments	—	
Others	—	—
		<hr/>
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	—	
Retained Earnings appropriated during the reporting period	(1,100,000,000)	
Effect of restatements or prior-period adjustments	—	
Others	—	(1,100,000,000)
		<hr/>
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>(693,814,838)</b>
<b>Add/Less: Net Income for the current year</b>		<b>1,371,415,290</b>
		<hr/>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of Investment Property	(475,967,100)	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		<hr/> <b>(475,967,100)</b>
		<hr/>
<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		<hr/> <b>—</b>
		<hr/>

**Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
Sub-total	-
<b>Adjusted Net Income/Loss:</b>	<b>895,448,190</b>

**Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)	-
Sub-total	-

**Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP**

Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Sub-total	-

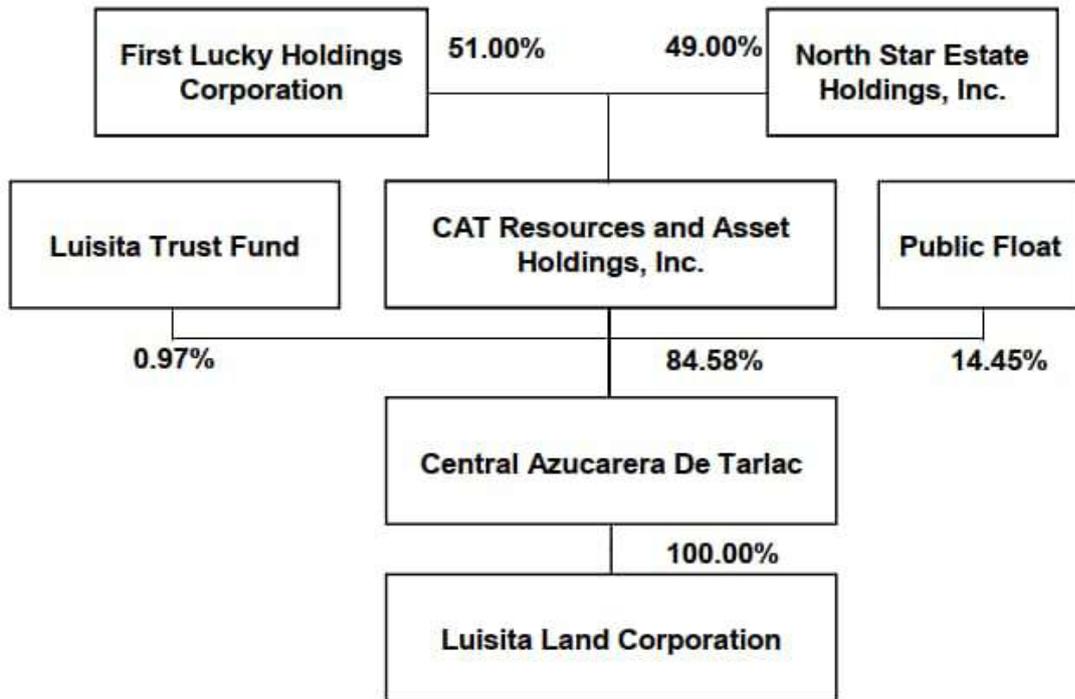
**Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends Distribution**

Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to Same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(328,750)
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
Sub-total	(328,750)

<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<b>₱201,304,602</b>
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**CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY  
CONGLOMERATE MAP  
AS AT JUNE 30, 2025**

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**CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY**  
**FINANCIAL SOUNDNESS INDICATORS**  
**AS AT JUNE 30, 2025**

	<b>FORMULA</b>	<b>2025</b>	<b>2024</b>
<b>LIQUIDITY RATIOS</b>			
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<b>1.15</b>	1.79
Acid test ratio	$\frac{\text{Cash} + \text{Accounts receivable}}{\text{Current liabilities}}$	<b>0.7</b>	1.47
<b>SOLVENCY RATIOS</b>			
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	<b>0.5</b>	0.69
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<b>1.5</b>	1.69
Net debt to equity ratio	$\frac{\text{Total liabilities} - \text{Cash}}{\text{Total equity}}$	<b>0.43</b>	0.46
Interest coverage ratio	$\frac{\text{Earnings before interest and tax}}{\text{Interest expense}}$	<b>6.36</b>	19.61
<b>PROFITABILITY RATIOS</b>			
Operating margin	$\frac{\text{Operating profit}}{\text{Total revenues}}$	<b>0.15</b>	0.51
Return on equity	$\frac{\text{Net income after tax}}{\text{Total equity}}$	<b>0.11</b>	0.44

**CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED**  
**INFORMATION**  
**June 30, 2025**

	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Total Audit Fees</b>	<b>₱1,820,000</b>	<b>₱1,820,000</b>
<b>Non-audit service fees</b>		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱1,820,000</b>	<b>₱1,820,000</b>

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

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	NAPOLEÓN 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	ADELA MIRA BERTRAND	10,600
32	DOLORES MIRA BERTRAND	10,600
33	ENCARNACION MIRA BERTRAND	10,400
34	JOSE VICENTE MIRA BERTRAND	10,400
35	OFELIA R. BLANCO	1,000
36	DIONISIO LLANO BONA	15,040
37	JOSE LLANO BONA	2,800
38	ANTONIO CAMPOS BOUFFARD	3,490
39	LUISA C. BOYARSKI	8,240
40	FERNANDO M. BRAGANZA JR.	8,000
41	ANTONIO M. BRAGANZA	8,000
42	EMILIA M. BRAGANZA	8,000
43	FERNANDO M. BRAGANZA	2,960
44	RENATO M. BRAGANZA	8,000
45	CARMEN A. BROOKS	4,800
46	RAFAEL V. CABRERA	54,800
47	FELICIANA CAMARA	34,240
48	QUIRICO S. CAMUS JR.	15,760
49	ELISEO CANDO	10,000
50	MA. LONIA CANTORIA	10,000
51	CARLOS TORRES &/OR VICTOR S. BARRIOS	23,160

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

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

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

Count	Name	Holdings
103	DE PRADERA, GLORIA CAMPOS	160
104	DELA CRUZ, EDITHA M.	25,240
105	DELA RIVA, CARMEN GALOBART	277,440
106	DELGADO, HERMENEGILDO A.	10,000
107	DELGADO, NELLIE C.	33,190
108	DINO, REV. FR. ISIDRO D.	2,520
109	DIZON, NILDA S.	59,400
110	DIZON, VIRGINIA	30,160
111	DONATO, BELARIO S.	128,200
112	DONATO, MARIANO	7,160
113	DONGON, AMADO	48,280
114	DURDULAW, ARTEMIO	48,280
115	DY, ENGRACIA	28,960
116	E. SANTAMARIA & CO., INC.	6,000
117	EDWINA, ANGELICA, MICHELLE LITTON ORTIGAS	1,320
118	ELIGIR & YAPTINCHAY, INC.	1,880
119	ELNAR, CARLOS	4,800
120	ENRILE, REINALISSA B.	20,000
121	EQUITABLE SECURITIES (PHIL.), INC.	500
122	ERANA, AMANDA L.	38,160
123	ESCALER, JOSE O.	1,600
124	ESPIRITU, BENJAMIN IGNACIO	10
125	ESTATE OF EMILIANO J. VALDES	42,280
126	FACTORAN JR., FULGENCIO	200
127	FAYLONA, MA. CHRISTINA F.	32,400
128	FERNANDEZ, DIT	38,600
129	FERNANDEZ, GODOFREDO C.	51,440
130	FERNANDEZ, JESUS PELLON	55,040
131	FLORES, ANTONIO	10,000
132	FONG, FRANCISCO WING SIEN	70,480
133	FORD, THOMAS J.	210,320
134	FORD, THOMAS J.(MRS.)	63,400
135	FORMOSO, ALVARA PAPA	7,160
136	FOX E.L.	9,600
137	FRANCES AGNES LLANEZA	13,200
138	GAERLAN, ELENA A.	9,600
139	GARCIA, MERCEDES A.	25,720
140	GARROVILLAS, ADRIANO B.	5,720
141	GIOK, TAN KIM	3,800
142	GO, MARTINA L.	4,000
143	GOMEZ, JESUS PINO	42,280
144	GONZALES, ANTONIO A.	12,640
145	GONZALES, FELIX	160
146	GONZALES, FELIX GARCIA	42,280
147	GONZALES, MARIANO	1,360
148	GONZALES, VICENTE A.	12,640
149	GUAN, TAN	115,880
150	GUERRERO, LEON MA.	8,240
151	GUEVARRA, ANTONIO	5,720
152	GUEVARRA, ESTELLA YAP	1,880
153	GURREA, CARLOS JOSE Y PALENZUELA	5,840

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

Count	Name	Holdings
154	GURREA, MA. ROBERTA Y PALENZUELA	5,840
155	GUTIERRES, TERESA MARTINEZ VDA DE	198,160
156	GUTIERREZ, JESUS MOLINA	163,000
157	GUTIERREZ, LEONILA	10,000
158	GUZMAN, MA. LUISA GARCIA	120
159	HAW, MADING	23,160
160	HEIRS OF JORGE JOSE DE LEON	24,425
161	HEIRS OF JOSE NATIVIDAD BARTOLOME DE LEON II	24,425
162	HEIRS OF JUAN LEOPOLDO DE LEON	24,425
163	HEIRS OF MA. LUISA DE LEON ESCALER	24,425
164	HEIRS OF MA. VICTORIA MARFA SATRUSTEGUI	178,720
165	HEIRS OF OSCAR TRINIDAD DE LEON	24,425
166	HEIRS OF REGINA TERESA DE LEON JALANDONI	24,425
167	HEREDEROS DE MISS M.J. WARD	19,400
168	HERNANDEZ, JOSE	3,160
169	HERNANDEZ, PACITA	3,160
170	HERNANDEZ, PEDRO	3,160
171	HIJOS DE F. ESCANO, INC.	9,600
172	HING, CO PENG	34,740
173	HIONG, CO CHE	19,240
174	HO, SUSANA Y.	38,600
175	HOY, TOMAS TSEN	16,160
176	HU, TIU	17,320
177	IGLESIAS, AURORA CARRANZA VDA DE	84,800
178	IGLESIAS, JOSE LUIS	21,440
179	IGLESIAS, JOSE MARIA	21,440
180	ILETO, VIRGINIA M.	3,400
181	IRAGORRI, EDUARDO GALLARZA	272,560
182	J.J. ORTIGAS & CO., INC.	4,240
183	JALANDONI, REGINA DE LEON	3,030
184	JIMENEZ, FEDERICO P.	8,760
185	JUMANGIT, ERLINDA	5,520
186	KRAMER JR., ERNEST A.	36,680
187	KRAMER, FEDERICO JOSE	36,720
188	KRAMER, VICTOR ANTONIO O.	36,720
189	L. RECIO & CO., INC.	6,240
190	LAFUENTE, LEOPOLDO	16,960
191	LAGDAMEO, SOL C.	10,000
192	LAHOZ, MANUEL	10,000
193	LEANA CONSOLIDATED CORPORATION	14,160
194	LEDESMA, MAVIS DEL ROSARIO	12,120
195	LIAN, YAP SIO	11,520
196	LIM, FELIMON	27,160
197	LIM, GALNIESA KONG	100,440
198	LIM, JENNY T.	127,560
199	LIM, JOSEFINA T.	127,560
200	LIM, JUDY	11,520
201	LIM, RAMON	9,600
202	LIM, VIRGILIO	40
203	LIMOANCO, EDWARD	60,320
204	LIMOANCO, EDWIN	20,240

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

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

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

Count	Name	Holdings
256	PACHECO, GENEROSA	3,800
257	PADILLA, RENATO BRIONES	10
258	PANICUCCI, TRINIDAD DE LEON	24,430
259	PANLILIO, CARLOS D.	106,960
260	PANLILIO, LUIS D.	26,740
261	PANLILIO, PABLO D.	53,480
262	PANLILIO, TERESITA D.	53,480
263	PASCASIO, PAMELA A., &/OR EDWIN FRANCIS PASCASIO &/OR MIRIAM A. PASCASIO	21,080
264	PCD NOMINEE CORPORATION (FILIPINO)	261,553,448
265	PCD NOMINEE CORPORATION (FOREIGN)	8,606,347
266	PHILSEC INVESTMENT CORPORATION	2,960
267	PICORNELL ORTIGAS & COMPANY	2,240
268	PIN, KONG CHAI	11,520
269	PLANAS, LOURDES CAMPOS	160
270	PLOFINO, MANUEL	10,000
271	PO, JANE	11,520
272	PO, LIM CHU	121,560
273	PO,PACITA	28,960
274	PO, THOMAS	2,040
275	PRICE, PILAR	15,030
276	PRIETO, AURELIO	4,400
277	PRIETO, JOSE	4,080
278	PRIETO, VALENTIN	9,360
279	PRIETO, VICENTE	6,120
280	PUNSALAN, CARLO A.	1,880
281	QUEROL, JESUS T.	9,600
282	RECTOR DEL SEMINARIO MAYOR DE SAN CARLOS	221,480
283	REGINA CAPITAL DEV. CORP. 000351	10,000
284	REYES JR., NARCISO	26,400
285	REYES, ANTONIO Z.	31,200
286	REYES, NORMA L., ITF NORMAN L. REYES	19,780
287	REYES, NORMA L.,ITF NANETTE L. REYES	14,080
288	REYES, NORMA L.,ITF NARCISO REYES III	44,070
289	REYES, NORMA L.,ITF NICANOR L. REYES	32,120
290	REYES, PERLITO C.	520
291	REYES, PRISCILA A.	1,480
292	RICHARDS, RAMORA C.	8,240
293	RIVILLA, LUIS TIRSO	36,000
294	ROASA, SAMUEL T.	8,880
295	ROBINOZ, BEATRIZ, &/OR EDWIN ROBINOZ	3,400
296	ROBIOU, FRANCISCO DE URMENETA	54,360
297	ROBLES, RAFAEL CAMPOS	1,680
298	ROBLES, REMEDIOS WARREN	19,400
299	ROCHA PEREZ INC.	12,120
300	RODRIGUEZ, JOAQUIN, &/OR SONJA RODRIGUEZ	62,880
301	ROJO, MONA LIZA	10,000
302	ROMULO, MARILES C.	441,240
303	S.J. ROXAS & C OMPANY, INC.	3,770
304	SALA, SALVADOR E.	18,320
305	SALES, GREGORIO R.	1,120
306	SAN GABRIEL, JOSE R.	2,870

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

Count	Name	Holdings
307	SANCHEZ JR., SANTIAGO	10,000
308	SANCHEZ, DANILO	10,000
309	SANCHEZ, RIZALINA	10,000
310	SANTIAGO, O' MARINA SOLDEVILLA	369,040
311	SANTIAGO, PURITA B.	8,000
312	SANTOS JR., REMIGIO C.	920
313	SANTOS, ANNA VICTORIA C.	920
314	SANTOS, ANTONIO FERNANDEZ	55,800
315	SANTOS, AUGUSTO BENEDICT S.	10,000
316	SANTOS, GEORGIANA C.	920
317	SANTOS, JOANNE C.	920
318	SANTOS, LETICIA E.	127,560
319	SATRUSTEGUI, MA. ISABEL MARFA	178,720
320	SAY, BENILDA CHUA	30,880
321	SE, LAO ANG	9,080
322	SEE, UY GO	43,440
323	SENCERMES, JUAN GALOBART	326,160
324	SERT, JOSE LUIS	112,960
325	SHARON, GOLDA SANDS	23,160
326	SHEN, MARGARET S.	48,280
327	SIASON, ISABELITA L.	4,000
328	SIGUION, PAZ E.	2,360
329	SINJIAN, ANSELMO A. , &/OR LETICIA V. SINJIAN	4,320
330	SISON, LYDIA DE LEON	111,040
331	SISON, LYDIA DE LEON	24,425
332	SIU, RUFINO ONG	9,600
333	SOTTO, ARCELINO	10,000
334	SUSARA, CARMEN Z.	2,200
335	SUY, TAN LEE	1,040
336	SY, CESAR	48,280
337	SY, LAURO C.	36,200
338	SY, LETICIA	15,360
339	SY, LINO	6,320
340	SY, LUZ T.	24,000
341	SYCIP, CARMEN	2,960
342	TAN, ANITA	19,240
343	TAN, DIANA	1,640
344	TAN, LUISA LAO	11,520
345	TAN, PEARL CHIU	46,320
346	TAN, ROMAN JACINTO	19,240
347	TANSENGCO, CARMEN ONG	6,430
348	TANSENGCO, RAFAEL ONG	6,440
349	TAY, FELIX GONZALES WONG	59,840
350	TIN, JOHN LEE HONG	11,520
351	TIONG SECURITIES, INC.	5,400
352	TIU, SO TIAO BIN	11,520
353	TOMELDEN, GENEVIEVE U.	410
354	TOMELDEN, GERARD U.	410
355	TOMELDEN, ROMEO	820
356	TRANS-PHILIPPINES INVESTMENT CORPORATION	39,920
357	TUAZON ROXAS & TORRES, INC.	240

Stock Transfer Service Inc.  
CENTRAL AZUCARERA DE TARLAC, INC  
Stockholder MasterList  
As of 06/30/2025

Count	Name	Holdings
358	UAN, TAN	23,160
359	UBP TA # IJI-022-00	8,040
360	UNITED INSURANCE CO., INC.	39,920
361	UY-TIOCO III, PEDRO	2,640
362	UY-TIOCO, CYNTHIA P.	10,880
363	UY-TIOCO, JOSEPHINE	2,640
364	UYENGCO JR., FRANCISCO	10,000
365	VALENCIA, JESUS SAN LUIS	100
366	VARELA, ANTONIO MOCOROA	9,240
367	VARELA, JUANA SAN JUAN	37,800
368	VARELA, RAIMUNDO MOCOROA	9,240
369	VARUA, FRANCISCO V.	33,000
370	VASQUEZ, MACARIA	1,480
371	VILLANUEVA, JOSE	10,000
372	VIRAY, TERESA	10,000
373	VISTAN, ANITA L.	750
374	VISTAN, GILBERTO L.	1,500
375	VISTAN, ROSARIO ANNA L.	1,120
376	VISTAN, VICENTE	1,500
377	WEBER-HOELH, GEORG B., &/OR MARIA LUISA L. WEBER	9,600
378	WU, CHUI YIN	76,480
379	WU, MARY CHUA	5,720
380	YAN IN TONG &/OR EDON YAP	2,640
381	YAP, DOROTHY	4,120
382	YAP, ROSALINE	4,600
383	YU, DANIEL T.	127,560
384	YU, PILAR	57,280
385	YU, ROSE MARIE	11,520
386	YUPITUN, ANITA	23,160
387	YUPITUN, DOMINGO	5,760
388	YUPITUN, JOHN	5,760
389	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. **01 October 2024**  
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, INC.**  
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
<b>Common</b>	<b><u>282,545,960</u></b>

11. Indicate the item numbers reported herein:

**Item 9. Other items**

The Board of Directors of Central Azucarera de Tarlac, Inc. ("CAT") during its meeting held on 10 October 2024, approved the following:

The Annual Stockholders' Meeting shall be held on the last Tuesday of January in accordance with the By-Laws, which is 28 January 2025 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.

01 October 2024.

**CENTRAL AZUCARERA DE TARLAC, INC.**

Issuer

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. **28 January 2025**  
Date of Report (Date of earliest event reported)
2. SEC Identification Number      3. BIR Tax Identification No. **000-229-931**  
**727**
4. **CENTRAL AZUCARERA DE TARLAC, INC.**  
Exact name of issuer as specified in its charter
5. **Manila, Philippines**      6. (SEC Use Only)   
Province, country or other      Industry Classification Code  
jurisdiction of incorporation
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
<b>Common</b>	<b><u>238,496,840</u></b>

11. Indicate the item numbers reported herein:

## **Results of the Annual Stockholders' Meeting Held on 28 January 2025**

In the recently concluded Annual Stockholders' Meeting of Central Azucarera de Tarlac ("CAT"), stockholders as of 8 January 2025 (record date) approved / ratified the following reports / proposals / acts:

1. The Minutes of the Annual Meeting of Stockholders held on 30 January 2024;
2. The Audited Financial Statements for the Fiscal Year Ending June 30, 2024, contained in the Annual Report for the Fiscal Year 2023-2024;
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 2024-2025;
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. FERNAN VICTOR P. LUKBAN
  4. MARTIN DIEGO L. LORENZO
  5. MATEO RAFAEL L. LORENZO
  6. PEDRO FRANCISCO B. COJUANGCO
  7. RENATO B. PADILLA -- Independent Director
  8. 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.

28 January 2025.

### **CENTRAL AZUCARERA DE TARLAC**

Issuer

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. **28 January 2025**  
Date of Report (Date of earliest event reported)
2. SEC Identification Number      3. BIR Tax Identification No. **000-229-931**  
**727**
4. **CENTRAL AZUCARERA DE TARLAC, INC.**  
Exact name of issuer as specified in its charter
5. **Manila, Philippines**      6. (SEC Use Only)   
Province, country or other      Industry Classification Code  
jurisdiction of incorporation
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
<b>Common</b>	<b><u>238,496,840</u></b>

11. Indicate the item numbers reported herein:

## **Results of the Organizational Board Meeting Held on 28 January 2025**

The results of the organizational board meeting of the board of directors which was immediately held after the annual stockholders' meeting on 28 January 2025 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
FERNAN VICTOR P. LUKBAN	Member
MATEO RAFAEL L. LORENZO	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.

28 January 2025.

### **CENTRAL AZUCARERA DE TARLAC**

Issuer

By:

A black rectangular box redacting the signature of Addison B. Castro.

**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)**

<b>Name of Issuing entity and association of each issue (1)</b>	<b>Number of shares or principal amount of bonds and notes</b>	<b>Amount shown in the balance sheet (2)</b>	<b>Valued based on market quotation at balance sheet date (3)</b>	<b>Income received and accrued</b>
NONE TO REPORT				
<b>TOTAL</b>	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, 2024	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at, June 30, 2025
Advances to officers and employees - cash advance for business expenses	2,799,716	51,799,778	(52,114,735)				2,484,759
	2,799,715.61	51,799,778.33	(52,114,734.94)	-	-	-	2,484,759.00

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
<b>Proprietary shares</b>						
Luisita Golf and Country Club, Inc.	556	194,600,000	-		556	194,600,000
Alabang Golf & Country Club	1	16,000,000	(1,000,000)		1	15,000,000
<b>Investment in shares of stock</b>						
Philippine Long Distance Corporation	3,426	428,112	(60,720)		3,426	367,392
CAT Realty Corporation	35,000	147,000	0		35,000	147,000
Economic Development Foundation, Inc	1	15,000	0		1	15,000
		211,190,112	(1,060,720)	-		210,129,392

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

**Schedule D. Indebtedness of Unconsolidated Subsidiaries and Related Parties**

<b>Name of Related parties (1)</b>	<b>Balance at beginning of period</b>	<b>Balance at end of period</b>
Blue Mountains Corp.	5,772,500	5,772,500
Buenavista Corporate Asset Holding, Inc.	14,115,606	14,115,606
CAT Foundation	1,130,770	1,000,000
CAT Resource and Asset Holdings, Inc.	1,199,716,129	1,206,750,136
First Green Renewable Holdings, Inc.	83,508,050	83,508,050
First Lucky Holdings, Corp.	(9,828,194)	70,258,945
Green Future Innovation, Inc.	220,318,316	323,273,196
Luisita Golf & Country Club, Inc.	22,618,655	24,029,214
Luisita Trust Fund	8,920,219	8,920,219
Meatworld International, Inc.	57,849,041	49,680,685
North Star Estate Holdings	40,178	41,479
StarBreaker Corp.	76,202,740	-
Tarlac Distillery Corporation	141,176,276	143,133,699
Tarraco Group Incorporated	22,533,425	22,533,425
<b>TOTAL</b>	<b>1,844,073,711</b>	<b>1,953,017,154</b>

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

Schedule E. Intangible Assets - Other Assets

<b>Description</b>	<b>Beginning balance</b>	<b>Additions at cost</b>	<b>Charged to cost and expenses</b>	<b>Charged to other accounts</b>	<b>Other changes additions (deductions)</b>	<b>Ending balance</b>
The Company doesn't have any intangible assets as of June 30, 2025						-

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

**Schedule F. Long Term Debt**

<b>Title of Issue and type of obligation</b>	<b>Amount authorized by indenture</b>	<b>Amount shown under caption "Current portion of long-term debt" in related balance sheet</b>	<b>Amount shown under caption "Long-Term Debt" in related balance sheet</b>
Notes Payable - Banks		136,501,998	252,933,802
<b>Total</b>		<b>136,501,998</b>	<b>252,933,802</b>

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 Agro-Industrial Corporation	2,081,764	2,081,764
<b>Total</b>	<b>2,081,764</b>	<b>2,081,764</b>

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

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

<b>Name of issuing entity of securities guaranteed by the company for which this statement is filed</b>	<b>Title of issue of each class of securities guaranteed</b>	<b>Total amount guaranteed and outstanding</b>	<b>Amount owned by person for which statement is filed</b>	<b>Nature of guarantee</b>
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 98,841,890	Martin Ignacio P. Lorenzo Fernando C. Cojuangco	
<b>TOTAL</b>	400,000,000	238,496,840		201,718,140		

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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

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

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

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

Form Type

A	A	P	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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### COMPANY INFORMATION

Company's Email Address

N/A
-----

Company's Telephone Number

8818-6270
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Mobile Number

N/A
-----

No. of Stockholders

390
-----

Annual Meeting (Month / Day)

Last Tuesday of January
-------------------------

Fiscal Year (Month / Day)

06/30
-------

### CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Cecile D. Macaalay
------------------------

Email Address

cdmacaalay@icloud.com
-----------------------

Telephone Number/s

8818-6270
-----------

Mobile Number

N/A
-----

### CONTACT PERSON'S ADDRESS

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

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

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



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Parent Company Financial Statements**

#### **Opinion**

We have audited the parent company financial statements of Central Azucarera de Tarlac, Inc. (the Company), which comprise the parent company balance sheets as at June 30, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



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

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

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

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

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

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

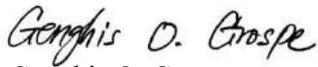


### **Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 27 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Central Azucarera de Tarlac, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

SYCIP GORRES VELAYO & CO.



