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None

Number
77195190

	N/A
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10,638

Any day of June

12/31

Atty. Jose A. Bernas

bernaslaw@gmail.com

8892-7470

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.

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 December 31, 2020.
2. SEC Identification Number AS094-0050666. BIR Tax Identification No. 003-973-161-000
4. Exact name of issuer as specified in its charter SWIFT FOODS, INC.
5. Metro Manila, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 4F RFM Corporate Center, Sheridan corner
Pioneer Streets, Mandaluyong City.....
Address of principal office
8. (+632) 719-51-90
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 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	1,818,436,953
Preferred	48,633,664
Debt	Not applicable

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 and Preferred shares

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. (See definition of "affiliate" in "Annex B").

**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 ☐

Not Applicable

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;

(b) Any information statement filed pursuant to SRC Rule 20;

(c) Any prospectus filed pursuant to SRC Rule 8.1.

SWIFT FOODS, INC.
Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Year Ended December 31, 2019

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Swift Foods, Inc. ("SFI" or the "Company") was incorporated on 6 June 1994 to assume RFM's business of manufacturing, marketing, and distributing processed and canned meat products, poultry products, and commercial feeds.

The Company was primarily organized into two business divisions, namely, agribusiness (poultry and feeds) and meat (meat processing and sales & distribution) divisions.

RFM Corporation began its agribusiness operations in 1965 when it diversified into feed milling. In 1970, it expanded into the poultry business when it entered into a licensing agreement with Peterson Industries and H & N Layers to breed day-old chicks in the Philippines. In 1977, the Company expanded its poultry business by establishing a broiler farm and dressing plant in Cebu.

In June 1994, the Agribusiness and Meat Division of RFM were spun-off to SFI.

The Company undertook an extensive expansion program in 1987 in response to increased market demand. Integrated branches were established across the country. The Company has 10 integrated branches nationwide engaged in hatching, growing, dressing and distribution operations which supply poultry to customers within its geographic area.

In November 2001, the employees of Meat Division went on strike, which effectively caused the closure of the Cabuyao plant. As a result, the Board of Directors decided to transfer the marketing, selling, and distribution activities of the Meat Division to RFM Corporation to join the latter's branded food group business effective 1 October 2002.

In April 2009, the company decided to shutdown all branch operation except for Palawan branch. In August 2011, the company formally ceased its GHQ operation due to severe losses.

The Company's agribusiness division produces and sells poultry products: live and dressed/processed chicken. In 2013, dressed chicken accounted for approximately 100% of volume sold. Dressed chicken are sold either whole, cut-up into parts and/or customized and processed according to customers' requirements.

About 50.00% of the Company's products are sold to its distributors which sell mainly to downline accounts or wet markets. The remaining 50.00% are sold to Secondary Accounts Group representing mainly the supermarkets, groceries, hotels, restaurants including the food service/fast food segment and live broiler and day-old chick.

The Philippine poultry industry consists of members of the Philippine Association of Broiler Integrators (PABI) which account for about 70% of total production and commercial raisers, which represent about 30%. Members of PABI include San Miguel Foods, Inc., Swift Foods, Inc., Tyson's Agro Ventures, Universal Robina, and Vitarich Corporation. Through the years, competition has become more intense, due not only to the increase in domestic production but increase in imports as well. The Government, recognizing the critical role of the industry in agricultural growth, has continued to provide support through the minimum access volume, safeguards law and other measures that give some level of protection to the industry from import surges, smuggling and unfair trade competition.

SFI has 15 employees as of December 31, 2020, broken down as follows:

Executive	1
Managers/Supervisors	5
Rank and File	9

SFI's poultry production involves two processes: broiler growing operations and dressing/processing operations. Day-old-chicks are bred in rented farms and contract-growers' farms for about 32 days. Harvested broiler chickens are sent to the rented dressing plant for slaughtering/processing.

Under SFI's contract growing arrangements, contract growers provide the following services: housing for the birds that meets SFI's requirement and broiler specifications; labor for day-to-day operations of the farm; and overhead costs such as water, electricity and fuel. The contract also requires the farmer to comply with the vaccination programs and to provide bio-security measures specified by SFI. In return, SFI supplies day-old chicks, feeds, medication and technical assistance.

Raw materials are available when needed. The Company is not dependent upon one or a limited number of suppliers for essential raw materials and there are no existing supply contracts. The principal suppliers of the Company for its major raw materials are DBJ Feeds, Rizal Poultry, Grand Majestic, EJV Enterprises, Supervet International, and Rising G, among others.

The Company secures the following government approval/permits for its principal products or services:

Product Activity	Approval/Permits Being Secured	Government Agency
Feeds/Feeds Ingredients	Manufacturing. Importing, etc.	National Food Authority, Bureau of Animal Inspection
Dressing of broilers	Inspection fee	National Meat Inspection Commission

Trademarks:

The Company has registered trademarks and has also applied for trademark registration for its products. A trademark has a life of 20 years from registration date. It has a term of ten (10) years and is renewable for another ten (10) years. Once registered, a company is granted the exclusive right over the trademark. The filing of an "Affidavit of Actual Use" every 5th and 10th year anniversary is necessary to show proof that the trademarks are in use.

While SFI retains ownership over the trademarks, RFM Corporation was granted the license to use some of the trademarks for its meat products.

In 2009, the ownership of the trademarks for its meat products was assigned back to RFM Corporation. The Trade License Agreement between SFI and RFM Corporation was finalized in year 2012. Hence, the Swift brand and name is now officially owned by RFM Corporation. However, the agreement provides that SFI shall cease to use Swift in its company name and chicken products if and when it discontinues its poultry business. RFM Corporation sold its Swift brands and logos last November 2012. Presently, the name 'SWIFT' is retained as company name.

Financial Risk Management Objectives and Policies:

The Company's principal financial instruments consist of cash and cash equivalents, trade receivables, due from employees and accounts payable and other payables. The main purpose of these financial instruments is to ensure adequate funds for the Company's operations.

It is the Company's policy that no trading of financial instruments shall be undertaken.

The Company's management and the BOD review and approve policies for managing these risks. Management closely monitors the funds and financial transactions of the Company.

The Company recognizes the fact that its business operations are always exposed, in one way or the other, to some level of uncertainties or risks which, if not properly addressed and managed, could be detrimental to the profitability of the Company. Listed below are the financial risks the Company is exposed to:

Credit risk

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

The Company controls credit risk through strict monitoring procedures and regular coordination with customers.

The maximum exposure to credit risk is equal to the Company's financial assets. The tables below show the credit quality and aging analysis of financial assets:

The following tables show the credit quality and aging analysis of financial assets.

	2020						Total
	Current			Past Due			
	Minimal Risk	Average Risk	High Risk	1-90 Days	More than 90 days	Credit Impaired	
Cash and cash equivalents	₹9,910	₹—	₹—	₹—	₹—	₹—	₹9,910
Receivables							
Trade	3,144	—	—	982	1,920	239	6,285
Nontrade	—	—	—	—	—	13,162	13,162
	₹13,054	₹—	₹—	₹982	₹1,920	₹13,401	₹29,357

	2019						Total
	Current			Past Due		Credit Impaired	
	Minimal Risk	Average Risk	High Risk	1-90 Days	More than 90 days		
Cash and cash equivalents	₱11,457	₱—	₱—	₱—	₱—	₱—	₱11,457
Receivables							
Trade	3,544	—	—	1,719	140	239	5,642
Nontrade	—	—	—	—	—	13,162	13,162
	₱15,001	₱—	₱—	₱1,719	₱140	₱13,401	₱30,261

The Company classifies credit quality risk as follows:

Minimal risk - accounts with a high degree of certainty in collection, where counterparties have consistently displayed prompt settlement practices, and have little to no instance of defaults or discrepancies in payment. This includes receivables which are covered by cash bonds.

Average risk - active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues, but where the likelihood of collection is still moderate to high as the counterparties are generally responsive to credit actions initiated by the Company.

High risk - accounts with low probability of collection and can be considered impaired based on historical experience, where counterparties exhibit a recurring tendency to default despite constant reminder and communication, or even extended payment terms

For cash and cash equivalents, the Company applies the low credit risk simplifications. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations when they fall under normal and stress circumstances. To limit risk, the Company manages its liquid funds through cash planning on a monthly and weekly basis. The Company uses historical figures and experiences and forecasts from its collections and disbursements, as well as projections based on the annual business plan. Likewise, the Company places excess funds in short-term cash investments. The Company also enters into restructuring agreements with creditor banks, as the need arises.

The table below summarizes the Company's maturity profile of financial assets held for managing liquidity and maturity profile of financial liabilities based on contractual undiscounted obligations.

