

COVER SHEET

for INTERIM FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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	I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		(A		S	u	b	s	i	d	i	a	r	y

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

S	u	i	t	e		3	1	0	4	A	,		W	e	s	t		T	o	w	e	r	,		P	h	i	l	i	p	p	i	n	e	
S	t	o	c	k		E	x	c	h	a	n	g	e		C	e	n	t	r	e	,		E	x	c	h	a	n	g	e		R	o	a	d

Form Type

1	7	-	Q
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Department requiring the report

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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

PSECompliance@allianceselectfoods.com

Company's Telephone Number/s

(02) 8673-8800

Mobile Number

+63917-620-5726

No. of Stockholders

236

Annual Meeting (Month / Day)

June 15

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Atty. Ma. Resa S. Celiz

Email Address

PSECompliance@allianceselectfo
ods.com

Telephone Number/s

(02) 8637-8800

Mobile Number

+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.

**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 March 31, 2025

(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 March 31, 2025
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 three months ended March 31, 2025 (with comparative figures as at December 31, 2024 and for the period ended March 31, 2024) 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 three months ended March 31, 2025, with comparative figures as at December 31, 2024 and for the period ended March 31, 2024, as appropriate.

The table below shows the comparisons of key operating results for the three-month period ended March 31, 2025 versus the same period in 2024.

Amount in US\$ '000	For the Three Months		
	Ended March 31		
	2025	2024	% Change
Revenue	\$19,613	\$21,283	-8%
Gross profit	1,963	1,741	13%
Gross Profit %	10%	8%	22%
Selling & Administrative Expenses	1,173	1,167	1%
Finance Cost	457	428	7%
Income Before Tax	281	89	217%
Income Tax Expense	71	34	111%
Income for the Period	210	55	283%
Attributable to:			
Equity holders of the parent	\$210	\$55	
Non-controlling interest	(0)	(0)	
	\$210	\$55	

**Numbers may not add up due to rounding*

Results of operations

Three months ended March 31, 2025 versus March 31, 2024

The Group's consolidated net revenues for the first quarter of 2025 is 8% lower than the revenues in the same reporting period last year due to decrease in volume for loins and local categories.

The Group's gross profit rate (GPR) for the first quarter of 2025 increased to 10% from 8% GPR of the same period last year due to better product mix and continuing improvement in plant utilization.

General and administrative expenses increased by 1% only while finance cost is higher by 7%.

Income improved due to the better gross profit margin.

Financial Position

As at March 31, 2025 versus December 31, 2024

The Group's cash increased by 115% is due to better control of cashflow.

The increase in other current assets comes from increase in cash, slow down on collections of trade receivables and an increase in raw materials for working capital requirement.

Trade and other payables increased by 22% due to an increase in purchases of frozen fish and other raw materials.

KEY PERFORMANCE INDICATORS

The Group uses the following key performance indicators 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	March 31, 2025	December 31, 2024
Current ratio	1.05	1.04
Debt to equity ratio	3.33	2.71

Profitability	For the Three Months Ended March 31	
	2025	2024
Revenue growth rate	-8%	55%
Net profit margin	1%	0%
Return on average stockholders' equity	1%	0%

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


PART II – OTHER INFORMATION

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

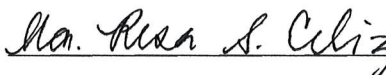
SIGNATURES

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
Chief Financial Officer and Treasurer



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

SUBSCRIBED AND SWORN to before me this 14 MAY 2025 at PASIG CITY
affiants exhibiting to me their government-issued identification cards, as follows:

NAMES	GOVERNMENT ISSUED ID NO.	DATE	PLACE
JOSEPHINE S. RAMOS	Passport No. P1271428B	03-29-2019	DFA Manila
MARIA RESA S. CELIZ	Passport No. P0649417C	06-27-2022	DFA Manila

Doc. No. 336;
Page No. 72;
Book No. 90;
Series of 2025.