Genghis O. Grospe

Partner

CPA Certificate No. 121500

Tax Identification No. 255-541-291

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-139-2024, March 8, 2024, valid until March 7, 2027

PTR No. 10465310, January 2, 2025, Makati City

October 9, 2025





# Central Azucarera de Tarlac, Inc.

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **CENTRAL AZUCARERA DE TARLAC, INC.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended June 30, 2025 and 2024 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**MARTIN P. LORENZO**  
Chairman and CEO

**BERNANDO C. COJUANGCO**  
President and COO

**CECILE D. MACAALAY**  
Chief Finance Officer

**SUBSCRIBED AND SWORN** to before me this day of OCT 28 2025 2025 affiant(s) exhibiting to me their PASSPORT ID's as follows:

NAME	ID No	EXPIRING ON
Martin Ignacio P. Lorenzo		
Fernando C. Cojuangco		
Cecile D. Macaalay		

Doc. No. 39  
Page No. 9  
Book No. XIV  
Series of 2025SS

**ATTY. GERVASIO B. ORTIZ JR.**  
Notary Public City of Makati  
Until December 31, 2026  
IBP No. 05/29-Lifetime Member  
MCLE Compliance No. VIII-0040999  
valid/until April 14, 2028  
Appointment No. M-007 (2025-2026)  
PTR No. 10466006 Jan. 2, 2025/Makati  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

**CENTRAL AZUCARERA DE TARLAC, INC.**  
**PARENT COMPANY BALANCE SHEETS**

	June 30	
	2025	2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 4)	₱196,925,794	₱226,998,826
Receivables (Note 5)	820,515,330	1,843,391,775
Inventories (Note 6)	597,999,927	336,883,771
Other current assets (Note 7)	151,385,352	281,791,035
<b>Total Current Assets</b>	<b>1,766,826,403</b>	<b>2,689,065,407</b>
<b>Noncurrent Assets</b>		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 8)	210,129,392	211,190,112
Investment in a subsidiary (Note 9)	135,000,000	135,000,000
Due from related parties (Note 20)	1,056,356,651	–
Property, plant and equipment:		
Land - at revalued amount (Note 11)	1,097,965,750	979,266,750
Property, plant and equipment - at cost (Note 10)	397,097,854	406,726,182
Investment property (Note 11)	1,640,020,440	1,164,053,340
Other noncurrent assets (Note 12)	160,281,925	176,776,075
<b>Total Noncurrent Assets</b>	<b>4,696,852,012</b>	<b>3,073,012,459</b>
<b>TOTAL ASSETS</b>	<b>₱6,463,678,415</b>	<b>₱5,762,077,866</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 13)	₱561,147,383	₱1,247,546,535
Short-term notes payable (Note 14)	837,999,999	784,999,999
Current portion of notes payable (Note 14)	136,501,998	135,634,521
Income tax payable	18,378,642	3,618,477
Other current liabilities (Note 22)	22,567,198	17,753,903
<b>Total Current Liabilities</b>	<b>1,576,595,220</b>	<b>2,189,553,435</b>
<b>Noncurrent Liabilities</b>		
Notes payable - net of current portion (Note 14)	252,933,802	389,435,800
Deferred income tax liabilities - net (Note 21)	265,923,968	272,856,200
Retirement benefit obligation (Note 19)	12,984,592	8,140,180
Other noncurrent liabilities (Note 22)	21,715,784	26,241,120
<b>Total Noncurrent Liabilities</b>	<b>553,558,146</b>	<b>696,673,300</b>
<b>Total Liabilities</b>	<b>2,130,153,366</b>	<b>2,886,226,735</b>
<b>Equity</b>		
Capital stock (Note 23)	282,545,960	282,545,960
Retained earnings (Note 23)	2,988,855,959	1,617,440,669
Revaluation increment (Note 11)	1,334,547,003	1,245,522,753
Remeasurement losses on retirement plan (Note 19)	(59,350,680)	(57,486,670)
Unrealized cumulative gains on financial assets at FVOCI (Note 8)	156,005,297	156,906,909
	4,702,603,539	3,244,929,621
Treasury stock (Note 23)	(369,078,490)	(369,078,490)
<b>Total Equity</b>	<b>4,333,525,049</b>	<b>2,875,851,131</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱6,463,678,415</b>	<b>₱5,762,077,866</b>

See accompanying Notes to Parent Company Financial Statements.



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

	<b>Years Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Sale of sugar and by-products	₱713,263,644	₱950,853,739
Milling income	531,777,543	506,993,741
Tolling fees	113,195,637	175,863,314
	<b>1,358,236,824</b>	<b>1,633,710,794</b>
<b>COST OF GOODS SOLD AND MILLING AND TOLLING SERVICES (Note 15)</b>		
	<b>1,025,824,005</b>	<b>1,239,861,838</b>
<b>GROSS INCOME</b>	<b>332,412,819</b>	<b>393,848,956</b>
<b>OPERATING EXPENSES (Note 16)</b>	<b>(124,376,049)</b>	<b>(128,557,777)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Dividend income (Note 20)	866,500,000	–
Fair value gains on investment property (Note 11)	475,967,100	292,974,150
Interest income (Notes 4, 5, 12 and 20)	16,634,585	16,173,477
Interest expense (Notes 14 and 22)	(96,242,792)	(124,743,957)
Loss on discounting (Note 5)	(94,251,443)	–
Other income - net (Note 18)	4,370,737	5,319,694
	<b>1,172,978,187</b>	<b>189,723,364</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,381,014,957</b>	<b>455,014,543</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 21)</b>		
Current	45,426,205	33,527,425
Deferred	(35,826,538)	8,110,567
	<b>9,599,667</b>	<b>41,637,992</b>
<b>NET INCOME</b>	<b>₱1,371,415,290</b>	<b>₱413,376,551</b>
<b>Basic/diluted earnings per share (Note 23)</b>	<b>₱5.750</b>	<b>₱1.733</b>

*See accompanying Notes to Parent Company Financial Statements.*



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

	<b>Years Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>NET INCOME</b>	<b>₱1,371,415,290</b>	<b>₱413,376,551</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Items that will not be reclassified to profit or loss - net of income tax effect:</i>		
Revaluation increase on land under property, plant and equipment (Note 11)	<b>89,024,250</b>	195,853,350
Remeasurement gain (loss) on retirement plan (Note 19)	<b>(1,864,010)</b>	11,707,424
Unrealized gain (loss) on financial assets at FVOCI (Note 8)	<b>(901,612)</b>	27,059,325
	<b>86,258,628</b>	234,620,099
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱1,457,673,918</b>	<b>₱647,996,650</b>

*See accompanying Notes to Parent Company Financial Statements*



**CENTRAL AZUCARERA DE TARLAC, INC.**

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	Capital Stock (Note 23)	Retained Earnings (Note 23)			Revaluation Increment (Note 11)	Remeasurement Gains (Losses) on Retirement Plan (Note 19)	Unrealized Cumulative Gains (Losses) on Financial Assets at FVOCI (Note 8)	Cost of Treasury Stock (Note 23)	Total Equity
		Unappropriated	Appropriated	Total					
Balances at July 1, 2023	₱282,545,960	₱1,239,983,768	₱1,500,000,000	₱2,739,983,768	₱1,049,669,403	(₱69,194,094)	₱129,847,584	(₱369,078,490)	₱3,763,774,131
Total comprehensive income	–	413,376,551	–	413,376,551	195,853,350	11,707,424	27,059,325	–	647,996,650
Dividend declaration (Note 23)	–	(1,535,919,650)	–	(1,535,919,650)	–	–	–	–	(1,535,919,650)
Reversal of appropriation (Note 23)	–	1,500,000,000	(1,500,000,000)	–	–	–	–	–	–
Balances at June 30, 2024	282,545,960	1,617,440,669	–	1,617,440,669	1,245,522,753	(57,486,670)	156,906,909	(369,078,490)	2,875,851,131
Total comprehensive income (loss)	–	1,371,415,290	–	1,371,415,290	89,024,250	(1,864,010)	(901,612)	–	1,457,673,918
Appropriation (Note 23)	–	(1,100,000,000)	1,100,000,000	–	–	–	–	–	–
<b>Balances at June 30, 2025</b>	<b>₱282,545,960</b>	<b>₱1,888,855,959</b>	<b>₱1,100,000,000</b>	<b>₱2,988,855,959</b>	<b>₱1,334,547,003</b>	<b>(₱59,350,680)</b>	<b>₱156,005,297</b>	<b>(₱369,078,490)</b>	<b>₱4,333,525,049</b>

*See accompanying Notes to Parent Company Financial Statements.*



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

	Years Ended June 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱1,381,014,957</b>	₱455,014,543
Adjustments for:		
Interest expense (Notes 14 and 22)	96,242,792	124,743,957
Loss on discounting (Note 5)	94,251,443	–
Depreciation and amortization (Notes 10, 15, 16 and 17)	91,550,918	79,160,079
Provision for inventory writedown (Note 6)	23,679,470	–
Provision for estimated credit losses (ECL) (Notes 3 and 5)	7,360,431	2,540,352
Net retirement expense (Note 19)	3,930,945	5,726,935
Unrealized foreign exchange loss (gain)	254,423	(34,811)
Dividend income (Note 20)	(866,500,000)	–
Fair value gains on investment property (Note 11)	(475,967,100)	(292,974,150)
Interest income (Notes 4, 5, 12 and 20)	(16,634,585)	(16,173,477)
Reversal of provision for ECL (Note 5)	(7,837,936)	(2,331,249)
Provision for (reversal of) inventory obsolescence (Notes 3 and 6)	(185,313)	601,016
Operating income before working capital changes	<b>331,160,445</b>	356,273,195
Decrease (increase) in:		
Receivables	(11,756,926)	(25,523,124)
Inventories	(284,610,313)	12,220,546
Other current assets	94,951,082	15,552,834
Increase (decrease) in:		
Trade and other payables	(178,664,693)	(266,583,756)
Income tax payable	14,760,165	3,618,477
Net cash provided by (used in) operating activities	<b>(34,160,240)</b>	95,558,172
Income taxes paid	<b>(9,971,604)</b>	–
Net cash flows from (used in) operations	<b>(44,131,844)</b>	95,558,172
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net changes in accounts with related parties (Note 20)	248,953,657	1,934,318,816
Additions to property, plant and equipment (Note 10)	(41,998,978)	(52,069,405)
Decrease (increase) in noncurrent assets	15,083,591	(27,657,993)
Interest received	7,270,655	8,000,676
Net cash flows from investing activities	<b>229,308,925</b>	1,862,592,094
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Interest (Note 26)	(93,127,312)	(119,280,962)
Notes payable (Note 26)	(82,634,521)	(227,811,646)
Lease liabilities (Note 26)	(18,343,796)	(20,149,381)
Transaction costs (Note 26)	(3,115,479)	(3,938,354)
Dividends (Notes 23 and 26)	(1,920,930)	(1,458,696,472)
Decrease in other noncurrent liabilities	(15,853,652)	(2,731,609)
Cash flows used in financing activities	<b>(214,995,690)</b>	(1,832,608,424)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(29,818,609)</b>	125,541,842
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH</b>	<b>(254,423)</b>	34,811
<b>CASH AT BEGINNING OF YEAR</b>	<b>226,998,826</b>	101,422,173
<b>CASH AT END OF YEAR (Note 4)</b>	<b>₱196,925,794</b>	₱226,998,826

See accompanying Notes to Parent Company Financial Statements.



# CENTRAL AZUCARERA DE TARLAC, INC.

## NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

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

#### Corporate Information

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

As at June 30, 2025 and 2024, the Company is 84.58% owned by CAT Resource & Asset Holdings, Inc. (CRAHI). The ultimate parent company is First Lucky Holdings Corporation.

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

#### Authorization for the Issuance of the Parent Company Financial Statements

The parent company financial statements as at and for the years ended June 30, 2025 and 2024 were authorized for issue in accordance with a resolution by the Board of Directors (BOD) on October 9, 2025.

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### 2. Basis of Preparation and Material Accounting Policy Information

#### Basis of Preparation

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

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

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

#### Statement of Compliance

The parent company financial statements have been prepared in accordance with PFRS Accounting Standards.

#### 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, 2024. The Company 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 parent company financial statements:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

#### Current versus Noncurrent Classification

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

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Company classifies all other liabilities are classified as noncurrent.

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



### Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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



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

#### Cash

Cash includes cash on hand and in banks.

#### Financial Instruments

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

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

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

##### *Subsequent Measurement*

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

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

##### *Financial assets at amortized cost*

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and



- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Company's financial assets at amortized cost as at June 30, 2025 and 2024 consist of "Cash", "Receivables", "Due from related parties", and long-term receivables lodged under "Other noncurrent assets" account in the parent company balance sheets. The Company assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Company concluded these debt financial assets to be measured at amortized cost.

#### *Financial Assets at FVOCI*

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

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

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (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 the parent company statement of income upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the ECL model.

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

Dividends are recognized in the parent company statement of income only when:

- the Company's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the Company; and
- the amount of the dividend can be measured reliably.

The Company's financial assets at FVOCI as at June 30, 2025 and 2024 consist of listed and unlisted shares of stock and proprietary shares.



*Financial assets at FVTPL*

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

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

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

The Company does not have any financial asset at FVTPL as at June 30, 2025 and 2024.

*Impairment of Financial Assets*

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

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

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

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

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

*Stage 1: 12-month*

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

*Stage 2: Lifetime ECL*

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



### *Stage 3: Credit-impaired*

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

### *Determining the Stage for Impairment*

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

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

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

### *Derecognition*

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

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

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

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

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

### *Financial Liabilities*

#### *Initial Recognition and Measurement*

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

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

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

The Company's financial liabilities include "Trade and other payables (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 parent company 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 parent company 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 expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of income.

#### *Offsetting of Financial Instruments*

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



### 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.

### Advances to Supplier for Goods and Services

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

### Investment in a Subsidiary

Subsidiary is an entity over which the Company is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

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

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

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

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

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

### Property, Plant and Equipment

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



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

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

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

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

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

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

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

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

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



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

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

#### Investment Property

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

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

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

#### *Right-of-use (ROU) Assets*

The Company 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 Company 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.



### *Company as a Lessee*

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

### *Lease Liabilities*

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company uses the incremental borrowing rate 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.

### Impairment of Nonfinancial Assets

#### *Property, Plant and Equipment and Advances*

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

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



to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### *Investment in a Subsidiary*

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

#### Equity

##### *Capital Stock*

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

##### *Retained Earnings*

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

##### *Revaluation Increment*

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

##### *Treasury Stock*

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

#### Revenue Recognition

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

##### *Sale of Sugar*

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

##### *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.

##### *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.

##### *Tolling Fee*

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



*Interest Income*

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

*Dividend Income*

Dividend income is recognized when the Parent Company's right to receive payment is established.

*Other Income (Expense)*

This includes revenue and expenses recognized when earned or incurred from sources other than the normal business operations of the Company.

Expenses

*Cost of Goods Sold and Milling and Tolling Services*

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

*Operating Expenses*

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

Income Taxes

*Current Income Tax*

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

*Deferred Income Tax*

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible 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 outside the parent company statement of income is recognized outside the parent company statement of income. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.



### *Value-added Tax (VAT)*

Revenue, expenses and assets are recognized net of the amount of VAT, except:

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

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

### Retirement Cost

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

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

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

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

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

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

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

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



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

#### Borrowing Costs

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

#### Earnings Per Share (EPS)

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

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

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

#### Provisions

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

#### Contingencies

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

#### Events after the Reporting Date

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

#### New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to June 30, 2025

Pronouncements issued but not yet effective are listed below. The Company does not expect that the future adoption of the said pronouncements will have a significant impact on the parent company financial statements.



*Effective beginning on or after July 1, 2025*

- Amendments to PAS 21, *Lack of Exchangeability*

*Effective beginning on or after July 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

*Effective beginning on or after July 1, 2027*

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

*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*

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### 3. Summary of Significant Accounting Judgments, Estimates and Assumptions

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

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

#### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

#### *Revenue Recognition on Sale of Goods and Services*

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



*a. Existence of a Contract*

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

*b. Identifying Performance Obligation*

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

*c. Recognition of Revenue as the Company Satisfies the Performance Obligation*

The Company recognizes its revenue from sale of sugar and by-products at a point in time, when the goods are sold and delivered and the quedans are endorsed.

*d. Recognition of Milling Income under Output Sharing Agreement (OSA) and Cane Purchase Agreement (CPA)*

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

*Classification of Property*

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

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

Estimates and Assumptions

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

*Allowance for ECL*

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

The calculation is initially based on the Company's historical observed default rates. The Company will calibrate the calculation to adjust historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next



year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

- *Stage 3 - Credit Impaired Financial Assets*

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

- *Inputs, Assumptions and Estimation Techniques in ECL Calculation*

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

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

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

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

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

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

*Incorporation of Forward-looking Information*

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



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

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

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates, Philippine Stock Exchange index 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 Company has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

As at June 30, 2025 and 2024, the allowance for ECL on receivables and due from related parties amounted to ₱20.0 million and ₱20.5 million, respectively. The carrying amounts of receivables, due from related parties and long-term receivables as at June 30, 2025 and 2024 amounted to ₱2.0 billion (see Notes 5, 12 and 20).

#### *Allowance for Inventory Obsolescence and Writedown*

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

Reversal of and provision for inventory obsolescence amounted to ₱0.2 million and ₱0.6 million in 2025 and 2024, respectively. Provision for inventory writedown amounted to ₱23.7 million and nil in 2025 and 2024, respectively (see Note 6).

The allowance for inventory obsolescence as at June 30, 2025 and 2024 amounted to ₱7.7 million and ₱7.8 million, respectively. The carrying amounts of inventories as at June 30, 2025 and 2024 amounted to ₱598.0 million and ₱336.9 million, respectively (see Note 6).

#### *Revalued Amount of Land under Property, Plant and Equipment and Fair Value of Investment Property*

The Company has property, plant and equipment and investment property that are carried at revalued amount and fair value, respectively. These consists of land which is being valued by reference to market using comparable prices adjusted for specific market factors such as location and condition of the property. The Company engaged an external appraiser to determine the revalued amount and fair value as at June 30, 2025 and 2024.

The significant methods and assumptions used by the appraiser in estimating fair values of land are discussed in Note 11. The revalued amount of land under property, plant and equipment as at June 30, 2025 and 2024 amounted to ₱1.1 billion and ₱1.0 billion, respectively (see Note 11). The



fair value of land under investment property amounted to ₱1.6 billion and ₱1.2 billion as at June 30, 2025 and 2024, respectively (see Note 11).

#### *Estimated Useful Lives of Property, Plant and Equipment*

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

The carrying values of property, plant and equipment carried at cost as at June 30, 2025 and 2024 amounted to ₱397.1 million and ₱406.7 million, respectively (see Note 10).

#### *Impairment of Nonfinancial Assets*

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

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the 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 Company is required to make judgments and estimates that can materially affect the financial statements.

There were no provisions for impairment losses recognized in 2025 and 2024. The carrying amounts of investment in a subsidiary, property, plant and equipment carried at cost and advances are ₱675.4 million and ₱819.1 million as at June 30, 2025 and 2024, respectively (see Notes 7, 9, 10 and 12).

#### *Deferred Income Tax Assets*

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

The Company's deferred income tax assets as at June 30, 2025 and 2024 amounted to ₱58.8 million and ₱31.2 million, respectively (see Note 21).



### *Retirement Plan*

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

Retirement expense recognized in 2025 and 2024 amounted to ₱3.9 million and ₱5.7 million, respectively. The carrying amounts of the Company's net retirement plan obligation amounted to ₱13.0 million and ₱8.1 million as at June 30, 2025 and 2024, respectively (see Note 19).

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#### 4. Cash

	2025	2024
Cash in banks	<b>₱196,526,463</b>	₱225,698,226
Cash on hand	<b>399,331</b>	1,300,600
	<b>₱196,925,794</b>	₱226,998,826

Cash in banks earn interest at the respective bank deposit rates. Interest rates range from 0.05% to 2.1% and 0.05% to 5.05% per annum in 2025 and 2024, respectively.

Interest income earned from cash in banks amounted to ₱0.2 million and ₱8.0 million in 2025 and 2024, respectively.

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#### 5. Receivables

	2025	2024
Trade	<b>₱93,106,713</b>	₱73,965,478
Nontrade:		
Due from related parties (see Note 20)	<b>624,648,959</b>	1,670,534,324
Planters' receivables	<b>72,600,078</b>	47,179,591
Current portion of long-term receivables (see Note 12)	<b>24,029,214</b>	22,618,655
Advances to Luisita Golf and Country Club, Inc. (LGCCCI)	<b>962,746</b>	12,078,030
Others	<b>25,155,278</b>	37,480,860
	<b>840,502,988</b>	1,863,856,938
Less allowance for ECL	<b>19,987,658</b>	20,465,163
	<b>₱820,515,330</b>	₱1,843,391,775

Trade receivables are noninterest-bearing within its credit terms, which is 30 to 60 days.

Certain receivables from related parties are subject to interest at 4% to 5% per annum in 2025 and 2024. Interest income earned from receivables from related parties amounted to ₱4.4 million in 2025 and 2024 (see Note 20).



Planters' receivable pertains to the loan agreement entered into in 2019 that are subject to 6.5% interest per annum and was increased to 9% in 2024. Interest income earned amounted to ₱3.8 million and ₱2.5 million in 2025 and 2024, respectively.

As of June 30, 2025, based on the latest available information, the Company has made an evaluation that cash advances and deposits given to certain related parties totaling ₱1.2 billion will be collected beyond 12 months. Accordingly, the Company reclassified this amount to "Due from related parties" account under "Noncurrent assets" in the parent company balance sheet. The reclassification of these advances resulted to the recognition of ₱94.3 million discounting loss in 2025.