As of December 31, 2020:

	On Demand	Less than 3 months	3 to 12 months	3 Total
Debt instruments at amortized cost:				
Cash and cash equivalents	₱9,910	₱–	₱–	₱9,910
Trade receivables	3,141	3,144	–	6,285
Total financial assets	13,051	3,144	–	16,195
Other financial liabilities:				
Accounts payable and other payables*	34,326	–	–	34,326
Liquidity position (gap)	(₱21,275)	₱3,144	₱–	(₱18,131)

* Excluding nonfinancial liabilities amounting to ₱12,922

As of December 31, 2019:

	On Demand	Less than 3 months	3 to 12 months	3 Total
Debt instruments at amortized cost:				
Cash and cash equivalents	₱11,457	₱–	₱–	₱11,457
Trade receivables	2,098	3,544	–	5,642
Total financial assets	13,555	3,544	–	17,099
Other financial liabilities:				
Accounts payable and other payables*	35,270	–	–	35,270
Liquidity position (gap)	(₱21,715)	₱3,544	₱–	(₱18,171)

* Excluding nonfinancial liabilities amounting to ₱16,980

The Company's operation relates to agricultural activity and leasing of real property and the financial instruments held by the Company only relates to such activity. As such, the financial risk management disclosure on credit risk and liquidity risk are likewise the strategies related to agricultural activity as required by PAS 41.

Financial risk management related to agricultural activities

The Company is exposed to financial risk due to changes in the cost and supply of feed raw materials and also to the volatility of chicken selling price, and other products which are determined by the supply and demand in the market. There are other factors which contribute to this risk over which the Company has little control such as government regulations, climate, and diseases that may affect the livestock. Such risks and mitigating factors are listed below.

Inherent risk to food manufacturing particularly in the fresh meat processing is spoilage and contamination. Generally, food manufacturing is being regulated by government agencies. The

Company employs controls in its manufacturing processes to ensure that all finished products passed through rigid quality control. In addition, government representatives who are deployed to all the Company's dressing plants are always on the lookout to attest the quality of the finished product through issuance of corresponding certificates. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice. The Company ensures that this possibility is considered during the financial budgeting process.

Major raw materials for livestock production like yellow corn expose the Company to risk particularly with the supply and price. The fluctuation of the price of yellow corn is dependent on the harvest results. Production cost will be unfavorably affected if there will be shortage in the supply. The Company closely monitors production requirements particularly of bulk raw materials to avail of competitive prices. In case of shortages in certain areas, the Company sources the raw materials from other areas in the country if the prices are competitive. However, whenever domestic supply of yellow corn falls short of industry requirements, the government has been flexible in regulating the supply of corn by allowing importation of corn when domestic supply is short. Another option is to use a substitute feed ingredient like wheat, which is readily available in the international market and priced competitively.

Item 2. Properties

SFI's poultry production facility consists of one broiler farm located in Tanay, Rizal.

The Company also has leased properties as listed below:

PROPERTY	LOCATION
Pioneer Office Building	Mandaluyong City
Palawan Office	Puerto Princesa, Palawan
Palawan Feeds Warehouse	Bgy. Tinigiban. Puerto Princesa. Palawan
Palawan Cold Storage	Bgy. Masipag., Puerto Princesa, Palawan

Item 3. Legal Proceedings

The Company has no pending legal case.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

There were no dividends declared in favor of common stockholders for the years 2020 and 2019. Preferred shareholders are not entitled to receive dividends.

(1) Market Information

(a) Common Stocks

The common shares of stock of SFI are traded on the Philippine Stock Exchange (PSE). The high and low sales prices for each quarter within the last two calendar years are as follows:

DATE	High	Low	Close
2021			
Quarter ended March 31	₱0.14	₱0.13	₱0.14
2020			
Quarter ended March 31	₱0.13	₱0.10	₱0.12
Quarter ended June 30	0.12	0.10	0.11
Quarter ended September 30	0.12	0.10	0.11
Quarter ended December 28	0.13	0.10	0.12
2019			
Quarter ended March 29	₱0.13	₱0.13	₱0.13
Quarter ended June 26	0.13	0.12	0.13
Quarter ended September 30	0.12	0.12	0.12
Quarter ended December 27	0.12	0.12	0.12

The price as of the last trading date for this report is ₱0.140 on March 31, 2021.

There are 7,254 stockholders of 1,818,436,953 common shares of stock of the Company as of December 31, 2020.

(b) Preferred Stocks

The preferred shares of stock of the Company are traded on the Philippine Stock Exchange (PSE). There are 3,384 stockholders of 48,633,664 issued and outstanding preferred shares of stock of the Company as of December 31, 2020.

(2) Holders

A list of the top one hundred (100) common and preferred stockholders of the Company as of December 31, 2020 is attached hereto as Annex "A".

Common Stocks

The names of the top twenty (20) shareholders of the common shares of stock of the Company are as follows:

Rank	Stockholder Name	Total Shares Held	Percentage of Shareholdings
1	PCD Nominee Corporation (Filipino)	1,326,603,858	72.95%
2	Renaissance Property Management Corporation	117,292,756	6.450%
3	Li Chih-Hui	100,000,000	5.500%
4	Feati University	77,119,994	4.240%
5	Chilco Holdings, Inc.	44,511,824	2.450%
6	PCD Nominee Corporation (Foreign)	38,318,436	2.110%
7	S & A Industrial Corp.	26,145,590	1.440%
8	Concepcion Industries, Inc.	17,766,734	0.980%
9	Sahara Management& Devt. Corp.	9,342,729	0.510%
10	Republic Commodities Corp.	8,242,083	0.450%
11	S & A Industrial Corporation	6,167,888	0.340%
12	Foresight Realty & Dev't Corp.	4,782,433	0.260%
13	Horizons Realty Inc.	3,854,960	0.210%
14	S & A Industrial Corp.	2,921,394	0.160%
15	Eumelia Concepcion Hechanova	1,929,856	0.110%
16	Segovia & Co., Inc.	1,600,689	0.090%
17	S & A Industrial Corporation	1,599,845	0.090%
18	Joseph Server Jr. or Estelita L. Server	1,335,674	0.070%
19	Rafael Hechanova&/or EumeliaC. Hechanova.	1,050,581	0.060%
20	Guillermo F. Gili Jr.	970,000	0.050%

Preferred Stocks

The names of the top twenty (20) shareholders of the preferred shares of stock of the Company are as follows:

Rank	Stockholder Name	Total Shares Held	Percentage of Shareholdings
1	PCD Nominee Corporation (Filipino)	15,560,231	31.99%
2	Horizons Realty, Inc.	13,925,994	28.63%
3	Concepcion Industries, Inc.	3,138,155	6.45%
4	Ronald S. Po	2,809,514	5.78%
5	Sahara Management & Development Corporation	2,515,033	5.17%
6	Select Two Incorporated	2,176,069	4.47%
7	Republic Commodities Corp.	1,455,806	2.99%
8	Foresight Realty Development Corporation	844,725	1.74%
9	Silang Forest Park, Incorporated	655,713	1.35%
10	Arcon Group Holdings	523,997	1.08%
11	Hyland Realty Corporation	523,997	1.08%
12	Lace Express Inc.	506,059	1.04%
13	PCD Nominee Corporation (Foreign)	354,177	0.73%
14	Eumelia Concepcion Hechanova	340,872	0.70%
15	Raphael Hechanova and/or Eumelia C. Hechanova	185,565	0.38%
16	Willington Chua	177,391	0.36%
17	Mercury Management Corporation	168,694	0.35%
18	Home Development Mutual Fund	152,991	0.31%
19	Joseph Server Jr. or Estelita L. Server	121,003	0.25%
20	Reynaldo Concepcion	101,049	0.21%

(3) Dividends

Prior to July 7, 2004, the preferred stock earns cumulative dividends up to a maximum of 15%. The dividend rate is based on the issue price of ₱10.00 per share. The dividends are payable quarterly. One preferred share is convertible to 10 common shares at any time after the issuance up to August 7, 2003. The holders of the convertible preferred share have the option to put the said shares to the Company on any date commencing two years after the end of the offer period until August 7, 2003, which was extended until February 27, 2004. Upon the exercise of said right, the Company shall redeem the convertible preferred shares at the offer price plus any accumulated dividends.

On May 12, 2004, the stockholders amended the terms of the convertible preferred shares by extending the conversion period until August 7, 2038, and the put option period until August 7, 2038. Likewise, the preferred shareholders shall not be entitled to receive dividend at any time and neither shall such shares participate in any other dividends declaration in favor of common shares. The above amendment was approved by the stockholders during the annual stockholders' meeting on June 25, 2004, and approved by the Securities and Exchange Commission on July 7, 2004.

On September 1, 2005, the stockholders further amended the terms of the convertible preferred shares by granting the Company as issuer the option to redeem the convertible preferred shares on any date commencing from the time of approval by the SEC of the amendments and until August 7, 2038 at the offer price. Previously, the holder has the option to put the convertible preferred shares to the Company but this option was removed in the September 1, 2005 amendments. The Company has no obligation to redeem any preferred shares that remain outstanding after August 7, 2038. These amendments were approved by the Securities and Exchange Commission on October 19, 2005.

On October 11, 2006, the stockholders removed the term of the convertible preferred shares formerly set at August 7, 2038. Hence, the Corporation shall have the option to redeem the convertible preferred shares at the offer price on any date commencing from the time of the approval by the SEC of the amendment. SEC approved the amendment on December 6, 2006.

(4) Recent Sales of Unregistered Securities

There are no sales of unregistered securities in the last four (4) years.

Item 6. Management's Discussion and Analysis or Plan of Operation.

