COVER SHEET
for
INTERIM FINANCIAL STATEMENTS

SEC Registration Number

CS200319138

COMPANY NAME

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES (A Subsidiary of Strongoak Inc.)

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

Suite 3104A, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, Pasig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q		**N/A**

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
PSECompliance@allianceselectfoods.com	**632-8637-8800**	**+63917-620-5726**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
239	**June 15**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Ma. Resa S. Celiz	**PSECompliance@allianceselectfoods.com**	**(02) 8637-8800**	**+63917-620-5726**

CONTACT PERSON'S ADDRESS

Suite 3104A, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Avenue, Pasig City

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 shall not excuse the corporation from liability for its deficiencies.*

SEC Number **CS200319138**
File Number

ALLIANCE SELECT FOODS INTERNATIONAL, INC.
AND ITS SUBSIDIARIES

(Company's Full Name)

Suite 3104A West Tower PSEC Exchange Rd.
Ortigas Center Pasig City

(Company's Address)

632-8637-8800

(Telephone Number)

December 31

(Calendar Year Ending)
(month & day)

SEC FORM 17-Q

(Form Type)

(Amendment Designation if applicable)

For the Quarter Ended September 30, 2024

(Period Ended Date)

(Secondary License Type and File Number)

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 **September 30, 2024**

2. Commission identification number **CS200319138**

3. BIR Tax Identification No. **227-409-243-000**

4. Exact name of issuer as specified in its charter **Alliance Select Foods International, Inc.**

5. **Pasig City, Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: ____ (SEC Use Only)

7. **Suite 3104A West Tower PSEC Exchange Rd. Ortigas Center Pasig City** **1605**
   Address of issuer's principal office Postal Code

8. **632 – 8637 - 8800**
   Issuer's telephone number, including area code

9. **Not Applicable**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 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
Common shares.	**2,499,712,463 shares**

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 class/es of securities listed therein:

    The Phil. Stock Exchange - Common shares

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 II - FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited interim condensed financial statements of Alliance Select Foods International, Inc. (the "Company" or "Parent Company") and its Subsidiaries (collectively referred to as the "Group") as at and for the nine months ended September 30, 2024 (with comparative figures as at December 31, 2023 and for the period ended September 30, 2023) and selected Notes to the Interim Consolidated Financial Statements are hereto attached as Annex "A".

The unaudited interim condensed financial statements of the Group are presented in US$, the currency of the primary economic environment in which the Group operates.

Item 2. Management's discussion and analysis of financial condition and results

The following discussion should be read in conjunction with the attached unaudited condensed financial statements of the Group as at and for the nine months ended September 30, 2024, with comparative figures as at December 31, 2023 and for the period ended September 30, 2023, as appropriate.

The table below shows the comparisons of key operating results for the nine-month period ended September 30, 2024 versus the same period in 2023.

Amount in US$ '000	**For the Nine Months Ended September 30**		
	2024	**2023**	**% Change**
Revenue	**$57,413**	**$39,386**	46%
Gross profit	5,774	2,562	125%
Gross Profit %	***10%***	***7%***	55%
Selling & Administrative Expenses	3,995	2,694	48%
Finance Cost	1,258	688	83%
Income (Loss) Before Tax	**505**	**(867)**	158%
Income Tax Expense	115	59	96%
Income (Loss) for the Period	390	(926)	142%
Attributable to:			
Equity holders of the parent	$390	($926)	
Non-controlling interest	0	0	
	$390	($926)	

** Numbers may not add up due to rounding*

Results of operations
Nine months ended September 30, 2024 versus September 30, 2023

The Group's consolidated net revenues for the first half of 2024 is 46% driven by increase in sales volume of frozen loins for export, local and fishmeal and fish oil. The regaining volume of export customers and expansion of local markets are also factors in the improvement of the topline.

The Group's gross profit for the nine months of 2024 is better by 125% vs same period last year due to higher revenue and more favorable fish cost in the first semester of the year complemented by lower production cost resulting from operational efficiencies.