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

Movements in the allowance for ECL are summarized below:

<b>2025</b>			
	<b>Trade</b>	<b>Nontrade</b>	<b>Total</b>
Balances at beginning of year	₱2,149,158	₱18,316,005	₱20,465,163
Provisions	7,274,841	85,590	7,360,431
Reversal	(1,839,528)	(5,998,408)	(7,837,936)
<b>Balances at end of year</b>	<b>₱7,584,471</b>	<b>₱12,403,187</b>	<b>₱19,987,658</b>

<b>2024</b>			
	<b>Trade</b>	<b>Nontrade</b>	<b>Total</b>
Balances at beginning of year	₱1,246,536	₱19,009,524	₱20,256,060
Provisions	1,144,722	1,395,630	2,540,352
Reversal	(242,100)	(2,089,149)	(2,331,249)
<b>Balances at end of year</b>	<b>₱2,149,158</b>	<b>₱18,316,005</b>	<b>₱20,465,163</b>

## 6. Inventories

	<b>2025</b>	<b>2024</b>
At cost:		
Alcohol	<b>₱31,731,806</b>	₱80,207,945
Molasses	<b>13,280,698</b>	1,643,927
At NRV:		
Sugar	<b>448,367,872</b>	188,731,647
Spare parts and supplies	<b>104,619,551</b>	66,300,252
	<b>₱597,999,927</b>	₱336,883,771

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

	<b>2025</b>	<b>2024</b>
Balances at beginning of year	<b>₱7,849,402</b>	₱7,248,386
Provision (see Note 16)	–	601,016
Reversal	<b>(185,313)</b>	–
<b>Balances at end of year</b>	<b>₱7,664,089</b>	₱7,849,402

Provision for inventory writedown on sugar inventories to arrive at NRV amounted to ₱23.7 million and nil in 2025 and 2024, respectively.



## 7. Other Current Assets

	2025	2024
Advances to suppliers for goods and services	₱143,348,540	₱276,318,859
Prepaid tax	2,862,727	2,815,182
Prepaid insurance	935,874	1,534,389
Others	4,238,211	1,122,605
	<b>₱151,385,352</b>	<b>₱281,791,035</b>

## 8. Financial Assets at FVOCI

	2025	2024
Proprietary shares	₱209,600,000	₱210,600,000
Investment in shares of stock:		
Listed	367,392	428,112
Unlisted	162,000	162,000
	<b>₱210,129,392</b>	<b>₱211,190,112</b>

The movements in financial assets at FVOCI are as follows:

	2025	2024
Balances at beginning of year	₱211,190,112	₱179,355,612
Changes in the fair value	(1,060,720)	31,834,500
Balances at end of year	<b>₱210,129,392</b>	<b>₱211,190,112</b>

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:

	2025	2024
Balances at beginning of year	₱156,906,909	₱129,847,584
Unrealized gain (loss) on financial assets at FVOCI	(901,612)	27,059,325
Balances at end of year	<b>₱156,005,297</b>	<b>₱156,906,909</b>

## 9. Investment in Subsidiary

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

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



10. Property, Plant and Equipment - at cost

**2025**

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Transportation equipment	Land improvements	Furniture, fixtures and equipment	Communication and utility systems	Roads and bridges	Construction in-progress	ROU asset - building (see Note 22)	ROU asset - transportation equipment (see Note 22)	ROU asset - agricultural equipment (see Note 22)	Total
<b>Cost:</b>													
Balances at beginning of year	₱881,641,341	₱211,805,243	₱95,312,151	₱51,095,396	₱31,140,407	₱26,335,269	₱5,890,181	₱8,245,127	₱10,610,475	₱28,922,329	₱21,570,000	₱36,159,887	₱1,408,727,806
Additions	432,143	2,165,000	–	22,264,000	–	1,611,584	83,214	–	49,081,037	–	–	6,575,000	82,211,978
Adjustments	(757,090)	–	–	–	–	–	–	–	–	–	–	–	(757,090)
Reclassifications	46,728,044	38,427,287	2,808,387	–	438,728	86,607	212,202	–	(52,073,666)	–	–	(36,159,887)	467,702
Balances at end of year	928,044,438	252,397,530	98,120,538	73,359,396	31,579,135	28,033,460	6,185,597	8,245,127	7,617,846	28,922,329	21,570,000	6,575,000	1,490,650,396
<b>Accumulated depreciation and amortization:</b>													
Balances at beginning of year	694,045,800	127,529,946	64,309,260	46,875,304	20,032,290	22,095,524	3,349,849	8,245,111	–	1,928,155	6,110,614	7,479,771	1,002,001,624
Depreciation and amortization (see Notes 15, 16 and 17)	46,702,912	18,447,134	4,641,364	4,723,141	1,316,299	1,585,019	184,261	–	–	5,784,466	4,314,000	3,852,322	91,550,918
Reclassifications	–	10,649,508	–	–	–	–	–	–	–	–	–	(10,649,508)	–
Balances at end of year	740,748,712	156,626,588	68,950,624	51,598,445	21,348,589	23,680,543	3,534,110	8,245,111	–	7,712,621	10,424,614	682,585	1,093,552,542
<b>Net book values</b>	<b>₱187,295,726</b>	<b>₱95,770,942</b>	<b>₱29,169,914</b>	<b>₱21,760,951</b>	<b>₱10,230,546</b>	<b>₱4,352,917</b>	<b>₱2,651,487</b>	<b>₱16</b>	<b>₱7,617,846</b>	<b>₱21,209,708</b>	<b>₱11,145,386</b>	<b>₱5,892,415</b>	<b>₱397,097,854</b>

**2024**

	Machinery and equipment	Agricultural machinery and equipment	Buildings and improvements	Transportation equipment	Land improvements	Furniture, fixtures and equipment	Communication and utility systems	Roads and bridges	Construction in-progress	ROU asset - building (see Note 22)	ROU asset - transportation equipment (see Note 22)	ROU asset - agricultural equipment (see Note 22)	Total
<b>Cost:</b>													
Balances at beginning of year	₱830,034,158	₱210,353,829	₱95,312,151	₱51,095,396	₱30,717,996	₱24,163,928	₱5,890,181	₱8,245,127	₱14,199,223	₱–	₱16,500,000	₱36,159,887	₱1,322,671,876
Additions	1,010,376	450,000	–	–	–	2,177,145	–	–	48,431,884	28,922,329	5,070,000	–	86,061,734
Retirement and write-off	–	–	–	–	–	(5,804)	–	–	–	–	–	–	(5,804)
Reclassifications	50,596,807	1,001,414	–	–	422,411	–	–	–	(52,020,632)	–	–	–	–
Balances at end of year	881,641,341	211,805,243	95,312,151	51,095,396	31,140,407	26,335,269	5,890,181	8,245,127	10,610,475	28,922,329	21,570,000	36,159,887	1,408,727,806
<b>Accumulated depreciation and amortization:</b>													
Balances at beginning of year	652,183,729	109,524,169	59,389,648	45,100,703	18,138,249	20,406,497	3,088,196	8,245,111	–	–	2,469,699	4,301,348	922,847,349
Depreciation and amortization (see Notes 15, 16 and 17)	41,862,071	18,005,777	4,919,612	1,774,601	1,894,041	1,694,831	261,653	–	–	1,928,155	3,640,915	3,178,423	79,160,079
Retirement and write-off	–	–	–	–	–	(5,804)	–	–	–	–	–	–	(5,804)
Balances at end of year	694,045,800	127,529,946	64,309,260	46,875,304	20,032,290	22,095,524	3,349,849	8,245,111	–	1,928,155	6,110,614	7,479,771	1,002,001,624
<b>Net book values</b>	<b>₱187,595,541</b>	<b>₱84,275,297</b>	<b>₱31,002,891</b>	<b>₱4,220,092</b>	<b>₱11,108,117</b>	<b>₱4,239,745</b>	<b>₱2,540,332</b>	<b>₱16</b>	<b>₱10,610,475</b>	<b>₱26,994,174</b>	<b>₱15,459,386</b>	<b>₱28,680,116</b>	<b>₱406,726,182</b>

The cost of fully depreciated property and equipment that are still being used in the Company's operations amounted to ₱642.5 million and ₱598.7 million as of June 30, 2025 and 2024, respectively.



## 11. Land

### Fair Value of Land

The fair value, categorized as Level 3 in the fair value hierarchy, is based on valuations determined by an independent appraiser, accredited by the Philippine SEC, as at June 30, 2025 and 2024. 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 2025 and 2024, the fair value of the Company's land recognized under property, plant and equipment and investment property increased by ₱118.7 million and ₱476.0 million in 2025, and by ₱261.1 million and ₱293.0 million in 2024, respectively.

### Property, Plant and Equipment

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

	2025	2024
Balances at beginning of year	₱979,266,750	₱718,128,950
Changes in fair value of property, plant and equipment	118,699,000	261,137,800
Balances at end of year	<b>₱1,097,965,750</b>	₱979,266,750

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

	2025	2024
Balances at beginning of year	₱1,245,522,753	₱1,049,669,403
Changes in fair value of property, plant and equipment	89,024,250	195,853,350
Balances at end of year	<b>₱1,334,547,003</b>	₱1,245,522,753

Attributable to:

	2025	2024
Property, plant and equipment	₱818,280,474	₱729,256,224
Property, plant and equipment reclassified to investment property	516,266,529	516,266,529
	<b>₱1,334,547,003</b>	₱1,245,522,753

Deferred income tax liability on revaluation increment as at June 30, 2025 and 2024 amounted to ₱272.8 million and ₱243.1 million (see Note 21). 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, 2025 and 2024 is ₱6.9 million.

Investment Property

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

	2025	2024
Balances at beginning of year	₱1,164,053,340	₱871,079,190
Changes in fair value of investment property	475,967,100	292,974,150
Balances at end of year	<b>₱1,640,020,440</b>	<b>₱1,164,053,340</b>

The value of land recognized under investment property if carried at cost as at June 30, 2025 and 2024 is ₱2.9 million. The Company has no restrictions on the realizability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. The Company has neither earned rental income nor incurred direct operating expenses from its investment property.

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**12. Other Noncurrent Assets**

	2025	2024
Long-term receivables	₱171,100,996	₱184,789,000
Recoverable and other deposits	13,210,143	13,556,030
Others	-	1,049,700
	<b>184,311,139</b>	<b>199,394,730</b>
Less current portion (see Note 5)	24,029,214	22,618,655
	<b>₱160,281,925</b>	<b>₱176,776,075</b>

In 2021, the Company and one of its suppliers agreed that the Company 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.

In 2025 and 2024, the Company incurred advances to a supplier totaling ₱8.9 million and ₱57.7 million, respectively, which will be paid over periods of 7 and 8 years at annual interest rates of 6.66% and 7.08%, respectively.

Current portion that is expected to be collected within the next 12 months is included under the "Receivables" account (see Note 5). Interest income earned amounted to ₱5.2 million and ₱1.3 million in 2025 and 2024, respectively.



### 13. Trade and Other Payables

	2025	2024
Trade payables	<b>₱158,092,074</b>	₱227,875,545
Accruals:		
Interest and penalties	<b>7,010,084</b>	5,279,116
Salaries, wages and other benefits	<b>6,558,435</b>	6,181,632
Taxes	<b>4,080,210</b>	3,355,512
Professional fees	<b>2,200,648</b>	6,648,000
Spare parts, supplies and inventory cost	-	97,177,218
Others	<b>17,779,133</b>	22,694,453
Advances from related parties (see Note 20)	<b>262,081,764</b>	774,905,378
Dividends payable (see Notes 23 and 26)	<b>99,176,827</b>	101,097,757
Customers' advances	<b>1,471,027</b>	1,568,681
Other payables	<b>2,697,181</b>	763,243
	<b>₱561,147,383</b>	₱1,247,546,535

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

### 14. Notes Payable

#### *Short-term loan*

The Company has an existing Working Capital Facilities Agreement (WCFA) with BDO. Under the WCFA, the Company has an outstanding drawdown of ₱838.0 million and ₱785.0 million as at June 30, 2025 and 2024, at 7.50% to 7.75% and at 8.0% to 9.0% interest rate per annum, respectively.

Total interest expense incurred for short-term notes amounted to ₱59.5 million and ₱79.1 million in 2025 and 2024, respectively.

#### *Long-term Loan*

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

	2025	2024
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	<b>₱214,607,174</b>	₱289,355,448
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	<b>174,828,626</b>	235,714,873
	<b>389,435,800</b>	525,070,321
Less current portion - net of transaction costs	<b>136,501,998</b>	135,634,521
Noncurrent portion - net of transaction costs	<b>₱252,933,802</b>	₱389,435,800



The facility contains a loan covenant requiring the Company to meet certain financial ratio starting November 15, 2021 (see Note 25). The loan is secured by collaterals which consist of certain parcels of land and financial assets at FVOCI amounting to ₱1.5 billion and ₱1.1 billion as of June 30, 2025 and 2024, respectively.

The Company recognized interest expense amounting to ₱32.9 million and ₱38.1 million for the years ended June 30, 2025 and 2024, respectively.

#### 15. Cost of Goods Sold and Milling and Tolling Services

	2025	2024
Inventory costs, spare parts, and supplies	₱555,009,508	₱804,303,584
Salaries, wages, bonuses and other benefits (see Note 17)	113,629,801	103,091,468
Repairs and maintenance	93,773,255	78,460,496
Depreciation and amortization (see Notes 10 and 17)	75,789,591	70,962,934
Freight and transportation	68,962,651	51,377,389
Security and outside services	47,490,328	50,674,708
Power and steam	40,932,013	56,059,382
Taxes and licenses	6,875,859	8,133,222
Insurance	6,579,213	5,781,408
Others	16,781,786	11,017,247
	<b>₱1,025,824,005</b>	<b>₱1,239,861,838</b>

#### 16. Operating Expenses

	2025	2024
Professional fees	₱35,693,364	₱33,066,035
Salaries, wages, bonuses and other benefits (see Note 17)	20,222,827	30,738,369
Security and janitorial services	16,128,685	8,642,885
Depreciation and amortization (see Notes 10 and 17)	15,761,327	8,197,145
Freight and transportation	10,896,236	11,952,031
Taxes and licenses	8,051,120	15,626,231
Entertainment, amusement and recreation	6,169,186	5,571,725
Repairs and maintenance	2,611,975	3,495,127
Rentals (see Note 22)	-	5,746,670
Provision for inventory obsolescence (see Note 6)	-	601,016
Provision for ECL	-	209,103
Others	8,841,329	4,711,440
	<b>₱124,376,049</b>	<b>₱128,557,777</b>



## 17. Nature of Expenses

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

	2025	2024
Cost of goods sold and milling and tolling services (see Note 15)	<b>₱75,789,591</b>	₱70,962,934
Operating expenses (see Note 16)	<b>15,761,327</b>	8,197,145
	<b>₱91,550,918</b>	₱79,160,079

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

	2025	2024
Cost of goods sold and milling and tolling services (see Note 15)		
Salaries, wages, bonuses and other benefits	<b>₱113,629,801</b>	₱103,091,468
Operating expenses (see Note 16)		
Salaries, wages, bonuses and other benefits	<b>20,222,827</b>	30,738,369
Other income - net		
Net retirement expense (see Notes 18 and 19)	<b>3,930,945</b>	5,726,935
	<b>₱137,783,573</b>	₱139,556,772

## 18. Other Income (Expense) - net

	2025	2024
Insurance fee	<b>₱3,850,610</b>	₱2,947,563
Storage fee	<b>3,241,782</b>	2,036,351
Reversal of provision for ECL (see Note 5)	<b>477,505</b>	-
Reversal of inventory obsolescence (see Note 6)	<b>185,313</b>	-
Net retirement expense (see Note 19)	<b>(3,930,945)</b>	(5,726,935)
Sale of scraps	-	4,731,500
Others	<b>546,472</b>	1,331,215
	<b>₱4,370,737</b>	₱5,319,694

## 19. Retirement Plan

The Company maintains a tax-qualified, funded, noncontributory defined benefit retirement plan covering substantially all of its permanent employees. The benefits are based on years of service and compensation during the latest year of employment. The latest retirement valuation was made as at June 30, 2025.

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



**2025**

	Balance at Beginning of Year	Net Benefit Cost in Profit and Loss				Remeasurements in Other Comprehensive Income					Balance at End of Year
		Current Service Cost	Net Interest	Subtotal	Benefits Paid	Loss on Plan Assets	Actuarial Changes Arising From Changes in			Subtotal	
							Demographic Assumptions	Financial Assumptions	Experience Adjustments		
Fair Value of Plan Assets	₱36,107,358	₱-	₱2,617,621	₱2,617,621	₱-	(₱1,677,916)	₱-	₱-	₱-	(₱1,677,916)	₱37,047,063
Present Value of Defined Benefit Obligation	(44,247,538)	(3,689,878)	(2,858,688)	(6,548,566)	1,571,879	-	-	(537,674)	(269,756)	(807,430)	(50,031,655)
Retirement Benefit Obligation	(₱8,140,180)	(₱3,689,878)	(₱241,067)	(₱3,930,945)	₱1,571,879	(₱1,677,916)	₱-	(₱537,674)	(₱269,756)	(₱2,485,346)	(₱12,984,592)

**2024**

	Balance at Beginning of Year	Net Benefit Cost in Profit and Loss				Remeasurements in Other Comprehensive Income					Balance at End of Year
		Current Service Cost	Net Interest	Subtotal	Benefits Paid	Return on Plan Assets	Actuarial Changes Arising From Changes in			Subtotal	
							Demographic Assumptions	Financial Assumptions	Experience Adjustments		
Fair Value of Plan Assets	₱19,758,945	₱-	₱1,191,167	₱1,191,167	₱-	₱15,157,246	₱-	₱-	₱-	₱15,157,246	₱36,107,358
Present Value of Defined Benefit Obligation	(43,488,328)	(4,493,886)	(2,424,216)	(6,918,102)	5,706,239	-	-	1,463,954	(1,011,301)	452,653	(44,247,538)
Retirement Benefit Obligation	(₱23,729,383)	(₱4,493,886)	(₱1,233,049)	(₱5,726,935)	₱5,706,239	₱15,157,246	₱-	₱1,463,954	(₱1,011,301)	₱15,609,899	(₱8,140,180)



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

	2025	2024
Assets:		
Cash and cash equivalents	<b>₱18,785,785</b>	₱18,773,280
Investments in shares of stock	<b>26,193,400</b>	25,266,200
	<b>44,979,185</b>	44,039,480
Liability:		
Payable to CAT	<b>7,932,122</b>	7,932,122
Net	<b>₱37,047,063</b>	₱36,107,358

Cash equivalents are short-term deposits made for varying periods up to three months and are not subject to significant credit risk and changes in value. Investments in shares of stock consist mainly of the Company's shares which are traded in the PSE with LTF owning 0.97% or 2,318,000 common shares as at June 30, 2025 and 2024.

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

	2025	2024
Future salary increase rate	<b>5.00%</b>	5.00%
Discount rate	<b>6.58%</b>	6.79%

The discount rate used is a single-weighted average rate based on bootstrapped Bloomberg Valuation Rates at various tenors as at June 30, 2025 and 2024. 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:

	2025	2024
Discount rate		
Increase of 1%	<b>(₱2,420,305)</b>	(₱2,170,281)
Decrease of 1%	<b>2,787,162</b>	2,472,289
Future salary increase rate		
Increase of 1%	<b>₱3,112,075</b>	₱2,761,049
Decrease of 1%	<b>(2,757,625)</b>	(2,469,004)

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

The Company expects to contribute ₱3.3 million to the defined benefit plan in the next fiscal year.

The average duration of the defined benefit obligation as at June 30, 2025 and 2024 is 10.62 years and 10.17 years, respectively.



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

**2025**

Plan Year	Expected Benefit Payments		Total
	Normal Retirement	Other than Normal Retirement	
Less than 1 year	₱3,777,589	₱1,712,428	₱5,490,017
1 year to less than 5 years	37,138,991	2,213,626	39,352,617
5 years to less than 10 years	14,550,943	–	14,550,943
10 years to less than 15 years	22,000,309	–	22,000,309
15 years to less than 20 years	21,841,065	–	21,841,065
20 years and above	116,112,152	–	116,112,152

**2024**

Plan Year	Expected Benefit Payments		Total
	Normal Retirement	Other than Normal Retirement	
Less than 1 year	₱2,749,197	₱1,543,004	₱4,292,201
1 year to less than 5 years	33,945,770	3,848,490	37,794,260
5 years to less than 10 years	14,374,587	–	14,374,587
10 years to less than 15 years	15,384,544	–	15,384,544
15 years to less than 20 years	22,586,492	–	22,586,492
20 years and above	94,258,187	–	94,258,187

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**20. Related Party Transactions**

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



Transactions with Related Parties

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

Current

		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
<b>Shareholders</b>						
Receivables	(a)	2025 2024	₱– ₱–	₱41,479 ₱40,178	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
Payables	(b)	2025 2024	– 92,999	– (9,828,194)	To be settled in cash; non-interest bearing; due and demandable	Unsecured
<b>CRAHI</b>						
Notes receivables	(c)	2025 2024	– 2,324,699	– 79,681,285	To be received in cash; 4% per annum; due and demandable	Unsecured; no impairment
Advances	(c)	2025 2024	– 68,638,347	– 502,101,711	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Deposits	(d)	2025 2024	– –	– 493,000,000	Non-interest bearing; due and demandable	Unsecured; no impairment
<b>Subsidiary</b>						
Advances from subsidiary	(e)	2025 2024	103,498,681 (762,995,420)	– (762,995,420)	To be paid in cash; non-interest bearing; due and demandable	Unsecured
<b>Trust Fund</b>						
Receivables	(f)	2025 2024	– 1,188,830	8,920,219 8,920,219	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
<b>Common Control</b>						
Green Future Innovations, Inc. (GFII)	(g)	2025 2024	102,954,880 203,893,527	323,273,196 220,318,316	To be received in cash; non-interest bearing; due within one year	Unsecured; with impairment
Tarlac Distillery Corporation (TADISCO)	(h)	2025 2024	1,259,761 4,224,571	143,133,699 141,176,276	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
First Green Renewable Holdings, Inc. (FGRHI)	(i)	2025 2024	– –	83,508,050 83,508,050	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
StarBreaker Corp. (SBC) Trade receivable	(j)	2025 2024	– 4,441,518	– –	To be received in cash; non-interest bearing; due and demandable	Unsecured
Notes receivable	(k)	2025 2024	– 76,204,740	– 76,202,740	To be received in cash; 5% per annum; due within one year	Unsecured; no impairment
Meatworld International, Inc. (MII)	(k)	2025 2024	323,288 20,394,521	20,071,233 20,394,521	To be received in cash; 5% per annum; due within one year	Unsecured; no impairment

(Forward)



		Year	Transactions	Outstanding Receivables (Payables)	Terms	Conditions
Tarraco Group Incorporated (TGI)	(k)	2025 2024	₱– ₱22,533,425	₱22,533,425 ₱22,533,425	To be received in cash; 5% per annum; due within one year	Unsecured; no impairment
Buena Vista Corporate Asset (BVCAHI)	(l)	2025 2024	– 3,430	14,115,606 14,115,606	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Blue Mountains Corp. (BMC)	(l)	2025 2024	– –	5,772,500 5,772,500	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
First Lucky Agro- Industrial Corporation (FLAIC)	(m)	2025 2024	– –	(2,081,764) (2,081,764)	To be settled in cash; non-interest bearing; due and demandable	Unsecured
CAT Foundation	(n)	2025 2024	1,000,000 –	1,000,000 –	To be received in cash; non-interest bearing; due and demandable	Unsecured; no impairment
<b>Directors, Officers and Employees</b>						
Receivables	(o)	2025 2024	– –	2,279,552 2,769,497	To be received in cash; non-interest bearing; due and demandable	Unsecured; with impairment
Payables	(p)	2025 2024	(260,000,000) –	(260,000,000) –	To be settled in cash; non-interest bearing; due and demandable	Unsecured
<b>Total due from related parties (see Note 6)</b>		2025 2024		₱624,648,959 ₱1,670,534,324		
<b>Total advances from related parties (see Note 13)</b>		2025 2024		(₱262,081,764) (₱774,905,378)		
<b>Noncurrent</b>						
		Year	Transactions	Outstanding Receivables	Terms	Conditions
<b>Shareholders</b>						
Receivables	(q)	2025 2024	₱70,258,945 ₱–	₱70,258,945 ₱–	To be received in cash; non-interest bearing; due upon demand	Unsecured; with impairment
<b>CRAHI</b>						
Notes receivables	(c)	2025 2024	3,543,000 –	83,224,285 –	To be received in cash; 4% per annum; due upon demand	Unsecured; with impairment
Advances	(c)	2025 2024	2,023,153 –	504,124,864 –	To be received in cash; non-interest bearing; due upon demand	Unsecured; with impairment
Deposits	(d)	2025 2024	– –	493,000,000 –	Non-interest bearing; due upon demand	Unsecured; with impairment
		2025 2024		1,150,608,094 –		
Loss on discounting		2025 2024		94,251,443 –		
		2025 2024		₱1,056,356,651 ₱–		



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

- a. Pertains to advances made by the Company to North Star Estate Holdings, Inc. for working capital requirements.
- b. Pertains to payments made by shareholders on behalf of the Company.
- c. Pertains to cash advances given to CRAHI for its liquidity requirements and for settlement of promissory note due to previous shareholders. Interest income earned amounted to ₱3.5 million and ₱2.3 million in 2025 and 2024, respectively. As of June 30, 2025, the outstanding balance was reclassified from “Receivables” under current assets to “Due from related parties” under noncurrent assets in the parent company balance sheet (see Note 5).
- d. Pertains to the refundable deposits given to CRAHI as consideration for the grant of exclusivity to acquire parcels of land owned by CRAHI within 180 days, subject to extension as agreed by both parties. As of June 30, 2025, the outstanding balance was reclassified from “Receivables” under current assets to “Due from related parties” under noncurrent assets in the parent company balance sheet (see Note 5).
- e. Pertains to the liabilities of LLC assumed by the Company during the acquisition period. Interest is imputed on the advances and is generally computed on the monthly outstanding balance at an annual rate of 4.0%. The Company and LLC agreed to execute a waiver on the imposition of interest on the outstanding balance starting July 1, 2017. In 2024, LLC settled these advances. Also in 2024, LLC provided cash to the Company to fund its dividend declaration. In 2025, outstanding balance was settled through dividend declaration of LLC to the Company amounting to ₱866.5 million.
- f. Pertains to cash paid for the payment of retirement benefits to CAT employees covered under the retirement plan administered by LTF.
- g. Pertains to sale of molasses and alcohol and cash advances given to GFII for working capital.
- h. Pertains to sale of alcohol, rent income and cash advances given to TADISCO for working capital.
- i. Pertains to cash advances given to FGRHI for working capital.
- j. Pertains to sale of refined sugar to SBC.
- k. Pertains to short-term promissory notes subject to 5% interest per annum given to SBC, MII and TGI for working capital. Total interest income earned from the promissory notes amounted to ₱3.9 million and ₱2.1 million in 2025 and 2024, respectively.
- l. Pertains to cash advances given to BVCAHI and BMC for working capital.
- m. Pertains to purchase of agricultural products from FLAIC.
- n. Pertains to cash advances made to the CAT Foundation.
- o. These receivables represent loans and cash advances made by the Company for business expenses that are anticipated to be incurred by employees, directors, or officers on behalf of the Company.