Results of Operations –CY2020 vs. CY2019

Results of Operations. The Company formally rested its business operation except for Palawan branch, which remains as the only company-operated facility. The Company will continue the operation of Palawan branch and will focus on the marketing of fresh dressed chicken and this will support its current operations. The company continues to lease its remaining property in Tanay, Rizal.

Financial Position. The Company's assets as of December 31, 2020 totaled to ₱362 million as compared to ₱284 million as of December 31, 2019 due to increase in fair market value of investment property. Current ratio for the year 2020 is 0.4549:1 against last year's current ratio of 0.4212:1. Available cash on hand and in banks decreased by 13.50% compared with last year. Accounts receivable increased by 9.06% caused by lessened collections of receivable from customers due to imposed stricter health protocol. Inventories increased by ₱1.13M due to delay in chick-in to contract growers that resulted to accumulation of feeds stocks, medicine and vaccines inventories for Palawan. Biological assets decreased by 30.45% caused by unpredictable flight schedules resulting to delayed and non-chick-in at broiler-growing farm. Increase in Investment property of ₱78.56 million is due to increase in fair value of the property. Accounts payable, provisions and other payables slightly decreased by 9.57% mainly due to adjustment of long outstanding trade payables and payment of non trade obligations as of year-end. The retirement benefits obligation increased by 21.79% due to recognition of service cost for the additional year of service rendered by the employees.

Net cash used in operations amounted to (₱1.547) million. There is no cash from investing activity. In summary, cash and cash equivalents for the year decreased by about 13.50%.

Results of Operations –CY2019 vs. CY2018

Results of Operations. The Company formally rested its business operation except for Palawan branch, which remains as the only company-operated facility. The Company will continue the operation of Palawan branch and will focus on the marketing of fresh dressed chicken and this will support its current operations. The company continues to lease its remaining property in Tanay, Rizal.

Financial Position. The Company's assets as of December 31, 2019 totaled to ₱284 million as compared to ₱178 million as of December 31, 2018 due to increase in fair market value of investment property. Current ratio for the year 2019 is 0.4212:1 against last year's current ratio of 0.2935:1. Available cash on hand and in banks increased by 7.45% compared with last year. Accounts receivable increased by 6.21% due to increase in sales of HRI customers (term customers). Inventories increased by ₱0.52M due to increase in buffer stocks of feeds, medicine and vaccines inventories for Palawan. Biological assets decreased by 2.71% because some of the flocks (live broiler) in Palawan are one to three weeks old only. Increase in Investment property of ₱104 million is due to increase in fair value of the property. Accounts payable, provisions and other payables slightly decreased by 24.85% mainly due to adjustment of long outstanding trade payables and payment of non trade obligations as of year-end. The retirement benefits obligation increased by 27.53% due to recognition of service cost for the additional year of service rendered by the employees.

Net cash used in operations amounted to ₱.795 million. There is no cash from investing activity. In summary, cash and cash equivalents for the year increased by about 7.45%.

Results of Operations –CY2018 vs. CY2017

Results of Operations. The Company formally rested its business operation except for Palawan branch, which remains as the only company-operated facility. The Company will continue the operation of Palawan branch and will focus on the marketing of fresh dressed chicken and this will support its current operations.

Financial Position. The Company's assets as of December 31, 2018 totaled to ₱177 million as compared to ₱173 million as of December 31, 2017 due to increase in cash, biological assets and fair value of investment property. Current ratio for the year 2018 is 0.2935:1 against last year's current ratio of 0.2517:1. Available cash on hand and in banks increased by 6.69% compared with last year. Accounts receivable increased by ₱1.5 million due to increase in sales of HRI customers (term customers). Inventories decreased by 29.95% due to decrease in buffer stocks of feeds, medicine and vaccines inventories for Palawan. Biological assets increased by 37.61% due to increase in livestock in Palawan. Increase in Investment property of P1.4million is due to increase in fair value of the property. Accrued liabilities slightly decreased by 1.53% mainly due to adjustment of long outstanding trade payables and payment of non trade obligations as of year-end. The retirement benefits obligation increased by 8.11% due to recognition of service cost for the additional year of service rendered by the employees.

Net cash used in operations amounted to ₱.876 million. There is no cash from investing activity. In summary, cash and cash equivalents for the year increased by about 6.69%.

Plan of Operation:

The Company continues to wait for better business opportunities and carefully evaluates various business plans. Presently, only the Palawan branch remains operational and continues to produce quality dressed chicken. However, plans are underway to increase its production within the next twelve months. The Company is in the process of improving the performance of its contract growers to sustain financial viability.

There is no product research and development at the moment.

Key Performance Indicators:

Key Performance Indicator	Formula	CY2020	CY2019
Sales Revenue Growth	Sales this period	69.80%	111.64%
	Sales in the prior period		
Operating Margin	Income from Operations	-34.18%	-16.48%
	Net Sales		
Net income/(loss)		59,484	91,210
ROS	Net income before tax after interest	183.40%	188.58%
	Net sales		
Current Ratio	Current assets	0.4549:1	0.4212:1
	Current liabilities		
Debt to equity	Total liabilities	0.75	0.93
	Total Equity		
Asset to equity	Total assets	1.75	1.93

Total equity			
Solvency ratio	Income before income tax + depreciation	53.66%	89.96%
	Total liabilities		
Interest coverage ratio	EBIT	—	—
	Interest expense		
Profitability ratio	Gross profit	3.42%	9.88%
	Net sales		

Item 7. Financial Statements

See Audited Financial Statements as of December 31, 2020, attached hereto as Annex “B”.

	2020	2019
Trade - net of allowance for ECL of ₱239 in 2020 and 2019	₱6,046	₱5,403
Employees - net of allowance for ECL of ₱104 in 2020 and 2019	1,692	1,692
Nontrade receivables - net of allowance for ECL of ₱13,162 in 2020 and 2019	—	—
	₱7,738	₱7,095

There are no advances made to any directors, officers, stockholders, or related interests (DOSRI) or any affiliates as of December 31, 2020.

Prepaid Expenses and Other Current Assets (in thousands):

	2020	2019
Creditable withholding tax net of allowance for probable loss of P15,610 in 2020 and P15,969 in 2019.	-	₱-
Rental deposits	170	151
Others	22	22
	₱192	₱173

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Independent External Auditors

The Company's external auditors since incorporation have been Sycip, Gorres, Velayo & Co. (“SGV”). In compliance with SEC Memorandum Circular No. 8, Series of 2003, changes were made in the assignment of SGV's engagement partners.

The election, approval, or ratification of the Company's public accountant shall be discussed during the stockholders' annual meeting. SGV, which is the principal accountant for the fiscal year ended December 31, 2020, has been selected and shall be recommended to stockholders for election, approval, or ratification for the current year.

Representatives of SGV are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

There are no changes in or disagreements with accountants on accounting and financial disclosure.

Under SRC Rule 68 (3)(b)(iv), the external auditors shall be rotated every five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The reckoning date for such rotation commenced in year 2002.

The signing partner assigned to the Company is changed or rotated every after five (5) years of engagement in accordance with SRC Rule 69 (3)(b)(iv) and SEC Memorandum Circular No. 8 Series 2003.

The Manual on Corporate Governance does not provide for the Audit Committee's approval policies and procedures for the services of the external auditor.

The annual Audit Fee for 2020 is five hundred ten thousand pesos (P510,000.00) only.

The Audit Committee does not have any formal policies and procedures for the services of the external auditor.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Company

- (1) Directors and Executive Officers – The Directors of the Corporation are elected at the regular annual meeting of stockholders to serve for one (1) year until their successors are elected and qualified. The Officers of the Corporation are elected by a majority vote of the Board of Directors and are enumerated below, with a description of their business experience over the past five years.

Directors / Officers	Designation	Citizenship	Term
Jose S. Concepcion, Jr.	Chairman of the Board	Filipino	1 year
Francisco A. Segovia	President / CEO	Filipino	1 year
Luis Bernardo Ma. A. Concepcion	Director	Filipino	1 year
Senen C. Bacani	Director	Filipino	1 year
Alfredo B. Parungao	Director	Filipino	1 year
Alejandro J. Ferreria	Director	Filipino	1 year
Agnes C. Reyes	Treasurer	Filipino	1 year
Jose A. Bernas	Corporate Secretary	Filipino	1 year
Marie Lourdes T. Sia-Bernas	Asst. Corporate Secretary	Filipino	1 year

Jose S. Concepcion, Jr., 89, born on December 29, 1931, obtained an Associate's Degree in Business Administration from De La Salle University and a Bachelor's Degree in Agriculture from Araneta University. He is the Chairman of the Board of Swift Foods, Inc. He is also the Chairman of the Board of RFM Corporation, RFM Foundation Incorporated, and Executive Committee of the ASEAN Chamber of Commerce and Industry. Mr. Concepcion also holds Co-Chairman Position in the Bishops-Businessmen's Conference. He was previously designated as the Secretary of the Department of Trade and Industry, Chairman of the Board of Investments, member of the Central Bank Monetary Board, National President of the Council of Laity (Philippines) and the Society of Vincent Paul, National Chairman of the National Citizens Movement for Free Elections, Founding President of the Pasay City Citizen League for Good Government, delegate to the 1971 Constitutional Convention of the first District of Rizal, the Charter President of the Capitol Jaycees, and Trustee of the Oblate Educational System, Notre Dame University. Mr. Jose S. Concepcion, Jr. is the father of Mr. Jose Ma. A. Concepcion III, the current President and Chief Executive Officer of RFM Corporation, Luis Bernardo Ma. A. Concepcion, a Director of Swift Foods, Inc., and John Marie A. Concepcion, the Managing Director and Chief Executive Officer of Selecta.