General and administrative expenses were up by 48% compared to same period last year due to increase in manpower cost and other operating activities to support the increasing sales and production volume.

Higher finance cost is due to higher working capital requirements.

Higher revenue improved the gross profit margin but offsets by higher freight costs propels the positive net income.

Financial Position
As at September 30, 2024 versus December 31, 2023

Cash balance dropped by 72% caused by settlement of loans and trade payables, payment of interest expense, acquisition of machinery and equipment to support the increasing production activities.

Improved collection effort brings down the accounts receivable by 18%.

The depletion of fish inventory due to low supply and shipment of finished goods caused the decrease the inventory balance by 18%.

The increase in of other current assets is due to advance payments for raw materials, machinery and equipment and unclaimed Input VAT.

Trade and other payables were reduced by 22% is due to settlement of trade payables.

KEY PERFORMANCE INDICATORS

The Group uses the following key performance indicators in order to assess the Group's financial performance from period to period. Analyses are employed by comparisons and measurements based on the financial data on the periods indicated below:

Liquidity and Solvency	September 30, 2024	December 31, 2023
Current ratio	1.08	0.99
Debt to equity ratio	2.08	2.42

For the Nine Months Ended September 30

Profitability	**2024**	**2023**
Revenue growth rate	46%	66%
Net profit margin	1%	(2%)
)Return on average stockholders' equity	2%	(3%)

The following defines each ratio:

- Liquidity ratio (expressed in proportion) = current assets / current liabilities
- Debt to equity ratio (expressed in proportion) = total liabilities / total stockholders’ equity
- Revenue growth rate (expressed in percentage) = (current year’s revenue – previous year’s revenue) / previous year’s revenue
- Net profit margin (expressed in percentage) = net income attributable to equity holders of parent / net revenues
- Return on average stockholders’ equity (expressed in percentage) = net income attributable to equity holders of the Parent / average stockholders’ equity attributable to the Parent

PART II - OTHER INFORMATION

All current disclosures were already reported under SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLIANCE SELECT FOODS INTERNATIONAL, INC.

JOSEPHINE S. RAMOS
Treasurer and Chief Finance Officer

Ma. Resa S. Celiz

MARIA RESA S. CELIZ
Chief Compliance Officer and Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 13 NOV 2024 at PASIG CITY affiants exhibiting to me their government issued identification cards, as follows:

NAMES	GOV'T.ISSUED ID NO.	DATE OF ISSUE	PLACE OF ISSUE
Josephine S. Ramos	PPP No. P1271428B	03-29-2019	DFA Manila
Maria Resa S. Celiz	PPP No. P0649417C	06-27-2022	DFA Manila

FERDINAND D. AYAHAO
Notary Public
For and in Pasig City and the Municipality of Pateros
Appointment No.96 (2024-2025) valid until 12/31/2025
MCLE Exemption No. VIII-BEP003234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 1634583AA; 01/03/24; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel.+632-86314090

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ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	**September 30, 2024 (Unaudited)**	December 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	**4**	**$421,885**	$1,510,627
Trade and other receivables	**5**	**10,731,819**	13,138,058
Inventories	**6**	**12,427,853**	15,153,490
Other current assets	**7**	**5,987,825**	3,120,527
Total Current Assets		**29,569,382**	32,922,702
Noncurrent Assets			
PPE and ROU		**14,114,921**	14,296,174
Deferred tax assets		**1,113,127**	1,100,838
Total Noncurrent Assets		**15,228,048**	**15,397,012**
		$44,797,431	$48,319,714
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	**8**	**$6,616,999**	$8,532,560
Loans payable	**9**	**20,768,164**	22,927,993
Current portion of lease liabilities		**67,196**	36,132
Due to a related party - current		**-**	1,889,651
Income tax payable		**50,652**	16,289
Total Current Liabilities		**27,503,010**	33,402,625
Noncurrent Liabilities			
Noncurrent portion of lease liabilities		**21,598**	21,598
Due to a related party		**1,865,827**	-
Net retirement benefits obligation		**281,799**	216,778
Deferred tax liabilities		**107,093**	94,804
Other noncurrent liability		**478,627**	458,292
Total Noncurrent Liabilities		**2,754,944**	791,472
Total Liabilities		**30,257,954**	34,194,097
Equity	**10**		
Capital stock		**26,823,389**	26,823,389
Additional paid-in capital (APIC)		**1,486,546**	1,486,546
Deficit		**(13,025,524)**	(13,415,511)
Other comprehensive income		**1,646,024**	1,622,009
		16,930,434	16,516,433
Treasury shares		**(5,774)**	(5,774)
Equity attributable to equity holders of the Parent Co.		**16,924,661**	16,510,659
Non-controlling interests		**(2,385,184)**	(2,385,042)
Total Equity		**14,539,477**	14,125,617
		$44,797,431	$48,319,714