- p. These payables represents amount owed by the Company to employees, directors, or officers for business expense that are expected to be incurred on behalf of the Company.
- q. Pertains to the advances of the Company to First Lucky Holdings, Inc. for its working capital requirements.

Compensation of Key Management Personnel

Short-term employee benefits of key management personnel amounted to ₱28.4 million and ₱20.4 million for the years ended June 30, 2025 and 2024, respectively.

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**21. Income Taxes**

The provision for current income tax represents RCIT in 2025 and 2024, respectively.

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

	2025	2024
<i>Recognized in profit or loss</i>		
<i>Deferred income tax assets:</i>		
Loss on discounting	₱23,562,861	₱-
Lease liabilities	7,637,152	10,011,256
Allowance for inventory obsolescence and writedown	7,835,890	1,962,351
Allowance for ECL	1,719,363	1,838,739
Unrealized foreign exchange losses - net	63,607	-
	<b>40,818,873</b>	13,812,346
<i>Deferred income tax liabilities:</i>		
Retirement benefit	(14,742,324)	(15,332,090)
ROU assets	(9,561,877)	(17,783,419)
Unrealized foreign exchange gains- net	-	(8,703)
Others	(151,928)	(151,928)
	<b>(24,456,129)</b>	(33,276,140)
<i>Deferred income tax asset on retirement benefit recognized in other comprehensive income</i>	<b>17,988,470</b>	17,367,133
<i>Deferred income tax liabilities recognized in other comprehensive income</i>		
Revaluation increment on land under property, plant and equipment	(272,760,158)	(243,085,408)
Unrealized cumulative gains on financial assets at FVOCI	(27,515,024)	(27,674,131)
	<b>(300,275,182)</b>	(270,759,539)
<b>Net deferred income tax liabilities</b>	<b>(₱265,923,968)</b>	(₱272,856,200)



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

	2025	2024
Income tax at statutory tax rate of 25%	<b>₱345,253,739</b>	₱113,753,636
Income tax effects of:		
Net nondeductible expenses	<b>12,430</b>	3,128,063
Dividend income exempted from income tax	<b>(216,625,000)</b>	-
Gains on fair value change of investment property	<b>(118,991,775)</b>	(73,243,538)
Interest income already subjected to final tax	<b>(49,727)</b>	(2,000,169)
	<b>₱9,599,667</b>	₱41,637,992

## 22. Agreements

### Milling Agreements

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

	2025	2024
Refined sugar - planters (Lkg)	<b>135,469</b>	60,448
Refined sugar - traders (Lkg)	<b>30,860</b>	30,170
Total	<b>166,329</b>	90,618

### Lease Agreement

#### *Office Space*

In previous years, the Company 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 Company paid advance rental and security deposit amounting to ₱0.9 million and ₱0.8 million, respectively, lodged under "Recoverable and other deposits" (see Note 12).

The lease agreement did not qualify as a lease following the requirements of PFRS 16 as there is no identified asset in the agreement until March 2024. This changed with the contract renewal, which incorporated an amendment that identified an asset and a mutual agreement between the lessor and the lessee for the renewal of the lease term. The Company paid an additional advance rental and security deposit amounting to ₱0.7 million and ₱0.6 million, respectively.

Rent expense recognized related to this lease agreement amounted to nil and ₱5.7 million in 2025 and 2024, respectively.

#### *Transportation and Agricultural Equipment*

The Company has entered into multiple lease agreements with RCBC Leasing, covering various transportation and agricultural equipment.



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

*Office Space and Parking Area*

In March 2024, the Company entered into a lease agreement with Celestite, Inc. for the lease of its main office and parking area at a monthly rental of ₱541,786 and is subject to 10% annual escalation.

Shown below is the carrying amount and movement of the lease liabilities recognized on transportation and agricultural equipment and office space and parking area as at and for the years ended June 30, 2025 and 2024, respectively.

	2025	2024
Balances at beginning of year	<b>₱40,045,023</b>	₱23,007,414
Additions	<b>5,260,000</b>	33,992,329
Accretion of interest	<b>3,587,379</b>	3,194,661
Lease payments	<b>(18,343,796)</b>	(20,149,381)
Balances at end of year	<b>30,548,606</b>	40,045,023
Less current portion of lease liabilities	<b>9,830,852</b>	13,803,903
Lease liabilities - noncurrent	<b>₱20,717,754</b>	₱26,241,120

The following are the amounts recognized in the parent company statements of income for the years ended June 30, 2025 and 2024, respectively:

	2025	2024
Amortization of ROU assets	<b>₱13,950,788</b>	₱8,747,493
Accretion of interest on lease liabilities	<b>3,587,379</b>	3,194,661
	<b>₱17,538,167</b>	₱11,942,154

## 23. Equity

### Capital Stock

The Company's shares of stock were listed in the PSE on April 12, 1977. The authorized capital stock of the Company at that time is 40,000,000 shares at ₱10 par value. In 2016, the Company executed a 10 for 1 stock split decreasing the par value to ₱1 per share. As at June 30, 2025 and 2024, the authorized capital stock is 400,000,000 shares and the issued shares is 282,545,960 shares. There was no active trading on the Company's outstanding shares in the PSE until the Philippine SEC issued an order on January 29, 2014 lifting the order of suspension made in 2010 in relation to the registration of and permit to sell the said securities.

The total number of shareholders are 390 and 392 as at June 30, 2025 and 2024, respectively.

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



Retained Earnings

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

	2025	2024
Unappropriated	<b>₱1,888,855,959</b>	₱1,617,440,669
Appropriated	<b>1,100,000,000</b>	-
<b>Total</b>	<b>₱2,988,855,959</b>	₱1,617,440,669

On June 30, 2020, the BOD approved the appropriation of its retained earnings amounting to ₱2.0 billion to fund a variety of projects. Portion of this appropriation amounting to ₱500.0 million was reversed on June 30, 2021 to consider the current development of the projects. On February 7, 2024, the BOD approved the reversal of the rest of the appropriation following the status of the related projects this appropriation is intended for.

On February 7, 2024, the BOD declared dividends amounting to ₱1.5 billion at ₱6.44 per share out of the Company's unappropriated retained earnings to stockholders of record as at February 22, 2024. Dividends amounting to ₱1.5 billion was paid in the previous year (see Note 26). As at June 30, 2025, and 2024, dividends payable related to the dividend declarations in 2024 and 2020 were recognized under the "Trade and other payables" account and amounted to ₱99.2 million and ₱101.1 million, respectively (see Note 13).

In accordance with the Revised SRC Rule 68 Annex D, as further revised by SEC Memorandum Circular No. 16 Annex A, the Company's unappropriated retained earnings available for dividend declaration amounted to ₱201.3 million as of June 30, 2025. The BOD approved to appropriate ₱200.0 million and ₱900.0 million on October 8, 2024 and May 27, 2025, respectively, of its retained earnings for the funding of its capital expenditures within the next three years intended to enhance the production of its facilities.

Basic/Diluted Earnings Per Share

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

	2025	2024
Net income (a)	<b>₱1,371,415,290</b>	₱413,376,551
Weighted average number of shares (b):		
Issued shares	<b>282,545,960</b>	282,545,960
Less treasury stocks	<b>44,041,920</b>	44,041,920
	<b>238,504,040</b>	238,504,040
<b>Basic/diluted earnings per share (a/b)</b>	<b>₱5.750</b>	₱1.733

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



## 24. Fair Value Measurement and Financial Instruments

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

### 2025

	Fair Value Measurement Using			Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Land classified as property, plant and equipment	₱-	₱-	₱1,097,965,750	₱1,097,965,750
Investment property	-	-	1,640,020,440	1,640,020,440
Financial assets at FVOCI - quoted	209,967,392	-	-	209,967,392
	<b>₱209,967,392</b>	<b>₱-</b>	<b>₱2,737,986,190</b>	<b>₱2,947,953,582</b>

### 2024

	Fair Value Measurement Using			Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Land classified as property, plant and equipment	₱-	₱-	₱979,266,750	₱979,266,750
Investment property	-	-	1,164,053,340	1,164,053,340
Financial assets at FVOCI - quoted	211,028,112	-	-	211,028,112
	<b>₱211,028,112</b>	<b>₱-</b>	<b>₱2,143,320,090</b>	<b>₱2,354,348,202</b>

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 Company'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.	₱1,220 to ₱2,440	The higher the value, the higher the fair value
Conditions on sale of comparable properties	30.0%	The more onerous the conditions in contract of sale of comparable properties, the higher the fair value
Physical adjustments	75.0%	The superiority of the quality of the Company's land, the higher the fair value



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

Below are the descriptions of the Company's financial instruments that are carried in the parent company financial statements as at June 30, 2025 and 2024.

Cash, Receivables, Trade and Other Payables and Short-term Notes Payable

Due to the short-term nature of these financial instruments, their fair values approximate the carrying amounts as at reporting date.

Long-term Receivable

The carrying value of long-term receivables approximates its fair value based on the discounted value of future cash flows using applicable rates ranging from 1.93% to 7.08% as at June 30, 2025 and 2024 (Level 3; see Note 2).

Notes Payable

The fair value of notes payable amounting to ₱256.4million (carrying value of ₱389.4 million) and ₱364.5 million (carrying value of ₱525.1 million) is based on the discounted value of future cash flows using applicable rates plus credit spread for similar types of loans ranging from 8.22% to 8.75% and 8.58% to 9.30% as at June 30, 2025 and 2024, 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 (Level 1; see Note 2).

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

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## 25. Financial Risk Management Objectives and Policies

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

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

Liquidity Risk

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



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

## 2025

	Within 30 Days	Within 1 Year	More than 1 Year	Total
Trade and other payables*	₱7,175,882	₱542,881,207	₱-	₱550,057,089
Short-term notes payable	-	869,339,791	-	869,339,791
Notes payable	-	158,250,036	268,050,373	426,300,409
Lease liabilities	-	12,431,819	23,091,176	35,522,995
	₱7,175,882	₱1,582,902,853	₱291,141,549	₱1,881,220,284

\*Excluding statutory liabilities

## 2024

	Within 30 Days	Within 1 Year	More than 1 Year	Total
Trade and other payables*	₱3,258,373	₱1,233,403,320	₱-	₱1,236,661,693
Short-term notes payable	-	814,933,555	-	814,933,555
Notes payable	-	166,063,494	425,915,245	591,978,739
Lease liabilities	-	18,956,493	28,513,056	47,469,549
	₱3,258,373	₱2,233,356,862	₱454,428,301	₱2,691,043,536

\*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:

## 2025

	Within 30 days	Within 1 Year	More than 1 Year	Total
Cash	₱196,925,794	₱-	₱-	₱196,925,794
Receivables:				
Trade	-	93,106,713	-	93,106,713
Due from related parties	-	624,648,959	1,150,608,094	1,775,257,053
Long-term receivables	-	29,172,639	191,708,718	220,881,357
Planters' receivables	-	72,600,078	-	72,600,078
Advances	-	962,746	-	962,746
Others	-	25,155,278	-	25,155,278
Financial assets at FVOCI	-	210,129,392	-	210,129,392
	₱196,925,794	₱1,055,775,805	₱1,342,316,812	₱2,595,018,411

## 2024

	Within 30 days	Within 1 Year	More than 1 Year	Total
Cash	₱226,998,826	₱-	₱-	₱226,998,826
Receivables:				
Trade	-	73,965,478	-	73,965,478
Due from related parties	-	1,670,534,324	-	1,670,534,324
Long-term receivables	-	27,812,659	180,400,169	208,212,828
Planters' receivables	-	47,179,591	-	47,179,591
Advances	-	12,078,030	-	12,078,030
Others	-	37,480,860	-	37,480,860
Financial assets at FVOCI	-	211,190,112	-	211,190,112
	₱226,998,826	₱2,080,241,054	₱180,400,169	₱2,487,640,049



### Credit Risk

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

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

	2025	2024
Cash in banks	₱196,526,463	₱225,698,226
Receivables	820,515,330	1,843,391,775
Due from related parties - noncurrent	1,056,356,651	-
Financial assets at FVOCI	210,129,392	211,190,112
Noncurrent portion of long-term receivables	147,071,782	162,170,345
<b>Total credit risk exposure</b>	<b>₱2,430,599,618</b>	<b>₱2,442,450,458</b>

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

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

### 2025

	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired
			1-30 Days	90 Days	More than 150 Days	
Trade	₱93,106,713	₱58,834,173	₱8,422,251	₱6,556,906	₱11,708,912	₱7,584,471
Due from related parties	1,681,005,610	1,996,780	-	-	1,678,726,058	282,772
Planters' receivables	72,600,078	3,212,508	43,405,539	3,113,157	15,160,292	7,708,582
Advances	962,746	-	-	-	962,746	-
Long-term receivables	171,100,996	171,100,996	-	-	-	-
Others	25,155,278	13,552,436	-	-	7,191,009	4,411,833
	<b>₱2,043,931,421</b>	<b>₱248,696,893</b>	<b>₱51,827,790</b>	<b>₱9,670,063</b>	<b>₱1,713,749,017</b>	<b>₱19,987,658</b>

### 2024

	Total	Neither Past Due nor Impaired	Past Due but not Impaired			Impaired
			1-30 Days	90 Days	More than 150 Days	
Trade	₱73,965,478	₱48,063,997	₱10,236,814	₱8,354,754	₱5,160,755	₱2,149,158
Due from related parties	1,670,534,324	1,270,095	-	-	1,667,561,532	1,702,697
Planters' receivables	47,179,591	34,492,615	-	12,988	8,212,477	4,461,511
Advances	12,078,030	-	-	-	12,078,030	-
Long-term receivables	184,789,000	184,789,000	-	-	-	-
Others	37,480,860	18,138,054	-	-	7,191,009	12,151,797
	<b>₱2,026,027,283</b>	<b>₱286,753,761</b>	<b>₱10,236,814</b>	<b>₱8,367,742</b>	<b>₱1,700,203,803</b>	<b>₱20,465,163</b>



Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

**2025**

	Current	Days past due			Credit-Impaired	Total
		30 Days	90 Days	150 Days		
Expected credit loss rate	0.11%	2.66%	4.51%	27.96%	100.00%	8.15%
Estimated total gross carrying amount at default	₱61,613,295	₱8,820,089	₱6,866,631	₱12,262,000	₱3,544,698	₱93,106,713
Expected credit loss	67,459	234,537	309,725	3,428,052	3,544,698	7,584,471

**2024**

	Current	Days past due			Credit-Impaired	Total
		30 Days	90 Days	150 Days		
Expected credit loss rate	0.09%	0.26%	1.12%	15.98%	100.00%	2.91%
Estimated total gross carrying amount at default	₱48,105,895	₱10,263,965	₱8,449,085	₱6,142,097	₱1,004,436	₱73,965,478
Expected credit loss	41,899	27,151	94,330	981,342	1,004,436	2,149,158

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

**2025**

	Grade			Total
	High	Standard		
<b>Loans and receivables:</b>				
Cash	₱196,925,794	₱-		₱196,925,794
Trade receivables	58,834,173	-		58,834,173
Planter's receivable	3,212,508	-		3,212,508
Due from related parties	1,996,780	-		1,996,780
Long-term receivables	171,100,996	-		171,100,996
Others	13,552,436	-		13,552,436
<b>Financial assets at FVOCI:</b>				
Proprietary	209,600,000	-		209,600,000
Listed	367,392	-		367,392
Unlisted	-	162,000		162,000
	<b>₱655,590,079</b>	<b>₱162,000</b>		<b>₱655,752,079</b>

**2024**

	Grade			Total
	High	Standard		
<b>Loans and receivables:</b>				
Cash	₱226,998,826	₱-		₱226,998,826
Trade receivables	48,063,997	-		48,063,997
Planter's receivable	34,492,615	-		34,492,615
Due from related parties	1,270,095	-		1,270,095
Long-term receivables	184,789,000	-		184,789,000
Others	18,138,054	-		18,138,054
<b>Financial assets at FVOCI:</b>				
Proprietary	210,600,000	-		210,600,000
Listed	428,112	-		428,112
Unlisted	-	162,000		162,000
	<b>₱724,780,699</b>	<b>₱162,000</b>		<b>₱724,942,699</b>



### Credit Quality of Financial Assets

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

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

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

### Interest Rate Risk

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

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

	2025	2024
Increase (decrease) in income before income tax at 30 basis points:		
Increase in basis points	(₱746,812)	(₱942,010)
Decrease in basis points	745,520	942,010

### Capital Management

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

	2025	2024
Short-term notes payable	₱837,999,999	₱784,999,999
Notes payable	389,435,800	525,070,321
Trade and other payables	561,147,383	1,247,546,535
Income tax payable	18,378,642	3,618,477
Other liabilities	57,267,574	52,135,203
Total debt (a)	1,864,229,398	2,613,370,535
Equity	4,333,525,049	2,875,851,131
Total debt and equity (b)	₱6,197,754,447	₱5,489,227,666
Gearing ratio (a/b)	0.30	0.48

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



## 26. Note to Statements of Cash Flows

Changes in liabilities arising from financing activities are as follows:

### 2025

	July 1, 2024	Net cash flows	Interest expense	Amortization	Dividend declaration	Reclassification	June 30, 2025
Promissory Note	₱784,999,999	₱53,000,000	₱-	₱-	₱-	₱-	₱837,999,999
Current interest-bearing loans and borrowings	135,634,521	(135,634,521)	-	-	-	136,501,998	136,501,998
Non-current interest-bearing loans and borrowings	389,435,800	-	-	-	-	(136,501,998)	252,933,802
Interest on loans and borrowings	5,279,116	(90,639,873)	89,255,362	3,115,479	-	-	7,010,084
Dividends payable	101,097,757	(1,920,930)	-	-	-	-	99,176,827
Lease liabilities	40,045,023	(18,343,796)	3,587,379	-	-	5,260,000	30,548,606
Mortgage payable	-	(1,282,601)	284,571	-	-	-	(998,030)
<b>Total liabilities from financing activities</b>	<b>₱1,456,492,216</b>	<b>(₱194,821,721)</b>	<b>₱93,127,312</b>	<b>₱3,115,479</b>	<b>₱-</b>	<b>₱5,260,000</b>	<b>₱1,363,173,286</b>

### 2024

	July 1, 2023	Net cash flows	Interest expense	Amortization	Dividend declaration	Reclassification	June 30, 2024
Promissory Note	₱877,999,999	(₱93,000,000)	₱-	₱-	₱-	₱-	₱784,999,999
Current interest-bearing loans and borrowings	134,811,646	(134,811,646)	-	-	-	135,634,521	135,634,521
Non-current interest-bearing loans and borrowings	525,070,321	-	-	-	-	(135,634,521)	389,435,800
Interest on loans and borrowings	7,328,374	(119,280,962)	113,293,350	3,938,354	-	-	5,279,116
Dividends payable	23,874,579	(1,458,696,472)	-	-	1,535,919,650	-	101,097,757
Lease liabilities	23,007,414	(20,149,381)	3,194,661	-	-	33,992,329	40,045,023
<b>Total liabilities from financing activities</b>	<b>₱1,592,092,333</b>	<b>(₱1,825,938,461)</b>	<b>₱116,488,011</b>	<b>₱3,938,354</b>	<b>₱1,535,919,650</b>	<b>₱33,992,329</b>	<b>₱1,456,492,216</b>

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

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

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

### VAT

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

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

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

	Net Sales/Receipts	Output VAT
Taxable sale of goods	₱811,033,027	₱97,323,963
Exempt sales	4,050	-
	<b>₱811,037,077</b>	<b>₱97,323,963</b>

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



b. Details of the input VAT for 2025 are as follows:

Beginning balance	₱-
Current year's domestic purchases/payments for:	
Goods for resale/manufacture or further processing	
Importation	7,528,098
Presumptive	5,703,810
Goods other than for resale of manufacture	28,580,900
Services included under cost of goods sold	15,226,771
Advance payment of vat	22,686,888
Input VAT allocated to exempt sales	(144)
	<u>79,726,323</u>
Claimed against output VAT	(79,726,323)
Balances at June 30, 2025	<u>₱-</u>

Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees included under the "Taxes and licenses" account both under the "Cost of goods sold and milling and tolling services" and "Operating expenses" sections in the 2025 parent company statement of income.

Details consist of the following:

***Included under Cost of Goods Sold and Milling and Tolling Services:***

License and permits fees	₱4,320,686
Real estate taxes	1,275,147
Documentary stamp taxes	753,266
Input VAT allocated to exempt sales	144
Others	526,616
	<u>6,875,859</u>

***Included under Operating Expenses:***

Documentary stamp taxes	6,035,901
Real estate taxes	1,419,099
License and permits fees	427,428
Others	168,692
	<u>8,051,120</u>
	<u>₱14,926,979</u>

Withholding Taxes

Details of withholding taxes for the year are as follows:

Withholding taxes on compensation	₱2,810,890
Expanded withholding taxes	21,681,778
	<u>₱24,492,668</u>

Tax Assessments and Cases

The Company has no pending tax assessments with the BIR and no tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the BIR.