Francisco A. Segovia, 67, born on January 17, 1954, obtained a Bachelor of Science degree in Business Management from the Ateneo de Manila University. He is Vice Chairman and CEO of FEATI University, RPMC Holdings Inc.; He is President of Segovia & Company, Inc., Fritz International Philippines, Inc., Intellicon, Inc., Chilco Holdings, Araneta Institute of Agriculture, Republic Dynamic Corporation, and Republic Consolidated Corporation. He is a director of RFM Corporation, Philippine Township, Inc., Invest Asia Corporation, and WWW Express Corporation.

Luis Bernardo A. Concepcion, 60, born on August 20, 1960, has a degree in Business Administration from St. Ambrose College and completed the International Course on Swine and Poultry Husbandry from the Barneveld College, The Netherlands. Mr. Concepcion was the President of Philippine Association of Broiler Integrators (PABI) in 1988-1989.

Senen C. Bacani, 75, born on July 30, 1945 in Guagua, Pampanga, he obtained a Bachelor of Science Degree in Commerce from De La Salle University in 1965, Summa cum Laude & class valedictorian. A Certified Public Accountant, he was granted an East-West Center Scholarship in 1966 and graduated from the University of Hawaii with a Master of Business Administration in 1968. He started his career with Dole Company in Honolulu and for the next 22 years, he progressively occupied management positions of increasing responsibility in the Philippines, Thailand, Ecuador, and Costa Rica. Former President Corazon C. Aquino appointed him Secretary of Agriculture in 1989. He holds several key positions in various companies and institutions as follows: Chairman of La Frutera, Inc., Trully Natural Food Corporation, UMIC International, Inc., President of Ultrex Management and Investments Corporation, member of the Board of Advisers of Roxas Holdings Inc., and East West Seed (Philippines), Inc., member of Board of Directors of Franklin Baker Company of the Philippines, Icebox Logistics Services, Inc. and Cooperative Insurance System of the Philippines. He is an independent director.

Alfredo B. Parungao, 83, born on January 24, 1938, obtained his Bachelor of Science Degree in Commerce at the Far Eastern University, graduated summa cum laude. A certified public accountant, he also got a Program for Management Development at Harvard Business School. He is at present the President of Ligaya Management Corporation, CIBI Foundation, Member of the Board of Trustees and Chairman of Insular Life Assurance Co., Ltd, Member of the Board of Directors of Insular Investment and Trust Corporation and UBIX Corporation and Chief of Staff, Social Security Commission.

Alejandro J. Ferreria, 70, born on February 18, 1951, obtained a Bachelor of Science Degree in Management from the Ateneo de Manila University, a Master's Degree in Business Administration from the University of the Philippines, and a Doctorate in Education Management from National University. He was also the Bank of America Foundation Professor of Business Management in Asian Institute of Management ("AIM") and was school dean of 3 of the 4 schools of AIM. He currently sits on several boards. Some of which are: Goodyear Philippines, Pascual Laboratories, Producers Savings Bank, G&S Transport (Avis Rent a Car), and Radio Wealth Finance.

Jose A. Bernas, 61, born on January 22, 1960, obtained a Bachelor's Degree in Arts from Haverford College and his LLB from the Ateneo de Manila University – School of Law. He is a member of the Philippine and New York Bar. He is the Chairman of the Board of Automation Specialists and Power Exponents, Inc. He is the President of Discovery Centre Condominium Corporation, Esquire Financial Management Corporation, Esquire Traders and Merchants Corporation, and Neptune Properties Inc., and is a director of Micros-Fidelio Software Philippines Inc., Perdana Land Philippines Inc., MSI-ECS Philippines Inc., and Testprep Inc. He is the Corporate Secretary of Berjaya Philippines Inc., which is also a company listed at the Philippine Stock Exchange, Philippine Gaming Management Corporation, Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Berjaya Pizza (Philippines) Inc., Berjaya Foundation Inc., Friendster Philippines Inc., MOL Access Portal Inc., Cosway Philippines Inc., Uniwiz Trade Sales Inc., Bermaz Auto Philippines Inc., Better Options Restaurants Inc., Landphil Management and Development Corporation, Par Motorrad Inc., Ssangyong Berjaya Motor Philippines Inc., Most Pretty Lady Holdings Inc., Floridablanca Enviro Corporation, Beautiful Creations Holdings Inc, and Bermaz Auto Asia Inc. He is the Managing Partner of the Bernas Law Offices.

Marie Lourdes T. Sia-Bernas, 55, born on December 16, 1965, obtained a Bachelor of Arts Degree in Political Science from De La Salle University and a Juris Doctor Degree from Ateneo de Manila University - School of Law. She is a member of the Philippine Bar. She is the President of Deux Mille Trading Corporation, and Silver Giggling Buddha Trading Inc. She is the President and Chairman of the Board of Sanpiro Realty & Development Corporation and of National Instruments Philippines Inc. She is a Director and Corporate Secretary of Micros-Fidelio Software Philippines Inc., the Corporate Secretary of Juillet Trading Corporation, Ultrasaurus Philippine Trading Inc., Discovery Centre Condominium

Corporation, Faselco Realty Corporation, Neptune Properties Inc., Neptune Holdings Inc., Testprep Inc. and Olsen's Food Corporation. She is the Corporate Secretary and Treasurer of Esquire Financial Management Corporation and Esquire Traders and Merchants Corporation. She is the Assistant Corporate Secretary of Berjaya Philippines Inc., which is also a company listed at the Philippine Stock Exchange, of Philippine Gaming Management Corporation, Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Berjaya Pizza (Philippines) Inc., Bermaz Auto Philippines Inc., Berjaya Foundation Inc., Friendster Philippines Inc., MOL Access Portal Inc., Cosway Philippines Inc., Uniwiz Trade Sales Inc., Beautiful Creations Holdings Inc., Better Options Restaurants Inc., Landphil Management and Development Corporation, Floridablanca Enviro Corporation, Bermaz Auto Asia, Inc., and Ssangyong Berjaya Motor Philippines Inc. She is the Administrative Partner at Bernas Law Offices.

Agnes C. Reyes, 66, born on March 21, 1955, obtained a Bachelor of Science Degree in Commerce from the University of Sto. Tomas. She was appointed Treasurer on August 5, 2013.

(2) Significant Employees: None

(3) Family Relationships

Jose S. Concepcion, Jr. is the father of Luis Bernardo Ma. A. Concepcion. Francisco A. Segovia is the latter's first cousin. Marie Lourdes T. Sia-Bernas is the wife of Jose A. Bernas. There are no other family relationships between and among the directors and officers of the Company except for the ones mentioned above.

(4) Involvement in Certain Legal Proceedings

To the knowledge and information of the Company, the above-named directors and executive officers were not involved during the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding or have been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities. Nor have they been found in action by any court or administrative bodies to have violated a securities or commodities law.

(5) Independent Directors

Messrs. Senen C. Bacani, Alfredo B. Parungao, and Alejandrino J. Ferreria are independent minority stockholders who are neither employees nor officers of the Company, and whose shareholdings are 0.0002% percent of the Company's equity pursuant to Section 38 of the Securities Regulation Code. The Chairman of the Board nominated the candidates for independent directors.

Item 10. Executive Compensation

Mr. Francisco A. Segovia, as the Chief Executive Officer, started to receive compensation and benefits for year 2018. The Compensation Committee of the Board of Directors approved the compensation of Company's Chief Executive Officer. The compensation received by Company's Executive is P6,129,860.93 for 2020 and 2019 respectively.

There are only 3 executive officers, namely, the Chairman, the President/Chief Executive Officer, and the Treasurer, but only the Chairman of the Board received no compensation for the years 2020 and 2019.

Name	Position
Jose S. Concepcion, Jr.	Chairman of the Board
Francisco A. Segovia	President / CEO
Agnes C. Reyes	Treasurer

The Company's executive officers are entitled to the following pecuniary benefits, bonus scheme, major benefits, and retirement plan:

1. Pecuniary Benefits

- (a) Option to purchase assigned vehicle after six (6) years at market value, or return the same to the Company and get a replacement vehicle at such time;
- (b) All expenses related to registration, comprehensive insurance, repairs, and maintenance are to be borne by the Company; and
- (c) Reimbursement of gasoline expenses up to a certain amount of liters per month.

2. Bonus Scheme

The grant of bonus will be on the basis of performance and attainment of business plan, particularly the specific objectives for the year, and in accordance with the Company policy.

3. Major Benefits

- (a) Hospitalization Plan for the executive officer and his/her immediate dependents, in accordance with Company policy;
- (b) Vacation Leave of fifteen (15) days per year, which may be accumulated up to 30 days, but is not convertible to cash;
- (c) Sick Leave of fifteen (15) days per year, which may be accumulated up to 45 days, but is not convertible to cash; and
- (d) Executive check-up once every four (4) years, including SPEC 23 KSAT blood test every two (2) years.