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the Quarter Ended September 30 (Unaudited)		For the Nine Months Ended September 30 (Unaudited)	
	Note	**2024**	2023	**2024**	2023
NET SALES		**$17,841,472**	$13,938,994	**$57,412,655**	$39,386,001
COST OF GOODS SOLD		**(16,401,026)**	(12,972,710)	**(51,638,528)**	(36,824,388)
GROSS PROFIT		**1,440,446**	966,284	**5,774,127**	2,561,613
SELLING AND ADMINISTRATIVE EXPENSES		**(1,155,637)**	(958,140)	**(3,994,732)**	(2,693,980)
INTEREST EXPENSE		**(411,842)**	(292,652)	**(1,257,724)**	(687,504)
OTHER INCOME (CHARGES) – Net		**174,197**	(25,348)	**(16,775)**	(47,065)
INCOME (LOSS) BEFORE INCOME TAX		**47,164**	(309,856)	**504,896**	(866,936)
INCOME TAX EXPENSE		**8,806**	8,600	**115,320**	58,827
NET INCOME/ (LOSS)		**38,358**	(318,456)	**389,576**	(925,763)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**(87,394)**	45,476	**24,284**	29,035
TOTAL COMPREHENSIVE INCOME (LOSS)		**($49,036)**	($272,980)	**$413,860**	($896,727)
NET INCOME (LOSS) ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**38,499**	($318,448)	**389,987**	($925,723)
Noncontrolling interests		**(141)**	(7)	**(411)**	(40)
		$38,358	($318,456)	**$389,576**	($925,763)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**($47,925)**	($273,478)	**$414,002**	($864,030)
Noncontrolling interests		**(1,111)**	497	**(142)**	282
		($49,036)	($272,980)	**$413,860**	($863,748)
EARNINGS (LOSS) PER SHARE					
Basic and diluted earnings (loss) per share		**$0.00002**	($0.00013)	**$0.00016**	($0.00037)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES

(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Nine Months Ended September 30, 2024 (Unaudited)	2023 (Unaudited)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Capital Stock	**11**	**$26,823,389**	$26,823,389
Additional Paid-in Capital		**1,486,546**	1,486,546
Other Comprehensive Income			
Cumulative Remeasurement on Retirement Obligation			
Balance at beginning and end of period		**303,613**	302,822
Cumulative Translation Adjustment			
Balance at beginning of year		**1,318,396**	1,325,522
Exchange differences on foreign currency translation		**24,015**	28,713
Balance at end of period		**1,342,411**	1,354,235
Total balance at end of year of other comprehensive income		**1,646,024**	1,657,057
Retained Earnings (Deficit)			
Balance at beginning of year		**(13,415,511)**	(10,795,479)
Net income (loss)		**389,987**	(925,723)
Balance at end of period		**(13,025,524)**	(11,721,202)
Treasury Shares	**11**	**(5,774)**	(5,774)
NON-CONTROLLING INTERESTS			
Balance at beginning of year		**(2,385,042)**	(2,384,910)
Total comprehensive income attributable to non-controlling interests		**(142)**	282
Balance at end of period		**(2,385,184)**	(2,384,628)
		$14,539,477	$15,855,388