## **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 parent company financial statements of Central Azucarera de Tarlac, Inc. as at and for the years ended June 30, 2025 and 2024 and have issued our report thereon dated October 9, 2025. Our audits were made for the purpose of forming an opinion on the parent company financial statements taken as a whole. The schedules listed in the Index to the Parent Company Financial Statements and Supplementary Schedules are the responsibility of the Company's management. The schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic parent company financial statements. These schedule has been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, fairly states, in all material respects, the information required to be set forth therein in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Genghis O. Grospe

Partner

CPA Certificate No. 121500

Tax Identification No. 255-541-291

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-139-2024, March 8, 2024, valid until March 7, 2027

PTR No. 10465310, January 2, 2025, Makati City

October 9, 2025

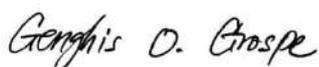


## **INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

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 parent company financial statements of Central Azucarera de Tarlac, Inc. as at June 30, 2025 and 2024, and for the years then ended, and have issued our report thereon dated October 9, 2025. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards 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 required part of the basic parent company financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the parent company financial statements as at June 30, 2025 and 2024, and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Genghis O. Grospe

Partner

CPA Certificate No. 121500

Tax Identification No. 255-541-291

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-139-2024, March 8, 2024, valid until March 7, 2027

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October 9, 2025



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

**SUPPLEMENTARY SCHEDULES**

Reconciliation of Retained Earnings Available for Dividend Declaration

Conglomerate Map

Financial Soundness Indicators

**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the reporting period ended June 30, 2025

**CENTRAL AZUCARERA DE TARLAC, INC.  
San Miguel, Tarlac City**

<b>Unappropriated Retained Earnings, beginning of reporting period (July 1, 2024)</b>		<b>₱406,185,162</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others	–	–
		<hr/>
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	–	
Retained Earnings appropriated during the reporting period	(1,100,000,000)	
Effect of restatements or prior-period adjustments	–	
Others	–	(1,100,000,000)
		<hr/>
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>(693,814,838)</b>
<b>Add/Less: Net Income (loss) for the current year</b>		<b>1,371,415,290</b>
		<hr/>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	–	
Unrealized fair value gain of Investment Property	(475,967,100)	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		<hr/> <b>(475,967,100)</b>
<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	–	
Realized fair value gain of Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		<hr/> <b>–</b>

**Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
Sub-total	-
<b>Adjusted Net Income/Loss:</b>	<b>201,633,352</b>

**Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)	-
Sub-total	-

**Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP**

Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Sub-total	-

**Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends Distribution**

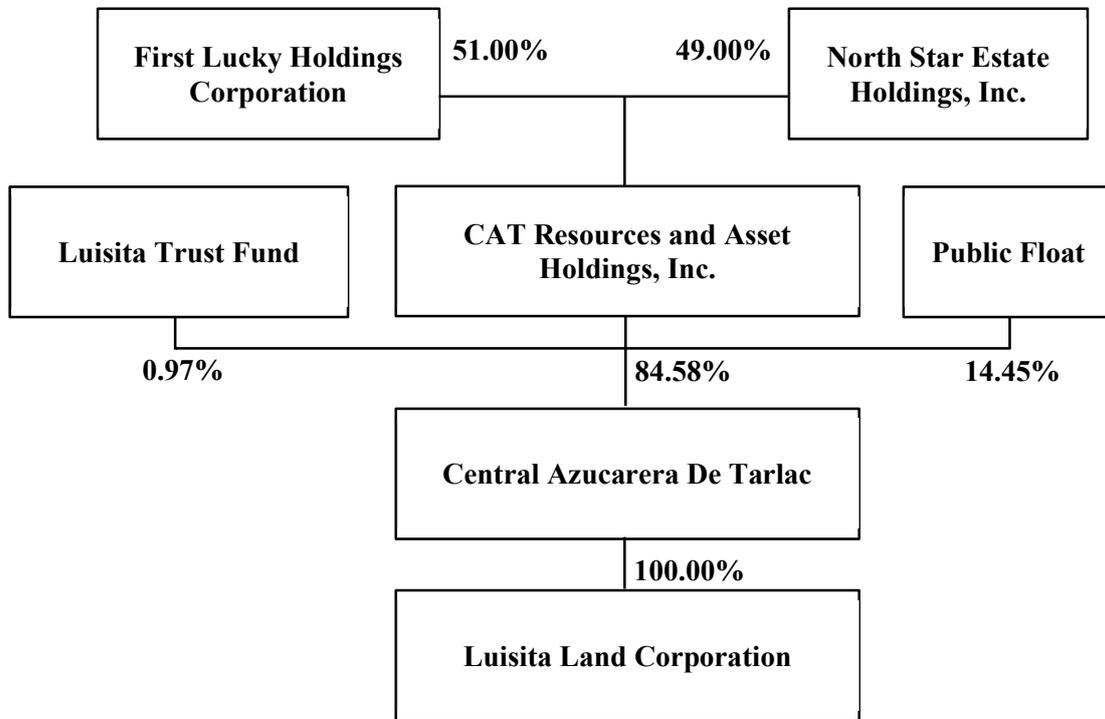
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to Same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(328,750)
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
Sub-total	(328,750)

<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<b>₱201,304,602</b>
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**CENTRAL AZUCARERA DE TARLAC, INC.**

**CONGLOMERATE MAP**

**AS AT JUNE 30, 2025**



**CENTRAL AZUCARERA DE TARLAC, INC.****FINANCIAL SOUNDNESS INDICATORS**

AS AT JUNE 30, 2025

	<b>FORMULA</b>	<b>2025`</b>	<b>2024</b>
<b>LIQUIDITY RATIOS</b>			
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<b>1.12</b>	1.23
Acid test ratio	$\frac{\text{Cash} + \text{Accounts receivable}}{\text{Current liabilities}}$	<b>0.65</b>	0.95
<b>SOLVENCY RATIOS</b>			
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	<b>0.49</b>	1.00
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<b>1.49</b>	2.00
Net debt to equity ratio	$\frac{\text{Total liabilities} - \text{Cash}}{\text{Total equity}}$	<b>0.45</b>	0.92
Interest coverage ratio	$\frac{\text{Earnings before interest and tax}}{\text{Interest expense}}$	<b>15.35</b>	4.65
<b>PROFITABILITY RATIOS</b>			
Operating margin	$\frac{\text{Operating profit}}{\text{Total revenues}}$	<b>0.15</b>	0.16
Return on equity	$\frac{\text{Net income after tax}}{\text{Total equity}}$	<b>0.32</b>	0.14

## 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, Inc.
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, Inc.
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, 2024 to June 30, 2025
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. <sup>1</sup>
<p>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.</p> <p>The following were considered to be the material indicators for their significant economic, environmental, and social impacts of the Company:</p> <ul style="list-style-type: none"><li>● Economic performance</li><li>● Compliance with laws, rules and regulations, and policies of the government</li><li>● Procurement practices</li><li>● Consumption and conservation of energy, water and other raw materials</li><li>● Management of impact to the environment</li></ul>

<sup>1</sup> See [GRI 102-46](#) (2016) for more guidance.

- Management of labor
- Relationship with the community

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	1,425,445,117	PhP
Direct economic value distributed:		
a. Operating costs	1,059,912,945	PhP
b. Employee wages and benefits	135,713,340	PhP
c. Payments to suppliers, other operating costs	974,177,445	PhP
d. Dividends given to stockholders and interest payments to loan providers	96,307,639	PhP
e. Taxes given to government	41,207,811	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	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.		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.
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Climate-related risks and opportunities<sup>2</sup>

<b>Governance</b>	
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.

<b>Strategy</b>	
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	No sufficient data available to determine resilience of the organization’s strategy.

<sup>2</sup> 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.

climate-related scenarios including a 2°C or lower scenario	
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<b>Risk Management</b>	
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	

<b>Metrics and Targets</b>	
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	6,468,771.47	Per PR =	%
	Indent	15,144,231.96		
	Local	301,744,126.83		
	TOTAL	323,357,130.26		
Purchase Order	Fabrication	6,852,095.93	Per PO =	%

	Indent	3,588,847.39		
	Local	289,279,783.56		
	TOTAL	299,720,726.88		
Material Receipt	Fabrication	5,308,966.98		%
	Indent	13,440,785.49		
	Local	170,363,800.02		
	TOTAL	189,113,552.49 (Actual Delivery)		

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>Anti-corruption policies and practices enables the Company to protect itself, employees, and suppliers.</p> <p>The Company has a procurement team, which sets the guidelines in the procurement of supplies and/or services.</p>	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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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

		<p>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.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>No sufficient available data to determine opportunities in managing incidents of corruption.</p>		

## ENVIRONMENT

### Resource Management

#### Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources – purchased and generated)	<b>No sufficient data can be provided.</b>	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity – purchased and generated) Generated 8,319,031.00 kwh Renewable Purchased 7,837,480.00 kwh Non Renewable	<b>16,156,511.00</b>	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		
<ul style="list-style-type: none"> <li>• renewable</li> </ul>	62,113.31	Tons
<ul style="list-style-type: none"> <li>• non-renewable</li> </ul>	No available data	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services		%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Water withdrawal	3,012,270.77	Cubic meters
Deepwell      1,149,652.00		
Surface        1,862,618.77		
Water consumption	3,012,270.77	Cubic meters
Deepwell      1,149,652.00		
Surface        1,862,618.77		
Water recycled and reused	16,930,452.35	Cubic meters
Deepwell      533,520.08		
Surface        16,396,932.27		
Condensate		

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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)

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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 <sup>3</sup> Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

<sup>3</sup> International Union for Conservation of Nature

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company does not own, lease, or manage sites near or adjacent to protected areas and areas of high biodiversity value outside protected areas.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company does not own, lease, or manage sites near or adjacent to protected areas and areas of high biodiversity value outside protected areas.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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	n/a	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	n/a	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	n/a	Tonnes

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

<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company does not emit GHG or ODS since it uses biomass fuel energy. Thus, GHG or ODS risks are not applicable.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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 <sub>x</sub> BGW      RLY      RK1      RK2  9.46      12.72	1.1832	Kg
SO <sub>x</sub> BGW      RLY      RK1      RK2  6.26      3.55	31.296	Kg
Persistent organic pollutants (POPs)	n/a	kg
Volatile organic compounds (VOCs)	n/a	kg
Hazardous air pollutants (HAPs)	n/a	kg
Particulate matter (PM)	43,371.89	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.

<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
No sufficient data is available to accurately define opportunities brought by the Company's operations.		

## **Solid and Hazardous Wastes**

### *Solid Waste*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total solid waste generated		kg
Reusable (Biodegradable, Filter Cake, Boiler Ash)	13,047,910.00	kg
Recyclable – Bagasse	123,000,000.00	kg
Composted – Organic/Compost Prod. (Including Purchased)	675,950.00	kg
Incinerated	n/a	kg
Residuals/Landfilled (Garbage)	12,820.00	kg

### *Hazardous Waste*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total weight of hazardous waste generated	12,133.00	kg
Total weight of hazardous waste transported	None	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company's solid wastes such as 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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.

<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total volume of water discharges	74,780.96	Cubic Meters
Percent of wastewater recycled	N/A	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
No sufficient data available to determine the opportunities related to the effluents.		

**Environmental compliance**

Non-compliance with Environmental Laws and Regulations

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	50,000.00	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

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

**HUMAN RESOURCES**

**Employee Management**

Employee Hiring and Benefits

Employee data

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total number of employees <sup>4</sup>	339	
a. Number of female employees	35	#
b. Number of male employees	304	#
Attrition rate <sup>5</sup>	10.54%	rate
Ratio of lowest paid employee against minimum wage	1.00%	ratio

Employee benefits

<b>List of Benefits</b>	<b>Y/N</b>	<b>% of female employees who availed for the year</b>	<b>% of male employees who availed for the year</b>
SSS	Y	100%	100%
PhilHealth	Y	100%	100%
Pag-ibig	Y	100%	100%
Parental leaves	Y	0.03%	3.5%
Vacation leaves	Y	12.73.4%	87.27%
Sick leaves	Y	12.75%	87.25%
Medical benefits (aside from PhilHealth)	Y	14.48%	85.52%
Housing assistance (aside from Pag-ibig)	N	Not Applicable	
Retirement fund (aside from SSS)	Y	2.63%	1.00%
Further education support	Y		
Company stock options	N	Not Applicable	Not Applicable
Telecommuting	N	Not Applicable	Not Applicable
Flexible-working Hours	N	Not Applicable	Not Applicable

<sup>4</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

<sup>5</sup> 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)

(Others) Life Insurance	Y	100%	100%
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<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company provides local employment within the province with majority of its employees based in Tarlac. It offers employment opportunities to nearby provinces like Pampanga, Pangasinan, Nueva Ecija La Union, Benguet and as far as Ilocos region.	The Company ensures compliance with labor laws, rules and regulations, and policies implemented by the Department of Labor and Employment and other government agencies.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The available manpower pool becomes smaller due to several factors, such as competing labor demand from rising developments in the province, specifically near CAT 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. Furthermore, as experienced workers retire, the threat of skills gap is looming as new employees who are less experienced cannot immediately match the retired employees' expertise.	<p>The Company ensures compliance with labor laws, rules and regulations, and policies implemented by the Department of Labor and Employment and other government agencies.</p> <p>The Company also provides additional benefits and engagement programs for the welfare of its employees and their dependents.</p> <p>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. Coaching and mentorship facilitated the easier and smoother transfer of knowledge to younger but high-potential employees.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
<p>With the transition of retiring employees, more opportunities are provided to prepare the remaining employees for bigger responsibilities and roles that can challenge them to reach their full potential. Seeing colleagues move up motivate employees to aspire for higher roles.</p> <p>Further, the rising developments in the area attracted potential applicants' attention and the company is highlighted as a pioneer in the industrialization of the area.</p>	<p>The Company's recruitment processes were made more flexible and internal hiring became a steady source of cross-functional talents, who are more familiar to the company's business operations.</p> <p>The Company also supported training programs that will upskill and retool employees to be more adaptable to more advanced technologies and trends.</p> <p>The Management encouraged innovation and openness to change as way to adapt to the developments in the industry and the area where we operate.</p>

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	2,456.00	hours
b. Male employees	6,736.00	hours
Average training hours provided to employees		
a. Female employees	17.79%	hours/employee
b. Male employees	20.61%	hours/employee

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company provides its employees with relevant trainings to excel in their jobs, prepare them for greater responsibilities, and advancement in their careers. By creating cross-functional teams, employees gain new perspectives and practical experience that will further enhance their knowledge of the business. These training opportunities also attract potential employees.	The Company ensures that the Selection and Hiring Policy is properly observed. It also continuously assesses and allocates training programs for the employees.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
The Covid-19 pandemic introduced virtual or online training programs that are relatively cheaper and more convenient for employees. Post-pandemic, the Company still takes advantage of these advancements in the field of talent development, thus reducing training costs and minimizing disruptions in operations, while ensuring quality of the training program and credibility of the providers.	The Company recognizes the potential of this trend and has continued availing online training opportunities in lieu of the traditional mode of training, whenever applicable.

Labor-Management Relations

Disclosure	Quantity	Units
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% of employees covered with Collective Bargaining Agreements	Not applicable.	%
Number of consultations conducted with employees concerning employee-related policies	3	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
% of female workers in the workforce	15.93%	%
% of male workers in the workforce	89.68%	%
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).*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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. Reassignment may be considered if an employee's current role may pose a safety or health risk.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Safe Man-Hours	1,129,736.00	Man-hours
No. of work-related injuries (minor)	14	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	1	#

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

Labor Laws and Human Rights

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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?

<b>Topic</b>	<b>Y/N</b>	<b>If Yes, cite reference in the company policy</b>
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)

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company maintains compliance with its policies, which are related to labor laws and human rights issues. Employees' rights are being upheld and protected.	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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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?

<b>Topic</b>	<b>Y/N</b>	<b>If Yes, cite reference in the supplier policy</b>
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

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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No sufficient available data.	The Company requires that its suppliers comply with relevant laws, rules and regulations, and policies relating to security of data.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
No sufficient available data.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
No sufficient available data.	

### **Relationship with Community**

#### Significant Impacts on Local Communities

<b>Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)</b>	<b>Location</b>	<b>Vulnerable groups (if applicable)*</b>	<b>Does the particular operation have impacts on indigenous people (Y/N)?</b>	<b>Collective or individual rights that have been identified that or particular concern for the community</b>	<b>Mitigating measures (if negative) or enhancement measures (if positive)</b>
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

<b>Certificates</b>	<b>Quantity</b>	<b>Units</b>
FPIC process is still undergoing	Not applicable	#

CP secured	Not applicable	#
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<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not applicable.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Not applicable.	

## **Customer Management**

### *Customer Satisfaction*

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

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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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.*

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

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

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

## SECURITIES AND EXCHANGE COMMISSION

### SEC FORM 17-Q

#### QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended  
Sep 30, 2025
2. SEC Identification Number  
727
3. BIR Tax Identification No.  
000229931
4. Exact name of issuer as specified in its charter  
Central Azucarera de Tarlac, Inc.
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
San Miguel, Tarlac City, Tarlac  
Postal Code  
2301
8. Issuer's telephone number, including area code  
88186270
9. Former name or former address, and former fiscal year, if changed since last report  
not applicable
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. Are any or all of registrant's securities listed on a Stock Exchange?  
Yes          No  
If yes, state the name of such stock exchange and the classes of securities listed therein:  
Philippine Stock Exchange, Common
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes            No

(b) has been subject to such filing requirements for the past ninety (90) days

Yes            No

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## Central Azucarera de Tarlac, Inc. CAT

### PSE Disclosure Form 17-2 - Quarterly Report *References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules*

For the period ended	Sep 30, 2025
Currency (indicate units, if applicable)	In Thousand Pesos

#### Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2025	Jun 30, 2025
Current Assets	2,112,117.02	1,939,806.10
Total Assets	6,897,150.00	6,701,514.63
Current Liabilities	1,945,386.60	1,686,186.22
Total Liabilities	2,498,490.12	2,239,995.04
Retained Earnings/(Deficit)	3,053,351.90	3,116,211.60
Stockholders' Equity	4,398,659.89	4,461,519.58
Stockholders' Equity - Parent	4,267,505.73	4,333,525.05
Book Value per Share	18.44	18.71

#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	193,155.05	134,510.38	193,155.05	134,510.38
Gross Expense	214,297.11	159,668.31	214,297.11	159,668.31
Non-Operating Income	13,765.14	5,443.71	13,765.14	5,443.71
Non-Operating Expense	53,995.61	49,298.30	53,995.61	49,298.30
Income/(Loss) Before Tax	-61,372.52	-69,012.51	-61,372.52	-69,012.51
Income Tax Expense	-1,487.17	17,253.13	-1,487.17	17,253.13
Net Income/(Loss) After Tax	-62,859.69	-51,759.38	-62,859.69	-51,759.38
Net Income Attributable to Parent Equity Holder	-66,019.31	-56,220.91	-66,019.31	-56,220.91
Earnings/(Loss) Per Share (Basic)	-0.26	-0.22	-0.26	-0.22
Earnings/(Loss) Per Share (Diluted)	-0.26	-0.22	-0.26	-0.22

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	2.06	6.59
Earnings/(Loss) Per Share (Diluted)	2.06	6.59

Other Relevant Information
not applicable

Filed on behalf by:

Name	Philip Bondoc
Designation	Corporate Planning Officer

P W 0 0 0 0 0 7 2 7

S.E.C Registration Number

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

(Company's Full Name)

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

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

**Wellerita D. Aguas**  
Contact Person

**(632) 818-6270**  
Company Telephone Number

0 6      3 0  
Month      Year  
Fiscal Year

**SEC 17-Q**  
**Quarterly Report Sept 2025**

0 1      any  
Month      Year  
Annual Meeting

Secondary License Type, If Applicable

**CFD**  
Dept. Requiring this Doc

Amended Articles Number/Section

3 8 9  
Total No. of Stockholders

Total Amount of Borrowings  
Domestic      Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

**COVERSHEET**

CS-99-AF

COVER SHEET FOR ALL FILINGS EXCEPT EXPRESS LANE

**COVER SHEET**SEC Number 727Company TIN 000-229-931**CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY**

(Company's Full Name)

**San Miguel, Tarlac, Tarlac**  
**Makati Office – First Lucky Place, 2259 Pasong Tamo Extension,**  
**Makati City**

(Company's Address: No., Street, City, Town/Province)

**8818 – 6270**

(Company's Telephone Number)

**June 30**(Fiscal Year Ending)  
(Month/Day)**last Tuesday of January**

Annual Meeting

**17 – Q (Quarterly Report – 1st Quarter**  
**Of the Fiscal Year 2025-2026 (July to Sept 2025))**

(FORM TYPE)

(Amendment Designation, if Applicable)

(Secondary License Type, if any)

**Cecile D. Macaalay****106-950-984-000****Apr 11, 1968**

(Company Representative)

(TIN)

(Birth Date)

Do not fill below this line

Cashier

File Number

Central Receiving Unit

Document ID

LCU

## SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17 – Q

## QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES

## REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **Sept 30, 2025 (1st Quarter of Fiscal Year July 1, 2025 – June 30, 2026)**

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

**Central Azucarera de Tarlac, Inc.**

4. Exact name of issuer as specified in its charter

**Manila, Philippines**

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code:  (SEC Use Only)

**San Miguel, Tarlac, Tarlac**

7. Address of issuer's principal office

**8818 –6270**

8. Issuer's telephone number, including area code

**Not applicable**

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common Stock outstanding and amount of debt outstanding
<b>Common</b>	<b>238,496,840</b>

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

Yes [  ] No [  ]

If yes, state the name of such Stock Exchange and the classes of securities listed therein:

12. Indicate by check mark whether the registrant:

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

Yes [  ] No [  ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [  ] No [  ]

**PART I – FINANCIAL INFORMATION****Item 1. Financial Statements.**

In compliance with the requirements of SRC Rule 68, the following financial statements of Central Azucarera de Tarlac and Subsidiary are submitted together with this Form 17 – Q:

- A. Unaudited Balance Sheet as of September 30, 2025 and Audited June 30, 2025 Balance Sheet;
- B. Unaudited Statements of Income/(Loss) for the Three (3) Months Ended September 30, 2025 and 2024;
- C. Unaudited Statements of Changes in Equity for the Three (3) Months Ended September 30, 2025 and 2024; and
- D. Unaudited Statements of Cash Flows for the Three (3) Months Ended September 30, 2025 and 2024.

**Annex B-1 Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

Our discussion in the foregoing sections of this report pertains to the financial condition and results of our company’s operations for the three (3) months ended September 30, 2025 in which references are made to results of operations for the same period of the previous year 2024.

Furthermore, the information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes. Our financial statements, and the financial discussions below, have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

**PART II – OTHER INFORMATION**

There is no information not previously reported on SEC Form 17 – C

**1. SIGNATURES**

Pursuant to the requirements of the Securities Regulation Commission, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant **CENTRAL AZUCARERA DE TARLAC, INC.**

Signature and Title

  
**Cecile D. Macaalay**  
**Chief Finance Officer**

Signature and Title

  
**Lora May M. Cada**  
**Finance Manager**

Date: November 18, 2025

## A. Management's Discussion and Analysis of Financial Condition and Results of Operations

### **CENTRAL AZUCARERA DE TARLAC AND SUBSIDIARY**

The following Management Discussion and Analysis should be read in connection with the submitted Unaudited Consolidated Financial Statements as at and for the three months ended September 30, 2025 and 2024.

#### **Executive Summary**

For the quarter ended September 30, 2025, Central Azucarera de Tarlac (CAT) delivered further improvements in operating performance while continuing to navigate the seasonal softness typically seen in the first quarter. Total revenues increased by 44% to ₱193.2M, from ₱134.5M in the same period of 2024. This growth was driven by a 33% rise in sugar sales to ₱107.7M, the new contribution of tolling of refined sugar amounting to ₱38.4M, and an 11% increase in industrial services revenues to ₱15.6M. These gains more than offset a 20% decline in alcohol revenues, which totaled ₱31.5M, and reflect the Group's strategy to diversify revenue streams and better utilize its production and refining capacities.

The cost of goods sold and services increased by 34% to ₱214.3M, primarily due to the sold inventory carry-over, spare parts and supplies required to support the expanded level of sales and ongoing plant operations. Modest increases in salaries and benefits also contributed to the rise in costs, partly offset by lower repairs and maintenance following the completion of major rehabilitation works in the prior year, as well as ongoing efficiencies in freight, security, and utilities. Operating expenses rose by 13% to ₱31.3M, mainly on account of higher professional fees, depreciation, and taxes and licenses related to new assets and regulatory requirements, partly tempered by disciplined spending on security, rentals, and other discretionary outlays.