4. Retirement Plan

The retirement plan is available to any individual who has rendered at least five (5) years of service with the Company, which benefit is equivalent to twenty-five percent (25%) of the basic pay per year of service, to be increased by five percent (5%) per additional year of service up to a maximum of 125%.

5. Others

The Company has no compensatory plan or arrangement, including payments to be received from the registrant, with respect to a named executive officer, if such plan or arrangement results or will result from the resignation, retirement, or any other termination of such executive officer from employment with the registrant and its subsidiaries or from a change-in-control of the registrant or a change in the named executive officer's responsibilities following a change-in-control, and the amount involved, including all periodic payment or installments, which exceeds ₱2,500,000

A. Commitments and Contingent Liabilities

There are no significant commitments and contingencies involving the Company.

Others

The Philippines continues to experience economic difficulties relating to currency fluctuations, volatile stock markets and slowdown in growth. In addition, there are commitments, guarantees, litigations, and contingent liabilities that arise in the normal course of the Company's operations which are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Company's financial statements.

1) Other Matter

COVID-19 PANDEMIC

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months. Various stages of quarantine were imposed since then, which restricted various economic activities. As of April 27, 2021, the country is under the modified enhanced quarantine (MECQ), which allows certain offices or industries to operate at full or partial capacity. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

Likewise, government authorities in other countries where the Company operates, adopted measures, including lockdowns, to control the spread of the virus and mitigate the impact of the outbreak.

These measures have caused disruptions to businesses, global supply chain, and economic activities, and its impact continues to evolve.

The above measures are expected to result to disruptions to businesses and economic activities. The Company will continue to operate Palawan branch, its only company-operated facility during the period of nationwide lockdown. All necessary government permits, food passes, travel clearances, veterinary health certificates, accreditations, and other documents had been secured to ensure that there would be no interruptions during the harvest of live broiler, dressing, delivery of feeds, and delivery of dressed chicken to market. The Company provides meals and transportation allowances to all its employees and has secured employment certificates and barangay quarantine passes for its employees for their unimpeded travel access. The Company's office hours, harvest and dressing schedules had been adjusted to conform to the curfew schedule. The Company also provides free lodging and meal allowance to its dressing plant employees.

The Company takes all necessary measures to maintain its normal operations. The Company sees no additional expenses or losses in its live broiler stocks during the period of lockdown since these will be harvested and dressed based on its scheduled time. The Company though anticipates selling 15% only of its production output and the remaining 85% will be put in the cold storage.

The Company expects no chick-in during the period of lockdown or even up to extended period of lockdown just in case the government prescribes since there will be no available flights, chick-in will resume only when the government lifts the nationwide lockdown. The Company expects production loss beyond the lockdown period. The Company will just continue to sell its accumulated frozen stocks to its customers.

The Company expects a manageable effect in its financial performance for the months of March to May 2020. Management see a break-even or accrual of minimal losses for the said period due to unavoidable fixed costs and additional expenses such as storage fees, meals, among others.

The scale and duration of these developments remain uncertain as at the report date. It is not possible to estimate the overall impact of the outbreak's near-term and longer effects, however, the Company has already incurred and will continue to incur costs as the Company continues to mitigate the adverse impact of the outbreak on its operations. The outbreak could have a material impact on the Company's financial result for the rest of 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Company will continue to monitor the situation.

2) Earnings per share.

Earnings per share were computed as follows:

	2020	2019	2018
Net Income/loss attributable to common stockholders (in thousand)	₱59,484	₱91,210	₱4,264
Divided by weighted average number of common stock	1,818,436,953	1,818,436,953	1,818,436,953
Basic/diluted loss per share	₱0.0327	₱0.0502	₱0.0023

3) Capital Stock:

Information on capital stock in 2020 and 2019 follows:

Number of shares	2020	2019
Preferred stock - ₱1 par value:		
Authorized shares	200,000,000	200,000,000
Issued shares	59,731,934	59,731,934
Outstanding shares	48,633,664	48,633,664
Common stock - ₱1 par value:		
Authorized shares	2,500,000,000	2,500,000,000
Issued and outstanding shares	1,818,436,953	1,818,436,953

4) Deficit

As of December 31, 2020 and 2019, the deficit of the Company (in thousands) amounted to ₱2,861,708, and ₱2,920,876, respectively.

There is no stock purchase agreement, stock agreement, stock split, or other dividends.

5) Treasury Stock

As of December 31, 2020 and 2019, the Company has a total of 59,731,934 issued shares, which include the 11,098,270 preferred shares in Treasury acquired by the Company at ₱10 per share or a total amounting to ₱110.98 million.

Only Supplementary Schedules F & I are attached to this report because the others are either not applicable or the information required to be presented is included in the Company's financial statements or notes to financial statements.

The Supplementary Schedules are attached hereto as Annex "C".

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. Security Ownership of Certain Beneficial Owners

Owners of more than five (5%) of the Company's securities as of December 31, 2020 are as follows:

Title of Class	Name and Address of Record Owner	Name of Beneficial Owner	Citizenship	Number of Shares Held	Percent age Held
Common	PCD Nominee G/F Makati Stock Exchange 6767 Ayala Ave., Makati City	PCD Nominee	Filipino	1,326,603,858	72.95%
Preferred	PCD Nominee G/F Makati Stock Exchange 6767 Ayala Ave., Makati City	PCD Nominee	Filipino	15,560,231	31.99%
Preferred	Horizons Realty, Inc	Horizons Realty, Inc.	Filipino	13,925,994	28.63%
Common	Renaissance Property Management Corporation	Renaissance Property Management Corporation	Filipino	117,292,756	6.45%
Preferred	Concepcion Industries	Concepcion Industries	Filipino	3,138,155	6.45%
Preferred	Ronald S. Po	Ronald S. Po	Filipino	2,809,514	5.78%
Common	Li Chih Hui	Li Chih Hui	Filipino	100,000,000	5.50%
Preferred	Sahara Mgt & Dev. Corp.	Sahara Mgt & Dev. Corp.	Filipino	2,515,033	5.17%

B. Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	% of Class
Common	Jose S. Concepcion, Jr.	1,320,239 ("r")	Filipino	0.073%
Common	Luis Bernardo Ma. A. Concepcion	108,140 ("r")	Filipino	0.006%
Common	Francisco A. Segovia	3 ("b")	Filipino	0.000%
Common	Senen C. Bacani	1 ("b")	Filipino	0.000%
Common	Agnes C. Reyes	0	Filipino	0.000%
Common	Alfredo B. Parungao	500 ("b")	Filipino	0.000%
Common	Alejandro J. Ferreria	500 ("b")	Filipino	0.000%
Common	Jose A. Bernas	0	Filipino	0.000%

The total number of shares owned by the Directors and Executive Officers of the Company is one million four hundred thirty four thousand nine hundred seventy two (1,434,972) common shares.

Mr. Jose S. Concepcion, Jr. is authorized to vote the shares held by Horizons Realty Corporation.

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

Item 12. Certain Relationships and Related Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party, or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders.

There are no related party transactions and balances to report as of December 31, 2020 and 2019.

Item 13. Corporate Governance

The Compliance Officer is monitoring and evaluating the compliance of the Board of Directors and top management with its Manual on Corporate Governance.

The Company has fully complied with the requirements of the Manual on Corporate Governance, as certified by the Compliance Officer, except for some areas where steps are continually being undertaken to ensure full compliance.

There are no deviations from the Manual of Corporate Governance of the Company.

Improvement of the Company's corporate governance will be done when appropriate.

PART IV - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

1. List of Top One Hundred (100) Stockholders as of 31 December 2020, referred to in Item 5(2) as Annex "A"
2. Audited Financial Statements & Report of Independent Auditors as of 31 December 2020, referred to in Item 7 as Annex "B"
3. Supplementary Schedules as Annex "C"
4. Sustainability Report

(b) Reports on SEC Form 17-C

The Company did not file any Current Report under SEC Form 17-C during the last twelve-month period covered by this report:

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation 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 ____ April 2021.

By:



Jose S. Concepcion, Jr.
Chairman of the Board

Jose A. Bernas
Corporate Secretary

Francisco A. Segovia
President and Chief Executive Officer

SUBSCRIBED AND SWORN to before me this ____ day of **17 MAY 2021** affiants exhibiting to me their identification cards, as follows:

NAMES	IDENTIFICATION CARD PRESENTED	DATE OF ISSUE	PLACE OF ISSUE
Jose S. Concepcion, Jr.	TIN 105347995		
Francisco A. Segovia	TIN 101109554		
Jose A. Bernas	IBP Lifetime ID No. 01738	25 January 2000	Makati City

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Book No. IV
Series of 2021.