FERDINAND D. AYALAO
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 2831461AA; 01/03/25; Pasig City
U-5, G/F West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel. +632-86314090

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	4	\$1,721,689	\$800,590
Trade and other receivables	5	18,792,109	11,808,060
Inventories	6	18,529,625	17,641,978
Other current assets	7	5,598,985	5,366,467
Total Current Assets		44,642,408	35,617,095
Noncurrent Assets			
PPE and ROU		14,310,571	14,223,919
Deferred tax assets		717,393	717,393
Total Noncurrent Assets		15,027,964	14,941,312
		\$59,670,372	\$50,558,407
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	8	\$17,180,141	\$14,045,856
Loans payable	9	25,211,637	20,256,921
Current portion of lease liabilities		60,487	20,674
Income tax payable		(9,155)	0
Total Current Liabilities		42,443,110	34,323,451
Noncurrent Liabilities			
Due to a related party		2,686,333	1,808,799
Noncurrent portion of lease liabilities		(66,877)	0
Net retirement benefits obligation		324,923	305,661
Deferred tax liabilities		67,780	67,780
Other noncurrent liability		423,241	442,068
Total Noncurrent Liabilities		3,435,400	2,624,308
Total Liabilities		45,878,510	36,947,759
Equity			
	10		
Capital stock		26,823,389	26,823,389
Additional paid-in capital (APIC)		1,486,546	1,486,546
Deficit		(16,207,229)	(16,416,525)
Other comprehensive income		1,631,939	1,659,725
		13,734,645	13,553,135
Treasury shares		(5,774)	(5,774)
Equity attributable to equity holders of the Parent Co.		13,728,871	13,547,361
Non-controlling interests		62,990	63,287
Total Equity		13,791,861	13,610,648
		\$59,670,372	\$50,558,407

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 March 31 (Unaudited)	
Note	2025	2024
NET SALES	\$19,613,072	\$21,282,691
COST OF GOODS SOLD	(17,650,569)	(19,541,634)
GROSS PROFIT	1,962,503	1,741,057
SELLING AND ADMINISTRATIVE EXPENSES	(1,172,624)	(1,166,788)
INTEREST EXPENSE	(456,965)	(428,461)
OTHER INCOME (CHARGES) – Net	(51,655)	(57,077)
INCOME BEFORE INCOME TAX	281,259	88,731
INCOME TAX EXPENSE	(71,963)	(33,831)
NET INCOME	209,296	54,900
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(26,754)	31,640
TOTAL COMPREHENSIVE INCOME	\$182,543	\$86,540
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	209,358	54,992
Noncontrolling interests	(62)	(91)
	\$209,296	\$54,900
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	\$182,901	\$86,280
Noncontrolling interests	(359)	260
	\$182,543	\$86,540
EARNINGS PER SHARE		
Basic and diluted earnings per share	\$0.00008	\$0.00002

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	Three Months Ended March 31, 2025 (Unaudited)	2024 (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			
<i>Cumulative Remeasurement on Retirement Obligation</i>			
Balance at beginning and end of period		262,410	303,613
<i>Cumulative Translation Adjustment</i>			
Balance at beginning of year		1,396,283	1,318,396
Exchange differences on foreign currency translation		(26,754)	23,594
Balance at end of period		1,369,529	1,341,990
Total balance at end of year of other comprehensive income		1,631,939	1,645,603
Retained Earnings (Deficit)			
Balance at beginning of year		(16,416,525)	(13,415,511)
Net income		209,296	54,992
Balance at end of period		(16,207,229)	(13,360,519)
Treasury Shares	11	(5,774)	(5,774)
NON-CONTROLLING INTERESTS			
Balance at beginning of year		63,287	(2,385,042)
Total comprehensive income attributable to non-controlling interests		(297)	260
Balance at end of period		62,990	(2,384,782)
		\$13,791,861	\$14,204,462

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

**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 March 31, 2025 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

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.

In May 2012, PT IAFI set up PT Van de Zee (PT VDZ), a fishing company in Indonesia with an initial stake of 80%. In 2014, a new law in Indonesia required that domestic ownership in local entities be increased to at least 51%. Due to subsequent changes in Indonesian fishing regulations restricting foreign commercial fishing, PT VDZ went through a liquidation process. On August 12, 2024, the voluntary dissolution of PT VDZ was completed, and its registration was removed from the Indonesian Corporate Register based on the certification issued by the Indonesian Ministry of Law and Human Rights of the Republic of Indonesia.