The gross loss narrowed further to ₱21.1M, a 16% improvement from the previous year's ₱25.2M, supported by stronger revenues and better absorption of fixed costs. EBITDA losses likewise improved by 43% to ₱16.0M from ₱27.8M, signaling enhanced core operational performance despite the still off-season nature of the quarter. Net loss for the period increased to ₱62.9M from ₱51.8M, largely due to a higher tax provision compared to the prior year, when the Group benefited from a one-off tax gain; consequently, earnings per share (EPS) moved from (0.22) to (0.26).

Overall, CAT and LLC's continued focus on revenue diversification, more intensive use of tolling and industrial services, and disciplined cost management is delivering tangible operational gains. While the Group remains in a net loss position for the seasonally weaker first quarter, the sustained improvement in gross margin and EBITDA, combined with strengthened working capital management, positions the business to capture opportunities in the coming milling season and support long-term value creation for shareholders.

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The following table is the Consolidated Statement of Income of the Company and its subsidiary, Luisita Land Corporation ("LLC") for the periods ended September 30, 2025, 2024 & 2023.

(In Million Pesos except for Volume, Price & EPS)	THREE MONTHS ENDED SEPTEMBER 30					
	2025		2024		2023	
VOLUME AND PRICE MATRIX	Vol	P	Vol	P	Vol	P
Raw Sugar Equivalent	38,926	2,768	32,975	2,460	16,245	2,728
Tolling of Refined Sugar	119,912	320	-	-	-	-
Alcohol	408,600	77	480,000	82	178,000	75
Carbon Dioxide	-	-	-	-	-	-
<b>REVENUE</b>	<b>193.16</b>	<b>100%</b>	<b>134.51</b>	<b>100%</b>	<b>69.16</b>	<b>100%</b>
Sugar	107.73	56%	81.12	60%	44.31	64%
Tolling of Refined Sugar	38.37	20%	.00	0%	.00	0%
Alcohol	31.51	16%	39.36	29%	13.35	19%
Industrial services	15.55	8%	14.03	0%	11.50	0%
<b>COST OF GOODS SOLD AND SERVICES</b>	<b>214.30</b>	<b>111%</b>	<b>159.67</b>	<b>119%</b>	<b>118.65</b>	<b>172%</b>
Costs of goods sold	197.15	102%	145.87	108%	107.99	156%
Costs of tolling services	6.70	3%	6.48	5%	5.48	8%
Cost of industrial services	10.45	5%	7.33	0%	5.19	0%
<b>GROSS PROFIT</b>	<b>(21.14)</b>	<b>-11%</b>	<b>(25.16)</b>	<b>-19%</b>	<b>(49.49)</b>	<b>-72%</b>
<b>OPERATING EXPENSES</b>	<b>31.29</b>	<b>16%</b>	<b>27.60</b>	<b>21%</b>	<b>36.23</b>	<b>52%</b>
<b>OPERATING PROFIT (LOSS) BEFORE INTEREST AND TAXES</b>	<b>(52.43)</b>	<b>-27%</b>	<b>(52.76)</b>	<b>-39%</b>	<b>(85.72)</b>	<b>-124%</b>
Interest expense and bank charges	(22.71)	-12%	(21.70)	-16%	(33.28)	-48%
Interest income	.82	0%	2.15	2%	.46	1%
Others - net	12.94	7%	3.29	2%	3.75	5%
<b>INCOME (LOSS) BEFORE TAX</b>	<b>(61.37)</b>	<b>-32%</b>	<b>(69.01)</b>	<b>-51%</b>	<b>(114.79)</b>	<b>-166%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>1.49</b>	<b>1%</b>	<b>-17.25</b>	<b>-13%</b>	<b>-28.70</b>	<b>-41%</b>
<b>NET INCOME [LOSS]</b>	<b>(62.86)</b>	<b>-33%</b>	<b>(51.76)</b>	<b>-38%</b>	<b>(86.09)</b>	<b>-124%</b>
<b>EBITDA</b>	<b>(15.96)</b>	<b>-8%</b>	<b>(27.83)</b>	<b>-21%</b>	<b>(61.68)</b>	<b>-89%</b>
<b>EPS</b>	<b>(0.26)</b>		<b>(0.22)</b>		<b>(0.36)</b>	

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## **Management Discussion and Analysis of Financial Condition and Results of Operations**

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

Revenue	Three Months Ended September 30		
	2025	2024	2023
Revenue (in millions)	193.16	134.51	69.16
% Growth	44%	94%	-10%

EBITDA	Three Months Ended September 30		
	2025	2024	2023
EBITDA (in millions)	-16.0	-27.8	-61.7
% Growth	43%	55%	-20%
EBITDA Margin	-8%	-21%	-89%

Net Income	Three Months Ended September 30		
	2025	2024	2023
Net income (in millions)	-62.86	-51.76	-86.09
% Growth	-21%	40%	-31%
Net Income Margin	-33%	-38%	-124%

Earnings per share	Three Months Ended September 30		
	2025	2024	2023
Earnings per share	(0.26)	(0.22)	(0.36)

Milling Recovery	Three Months Ended September 30		
	2025	2024	2023
Milling recovery (Lkg/TC)	n/a	n/a	n/a

## **Review of Operations**

### **Revenues**

<b>REVENUES</b> <i>In Million Pesos</i>	<b>2025</b>	<b>2024</b>	<b>Growth</b>	
			<b>Amount</b>	<b>%</b>
Sugar	107.7	81.1	26.6	33%
Tolling of Refined Sugar	38.4	.0	38.4	0%
Alcohol	31.5	39.4	-7.9	-20%
Industrial services	15.5	14.0	1.5	11%
<b>TOTAL</b>	<b>193.2</b>	<b>134.5</b>	<b>58.6</b>	<b>44%</b>

For the three-month period ending September 30, 2025, the Company generated total revenues of ₱193.2M, an increase of ₱58.6M or 44% compared to ₱134.5M for the same period last year. This growth reflects the continued strengthening of the Company's core operations and its improving contribution to the Group's overall results.

The increase in revenues was driven mainly by the sugar and tolling of refined sugar profit centers, which together contributed a combined uplift of about ₱65.0M year-on-year. Sugar revenues rose to ₱107.7M, while tolling of refined sugar reached ₱38.4M during the period. These gains more than offset the ₱7.9M decline in alcohol revenues and were supported by a modest ₱1.5M increase in industrial services, resulting in a more robust and diversified revenue base for the Company.

### **Cost of Goods Sold**

Cost of goods sold increased by ₱51.3M or 47% this reporting period from ₱145.9M to ₱197.2M. The following table summarizes the breakdown of cost of goods sold:

<b>COST OF GOODS SOLD</b> <i>In Million Pesos</i>	<b>2025</b>	<b>2024</b>	<b>Increase(Decrease)</b>	
			<b>Amount</b>	<b>%</b>
Salaries, wages bonuses and other benefits	19.1	16.7	2.4	14%
Repairs & Maintenance	4.8	5.6	-.8	-14%
Inventory cost, spare parts and supplies	134.5	83.9	50.7	60%
Depreciation and amortization	18.3	18.3	.0	0%
Freight and transportation	4.3	4.6	-.4	-8%
Security and outside services	7.5	7.9	-.4	-5%
Power and steam	4.1	4.4	-.3	-7%
Insurance	1.1	1.1	.0	-1%
Taxes and licenses	.9	.9	.1	10%
Others	2.5	2.5	.0	0%
<b>TOTAL</b>	<b>197.2</b>	<b>145.9</b>	<b>51.3</b>	<b>47%</b>

- Inventory cost, spare parts and supplies increased by ₱50.7M, from ₱83.9M to ₱134.5M, as the Company drew on inventory carryover and additional purchases to support the higher sales volume during the period.

- Salaries, wages, bonuses and other benefits rose by ₱2.4M, or 14%, reflecting higher headcount and regular wage adjustments associated with the expanded level of operations.
- Repairs and maintenance expenses decreased by ₱0.8M, or 14%, following the completion of major plant rehabilitation activities in the previous year, resulting in lower routine repair requirements in the current period.
- Freight and transportation, security and outside services, and power and steam collectively declined by ₱1.1M compared to last year, mainly due to operational efficiencies and disciplined cost management in logistics, utilities and contracted services.

### **Cost of Tolling Services**

Cost of tolling slightly moved by ₱0.2M or 4% this period from ₱6.5M to ₱6.7M. The table below summarizes the breakdown of cost of tolling:

<b>COST OF TOLLING SERVICES</b> <i>In Million Pesos</i>	<b>2025</b>	<b>2024</b>	<b>Increase(Decrease)</b>	
			<b>Amount</b>	<b>%</b>
Salaries, wages bonuses and other benefits	3.2	2.4	.7	30%
Repairs & Maintenance	.1	.6	-.5	-90%
Spare parts and supplies	.6	.9	-.3	0%
Depreciation and amortization	1.2	1.0	.1	12%
Freight and transportation	.4	.5	.0	-3%
Security and outside services	.1	.1	.0	-9%
Power and steam	.5	.5	.1	12%
Insurance	.1	.1	.0	4%
Taxes and licenses	.5	.4	.1	28%
Others	.1	.0	.0	163%
<b>TOTAL</b>	<b>6.7</b>	<b>6.5</b>	<b>.2</b>	<b>4%</b>

- Salaries, wages, bonuses and other benefits increased by ₱0.7M or 30% due to higher manpower complement and regular compensation adjustments supporting the expanded refinery tolling activities.
- Depreciation and amortization and taxes and licenses collectively rose by ₱0.2M, mainly as a result of additional refinery assets placed in service and higher regulatory and business-related fees for the period.
- These increases were partly offset by a ₱0.5M reduction in repairs and maintenance and a ₱0.3M decline in spare parts and supplies, following the completion of major repair works in the prior year and improved operating efficiencies in the current period.

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## **Operating Expenses**

The Group's operating expenses totaled to ₱31.3M as of reporting period, a ₱3.7M or 10% decrease as compared to last year's ₱27.6M. The table below summarizes the breakdown of operating expenses:

<b>OPERATING EXPENSES</b> <i>In Million Pesos</i>	<b>2025</b>	<b>2024</b>	<b>Increase(Decrease)</b>	
			<b>Amount</b>	<b>%</b>
Salaries, wages bonuses and other benefits	4.8	4.4	.4	9%
Repairs & Maintenance	.8	.8	.0	-2%
Management fees and bonuses	.0	.0	.0	0%
Taxes and licenses	3.0	1.9	1.1	57%
Depreciation and amortization	3.2	1.7	1.4	84%
Transportation and travel	2.8	2.4	.4	17%
Security and outside services	2.3	2.9	-.5	-19%
Service Cost	.0	.1	-.1	-100%
Rentals	.9	1.4	-.5	-35%
Light and water	.2	.3	-.1	-45%
Entertainment, amusement and recreation	1.4	1.5	-.1	-4%
Professional fees	10.3	8.1	2.2	27%
Dues and advertisements	.1	.1	.0	-18%
Postage, telephone and telegram	.0	.0	.0	-9%
Others	1.2	2.0	-.7	-38%
<b>TOTAL</b>	<b>31.3</b>	<b>27.6</b>	<b>3.7</b>	<b>10%</b>

- Professional fees increased by ₱2.2M or 27%, reflecting the engagement of specialized consultants and advisers to support key projects and regulatory requirements during the period.
- Depreciation and amortization and taxes and licenses rose by a combined ₱2.5M, mainly due to additional assets placed in service and higher business- and regulatory-related charges.
- These increases were partially offset by lower security and outside services, rentals, utilities, and other expenses, which collectively decreased by ₱1.8M as the Group continued to optimize contracts, implement cost-control measures, and rationalize discretionary spending.

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## Balance Sheet Accounts

The following table presents the Balance Sheet Statements of the Company as of period ended September 30, 2025 and year ended June 30, 2025.

(In Million Pesos)	AS OF SEPTEMBER 30, 2025 INTERIM		AS OF JUNE 30, 2025 AUDITED		GROWTH	
	AMT	%	AMT	%	AMT	%
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	225.94	3%	322.95	5%	-97.01	-30%
Receivables	1,216.94	18%	856.70	13%	360.25	42%
Inventories	475.09	7%	598.00	9%	-122.91	-21%
Real estate held for sale and development	10.10	0%	10.10	0%	.00	0%
Other current assets	184.04	3%	152.06	2%	31.98	21%
<b>Total Current Assets</b>	<b>2,112.12</b>	<b>31%</b>	<b>1,939.81</b>	<b>29%</b>	<b>172.31</b>	<b>9%</b>
<b>Non-current Assets</b>						
Financial Asset at FVOCI	210.13	3%	210.13	3%	.00	0%
Property, plant and equipment						
Land- at revalued amount	1,097.97	16%	1,097.97	16%	.00	0%
Property and equipment- at cost	467.62	7%	448.47	7%	19.15	4%
Investment property	1,640.02	24%	1,640.02	24%	.00	0%
Due from related parties	1,172.40	17%	1,172.40	17%	.00	0%
Goodwill	.00	0%	.00	0%	.00	0%
Deferred income tax assets	3.58	0%	3.58	0%	.00	0%
Other current assets	193.31	3%	189.14	3%	4.17	2%
<b>Total Non Current Assets</b>	<b>4,785.03</b>	<b>69%</b>	<b>4,761.71</b>	<b>71%</b>	<b>23.32</b>	<b>0%</b>
<b>TOTAL ASSETS</b>	<b>6,897.15</b>	<b>100%</b>	<b>6,701.51</b>	<b>100%</b>	<b>195.64</b>	<b>3%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other liabilities	634.15	9%	646.49	10%	-12.35	-2%
Short-term notes payable	1,145.00	17%	838.00	13%	307.00	37%
Current portion of notes payable	136.50	2%	136.50	2%	.00	0%
Deposits	20.04	0%	20.85	0%	-.82	-4%
Other current liabilities	19.55	0%	22.57	0%	-3.02	-13%
<b>Total Current Liabilities</b>	<b>1,978.49</b>	<b>29%</b>	<b>1,686.19</b>	<b>25%</b>	<b>292.31</b>	<b>17%</b>
<b>Non-current liabilities</b>						
Notes payable- net of current portion	218.25	3%	252.93	4%	-34.69	-14%
Retirement liability	12.98	0%	12.98	0%	.00	0%
Deferred tax liability	265.92	4%	265.92	4%	.00	0%
Other noncurrent liabilities	22.84	0%	21.97	0%	.88	4%
<b>Total Non Current Liabilities</b>	<b>520.00</b>	<b>8%</b>	<b>553.81</b>	<b>8%</b>	<b>-33.81</b>	<b>-6%</b>
<b>Equity</b>						
Capital stock	282.55	4%	282.55	4%	.00	0%
Retained earnings						
Unappropriated	3,053.35	44%	3,116.21	47%	-62.86	-2%
Revaluation increment	1,334.55	19%	1,334.55	20%	.00	0%
Remeasurement gains on defined benefit liability assets	-58.71	-1%	-58.71	-1%	.00	0%
Less cost of 720 shares of stock in treasury	156.01	2%	156.01	2%	.00	0%
	-369.08	-5%	-369.08	-6%	.00	0%
<b>Total Equity</b>	<b>4,398.66</b>	<b>64%</b>	<b>4,461.52</b>	<b>67%</b>	<b>-62.86</b>	<b>-1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,897.15</b>	<b>100%</b>	<b>6,701.51</b>	<b>100%</b>	<b>195.64</b>	<b>3%</b>

**Cash and cash equivalents**

Cash and cash equivalents decreased by ₱97.0M or 30%, from ₱322.9M as of June 30, 2025 to ₱225.9M as of September 30, 2025. The decrease reflects the timing of collections from customers and payments to suppliers and creditors, alongside higher working capital requirements during the period.

**Receivables and other current assets**

Receivables increased by ₱360.2M or 42%, from ₱856.7M to ₱1,216.9M, mainly due to higher sales volume booked toward the end of the quarter and the corresponding trade receivables from customers. Other current assets likewise rose by ₱31.9M or 21%, largely representing additional advances and prepayments, resulting in an overall increase in total current assets of ₱172.3M or 9%, from ₱1,939.8M to ₱2,112.1M.

**Trade and other liabilities**

Trade and other liabilities decreased slightly by ₱12.4M or 2%, from ₱646.5M as of June 30, 2025 to ₱634.1M as of September 30, 2025, following the prompt settlement of outstanding obligations to suppliers and contractors.

**Short-term notes payable**

Short-term notes payable increased by ₱307.0M or 37%, from ₱838.0M to ₱1,145.0M, as the Company availed of additional short-term credit facilities to support working capital requirements and partially refinance existing obligations. As a result, total current liabilities rose by ₱292.3M or 17%, partly offset by a ₱33.8M or 6% reduction in non-current liabilities arising from the scheduled amortization of long-term notes payable.

**Total Equity**

Total equity decreased by ₱62.8M or 1%, from ₱4,461.5M as of June 30, 2025 to ₱4,398.7M as of September 30, 2025. The movement in equity primarily reflects the net loss of ₱62.9M recognized for the three-month period, which reduced unappropriated retained earnings.

**LIQUIDITY & SOLVENCY RATIO****Current Ratio**

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

**Asset to Equity Ratio**

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

**Debt to Equity Ratio**

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

**Debt Service Coverage Ratio**

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

LIQUIDITY & SOLVENCY RATIO	As of September 30, 2025	As of June 30, 2025
Current ratio	1.07	1.15
Asset-to-equity ratio	1.57	1.50
Debt-to-equity ratio	0.57	0.50
Debt Service Coverage Ratio	-0.01	1.78

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

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

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

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

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

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

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

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CENTRAL AZUCARERA DE  
TARLAC, INC. AND SUBSIDIARY

INTERIM FINANCIAL STATEMENTS  
IN THOUSAND PESOS  
(WITH COMPARATIVE STATEMENTS)

SEPTEMBER 30, 2025

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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

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

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

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

Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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## COMPANY INFORMATION

Company's Email Address

N/A

Company's Telephone Number

8-818-6270

Mobile Number

N/A

No. of Stockholders

392

Annual Meeting (Month / Day)

Fiscal Year (Month / Day)

06/30

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Cecile D. Macaalay

Email Address

cdmacaalay@icloud.com

Telephone Number/s

8-818-6270

Mobile Number

N/A

## CONTACT PERSON'S ADDRESS

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

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

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

**CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
(IN THOUSAND PESOS)

	As of September 30, 2025 (Interim)	As of June 30, 2025 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	225,940.68	322,949.95
Receivables	1,216,944.41	856,698.46
Inventories	475,092.43	597,999.93
Real estate held for sale and development	10,101.92	10,101.93
Other current assets	184,037.57	152,055.83
<b>Total Current Assets</b>	<b>2,112,117.02</b>	1,939,806.10
<b>Noncurrent Assets</b>		
Financial Asset at FVOCI	210,129.39	210,129.39
Property, plant and equipment		
Land- at revalued amount	1,097,965.75	1,097,965.75
Property and equipment- at cost	467,624.62	448,474.15
Investment property	1,640,020.44	1,640,020.44
Due from related parties -non current	1,172,403.57	1,172,403.57
Deferred income tax	3,575.13	3,575.13
Other non current assets	193,314.08	189,140.10
<b>Total Noncurrent Assets</b>	<b>4,785,032.98</b>	4,761,708.53
<b>TOTAL ASSETS</b>	<b>6,897,150.00</b>	6,701,514.63
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other liabilities	634,146.02	646,494.62
Short-term notes payable	1,145,000.00	838,000.00
Current portion of notes payable	103,394.94	136,502.00
Deposits	20,038.74	20,853.96
Income tax payable	23,255.62	21,768.44
Other current liabilities	19,551.28	22,567.20
<b>Total Current Liabilities</b>	<b>1,945,386.60</b>	1,686,186.22
<b>Noncurrent Liabilities</b>		
Notes payable- net of current portion	251,353.36	252,933.80
Retirement liability	12,984.59	12,984.59
Deferred tax liability	265,923.96	265,923.97
Other noncurrent liabilities	22,841.60	21,966.47
<b>Total Noncurrent Liabilities</b>	<b>553,103.52</b>	553,808.83
<b>Equity Attributable to Equity Holders of the Parent</b>		
Capital stock - P1 par value per share		
Authorized - 400,000,000 shares		
Issued - 282,545,960 shares	282,545.96	282,545.96
Retained earnings	3,053,351.90	3,116,211.60
Revaluation increment	1,334,547.01	1,334,547.00
Remeasurement gains on defined benefit liability	-58,711.79	-58,711.79
Unrealized cumulative gain on Financial asset at FVOCI	156,005.30	156,005.30
	<b>4,767,738.38</b>	4,830,598.07
Less cost of 44,049,120 shares of stock in treasury	-369,078.49	-369,078.49
<b>Total Equity</b>	<b>4,398,659.89</b>	4,461,519.58
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,897,150.00</b>	6,701,514.63

**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025**  
**(With Comparative Figures for the Three Months Ended September 30, 2025, 2024 & 2023)**

	Unaudited					
	Three Months Ended September 30					
	1st Qtr	YTD 2025	1st Qtr	YTD 2024	1st Qtr	YTD 2023
<b>REVENUES</b>						
Sale of sugar and by-products	139,235.25	<b>139,235.25</b>	120,478.58	<b>120,478.58</b>	57,661.42	<b>57,661.42</b>
Tolling fees	38,372.00	<b>38,372.00</b>	.00	<b>.00</b>	.00	<b>.00</b>
Industrial & equipment services	15,547.81	<b>15,547.81</b>	14,031.80	<b>14,031.80</b>	11,501.31	<b>11,501.31</b>
Real estate sale	.00	<b>.00</b>	.00	<b>.00</b>	.00	<b>.00</b>
Total	193,155.05	<b>193,155.05</b>	134,510.38	<b>134,510.38</b>	69,162.73	<b>69,162.73</b>
<b>COST OF GOODS SOLD AND SERVICES</b>						
Costs of goods sold	197,150.85	<b>197,150.85</b>	145,867.18	<b>145,867.18</b>	107,985.30	<b>107,985.30</b>
Costs of tolling services	6,696.49	<b>6,696.49</b>	6,475.59	<b>6,475.59</b>	5,478.02	<b>5,478.02</b>
Cost of services	10,449.77	<b>10,449.77</b>	7,325.54	<b>7,325.54</b>	5,188.73	<b>5,188.73</b>
Cost of real estate sale	.00	<b>.00</b>	.00	<b>.00</b>	.00	<b>.00</b>
Total	214,297.11	<b>214,297.11</b>	159,668.31	<b>159,668.31</b>	118,652.05	<b>118,652.05</b>
<b>GROSS INCOME</b>	-21,142.05	<b>-21,142.05</b>	-25,157.92	<b>-25,157.92</b>	-49,489.32	<b>-49,489.32</b>
<b>OPERATING EXPENSES</b>	31,290.37	<b>31,290.37</b>	27,602.77	<b>27,602.77</b>	36,229.28	<b>36,229.28</b>
<b>OTHER INCOME (EXPENSES)</b>						
Interest income	823.78	<b>823.78</b>	2,154.70	<b>2,154.70</b>	456.61	<b>456.61</b>
Interest expense	-22,705.24	<b>-22,705.24</b>	-21,695.53	<b>-21,695.53</b>	-33,282.45	<b>-33,282.45</b>
Other Income(Expense)	12,941.36	<b>12,941.36</b>	3,289.02	<b>3,289.02</b>	3,754.83	<b>3,754.83</b>
Total	-8,940.10	<b>-8,940.10</b>	-16,251.82	<b>-16,251.82</b>	-29,071.02	<b>-29,071.02</b>
<b>INCOME BEFORE INCOME TAX</b>	-61,372.52	<b>-61,372.52</b>	-69,012.51	<b>-69,012.51</b>	-114,789.62	<b>-114,789.62</b>
<b>PROVISION FOR INCOME TAX</b>	-1,487.17	<b>-1,487.17</b>	17,253.13	<b>17,253.13</b>	28,697.40	<b>28,697.40</b>
<b>NET INCOME</b>	-62,859.69	<b>-62,859.69</b>	-51,759.38	<b>-51,759.38</b>	-86,092.21	<b>-86,092.21</b>
<b>Earnings Per Share</b>						
Basic /Dilluted	(0.26)	<b>(0.26)</b>	(0.22)	<b>(0.22)</b>	(0.36)	<b>(0.36)</b>

CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR EACH OF THE THREE MONTHS ENDED SEPTEMBER 30, 2025, 2024, 2023  
(IN THOUSAND PESOS)

	Capital Stock	Retained Earnings		Revaluation Increment	Remeasurement Gains(Losses) on Defined Benefit	Unrealized Cumulative Financial Assets at FVOCI	Treasury Stock	Total Equity
		Unappropriated	Appropriated					
Balances at June 30, 2023(As Audited)	282,545.96	962,716.38	1,500,000.00	1,049,669.40	-68,636.65	129,847.58	-369,078.49	3,487,064.18
Total comprehensive income		-86,092.21						-86,092.21
Balance at September 30, 2023	282,545.96	876,624.17	1,500,000.00	1,049,669.40	-68,636.65	129,847.58	-369,078.49	3,400,971.97
Total comprehensive income		1,772,058.29		195,853.35	11,826.16	27,059.33	.00	2,006,797.12
Dividend declaration		-1,535,919.65						-1,535,919.65
Reversal of appropriation		1,500,000.00	-1,500,000.00	.00	.00		.00	.00
Balance at June 30, 2024 (As Audited)	282,545.96	2,612,762.80	.00	1,245,522.75	-56,810.49	156,906.91	-369,078.49	3,871,849.44
Total comprehensive income		-51,759.38				.00		-51,759.38
Balance at September 30, 2024	282,545.96	2,561,003.42	.00	1,245,522.75	-56,810.49	156,906.91	-369,078.49	3,820,090.06
Total comprehensive income		555,208.19		89,024.25	-1,901.30	-901.61		641,429.53
Reversal of appropriation		-1,100,000.00	1,100,000.00	.00	.00		.00	.00
Balance at June 30, 2025 (As Audited)	282,545.96	2,016,211.60	1,100,000.00	1,334,547.00	-58,711.79	156,005.30	-369,078.49	4,461,519.59
Total comprehensive income		-62,859.69						-62,859.70
<b>Balance at September 30, 2025</b>	<b>282,545.96</b>	<b>1,953,351.91</b>	<b>1,100,000.00</b>	<b>1,334,547.00</b>	<b>-58,711.79</b>	<b>156,005.30</b>	<b>-369,078.49</b>	<b>4,398,659.89</b>

**CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(IN THOUSAND PESOS)**

	<b>Three Months Ended September 30</b>		
	<b>2025</b>	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Income (loss) before income tax</b>	<b>-61,372.52</b>	-69,012.51	-114,789.62
Adjustments for:			
Interest expense	<b>22,705.24</b>	21,695.53	33,282.45
Depreciation and amortization	<b>23,530.28</b>	21,640.85	20,288.63
Interest income	<b>-823.78</b>	-2,154.70	-456.61
Provisions for income tax	<b>-1,487.17</b>	17,253.13	
Operating loss before working capital changes	<b>-17,447.95</b>	-10,577.69	-61,675.14
Provisions for (reversal of):			
Decrease (increase) in:			
Receivables	<b>-360,245.95</b>	88,700.48	116,693.99
Inventories	<b>122,907.49</b>	26,791.66	12,703.47
Other current assets	<b>-31,981.74</b>	-95,125.60	834.10
Increase (decrease) in:			
Trade and other payables	<b>-13,877.34</b>	-108,162.42	-103,250.63
Deposits	<b>-815.22</b>	-678.07	-4,267.42
Cash generated from (used for) operations	<b>-301,460.71</b>	-99,051.64	-38,961.62
Income tax paid			
<b>Net cash provided by (used in) operating activities</b>	<b>-301,460.71</b>	-99,051.64	-38,961.62
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net disposals of (additions to) property, plant and equipment	<b>-42,680.76</b>	-45,410.11	-54,731.94
Decrease (increase) in other noncurrent assets	<b>-4,173.98</b>	2,125.00	3,230.24
Interest received	<b>823.78</b>	2,154.70	456.61
<b>Net cash provided by (used in) investing activities</b>	<b>-46,030.95</b>	-41,130.41	-51,045.10
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of:			
Interest	<b>-22,705.24</b>	-21,695.53	-33,282.45
Increase(decrease) in non current liabilities	<b>875.13</b>	1,562.22	-924.35
Notes payable	<b>-34,687.50</b>	-68,894.97	-34,687.49
Proceeds from availment of short-term notes payable	<b>307,000.00</b>	.00	120,000.00
<b>Net cash provided by (used) in financing activities</b>	<b>250,482.40</b>	-89,028.28	51,105.70
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>-97,009.27</b>	-229,210.34	-38,901.02
<b>CASH AT BEGINNING OF YEAR</b>	<b>322,949.95</b>	865,891.88	124,965.23
<b>CASH AT END OF YEAR</b>	<b>225,940.68</b>	636,681.54	86,064.21

# **CENTRAL AZUCARERA DE TARLAC, INC. AND SUBSIDIARY**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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### **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, 2025 and 2024, 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, Brgy. Asturias and Brgy. Mapalacsiao. In September 2018, the properties management responsibility to 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.

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### **2. Basis of Preparation, Statement of Compliance, Basis of Consolidation and Material Accounting Policy Information**

#### 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 (PFRS) Accounting Standards.

### 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, 2024. 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:

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

## **Material Accounting Policy Information**

### Current versus Noncurrent Classification

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.

#### Business Combinations and Goodwill

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.

#### Cash

Cash includes cash on hand and in banks.

#### Financial Instruments

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, 2025 and 2024 consist of "Cash", "Receivables", "Due from related parties", 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, 2025 and 2024 consist of listed and unlisted 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 at June 30, 2025 and 2024.

#### *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 depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the 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:

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

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

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

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

#### *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.

#### *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.

*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.

*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.

*Interest Income*

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

*Other Income (Expense)*

This includes revenue and expenses recognized when earned or incurred 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 Real Estate Sale*

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.

*Cost of Industrial Services*

These are costs directly related to water distribution services are recognized when incurred.

*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 to the extent that it is probable that taxable profit will be available against which the deductible temporary differences 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.

#### Retirement Cost

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

Events after the reporting date 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. Events after the reporting date 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, 2025

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, 2025*

- Amendments to PAS 21, *Lack of Exchangeability*

##### *Effective beginning on or after July 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

##### *Effective beginning on or after July 1, 2027*

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

##### *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*

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### 3. **Summary of Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards 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.

#### Judgments

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

### *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 queadans 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. For related party receivables, the Group estimated ECL using a benchmarking approach, this approach involved the use of loss rates derived from comparable market data and industry peers, which were evaluated to reflect the credit risk characteristics of the counterparties, as well as the nature and aging of the receivables.

In the case of certain 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, Philippine Stock Exchange index 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, 2025 and 2024, the allowance for ECL on receivables and due from related parties amounted to ₱22.7 million and ₱23.2 million, respectively. The carrying amounts of receivables, due from related parties and long-term receivables as at June 30, 2025 and 2024 amounted to ₱2.2 billion, respectively (see Notes 6, 14 and 23).

#### *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.

Reversal of and provision for inventory obsolescence amounted to ₱0.2 million and ₱0.6 million in 2025 and 2024, respectively. Provision for inventory writedown amounted to ₱23.7 million and nil in 2025 and 2024, respectively (see Note 7). The allowance for inventory obsolescence as at June 30, 2025 and 2024 amounted to ₱7.7 million and ₱7.8 million, respectively. The carrying amounts of inventories as at June 30, 2025 and 2024 amounted to ₱598.0 million and ₱336.9 million, respectively (see Note 7).

*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, 2025 and 2024.

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, 2025 and 2024 amounted to ₱1.1 billion and ₱979.3 million, respectively (see Note 13). The fair value of land under investment property amounted to ₱1.6 billion and ₱1.2 billion as at June 30, 2025 and 2024, 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 September 30, 2025 and June 30, 2025 amounted to ₱467.6 million and ₱448.5 million, respectively (see Note 12).

*Impairment of Nonfinancial Assets*

The Group assesses whether there are any indicators of impairment for property plant and equipment 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 2025 and 2024. The carrying amounts of property, plant and equipment carried at cost and advances are ₱644.5 million and ₱591.8 million as at September 30, 2025, and June 30, 2025, respectively (see Notes 9 and 12).

#### *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. Impairment of goodwill was recognized in 2024 (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, 2025 and 2024 amounted to ₱62.5 million and ₱32.4 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 2025 and 2024 amounted to ₱3.9 million and ₱5.7 million, respectively. The carrying amounts of the Group's retirement plan obligation amounted to ₱13.0 million and ₱8.1 million as at June 30, 2025 and 2024, respectively (see Note 22).

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#### **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.

<b>2025</b>	<b>Sugar and by products</b>	<b>Real Estate</b>	<b>Eliminations</b>	<b>Total</b>
Revenues	177,607.24	15,547.81		193,155.05
Cost of goods sold and services	203,847.34	10,449.77		214,297.11
Gross income	-26,240.09	5,098.04	.00	-21,142.05
Operating expenses	29,943.76	1,346.61		31,290.37
Other income (expenses)				
Interest expense	-22,692.17	-13.07	.00	-22,705.24
Interest income	657.79	165.99	.00	823.78
Other income - net	12,198.92	742.44		12,941.36
Segment income before income tax	<b>-66,019.31</b>	<b>4,646.80</b>	<b>.00</b>	<b>-61,372.52</b>
Segment assets	<b>6,660,160.67</b>	<b>371,995.22</b>	<b>-135,005.90</b>	<b>6,897,150.00</b>
Segment liabilities	<b>2,392,654.94</b>	<b>35,603.28</b>	<b>70,231.89</b>	<b>2,498,490.11</b>

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

5. **Cash**

	<b>As of September 30, 2025</b>	As of June 30, 2025
Cash in banks	<b>224,640.08</b>	526.44
Cash on hand	<b>1,300.60</b>	322,423.52
	<b>225,940.68</b>	322,949.95

Cash in banks earn interest at the respective bank deposit rates. Interest rates range from 0.05% to 5.05% and 0.05% to 2.10% per annum in 2025 and 2024, respectively.

Interest income earned from cash in banks amounted to ₱.8 million and ₱.9 million in September 30, 2025 and June 30, 2025 respectively.

6. **Receivables**

	<b>As of September 30, 2025</b>	As of June 30, 2025
Trade:		
Non-affiliates	<b>131,370.03</b>	102,191.67
Affiliates		
Nontrade:		
Due from related parties	<b>954,760.45</b>	654,463.62
Notes receivable	<b>16,000.00</b>	20,000.00
Planters' receivable	<b>77,340.32</b>	72,600.08
Current portion of long-term receivables	<b>24,029.21</b>	24,029.21

Advances to:		
Directors, officers and employees	<b>26,892.19</b>	1,872.01
Luisita Golf and Country Club, Inc. (LGCCI)	<b>4,895.54</b>	962.75
Others	<b>4,354.40</b>	3,277.37
	<b>1,239,642.66</b>	879,396.70
Less allowance for doubtful accounts - nontrade	22,698.24	22,698.24
	<b>1,216,944.41</b>	<b>856,698.46</b>

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

Certain receivables from related parties are subject to interest at 4% to 5% per annum in 2025 and 2024.

Planters' receivable pertains to the loan agreement entered into in 2025 that are subject to 9% interest per annum.

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:

## **2025**

	<b>September 30, 2025</b>		
	<b>Trade</b>	<b>Non Trade</b>	<b>Total</b>
Balance at beginning of year	10,280.42	12,417.82	22,698.24
Provisions			.00
Reversals/write off			.00
<b>Balance</b>	<b>10,280.42</b>	<b>12,417.82</b>	<b>22,698.24</b>

	<b>June 30, 2025</b>		
	<b>Trade</b>	<b>Non Trade</b>	<b>Total</b>
Balance at beginning of year	4,845.11	18,316.01	23,161.11
Provisions	7,274.84	100.23	7,375.07
Reversals/write off	-1,839.53	-5,998.41	-7,837.94
<b>Balance</b>	<b>10,280.42</b>	<b>12,417.82</b>	<b>22,698.24</b>

## **7. Inventories**

	<b>As of September 30, 2025</b>	As of June 30, 2025
At cost:		
Alcohol	<b>7,145.45</b>	31,731.81
Molasses	<b>13,284.43</b>	13,280.70
CO2		
At NRV:		
Spare parts and supplies	<b>115,504.20</b>	448,367.87
Raw sugar	<b>339,158.36</b>	104,619.55
	<b>475,092.43</b>	<b>597,999.93</b>

## 8. Real Estate Held for Sale and Development

	<b>As of September 30, 2025</b>	As of June 30, 2025
Land available for sale	<b>10,101.92</b>	10,101.92
	<b>10,101.92</b>	10,101.92

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.

## 9. Other Current Assets

	<b>As of September 30, 2025</b>	As of June 30, 2025
Advances to suppliers - net of allowance	<b>176,892.31</b>	143,348.54
CWT	<b>3,461.11</b>	
Prepaid tax	<b>1,988.80</b>	3,533.21
Prepaid insurance	<b>751.21</b>	935.87
Input tax	<b>738.02</b>	
Others	<b>206.11</b>	4,238.21
	<b>184,037.57</b>	152,055.83

## 10. Goodwill - net

The Group performed its impairment review of goodwill as at June 30, 2024 and 2023. Based on the impairment review as at June 30, 2024, the carrying value of the CGU, including goodwill, exceeded the recoverable amount by ₱502.4 million. This was recognized as impairment of goodwill for the year ended June 30, 2024. As at June 30, 2023, 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, 2024 and 2023 amounted to nil and ₱502.4 million, respectively.

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 6.3% and 12.0% growth rate as at June 30, 2024 and 2023, respectively. Discount rate applied to the cash flow projections in determining value in use is 9.7% and 9.4% as at June 30, 2024 and 2023, respectively.

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

- a) Discount rate (2024 and 2023) - 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 (2024 and 2023) - 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 (2023) - 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.

#### 11. Financial assets at FVOCI

	<b>As of September 30, 2025</b>	As of June 30, 2025
Proprietary shares	<b>209,600.00</b>	209,600.00
Investment in shares of stock:		
Listed	<b>367.39</b>	367.39
Unlisted	<b>162.00</b>	162.00
	<b>210,129.39</b>	210,129.39

The movements in financial assets at FVOCI are as follows:

	<b>As of September 30, 2025</b>	As of June 30, 2025
Balances at beginning of year	<b>210,129.39</b>	211,190.11
Effect of adoptin PFRS 9		
Change in fair value of financial assets at FVOCI		-1,060.72
	<b>210,129.39</b>	210,129.39

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:

	<b>As of September 30, 2025</b>	As of June 30, 2025
Balances at beginning of year	<b>156,005.30</b>	156,906.91
Unrealized losses on financial assets at FVOCI		-901.61
	<b>156,005.30</b>	156,005.30

## 12. Property, Plant and Equipment - at cost

September 30, 2025

	Machinery and equipment	Agricultural machinery and equipment	Land improvements	Buildings and improvements	Transportation equipment	Furniture, fixtures and equipment	Communication and utility systems	Roads and bridges	Construction in-progress	ROU-Asset Transportation Equipment	ROU-Asset Building	ROU-Asset Agricultural Equipment	Total
<b>Cost:</b>													
Balances at beginning of year	935,558.88	252,397.53	110,908.79	162,243.21	33,213.31	30,433.71	6,185.60	8,245.13	7,617.85	28,922.33	21,570.00	6,575.00	1,603,871.32
Additions	60.32	.00	.00	.00	.00	556.64	76.44	.00	40,081.39	.00	.00	2,017.00	42,791.77
Retirement and write-off	-45.29	.00	.00	.00	.00	.00	.00	.00	-56.25	.00	.00	.00	-101.54
Reclassifications	840.31	.00	.00	329.81	.00	.00	.00	.00	-1,170.12	.00	.00	.00	.00
<b>Balances at end of year</b>	<b>936,414.22</b>	<b>252,397.53</b>	<b>110,908.79</b>	<b>162,573.01</b>	<b>33,213.30</b>	<b>30,990.35</b>	<b>6,262.04</b>	<b>8,245.13</b>	<b>46,472.86</b>	<b>28,922.33</b>	<b>21,570.00</b>	<b>8,592.00</b>	<b>1,646,561.56</b>
<b>Accumulated depreciation and amortization:</b>													
Balances at beginning of year	747,695.80	145,977.08	68,950.62	103,366.14	22,430.99	25,728.01	3,534.11	8,245.11	.00	7,712.62	10,424.61	11,332.09	1,155,397.18
Depreciation and amortization	12,036.94	5,649.53	1,186.33	2,357.56	377.26	468.25	41.09	.00	.00	.00	1,087.36	647.33	23,851.66
Retirement and write-off	-29.17	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-282.72	-311.89
Reclassifications	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>Balances at end of year</b>	<b>759,703.56</b>	<b>151,626.61</b>	<b>70,136.96</b>	<b>105,723.70</b>	<b>22,808.25</b>	<b>26,196.26</b>	<b>3,575.20</b>	<b>8,245.11</b>	<b>.00</b>	<b>7,712.62</b>	<b>11,511.98</b>	<b>11,696.70</b>	<b>1,178,936.94</b>
<b>Net book values</b>	<b>176,710.66</b>	<b>100,770.92</b>	<b>40,771.84</b>	<b>56,849.32</b>	<b>10,405.05</b>	<b>4,794.09</b>	<b>2,686.84</b>	<b>.02</b>	<b>46,472.86</b>	<b>21,209.71</b>	<b>10,058.02</b>	<b>-3,104.70</b>	<b>467,624.62</b>

June 30, 2025

	Machinery and equipment	Agricultural machinery and equipment	Land improvements	Buildings and improvements	Transportation equipment	Furniture, fixtures and equipment	Communication and utility systems	Roads and bridges	Construction in-progress	ROU-Asset Transportation Equipment	ROU-Asset Building	ROU-Asset Agricultural Equipment	Total
<b>Cost:</b>													
Balances at beginning of year	889,155.78	211,805.24	102,422.83	121,274.12	32,774.58	28,710.17	5,890.18	8,245.13	25,244.55	28,922.33	21,570.00	36,159.89	1,512,174.80
Additions	432.14	2,165.00	5,677.57	22,264.00	.00	1,636.94	83.21	.00	53,152.05	.00	.00	6,575.00	91,985.91
Retirement and write-off	-757.09	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	-757.09
Reclassifications	46,728.04	38,427.29	2,808.39	18,705.08	438.73	86.61	212.20	.00	-70,778.75	.00	.00	-36,159.89	467.70
<b>Balances at end of year</b>	<b>935,558.88</b>	<b>252,397.53</b>	<b>110,908.79</b>	<b>162,243.21</b>	<b>33,213.31</b>	<b>30,433.71</b>	<b>6,185.60</b>	<b>8,245.13</b>	<b>7,617.85</b>	<b>28,922.33</b>	<b>21,570.00</b>	<b>6,575.00</b>	<b>1,603,871.32</b>
<b>Accumulated depreciation and amortization:</b>													
Balances at beginning of year	700,831.62	127,529.95	64,309.26	96,271.87	20,875.40	23,972.10	3,349.85	8,245.11	.00	1,928.16	6,110.61	7,479.77	1,060,903.70
Depreciation and amortization	46,864.17	18,447.13	4,641.36	7,094.27	1,555.59	1,755.91	184.26	.00	.00	5,784.47	4,314.00	3,852.32	94,493.48
Retirement and write-off	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Reclassifications	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>Balances at end of year</b>	<b>747,695.80</b>	<b>145,977.08</b>	<b>68,950.62</b>	<b>103,366.14</b>	<b>22,430.99</b>	<b>25,728.01</b>	<b>3,534.11</b>	<b>8,245.11</b>	<b>.00</b>	<b>7,712.62</b>	<b>10,424.61</b>	<b>11,332.09</b>	<b>1,155,397.18</b>
<b>Net book values</b>	<b>187,863.09</b>	<b>106,420.45</b>	<b>41,958.17</b>	<b>58,877.07</b>	<b>10,782.32</b>	<b>4,705.71</b>	<b>2,651.49</b>	<b>.02</b>	<b>7,617.85</b>	<b>21,209.71</b>	<b>11,145.39</b>	<b>-4,757.09</b>	<b>448,474.15</b>

### 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, 2025 and 2024. The valuation models used by the appraiser are in accordance with that recommended by the International Valuation Standards Council and are 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 2025 and 2024, the fair value of the Group's land recognized under property, plant and equipment and investment property increased by ₱ 594.7 million and ₱554.1 million for the years ended June 30, 2025 and 2024, respectively.

#### Property, Plant and Equipment

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

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
At beginning of year	1,097,965.75	979,266.75
Change in fair value of property, plant and equipment		118,699.00
Reclassification to investment property		
	<b>1,097,965.75</b>	<b>1,097,965.75</b>

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

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
Property, plant and equipment	1,334,547.00	1,245,522.75
Changes in fair value of property, plant and equipment		89,024.25
Recycled from deferred income tax liability		
	<b>1,334,547.00</b>	<b>1,334,547.00</b>

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
Property, plant and equipment	1,334,547.00	1,245,522.75
Changes in fair value of property, plant and equipment		89,024.25
Recycled from deferred income tax liability		
	<b>1,334,547.00</b>	<b>1,334,547.00</b>

Deferred income tax liability on revaluation increment as of June 30, 2025 and 2024 amounted to ₱272.8 million and ₱243.1 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, 2025 and 2024 is ₱6.9 million.

#### Investment Property

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

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
Balances at beginning of year	1,640,020.44	1,164,053.34
Change in fair value of investment property		475,967.10
Reclassification from property, plant and equipment		
	<b>1,640,020.44</b>	<b>1,640,020.44</b>

The value of land recognized under investment property if carried at cost as at June 30, 2025 and 2024 is ₱2.9 million. 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**

	<b>As of September 30, 2025</b>	As of June 30, 2025
Long-term receivables	<b>171,101.00</b>	171,101.00
Deferred charges	<b>34,320.91</b>	26,546.92
Recoverable and other deposits	<b>8,594.95</b>	15,164.56
Others	<b>3,326.43</b>	356.84
	<b>217,343.29</b>	213,169.31
Less: current portion	<b>24,029.21</b>	24,029.21
	<b>193,314,077</b>	189,140,098

## 15. Trade and Other Payables

	<b>As of September 30, 2025</b>	As of June 30, 2025
Trade payables	<b>109,040.21</b>	160,853.65
Accruals:		
Interest and penalties	<b>8,550.52</b>	7,010.08
Spare parts, supplies and inventory cost	<b>.00</b>	
Taxes	<b>70,934.87</b>	74,362.20
Professional fees	<b>6,580.79</b>	5,395.22
Salaries, wages and other benefits	<b>8,058.35</b>	6,606.58
Others	<b>29,585.18</b>	24,255.20
Advances from related parties	<b>285,069.98</b>	262,081.76
Dividends payable	<b>99,182.73</b>	99,176.83
Estimated liability for cash surrender value	<b>985.20</b>	985.20
Customers' advances	<b>1,471.03</b>	1,471.03
Other payables	<b>14,687.17</b>	4,296.87
	<b>634,146.02</b>	646,494.62
Less noncurrent portion	<b>.00</b>	
	<b>634,146.02</b>	646,494.62

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

## 16. Notes Payable

	<b>As of September 30, 2025</b>	As of June 30, 2025
Working capital facilities	<b>1,145,000.00</b>	838,000.00
Promissory notes	<b>.00</b>	
	<b>1,145,000.00</b>	838,000.00

### *Short-term loan*

The Group has an existing Working Capital Facilities Agreement (WCFA) with BDO. Under the WCFA, the Group has an outstanding drawdown of ₱838.0 million and ₱785.0 million as at June 30, 2025 and 2024 at 7.50% to 7.75% and at 8.0% to 9.0% interest rate per annum, respectively.

Total interest expense incurred on all short-term notes amounted to ₱59.5 million, ₱79.9 million and ₱77.4 million in 2025, 2024 and 2023, 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:

	<b>2024</b>	2023
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	<b>₱214,607,174</b>	₱289,355,448
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	<b>₱174,828,626</b>	₱235,714,873
	<b>389,435,800</b>	525,070,321
Less current portion - net of transaction costs	<b>136,501,998</b>	135,634,521
Noncurrent portion - net of transaction costs	<b>₱252,933,802</b>	₱389,435,800

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 ₱1.5 billion and ₱1.1 billion as of June 30, 2025 and June 30, 2024, respectively.