CHARLES FRANCIS F. DECANGCHON
Commission No. M-214
Notary Public-City of Makati
Until 31 December 2021
Bernas Law Offices
8th Floor Raha Sulayman Bldg., 108 Benavidez St.
Legaspi Village, Makati City
IBP Membership No. 137632 / 04 January 2021 / RSM
PTR No. 8531156 / 04 January 2021 / Makati City
Roll of Attorneys No. 70008

SWIFT FOODS Sustainability Report

Company Details	
Name of Organization	SWIFT FOODS INC.
Location of Headquarters	4 th Floor RFM Corporate Center, Pioneer corner Sheridan Sts., Mandaluyong City
Location of Operations	San Pedro, Puerto Princesa City, Palawan
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	N/A
Business Model, including Primary Activities, Brands, Products, and Services	Manufacturing – Poultry Products (Live and Dressed chicken)
Reporting Period	December 31, 2019
Highest Ranking Person responsible for this report	ALEJANDRO B. LOPEZ

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	69,101.00	PhP in thousands
Direct economic value distributed:		
a. Operating costs	75,922.00	PhP in thousands
b. Employee wages and benefits	10,713.00	PhP in thousands
c. Payments to suppliers, other operating costs	64,218.00	PhP in thousands
d. Dividends given to stockholders and interest payments to loan providers	-	PhP in thousands
e. Taxes given to government	991.00	PhP in thousands
f. Investments to community (e.g. donations, CSR)	-	PhP in thousands

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	96.00%	%

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	No formal training but the policy is in our website	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	No formal communication but the policy is in our website	%
Percentage of directors and management that have received anti-corruption training	Topics on anti-corruption are always included/considered in Corporate Governance trainings	%
Percentage of employees that have received anti-corruption training	No formal training	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	7,164	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	11,365	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ

Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	2,767	Cubic meters
Water consumption	2,767	Cubic meters
Water recycled and reused	0	Cubic meters

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	0	kg/liters
• non-renewable	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	Ha
IUCN ¹ Red List species and national conservation list species with habitats in areas affected by operations	N/A	

Environmental impact management

Air Emissions

GHG

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

Air pollutants

Disclosure	Quantity	Units
NO _x	0	Kg
SO _x	0	Kg
Persistent organic pollutants (POPs)	0	Kg
Volatile organic compounds (VOCs)	0	Kg
Hazardous air pollutants (HAPs)	0	Kg
Particulate matter (PM)	0	Kg

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	3,800	Kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	Kg
Total weight of hazardous waste transported	0	Kg

Effluents

Disclosure	Quantity	Units
Total volume of water discharges – Treated	2,767	Cubic meters
Percent of wastewater recycled	0	%

Environmental compliance

Non-compliance with Environmental Laws and Regulations

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

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ²		
a. Number of female employees	6	#
b. Number of male employees	9	#
Attrition rate ³	0	Rate
Ratio of lowest paid employee against minimum wage	0	Ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	16.67%	11.11%
PhilHealth	Y	16.67%	22.22%
Pag-ibig	Y	16.67%	44.44%
Parental leaves	Y	-	-
Vacation leaves	Y	83.33%	77.78%
Sick leaves	Y	83.33%	66.67%
Medical benefits (aside from PhilHealth))	Y	100.00%	100.00%
Housing assistance (aside from Pag-ibig)	N	-	-
Retirement fund (aside from SSS)	Y	16.67%	-
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	Y	16.67	-
Flexible-working Hours	Y	100.00%	100.00%
(Others)		-	-

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	16	hours
b. Male employees	240	Hours
Average training hours provided to employees		
a. Female employees	4	hours/employee
b. Male employees	60	hours/employee

² Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

³ Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	40.00%	%
% of male workers in the workforce	60.00%	%
Number of employees from indigenous communities and/or vulnerable sector*	3	#

**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).*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	9	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	3	#

Labor Laws and Human Rights

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

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	SFI. HR 05.01 Child Labor, Forced Labor Policy
Child labor	Y	SFI. HR 05.01 Child Labor, Forced Labor Policy
Human Rights	Y	SFI.HR 05.02 Sexual Harassment Policy and Procedure

Supply Chain Management

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

_____ No _____

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
N/A	N/A	N/A	N/A	N/A	N/A

**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: _____

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	No third party rating mechanism

Health and Safety

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

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

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.*

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	#

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
Live broiler and Dressed chicken	Contribute in sustainable food supply chain of the country	Transport of live broiler and dressed chicken by land require gasoline and diesel fuel which contribute to air pollution	Follow emissions standard for motor vehicles and use cleaner fuel with lower sulfur content to minimize pollution of air.

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

SWIFT FOODS Sustainability Report

Company Details	
Name of Organization	SWIFT FOODS INC.
Location of Headquarters	4 th Floor RFM Corporate Center, Pioneer corner Sheridan Sts., Mandaluyong City
Location of Operations	San Pedro, Puerto Princesa City, Palawan
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	N/A
Business Model, including Primary Activities, Brands, Products, and Services	Manufacturing – Poultry Products (Live and Dressed chicken)
Reporting Period	December 31, 2020
Highest Ranking Person responsible for this report	ALEJANDRO B. LOPEZ

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	46,681.66	PhP in thousands
Direct economic value distributed:		
a. Operating costs	60,187.24	PhP in thousands
b. Employee wages and benefits	9,940.19	PhP in thousands
c. Payments to suppliers, other operating costs	49,312.63	PhP in thousands
d. Dividends given to stockholders and interest payments to loan providers	-	PhP in thousands
e. Taxes given to government	934.43	PhP in thousands
f. Investments to community (e.g. donations, CSR)	-	PhP in thousands

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	97.00	%

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	No formal training but the policy is in our website	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	No formal communication but the policy is in our website	%
Percentage of directors and management that have received anti-corruption training	Topics on anti-corruption are always included/considered in Corporate Governance trainings	%
Percentage of employees that have received anti-corruption training	No formal training	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	6,620	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	N/A	kWh
Energy reduction (gasoline)	N/A	GJ

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	1,709	Cubic meters
Water consumption	1,709	Cubic meters
Water recycled and reused	N/A	Cubic meters

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	N/A	kg/liters
• non-renewable	N/A	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	Ha

IUCN ¹ Red List species and national conservation list species with habitats in areas affected by operations	N/A	
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Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	N/A	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

Air pollutants

Disclosure	Quantity	Units
NO _x	N/A	kg
SO _x	N/A	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)	N/A	kg

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	6,550	kg
Reusable	N/A	kg
Recyclable	N/A	kg
Composted	N/A	kg
Incinerated	N/A	kg
Residuals/Landfilled	6,550	Kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	Kg
Total weight of hazardous waste transported	N/A	Kg

Effluents

Disclosure	Quantity	Units
Total volume of water discharges – Treated	1,709	Cubic meters
Percent of wastewater recycled	N/A	%

¹ International Union for Conservation of Nature

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	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	#

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ²		
a. Number of female employees	6	#
b. Number of male employees	9	#
Attrition rate ³	0	Rate
Ratio of lowest paid employee against minimum wage	N/A	Ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	0	11.11%
PhilHealth	Y	16.67%	11.11%
Pag-ibig	Y	0	0
Parental leaves	Y	0	0
Vacation leaves	Y	83.33%	77.78%
Sick leaves	Y	83.33%	66.67%
Medical benefits (aside from PhilHealth))	Y	100.00%	100.00%
Housing assistance (aside from Pag-ibig)	N	0	0
Retirement fund (aside from SSS)	Y	0	0
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	y	16.67	-
Flexible-working Hours	Y	16.67	33.33
(Others)		-	-

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	16	hours
b. Male employees	32	Hours
Average training hours provided to employees		
a. Female employees	4	hours/employee
b. Male employees	4	hours/employee

² Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

³ 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)

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	40.00	%
% of male workers in the workforce	60.00	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**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).*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	38,896	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	2	#

Labor Laws and Human Rights

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

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	SFI. HR 05.01 Child Labor, Forced Labor Policy
Child labor	Y	SFI. HR 05.01 Child Labor, Forced Labor Policy
Human Rights	Y	SFI.HR 05.02 Sexual Harassment Policy and Procedure

Supply Chain Management

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

_____ No _____

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
N/A	N/A	N/A	N/A	N/A	N/A

**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: _____

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	No third party rating mechanism

Health and Safety

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

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

7 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.*

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	#

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
Live broiler and Dressed chicken	Contribute in sustainable food supply chain of the country	Transport of live broiler and dressed chicken by land require gasoline and diesel fuel which contribute to air pollution	Follow emissions standard for motor vehicles and use cleaner fuel with lower sulfur content to minimize pollution of air.