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALLIANCE SELECT FOODS INTERNATIONAL, INC. AND SUBSIDIARIES
(A Subsidiary of Strongoak Inc.)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months ended September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	**$504,896**	($866,936)
Adjustments for:		
Depreciation and amortization	**793,904**	680,818
Interest expense	**1,257,724**	687,842
Retirement benefit cost	**42,069**	29,057
Foreign exchange (gain)/loss	**(175,943)**	20,287
Interest income	**(125)**	(991)
Operating income before working capital changes	**2,422,526**	550,077
Decrease (increase) in:		
Trade and other receivables	**2,408,454**	(1,906,186)
Inventories	**2,756,127**	(4,815,891)
Other current assets	**(6,755,687)**	(1,587,258)
Decrease in trade and other payables	**2,456,011**	851,967
Net cash from operations	**3,287,430**	(6,907,292)
Income taxes paid	**(126,222)**	(993)
Interest received	**125**	991
Net cash from operating activities	**3,161,333**	(6,907,294)
CASH FLOWS FROM AN INVESTING ACTIVITY		
Additions to property, plant and equipment	**(612,652)**	(245,288)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net loan availments (payments)	**(2,159,829)**	6,149,341
Net payments of lease liability	**(122,338)**	-
Payments of interest	**(1,257,724)**	(687,842)
Net cash from financing activities	**(3,539,891)**	5,461,499
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(97,532)**	(47,003)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,088,742)**	(1,738,087)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1,510,627**	3,050,221
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**$421,885**	$1,312,134

See accompanying Notes to Interim Condensed Consolidated Financial Statements

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

General Information

Alliance Select Foods International, Inc. (ASFII or the "Parent Company"), a publicly listed corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 1, 2003. The Parent Company is primarily engaged in the business of manufacturing, canning, importing and exporting of food products such as marine, aquaculture and other processed seafoods. Its shares are listed in the Philippine Stock Exchange (PSE) since November 8, 2006.

Strongoak Inc. (Strongoak), the immediate parent of ASFII, owns 55.31% of ASFII. Strongoak is a domestic company engaged in investment activities.

Subsidiaries

The condensed consolidated financial statements as at September 30, 2024 include the accounts of ASFII and the following subsidiaries (collectively referred herein as the "Group"):

Name of Subsidiary	% of Ownership	Nature of Business	Principal Place of Business
Big Glory Bay Salmon and Seafood Company, Inc. (BGB)	**100**	Salmon and other seafoods processing	Philippines
PT International Alliance Food Indonesia (PT IAFI)	**99.98**	Export trading	Indonesia
Alliance MHI Properties, Inc. (AMHI)	**98.89**	Leasing	Philippines
PT Van De Zee (PT VDZ)	**49**	Fishing	Indonesia

BGB. BGB has plant facilities that are located in Barrio Tambler, General Santos City.

PT IAFI and PT VDZ. PT IAFI was established under the Indonesian Foreign Capital Investment Law. On October 18, 2019, PT IAFI changed its core business operations to export trading, and sold its fixed assets in North Sulawesi, Bitung, Indonesia. PT IAFI is currently not in operation.

PT IAFI owns 49% of PT VDZ, a fishing company. Due to subsequent changes in Indonesian fishing regulations restricting foreign commercial fishing, PT VDZ is currently not in operation and going through liquidation in Indonesia.

2. **Basis of Preparation and Statement of Compliance**

Basis of Preparation

The interim condensed consolidated financial statements have been prepared on a going concern basis and in accordance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes all applicable PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements.

The interim condensed consolidated financial statements comprise the interim consolidated statements of financial position, interim consolidated statements of comprehensive income, interim consolidated statements of changes in equity, interim consolidated statements of cash flows, and notes thereto. Income and expenses, excluding the components of other comprehensive income, are recognized in the interim statements of comprehensive income. Transactions with the owners of the Group in their capacity as owners are recognized in the interim consolidated statements of changes in equity.

Basis of Consolidation

The interim consolidated financial statements comprise the financial statements of the Parent Company and all of its subsidiaries. As at September 30, 2024, there were no changes in the Parent Company's ownership interests in its subsidiaries.