The Group recognized interest expense amounting to ₱32.9 million, ₱38.1 million and ₱50.8 million for the years ended June 30, 2025, 2024 and 2023, respectively.

#### 17. Cost of Goods Sold

	<b>Three Months Ended September 30</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Salaries, wages bonuses and other benefits	<b>19,140.70</b>	16,718.86	18,309.50
Repairs & Maintenance	<b>4,797.65</b>	5,601.25	3,720.43
Inventory cost, spare parts and supplies	<b>134,539.41</b>	83,858.65	58,003.57
Depreciation and amortization	<b>18,272.49</b>	18,316.72	16,754.93
Freight and transportation	<b>4,252.02</b>	4,625.38	552.31
Security and outside services	<b>7,477.47</b>	7,854.90	4,454.34
Power and steam	<b>4,119.29</b>	4,410.11	3,758.81
Insurance	<b>1,070.89</b>	1,078.44	520.43
Taxes and licenses	<b>943.46</b>	857.80	1,104.33
Others	<b>2,537.46</b>	2,545.06	806.66
	<b>197,150.85</b>	145,867.18	107,985.30

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18. **Cost of Tolling Services**

	<b>Three Months Ended September 30</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Salaries, wages bonuses and other benefits	<b>3,180.21</b>	2,437.55	2,299.01
Repairs & Maintenance	<b>61.72</b>	593.77	193.40
Spare parts and supplies	<b>568.31</b>	861.76	62.19
Depreciation and amortization	<b>1,161.98</b>	1,036.92	1,004.53
Freight and transportation	<b>436.69</b>	451.31	385.68
Security and outside services	<b>110.11</b>	121.46	135.02
Power and steam	<b>526.11</b>	470.28	478.98
Insurance	<b>82.12</b>	78.82	24.13
Taxes and licenses	<b>517.53</b>	404.04	883.38
Others	<b>51.69</b>	19.68	11.69
	<b>6,696.49</b>	6,475.59	5,478.02

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19. **Cost of Industrial Services**

	<b>Three Months Ended September 30</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Salaries, wages bonuses and other benefits	<b>.00</b>	85.98	65.02
Repairs & Maintenance	<b>1,292.63</b>	497.40	244.78
Materials	<b>408.14</b>	335.65	81.93
Depreciation and amortization	<b>939.40</b>	573.98	695.54
Security and outside services	<b>2,570.84</b>	1,177.42	480.30
Service Cost	<b>2,374.61</b>	1,238.38	1,414.46
Professional fee	<b>146.05</b>	29.84	21.05
Freight & transportation	<b>104.09</b>	14.29	44.61
Power and steam	<b>2,219.21</b>	3,086.66	1,819.16
Insurance	<b>35.92</b>	35.92	35.06
Taxes and licenses	<b>115.24</b>	120.42	60.21
Others	<b>243.64</b>	129.60	226.61
	<b>10,449.77</b>	7,325.54	5,188.73

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**20. Operating Expenses**

	<b>Three Months Ended September 30</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Salaries, wages bonuses and other benefits	<b>4,812.33</b>	4,396.41	5,265.91
Repairs & Maintenance	<b>787.58</b>	805.01	1,404.39
Taxes and licenses	<b>2,991.43</b>	1,904.60	13,020.87
Depreciation and amortization	<b>3,156.41</b>	1,713.23	1,833.64
Transportation and travel	<b>2,758.32</b>	2,360.78	2,332.25
Security and outside services	<b>2,318.41</b>	2,867.66	1,636.60
Rentals	<b>895.85</b>	1,385.25	1,301.77
Light and water	<b>155.21</b>	282.90	333.84
Retirement	<b>327.51</b>	123.02	585.98
Entertainment, amusement and recreation	<b>1,414.71</b>	1,469.20	1,659.64
Professional fees	<b>10,301.26</b>	8,091.58	5,435.67
Dues and advertisements	<b>89.53</b>	108.88	18.37
Postage, telephone and telegram	<b>44.24</b>	48.57	73.95
Others	<b>1,237.57</b>	1,983.97	983.84
	<b>31,290.37</b>	27,602.77	36,229.28

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**21. Nature of Expenses**

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

	<b>Three Months Ended September 30</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Cost of goods sold (see Note 17)	<b>18,272.49</b>	18,316.72	16,754.93
Cost of tolling services (see Note 18)	<b>1,161.98</b>	1,036.92	1,004.53
Cost of industrial services (see Note 19)	<b>939.40</b>	573.98	695.54
Operating expenses (see Note 20)	<b>3,156.41</b>	1,713.23	1,833.64
	<b>23,530.28</b>	21,640.85	20,288.63

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

	<b>Three Months Ended September 30</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Cost of goods sold</b>			
Salaries, wages, bonuses and other benefits	<b>19,140.70</b>	16,718.86	18,309.50
<b>Cost of tolling services</b>			
Salaries, wages, bonuses and other benefits	<b>3,180.21</b>	2,437.55	2,299.01
<b>Cost of industrial services</b>			
Salaries, wages, bonuses and other benefits	<b>.00</b>	85.98	65.02
<b>Operating expenses</b>			
Salaries, wages, bonuses and other benefits	<b>4,812.33</b>	4,396.41	5,265.91
	<b>27,133.25</b>	23,638.80	25,939.43

## 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, 2025.

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*.

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## 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:

<b>SHAREHOLDERS</b>	<b>Outstanding Receivables (Payables)</b>
FIRST LUCKY HOLDINGS CORP	-9,731.05
CAT RESOURCE AND ASSETS HOLDINGS INC	1,074,783.00
TARLAC DISTILLERY CORPORATION	141,910.04
LUISITA TRUST FUND (LTF)	8,920.22
GREEN FUTURE INNOVATIONS, INC.	220,392.23
FIRST GREEN RENEWABLE HOLDING INC	83,508.05
BUENA VISTA CORPORATE ASSETS HOLDINGS INC.	14,115.61
FIRST LUCKY AGRO-INDUSTRIAL CORP	-2,081.76
BLUE MOUNTAINS CORPORATION	5,772.50
NORTH STAR ESTATE HOLDINGS INC.	40.18
LUISITA GOLF & COUNTRY CLUB	11,264.94
STARBREAKER CORP.	76,202.74

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## 24. Agreements

### Milling Agreements

The Group's milling agreements with various planters provide for a 67.0%, 2% and 31.0% sharing among the planters, planter's 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.

## 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, lodged under "Recoverable and other deposits" (see Note 14).

The lease agreement did not qualify as a lease following the requirements of PFRS 16 as there is no identified asset in the agreement until March 2024. This changed with the contract renewal, which incorporated an amendment that identified an asset and a mutual agreement between the lessor and the lessee for the renewal of the lease term. The Group paid an additional advance rental and security deposit amounting to ₱0.7 million and ₱0.6 million, respectively.

Rent expense recognized related to this lease agreement amounted to nil, ₱.9 million and ₱5.7 million in September 30, 2025 and June 30, 2025 respectively.

### *Transportation and Agricultural Equipment*

In previous years, the Group has entered into multiple lease agreements with RCBC Leasing, covering various transportation and agricultural equipment.

In 2025, the Group entered into new lease agreements with RCBC Leasing for one (1) unit of Toro Multi Pro Sprayer and one (1) unit of Toro 648 Greens Aerator. In the same year, lease agreements for three (3) Holland TS6.120 \$WD Tractors and three (3) 2014 John Deere Sugarcane Harvesters ended, resulting in the reclassification of these ROU assets to PPE upon execution of the deed of sale (see Note 12).

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.

### *Office Space and Parking Area*

In March 2024, the Group entered into a lease agreement with Celestite, Inc. for the lease of its main office and parking area at a monthly rental of ₱541,786 and is subject to 10% annual escalation.

Shown below is the carrying amount and movement of the lease liabilities recognized on transportation and agricultural equipment, office space and parking area as at and for the years ended June 30, 2025 and 2024, respectively.

	<b>2025</b>	2024
Balances at beginning of year	<b>₱40,045,023</b>	₱23,007,414
Additions	<b>5,260,000</b>	33,992,329
Accretion of interest	<b>3,587,379</b>	3,194,661
Lease payments	<b>(18,343,796)</b>	(20,149,381)
Balances at end of year	<b>30,548,606</b>	40,045,023
Less current portion of lease liabilities	<b>9,830,852</b>	13,803,903
Lease liabilities - noncurrent	<b>₱20,717,754</b>	₱26,241,120

The following are the amounts recognized in the consolidated statements of income for the years ended June 30, 2025 and 2024, respectively:

	<b>2025</b>	2024
Amortization of ROU assets	<b>₱ 13,950,788</b>	₱8,747,493
Accretion of interest on lease liabilities	<b>3,587,379</b>	3,194,661
	<b>₱ 11,942,154</b>	₱ 11,942,154

## 25. Equity

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, 2025 and 2024, 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 390 as at September 30, 2025 and June 30, 2025

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. This amount is recognized as part of the Group's treasury stock.

### Retained Earnings

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

	<b>As of September 30, 2025</b>	As of June 30, 2025
Unappropriated	<b>1,953,351.90</b>	2,016,211.60
Appropriated	1,100,000.00	1,100,000.00
	<b>3,053,351.90</b>	3,116,211.60

On June 30, 2020, the BOD approved the appropriation of its retained earnings amounting to ₱2.0 billion to fund a variety of projects. Portion of this appropriation amounting to ₱500.0 million was reversed on June 30, 2021 to consider the current development of the projects. On February 7, 2024, the BOD approved the reversal of the rest of the appropriation following the status of the related projects this appropriation is intended for.

On February 7, 2024, the BOD declared dividends amounting to ₱1,535.9 million at ₱6.44 per share out of the Parent Company's unappropriated retained earnings to stockholders of record as of February 22, 2024. Dividends amounting to ₱1,458.7 million was paid in 2024. As at June 30, 2025, and 2024, dividends payable related to the dividend declarations in

2024 and 2020 were recognized under the "Trade and other payables" account and amounted to ₱99.2 million and ₱101.1 million, respectively (see Note 15).

In accordance with the Revised SRC Rule 68 Annex D, as further revised by SEC Memorandum Circular No. 16 Annex A, the Parent Company's unappropriated retained earnings available for dividend declaration amounted to ₱201.3 million as of June 30, 2025. The BOD approved to appropriate ₱200.0 million and ₱900.0 million on October 8, 2024 and June 30, 2025, respectively, of its retained earnings for the funding of its capital expenditures within the next three years intended to enhance the production of its facilities.

#### Basic/Diluted Earnings Per Share

The basic/diluted earnings per share for the years ended June 30 are computed as follows:

	September 30, 2025	June 30, 2025
Net Income	-62,859.69	503,448.80
Weighted average number of shares		
Issued	282,545.96	282,545.96
Less treasury shares	44,049.12	44,049.12
	238,496.84	238,496.84
<b>Basic/diluted earnings per share</b>	<b>-P0.264</b>	<b>P2.111</b>

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

## 26. 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:

	2025			Total
	Fair Value Measurement Using			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Asset Measured At Fair Value</b>				
Property, plant and equipment				
Land			1,097,965.75	1,097,965.75
Investment Property			1,640,020.44	1,640,020.44
Financial asset at FVOCI	209,967.39			209,967.39
	<b>209,967.39</b>	<b>.00</b>	<b>2,737,986.19</b>	<b>2,947,953.58</b>

<b>2024</b>				
	<b>Fair Value Measurement Using</b>			<b>Total</b>
	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	
<b>Asset Measured At Fair Value</b>				
Property, plant and equipment				
Land			979,266.75	979,266.75
Investment Property			1,164,053.34	1,164,053.34
AFS Financial assets - quoted	211,028.11			211,028.11
	<b>211,028.11</b>	<b>.00</b>	<b>2,143,320.09</b>	<b>2,354,348.20</b>

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 this information are beneficial in evaluating the fair value of the land.

<b>Unobservable Inputs</b>	<b>Amounts or Percentage of Unobservable Inputs</b>	<b>Relationship of Unobservable Inputs to Fair value</b>
Sale/asking price per s.q.m.	P 1,220 to P 2,440	The higher the value the higher the fair value
Conditions on sale of comparable properties	30.0%	The more onerous the conditions in contract of sale of comparable properties, the higher the fair value
Physical Adjustments	75.0%	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, 2025 and 2024.

#### 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 ranging from 1.93% to 7.08% as at June 30, 2025 and 2024 (Level 3; see Note 2).

#### Deferred Charges

The fair value of deferred charges amounting to ₱19.2 million (carrying value of ₱26.5 million) and ₱18.8 million (carrying value of ₱25.7 million) as at June 30, 2025 and 2024, respectively, is based on the discounted value of future cash flows using the applicable risk-free rates adjusted for credit risk. The discount rates used are 5.94% and 6.43% in 2025 and 2024, respectively (Level 3; see Note 2).

#### Notes Payable

The fair value of notes payable amounting to ₱256.4 million (carrying value of ₱389.4 million) and ₱364.5 million (carrying value of ₱525.1 million) is based on the discounted value of future cash flows using applicable rates plus credit spread for similar types of loans ranging from 8.22% to 8.75% and 8.58% to 9.30% as at June 30, 2025 and 2024, 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 (Level 1; see Note 2).

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.

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## **27. Financial Risk Management Objectives and Policies**

The Group's principal financial instruments include cash, receivables, financial assets at FVOCI, long-term receivables lodged under "Other noncurrent assets" account, short-term notes payable and notes payable. The main purpose of these financial instruments is to finance the 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:

<b>September 30, 2025</b>				
	Within 30 Days	Within 1 Year	Above 1 Year	Total
Trade payable and other payables	8,272.53	625,846.66	26.83	<b>634,146.02</b>
Short-term notes payable	.00	838,000.00	.00	<b>838,000.00</b>
Notes payable		103,394.94	251,353.36	<b>354,748.30</b>
Lease Liabilities		11,184.21	19,541.02	<b>30,725.24</b>
	<b>8,272.53</b>	<b>1,578,425.81</b>	<b>270,921.22</b>	<b>1,857,619.56</b>

June 30, 2025				
	Within 30 Days	Within 1 Year	Above 1 Year	Total
Trade payable and other payables	7,175.88	542,881.21	23.28	550,080.37
Short-term notes payable		869,339.79		869,339.79
Notes payable		158,250.04	268,050.37	426,300.41
Lease Liabilities		12,431.82	23,091.18	35,523.00
	7,175.88	1,582,902.85	291,164.83	1,881,243.56

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:

<b>September 30, 2025</b>				
	Within 30 Days	Within 1 Year	Above 1 Year	Total
Cash and cash equivalents	224,640.08			224,640.08
Receivables:				
Trade	11,678.94	119,691.09	.00	131,370.03
Planter's receivables	.00	77,340.32	.00	77,340.32
Notes receivable from planters	.00	16,000.00	.00	16,000.00
Due from related parties	226.00	720,546.02	1,406,392.00	2,127,164.02
Advances	.00	31,788.23	.00	31,788.23
Current portion- long-term rece	.00	24,029.21	171,101.00	195,130.21
Others	.00	4,354.40	.00	4,354.40
Deferred Charges	.00	.00	26,592.45	26,592.45
Financial assets at FVOCI	.00	210,129.39	.00	210,129.39
	<b>236,545.02</b>	<b>1,203,878.68</b>	<b>1,604,085.45</b>	<b>3,044,509.14</b>

	<b>June 30, 2025</b>			<b>Total</b>
	<b>Within 30 Days</b>	<b>Within 1 Year</b>	<b>Above 1 Year</b>	
Cash and cash equivalents	322,949.95			322,949.95
Receivables:				
Trade	9,084.95	93,106.71	-	102,191.67
Planter's receivables		72,600.08	-	72,600.08
Due from related parties	205.21	654,258.41	1,277,009.05	1,931,472.67
Advances	-	962.75	-	962.75
Current portion- long-term rece	-	24,029.21	171,101.00	195,130.21
Others	-	3,277.37	-	3,277.37
Deferred Charges			26,546.92	26,546.92
Financial assets at FVOCI	-	210,129.39	-	210,129.39
	<b>332,240.11</b>	<b>1,058,363.92</b>	<b>1,474,656.97</b>	<b>2,865,261.01</b>

### 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 and financial assets at FVOCI, 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:

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
Cash and cash equivalents	224,640.08	322,949.95
Receivables:	1,216,944.41	861,110.29
Due from related parties	1,172,403.57	1,172,403.57
Financial assets at FVOCI	210,129.39	210,129.39
Noncurrent portion of long-term receivable	147,071.78	147,071.78
Deferred Charges	26,592.45	26,546.92
	<b>2,997,781.68</b>	<b>2,740,211.91</b>

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 receivable is as follows:

	<b>Total</b>	<b>Neither Past Due nor Impaired</b>	<b>September 30, 2025</b>			<b>Impaired</b>
			<b>Past Due but not Impaired</b>			
			<b>30 Days</b>	<b>90 Days</b>	<b>More than 150 Days</b>	
Trade	111,635.55	89,480.89			11,874.24	10,280.42
Planter's receivables	77,340.32		71,039.29			6,301.04
Due from related parties	2,127,164.02	1,079.31			2,125,787.30	297.41
Advances	28,299.73	.00			26,892.19	1,407.54
Long-term receivables	147,071.78	147,071.78				.00
Deferred Charges	26,592.45				26,592.45	.00
Others	24,766.24	20,354.40				4,411.83
	<b>2,542,870.10</b>	<b>257,986.39</b>	<b>71,039.29</b>	<b>.00</b>	<b>2,191,146.18</b>	<b>22,698.24</b>

	<b>June 30, 2025</b>					
	<b>Total</b>	<b>Neither Past Due nor Impaired</b>	<b>Past Due but not Impaired</b>			<b>Impaired</b>
			<b>30 Days</b>	<b>90 Days</b>	<b>More than 150 Days</b>	
Trade	102,191.67	67,919.13	8,422.25	6,556.91	9,012.96	10,280.42
Planter's receivables	72,600.28	3,212.51	43,405.54	3,113.36	16,567.84	6,301.04
Due from related parties	1,931,472.70	2,187.35			1,928,987.94	297.41
Advances	24,991.96				23,584.42	1,407.54
Long-term receivables	147,071.78	147,071.78				.00
Deferred Charges	26,546.92				26,546.92	.00
Others	25,149.38	13,546.54			7,191.01	4,411.83
	<b>2,330,024.69</b>	<b>268,429.92</b>	<b>51,827.79</b>	<b>9,683.25</b>	<b>2,020,103.57</b>	<b>22,698.24</b>

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

	<b>September 30, 2025</b>		
	<b>Grade</b>		
	<b>High</b>	<b>Standard</b>	<b>Total</b>
<b>Loans and receivables:</b>			
Cash and cash equivalents	224,640.08	.00	224,640.08
Trade receivables	89,480.89	.00	89,480.89
Planters' Receivable	71,039.29		71,039.29
Long-term receivables	147,071.78	.00	147,071.78
Due from related party	1,079.31	.00	1,079.31
Others	20,354.40	.00	20,354.40
<b>Financial assets at FVOCI</b>			
Proprietary	209,600.00	.00	209,600.00
Listed	367.39	.00	367.39
Unlisted		162.00	162.00
	<b>763,633.15</b>	<b>162.00</b>	<b>763,795.15</b>

	<b>June 30, 2025</b>		
	<b>Grade</b>		
	<b>High</b>	<b>Standard</b>	<b>Total</b>
<b>Loans and receivables:</b>			
Cash and cash equivalents	322,949.95	.00	322,949.95
Trade receivables	67,919.13	.00	67,919.13
Planters' Receivable	3,212.51		3,212.51
Due from related party	2,187.35	.00	2,187.35
Long-term receivables	147,071.78	.00	147,071.78
Others	13,546.54	.00	13,546.54
<b>Financial assets at FVOCI</b>			
Proprietary	209,600.00	.00	209,600.00
Listed	367.39	.00	367.39
Unlisted		162.00	162.00
	<b>766,854.65</b>	<b>162.00</b>	<b>767,016.65</b>

## 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 highgrade 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.

## 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.

	<b>September 30, 2025</b>	June 30, 2025
Notes Payable	<b>1,145,000.00</b>	838,000.00
Short-term notes payable	<b>354,748.30</b>	389,435.80
Trade & other payables	<b>634,146.02</b>	646,494.62
Income tax payable	<b>23,255.62</b>	21,768.44
Deposits	<b>20,038.74</b>	20,853.96
Other liabilities	<b>55,377.47</b>	57,518.26
Total Debt (a)	<b>2,232,566.15</b>	1,974,071.08
Equity	<b>4,398,659.89</b>	4,461,519.58
Total debt and equity (b)	<b>6,631,226.04</b>	6,435,590.66
Gearing ratio (a/b)	<b>0.34</b>	0.31

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.

**PROCEDURE FOR REMOTE PARTICIPATION IN THE 2026 ANNUAL STOCKHOLDERS’ MEETING**

A. Pre-Registration

Stockholders with the intention to participate in the annual stockholders’ meeting via remote communication are required to pre-register by submission of the following requirements on or before January 12, 2026:

- A clear scanned copy of the stockholder’s valid government-issued ID (such as passport, driver’s license, or unified multipurpose ID), which shows photo, signature, and personal details, preferably with residential address
- A valid email address and contact number of the stockholder
- For Corporate stockholders, a clear scanned copy of the Secretary’s Certificate authorizing the representative to participate in the annual stockholders’ meeting via remote communication for and on behalf of the corporation
- For stockholders with scripless shares under PCD Participant/Broker Account, certification from the broker as to the number of shares owned by the stockholder with contact details of PCD Participant/Broker for verification. Please note that should CAT be unable to verify the shares of the shareholder because the PCD Participant/Broker is inaccessible, this may result in the failure of registration of the concerned shareholder

Stockholders may send the requirements via:

Email	To:	Janette L. Peña Corporate Secretary <b>janette.pena@gmail.com</b>
	Copy Furnished:	Addison B. Castro Assistant Corporate Secretary and Compliance Officer <b>addison.castro@gatchaliancastro.com</b> <b>corporatehousekeeping3@gatchaliancastro.com</b>
Physical Address	To:	Janette L. Peña, Corporate Secretary Central Azucarera de Tarlac, 1299 Chino Roces Avenue Extension (formerly Pasong Tamo Extension), Makati City

If sending via email, complete/accurate documents should be found in one email and attachment/s should be clear copies in PDF format, with each file size no larger than 2MB.

Validation process will be conducted together with Stock Transfer Services, Inc. (STSI). Stockholders will receive an e-mail reply from the Office of the Corporate Secretary of CAT as soon as practicable. An email reply will either confirm successful registration and provide the instructions on how to virtually attend the 2026 ASM or require submission of additional/deficient documents to complete validation process. If you have not received any email reply by January 20, 2026, please text 09778532718.

#### B. Electronic Voting in Absentia

All agenda items will be made available to the stockholders. Stockholders can vote on each agenda item and may choose to vote "Vote for Approval", "Vote Against" or Abstain"

In the election of directors, each stockholder may either (a) vote such number of shares for as many persons as there are directors to be elected; or (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit Provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder as shown in the books of the corporation multiplied by the whole number of directors to be elected.

The office of Corporate Secretary will count and tabulate the votes cast in absentia together with the votes cast by proxy.

#### C. Participation through remote communication

CAT's 2026 ASM will be streamed live by stockholders who have successfully registered to participate via remote communication. Instructions and procedures on how to attend the meeting through remote communication will be sent to stockholders indicated in the reply-email from the Office of the Corporate Secretary.

Stockholders who will not, or are unable to, or do not expect to attend the virtual meeting may, at their option designate their authorized representatives by means of proxy. The following requirements must be submitted to Central Azucarera de Tarlac, 1299 Chino

Roces Avenue Extension (formerly Pasong Tamo Extension), Makati City for inspection, validation and recording on or before January 12, 2026:

- Notarized proxy instruments;
- Transmittal letter indicating the valid email address and contact number of the proxy;
- Clear photocopies of the stockholder's and proxy's valid government-issued ID.

No proxy forms will be entertained through email.

Copies of the Notice of Meeting, Definitive Information Statement and other relevant documents in relation to the ASM may be accessed through [www.luisitasugar.com](http://www.luisitasugar.com) and through the PSE EDGE portal at <https://edge.pse.com.ph>.