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

Stock Transfer Service Inc.
SWIFT FOODS, INC.
List of Top 100 Stockholders
As of 12/31/2020

Page No. 1

Rank	Name	Holdings	Rank
1	PCD NOMINEE CORPORATION (FILIPINO)	1,326,603,858	72.95%
2	RENAISSANCE PROPERTY MANAGEMENT CORPORATION	117,292,756	06.45%
3	LI CHIH-HUI	100,000,000	05.50%
4	FEATI UNIVERSITY	77,119,994	04.24%
5	CHILCO HOLDINGS, INC.	44,511,824	02.45%
6	PCD NOMINEE CORPORATION (FOREIGN)	38,318,436	02.11%
7	S & A INDUSTRIAL CORPORATION	33,913,323	01.86%
8	CONCEPCION INDUSTRIES, INC.	17,766,734	00.98%
9	SAHARA MANAGEMENT & DEVELOPMENT CORPORATION	9,342,729	00.51%
10	REPUBLIC COMMODITIES CORP.	8,242,083	00.45%
11	FORESIGHT REALTY & DEV'T CORP.	4,782,433	00.26%
12	HORIZONS REALTY, INC.	3,880,823	00.21%
13	S & A INDUSTRIAL CORP.	2,921,394	00.16%
14	EUMELIA CONCEPCION HECHANOVA	1,929,856	00.11%
15	SEGOVIA & CO. INC.	1,600,689	00.09%
16	JOSEPH SERVER JR. OR ESTELITA L. SERVER	1,335,674	00.07%
17	JOSE CONCEPCION JR.	1,320,239	00.07%
18	HECHANOVA, RAFAEL, &/OR EUMELIA C. HECHANOVA	1,050,581	00.06%
19	GUILLERMO F. GILI JR.	970,000	00.05%
20	MERCURY MANAGEMENT CORPORATION	955,067	00.05%
21	PO, RONALD	611,244	00.03%
22	REYNALDO CONCEPCION	572,096	00.03%
23	CHUA, CONSTANTINO, &/OR WILLINGTON CHUA &/OR GEORGE CHUA	559,921	00.03%
24	TACUB, PACIFICO B.	353,750	00.02%
25	MEDRANO JR., VICTORINO S., &/OR OFELIA MEDRANO	350,000	00.02%
26	HECHANOVA, RAFAEL G., &/OR EUMELIA C. HECHANOVA	334,754	00.02%

Stock Transfer Service Inc.
SWIFT FOODS, INC.
List of Top 100 Stockholders
As of 12/31/2020

Page No. 2

Rank	Name	Holdings	Rank
27	BERNARDO A. CONCEPCION	328,997	00.02%
28	CONCEPCION,RAUL T.,&/OR CARMENCITA A. CONCEPCION	314,220	00.02%
29	RAFAEL HECHANOVA	253,320	00.01%
30	MYRA P. VILLANUEVA	250,000	00.01%
31	SFI IN TRUST FOR EMPLOYEES	228,940	00.01%
32	SYJUCO, VIRGINIA S.	212,015	00.01%
33	ALL ASIA LIFE ASS. CORP.	185,000	00.01%
34	LEONG, CELIA Y.	171,000	00.01%
35	LIBRADO S. CALILUNG	170,024	00.01%
36	VICTONETA INVESTMENT CORP.	159,542	00.01%
37	TAN, JESUS Q.	157,500	00.01%
38	LIM, EUGENE L.	149,333	00.01%
39	CHUA,CONSTANTINO WY,&/OR WILLINGTON WY CHUA &/OR GEORGE WY CHUA	149,332	00.01%
40	RAUL ANTHONY CONCEPCION	147,199	00.01%
41	SERVER, ERNEST FRITZ	140,083	00.01%
42	CONSTANTINO CHUA	134,260	00.01%
43	MENDOZA,RODOLFO G.,&/OR ALBINA M. MENDOZA	124,444	00.01%
44	TACUB,PACIFICO BUMANGLAG	120,000	00.01%
45	LUIS BERNARDO A. CONCEPCION	108,140	00.01%
46	BOBBY G. CHUA	101,500	00.01%
47	PO, GRACE C.	100,000	00.01%
48	LINA FLOR P. CO	100,000	00.01%
49	CHUA KEE LIN	100,000	00.01%
50	VICTORIA FRANCISCO	93,104	00.01%
51	ERLINDA FRANCISCO	93,104	00.01%
52	ALITA C. ALMEDA	91,877	00.01%

Stock Transfer Service Inc.
SWIFT FOODS, INC.
List of Top 100 Stockholders
As of 12/31/2020

Page No. 3

Rank	Name	Holdings	Rank
53	ANGELITA GONZALEZ	83,128	00.00%
54	EDWIN C. JAVELLANA	80,500	00.00%
55	VERGEL DE DIOS, GLORIA S.	76,645	00.00%
56	CORAZON S. ESTRADA	76,645	00.00%
57	BELLA S. BARRERA	76,642	00.00%
58	ALFREDO A. CRUZ	75,750	00.00%
59	MANUEL D. GOCOLAY	75,000	00.00%
60	PURITA GAMBOA	72,799	00.00%
61	GUALTERIO C. ABRANTES	72,463	00.00%
62	OFELIA E. GAMILLA	70,992	00.00%
63	BULAON, LEONIDA S., &/OR MA. ROSARIO B. DEJARESCO	70,000	00.00%
64	PLACIDO JR., RUFINO M.	70,000	00.00%
65	INVESTMENT & FINANCING CORP.	65,014	00.00%
66	SUPREME STOCKBROKERS, INC.	65,000	00.00%
67	ATTY. CELSO A. FERNANDEZ	64,710	00.00%
68	JOHNNY K. DY	63,000	00.00%
69	SY, BENITO, &/OR DALISAY SY	62,222	00.00%
70	MA. TERESITA S. HIPOLITO	61,480	00.00%
71	LEY BEE ONG	60,000	00.00%
72	E. N. MADRAZO CORPORATION	58,426	00.00%
73	ABELARDO BUENAVENTURA	58,092	00.00%
74	SHAU PANG, MARGARET	56,831	00.00%
75	WONG SECURITIES CORPORATION	56,003	00.00%
76	SAW, NANCY	55,750	00.00%
77	MANOTOC, AURORA PIJUAN	53,573	00.00%
78	MANUEL A. DY	52,500	00.00%

Stock Transfer Service Inc.
SWIFT FOODS, INC.
List of Top 100 Stockholders
As of 12/31/2020

Page No. 4

Rank	Name	Holdings	Rank
79	EDGAR CHING	52,500	00.00%
80	SERVER JR., ERNEST FRITZ	51,037	00.00%
81	PO, GRACE	50,275	00.00%
82	JOSE T. ONG BUN	50,190	00.00%
83	CHRISTINE MAE G. CHING	49,777	00.00%
84	CONCEPCION,REYNALDO,&/OR JESUSA P. CONCEPCION	49,777	00.00%
85	PIONEER INSURANCE & SURETY CORPORATION	49,777	00.00%
86	REMEDIOS FRANCISCO	48,426	00.00%
87	CHERYL LADD U. CHING	48,118	00.00%
88	CHING T. CHIONG	48,118	00.00%
89	AIL GURNAMAL	47,846	00.00%
90	PAUL L. KAWSEK	47,476	00.00%
91	MENDOZA,ALBERTO,&/OR JEANNIE C. MENDOZA	47,288	00.00%
92	CORNELIA M. ABREU	46,500	00.00%
93	MELGAR, BALTAZAR L.	46,500	00.00%
94	RAUL T. CONCEPCION	46,252	00.00%
95	CHANG,MA. THERESA K.,&/OR LIONG CIO CHANG	46,000	00.00%
96	TACUB, PACIFICO	45,795	00.00%
97	FERNANDO B. GRUSPE	45,000	00.00%
98	SERVER JR., JOSEPH	45,000	00.00%
99	MA. CHRISTINE FERNANDEZ REYES	44,690	00.00%
100	MACAPAGAL, MA. ELZABETH &/OR ALEX MACAPAGAL &/OR ANDREI MACAPAGAL	44,550	00.00%

Stock Transfer Service Inc.
SWIFT FOODS, INC.
List of Top 100 Stockholders
As of 12/31/2020

Page No. 5

Rank	Name	Holdings	Rank
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Total Top 100 Shareholders :	1,803,607,249	99.18%
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Total Issued Shares	1,818,436,953
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OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - SF1000000000

Business Date: December 29, 2020

BPNAME	HOLDINGS
UPCC SECURITIES CORP.	2,218,977
A & A SECURITIES, INC.	4,689,236
ABACUS SECURITIES CORPORATION	156,752,443
PHILSTOCKS FINANCIAL INC	61,651,965
A. T. DE CASTRO SECURITIES CORP.	658,292
ALL ASIA SECURITIES MANAGEMENT CORP.	4,985
ALPHA SECURITIES CORP.	5,147,019
BA SECURITIES, INC.	2,641,213
AP SECURITIES INCORPORATED	11,333,260
ANSALDO, GODINEZ & CO., INC.	62,343,055
AB CAPITAL SECURITIES, INC.	20,371,027
SB EQUITIES, INC.	3,500,317
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	502,719
ASIASEC EQUITIES, INC.	1,010,786
ASTRA SECURITIES CORPORATION	34,105
CHINA BANK SECURITIES CORPORATION	11,285,647
MACQUARIE CAPITAL SECURITIES (PHILIPPINES), INC.	13,444
BELSON SECURITIES, INC.	50,799,683
BENJAMIN CO CA & CO., INC.	425,098
B. H. CHUA SECURITIES CORPORATION	40,008
JAKA SECURITIES CORP.	2,482,567
BPI SECURITIES CORPORATION	44,993,390
CAMPOS, LANUZA & COMPANY, INC.	246,726
SINCERE SECURITIES CORPORATION	6,180,328
CENTURY SECURITIES CORPORATION	10,462
CTS GLOBAL EQUITY GROUP, INC.	43,916,257
TRITON SECURITIES CORP.	7,216,848
PHILEO ALLIED SECURITIES (PHILIPPINES), INC.	581
IGC SECURITIES INC.	7,340,399
CUALOPING SECURITIES CORPORATION	122,175
DBP-DAIWA CAPITAL MARKETS PHILPPINES, INC.	124
DAVID GO SECURITIES CORP.	31,757,654
DIVERSIFIED SECURITIES, INC.	2,023,968
E. CHUA CHIACO SECURITIES, INC.	10,893,682
EQUITABLE SECURIITES (PHILS.) INC.	13,746
EAST WEST CAPITAL CORPORATION	21,401
EASTERN SECURITIES DEVELOPMENT CORPORATION	1,892,116
EQUITIWORLD SECURITIES, INC.	442,391
EVERGREEN STOCK BROKERAGE & SEC., INC.	34,432,075
FIRST ORIENT SECURITIES, INC.	5,526,493
FIRST INTEGRATED CAPITAL SECURITIES, INC.	497
F. YAP SECURITIES, INC.	2,558,661
AURORA SECURITIES, INC.	568,145
GLOBALINKS SECURITIES & STOCKS, INC.	13,994,938
JSG SECURITIES, INC.	1,901,876
GOLDSTAR SECURITIES, INC.	4,243,482
GUILD SECURITIES, INC.	6,292,557
HDI SECURITIES, INC.	2,557,333
H. E. BENNETT SECURITIES, INC.	164,713