Subsidiaries. Subsidiaries are entities in which the Group has control. The Group controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls an entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

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

A change in ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of interest retained.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, presented within equity in the interim condensed consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

Non-controlling interests represent the interests of minority shareholders of PT IAFI, PT VDZ, and AMHI.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in an outcome that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4. Cash and Cash Equivalents

This account consists of cash on hand, cash in banks, and cash equivalents, if there are any.

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents pertain to cash placement with a bank for varying periods of up to three months depending on the immediate cash requirements of the Group.

5. Trade and Other Receivables

This account consists of:

	September 30, 2024	December 31, 2023
Trade receivables	**$10,796,526**	$12,527,972
Others	**3,117,248**	3,451,346
	13,913,774	15,979,318
Less allowance for impairment losses	**(3,181,955)**	(2,841,260)
	$10,731,819	$13,138,058

Trade receivables are generated from the sale of inventories and are generally collectible within 30 to 90 days.

Other receivables includes receivable from PFNZ amounting to $1.1million fully covered by provision of ECL and claims for refunds from government agencies and claims from insurance, suppliers and other parties.

6. **Inventories**

This account consists of:

	September 30, 2024	December 31, 2023
Finished goods	**$3,714,509**	$7,330,402
Raw materials	**7,867,631**	6,769,666
Packaging supplies	**845,713**	1,053,423
	$12,427,853	**$15,153,491**

7. **Other Current Assets**

This account consists of:

	September 30, 2024	December 31, 2023
Advances to suppliers	**$3,164,672**	$1,302,998
Input VAT	**2,542,419**	1,518,701
Other Prepayments	**585,702**	603,796
	6,292,793	3,425,495
Allowance for impairment losses	**(304,968)**	(304,968)
	$5,987,825	**$3,120,527**

8. **Trade and Other Payables**

This account consists of trade payables, accrued expenses, customers' deposit and statutory and other payables.

Trade payables are noninterest-bearing and are generally settled within 30 days. Other payables includes the current portion of the liability related to the acquisition of solar power equipment.

Accrued expenses include accruals for salaries and wages, professional fees, utilities, interest, freight, security services, commission and distribution expense. Accrued expenses are usually settled in the following month.

Statutory payable includes amounts payable to government agencies such as BIR, SSS, PHIC and HDMF and are normally settled in the following month.

9. **Loans Payable**

Loans payable include borrowings from local banks and investment banks.

Loans from local banks represent availments of revolving facilities, export packing credit and export bills purchase with term ranging from 3 to 6 months.

Long-term loans are from local banks, which are denominated in US Dollar and Philippine Peso, bearing annual interest rate ranging from 5% to 8%.

10. **Equity**

Capital Stock

Details of the Company's capital stock as at September 30, 2024 and December 31, 2023 are as follows:

	2024		2023	
	Shares	**Amount**	Shares	Amount
Authorized				
Ordinary shares at 0.50				
Balance at beginning and end of period	**3,000,000,000**	**1,500,000,000**	3,000,000,000	1,500,000,000
Issued and Outstanding				
Total issued and fully paid	**2,500,000,000**	**26,823,389**	2,500,000,000	26,823,389
Treasury Stock	**(287,537)**	**(5,774)**	(287,537)	(5,774)
Balance at beginning and end of period	**2,499,712,463**	**$26,817,615**	2,499,712,463	$26,817,615

11. **Income (Loss) Per Share**

The calculation of the basic and diluted income (loss) per share is based on the following data:

	Nine Months Ended September 30	
	2024	2023
Net income (loss) attributable to Parent Company	**$389,987**	**($925,723)**
Weighted average number of ordinary shares outstanding	**2,499,712,463**	**2,499,712,463**
	$ 0.00016	**($0.00037)**

The weighted average number of shares refers to shares in circulation during the period that is after the effect of treasury shares.

12. **Significant Agreements**

Short-term Leases

The Group entered into operating leases with third parties for its forklifts, container van and warehouse. The contracts have a term ranging from six months to one year with varying monthly rent. The leases are renewable upon mutual agreement between parties.