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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 March 31, 2025, 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:

	March 31, 2025	December 31, 2024
Trade receivables	\$20,155,614	\$11,782,706
Others	2,823,708	2,894,283
	22,979,322	14,676,989
Less allowance for impairment losses	(4,187,213)	(2,868,929)
	\$18,792,109	\$11,808,060

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

Other receivables include the amount of the sale of idle assets and advances to employees subject for liquidation and salary deductions.

6. Inventories

This account consists of:

	March 31, 2025	December 31, 2024
Finished goods	\$7,340,012	\$7,659,152
Raw materials	10,161,543	9,743,779
Packaging supplies	1,028,070	239,047
	\$18,529,625	\$17,641,978

7. Other Current Assets

This account consists of:

	March 31, 2025	December 31, 2024
Advances to suppliers	\$3,673,331	\$3,702,163
Input VAT	1,741,878	1,541,592
Other Prepayments	414,387	516,794
	5,829,596	4,735,751
Allowance for impairment losses	(230,611)	(394,082)
	\$5,598,985	\$5,366,467

8. Trade and Other Payables

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

Trade payables are noninterest-bearing and are generally settled within 30 days. Trade 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, interest, freight, security services, commission and customers' claims. Accrued expenses are usually settled in the following month.

Statutory payable includes amounts payable to government agencies such as SSS, Philhealth and Pag-IBIG and are normally settled in the following month.

Customers' deposit pertains to advances from customers for the purchase of goods. These are recognized as revenue upon delivery of goods to customers.

9. Loans Payable

Loans payable include borrowings from local banks and investment banks.

Loans from local banks pertain to working capital and availments of revolving facilities in the form of export packing credit, export bills purchase and import letter with term ranging from 3 to 6 months with interest rates ranging from 5.75% to 6.25% per annum.

10. Equity

Capital Stock

Details of the Company's capital stock as at March 31, 2025 and December 31, 2024 are as follows:

	2025		2024	
	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 Per Share

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

	Three Months Ended March 31	
	2025	2024
Net income attributable to Parent Company	\$209,358	\$54,992
Weighted average number of ordinary shares outstanding	2,499,712,463	2,499,712,463
	\$ 0.00008	\$ 0.00002

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 \$25.6 million and \$17.7 million as of March 31, 2025 and December 31, 2024, 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. Compliance with credit limits by customers is regularly monitored by management.

As at March 31, 2025 and December 31, 2024, 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 trend.

As at March 31, 2025 and December 31, 2024, the aging analysis of the Group's financial assets is as follows:

March 31, 2025						
	Neither Past Due nor Impaired	Past Due Accounts but not Impaired			Impaired Financial Assets	Total
		1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days		
Cash in banks	\$1,711,643	\$–	\$–	\$–	\$–	\$1,711,643
Trade and other receivables	10,628,158	4,367,124	833,996	2,962,830	2,868,929	21,661,038
Receivable from WCFI	0	0	0	0	2,183,281	2,183,281
	\$12,339,801	\$4,367,124	\$833,996	\$2,962,830	\$5,052,210	\$25,555,962

December 31, 2024						
	Neither Past Due nor Impaired	Past Due Accounts but not Impaired			Impaired Financial Assets	Total
		1 - 30 Days Past Due	31 - 60 Days Past Due	Over 60 Days		
Cash in banks	\$790,245	\$–	\$–	\$–	\$–	\$790,245
Trade and other receivables	3,540,475	2,876,013	2,267,926	3,124,273	2,868,929	14,677,616
Receivable from WCFI	0	0	0	0	2,183,281	2,183,281
	\$4,327,531	\$2,876,013	\$2,267,926	\$3,124,273	\$5,052,210	\$17,647,953

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 March 31, 2025 and December 31, 2024, follows:

	2025	2024
Debt	45,878,510	36,647,759
Equity	13,791,861	13,610,648
	\$3.33:1	\$2.71:1

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.