Long-term Leases

ASFII entered into a lease agreement for its head office space with a third-party lessor on August 1, 2023, effective until July 31, 2025 and renewable upon mutual agreement of the parties.

13. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise mainly of cash and cash equivalents, trade and other receivables, trade and other payables (excluding statutory payable and customers' deposit), loans payable, due to related parties and refundable lease deposits. The main purpose of these financial instruments is to finance the Group's operations.

The Group's is exposed to credit risk, market risk and liquidity risk. The Group's BOD and management review and approve the policies for managing each of the risks summarized below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements amounted to $13.9 million and $17.5 million as of September 30, 2024 and December 31, 2023, respectively.

Risk Management. Credit risk is managed on a group basis. The Group deals only with reputable banks and customers to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

As at September 30, 2024 and December 31, 2023, the amount of cash and cash equivalents is neither past due nor impaired and has classified as "High Grade", while trade and other receivables were classified as "Standard Grade". The credit quality of the financial assets is managed by the Group using the internal credit quality ratings as follows

High Grade. 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 and companies. Credit quality was determined based on the credit standing of the counterparty.

Standard Grade. Other financial assets not belonging to high grade financial assets are included in this category.

Substandard Grade. Substandard grade financial assets are those which are considered worthless. These are accounts which have the probability of impairment based on historical trends.

As at September 30, 2024 and December 31, 2023, the aging analysis of the Group's financial assets is as follows:

	September 30, 2024					
		Past Due Accounts but not Impaired				
	Neither Past Due nor Impaired	**1 - 30 Days Past Due**	**31 - 60 Days Past Due**	**Over 60 Days**	**Impaired Financial Assets**	**Total**
Cash in banks	**$393,807**	**$–**	**$–**	**$–**	**$–**	**$393,807**
Trade and other receivables	**5,281,385**	**3,802,145**	**893,953**	**526,417**	**3,409,874**	**13,913,774**
	$5,675,192	**$3,802,145**	**$893,953**	**$526,417**	**$3,409,874**	**$13,913,774**

	December 31, 2023					
		Past Due Accounts but not Impaired				
	Neither Past Due nor Impaired	1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days	Impaired Financial Assets	Total
Cash in banks	$1,499,747	$–	$–	$–	$–	$1,499,747
Trade and other receivables	10,534,769	1,416,463	315,968	870,858	2,841,260	15,979,318
	$12,034,516	$1,416,463	$315,968	$870,858	$2,841,260	$17,479,065

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt and equity investments.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group has transactional currency exposures arising from purchase and sale transactions denominated in currencies other than the reporting currency. The Group does not enter into forward contracts to hedge currency exposures.

As part of the Group's risk management policy, the Group maintains monitoring of the fluctuations in the foreign exchange rates, thus managing its foreign currency risk.

Liquidity Risk.

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Group's objective is to maintain a balance between continuity of funding and flexibility through related party advances and aims to manage liquidity as follows:

a. To ensure that adequate funding is available at all times;

b. To meet commitments as they arise without recurring unnecessary costs; and

c. To be able to assess funding when needed at the least possible cost.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will make adjustments, if necessary, in order to generate a reasonable level of returns to stockholders over the long term. No changes were made in the objectives, policies or processes during the year.

The Group considers the equity presented in the interim condensed consolidated statements of financial position as its core capital.

The Group monitors capital using debt to equity ratio, which is total debt divided by total equity. The debt-to-equity ratio as at September 30, 2024 and December 31, 2023,is as follows:

	2024	2023
Debt	**30,257,954**	34,194,097
Equity	**14,539,477**	14,125,617
	$2.08:1	$2.42:1

The Group is not subject to any externally imposed capital requirements.

Debt is composed of trade and other payables, loans payable, due to related parties and income tax payable, while equity includes share capital, reserves of the Group and non-controlling interests, less treasury shares. The computed ratios above are acceptable.

The Group reviews its capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with it.