BPNAME	HOLDINGS
HIGHLAND SECURITIES PHIL., INC.	1,369
HK SECURITIES, INC.	4,364
I. ACKERMAN & CO., INC.	163,864
I. B. GIMENEZ SECURITIES, INC.	164,602
INVESTORS SECURITIES, INC.	1,273,391
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	5,471,642
INTRA-INVEST SECURITIES, INC.	641,818
ASIAN CAPITAL EQUITIES, INC.	15,726
J.M. BARCELON & CO., INC.	1,185,067
VALUE QUEST SECURITIES CORPORATION	10,400,000
STRATEGIC EQUITIES CORP.	1,361,349
LARRGO SECURITIES CO., INC.	8,119
LIPPO SECURITIES, INC.	1
LOPEZ, LOCSIN, LEDESMA & CO., INC.	747,146
LUCKY SECURITIES, INC.	1,357,871
LUYS SECURITIES COMPANY, INC.	1,358,931
MANDARIN SECURITIES CORPORATION	28,918
COL Financial Group, Inc.	140,686,766
DA MARKET SECURITIES, INC.	2,752,087
MERCANTILE SECURITIES CORP.	13,707,379
MERIDIAN SECURITIES, INC.	2,545,286
MDR SECURITIES, INC.	1,966,827
REGIS PARTNERS, INC.	9,771
MOUNT PEAK SECURITIES, INC.	956,992
NEW WORLD SECURITIES CO., INC.	44,443,245
OPTIMUM SECURITIES CORPORATION	1,103,316
RCBC SECURITIES, INC.	2,468,255
PAN ASIA SECURITIES CORP.	3,140,183
PAPA SECURITIES CORPORATION	3,303,320
MAYBANK ATR KIM ENG SECURITIES, INC.	91,004,415
PLATINUM SECURITIES, INC.	429,051
PNB SECURITIES, INC.	9,560,737
PREMIUM SECURITIES, INC.	1,536,449
PRYCE SECURITIES, INC.	1,985
SALISBURY BKT SECURITIES CORPORATION	19,951
QUALITY INVESTMENTS & SECURITIES CORPORATION	24,754,790
R & L INVESTMENTS, INC.	1,554,210
ALAKOR SECURITIES CORPORATION	901,495
R. COYIUTO SECURITIES, INC.	41,037,772
REGINA CAPITAL DEVELOPMENT CORPORATION	12,585,460
R. NUBLA SECURITIES, INC.	170,936
AAA SOUTHEAST EQUITIES, INCORPORATED	261,553
R. S. LIM & CO., INC.	2,678,346
RTG & COMPANY, INC.	79,124
S.J. ROXAS & CO., INC.	3,883,616
SECURITIES SPECIALISTS, INC.	199
FIDELITY SECURITIES, INC.	1,248
SUMMIT SECURITIES, INC.	9,484,990
STANDARD SECURITIES CORPORATION	992,625
SUPREME STOCKBROKERS, INC	22,795
TANSENGCO & CO., INC.	8,529,624
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	5,197,868
TOWER SECURITIES, INC.	8,881,564
TRANS-ASIA SECURITIES, INC.	127,750

BPNAME	HOLDINGS
TRENDLINE SECURITIES CORPORATION	33,422
TRI-STATE SECURITIES, INC.	110,356
UCPB SECURITIES, INC.	1,351,793
E.SECURITIES, INC.	33,930
VENTURE SECURITIES, INC.	168,997
FIRST METRO SECURITIES BROKERAGE CORP.	40,056,284
WEALTH SECURITIES, INC.	59,249,806
WESTLINK GLOBAL EQUITIES, INC.	11,285,722
BERNAD SECURITIES, INC.	11,781,815
WONG SECURITIES CORPORATION	860,124
YAO & ZIALCITA, INC.	43,576,504
YU & COMPANY, INC.	4,021,918
BDO SECURITIES CORPORATION	15,973,250
EAGLE EQUITIES, INC.	724,729
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	8,837,292
SOLAR SECURITIES, INC.	17,111,674
G.D. TAN & COMPANY, INC.	4,492,556
DW CAPITAL INC.	1,991
PHILIPPINE EQUITY PARTNERS, INC.	38,363,277
UNICAPITAL SECURITIES INC.	1,261,922
SunSecurities, Inc.	125,161
ARMSTRONG SECURITIES, INC.	214,193
TIMSON SECURITIES, INC.	150,500
CITIBANK N.A.	11,135,235
THE HONGKONG & SHANGHAI BANKING CORP. LTD. -OWN ACCOUNT	3
RCBC TRUST & INVESTMENT DIVISION	600
STANDARD CHARTERED BANK	163,760
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	216
MBTC - TRUST BANKING GROUP	50,026
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	1,600,112
SWIFT FOODS, INC.	104
TOTAL	1,364,922,294

If no written notice of any error or correction is received by PDTC within five (5) calendar days from receipt hereof, you shall be deemed to have accepted the accuracy and completeness of the details indicated in this report.

Stock Transfer Service Inc.
SWIFT FOODS, INC. - PREFERRED
List of Top 100 Stockholders
As of 12/31/2020

Page No. 1

Rank	Name	Holdings	Rank
1	PCD NOMINEE CORPORATION (FILIPINO)	15,560,231	31.99%
2	HORIZONS REALTY, INC.	13,925,994	28.63%
3	CONCEPCION INDUSTRIES, INC.	3,138,155	06.45%
4	PO, RONALD S.	2,809,514	05.78%
5	SAHARA MANAGEMENT & DEVELOPMENT CORPORATION	2,529,525	05.20%
6	SELECT TWO INCORPORATED	2,176,069	04.47%
7	REPUBLIC COMMODITIES CORP.	1,455,806	02.99%
8	FORESIGHT REALTY DEVELOPMENT CORPORATION	844,725	01.74%
9	SILANG FOREST PARK, INCORPORATED	655,713	01.35%
10	ARCON GROUP HOLDINGS	523,997	01.08%
11	HYLAND REALTY CORPORATION	523,997	01.08%
12	LACE EXPRESS INC.	506,059	01.04%
13	PCD NOMINEE CORPORATION (FOREIGN)	354,177	00.73%
14	HECHANOVA, EUMELIA CONCEPCION	340,872	00.70%
15	HECHANOVA, RAFAEL, &/OR EUMELIA C. HECHANOVA	185,565	00.38%
16	WILLINGTON CHUA,	177,391	00.36%
17	MERCURY MANAGEMENT CORPORATION	168,694	00.35%
18	HOME DEVELOPMENT MUTUAL FUND	152,991	00.31%
19	SERVER JR., JOSEPH, OR ESTELITA L. SERVER	121,003	00.25%
20	REYNALDO CONCEPCION	101,049	00.21%
21	CHUA, CONSTANTINO, &/OR WILLINGTON CHUA &/OR GEORGE CHUA	98,899	00.20%
22	VICTORIA L. ARANETA PROPERTIES, INCORPORATED	74,094	00.15%
23	LOPEZ SUGAR CENTRAL MILLS INCORPORATED	61,666	00.13%
24	HECHANOVA, RAFAEL G., &/OR EUMELIA C. HECHANOVA	59,127	00.12%
25	BERNARDO A. CONCEPCION	58,110	00.12%
26	LIM, EDWARD	56,038	00.12%

Stock Transfer Service Inc.
SWIFT FOODS, INC. - PREFERRED
List of Top 100 Stockholders
As of 12/31/2020

Page No. 2

Rank	Name	Holdings	Rank
27	CONCEPCION,RAUL T.,&/OR CARMENCITA A. CONCEPCION	55,500	00.11%
28	URBAN ENVIRONMENT REALTY,INC.	49,037	00.10%
29	HECHANOVA, RAFAEL	44,743	00.09%
30	ANGELITA A. CRUZ	37,227	00.08%
31	CHUA,WILLINGTON,&/OR CONSTANTINO CHUA	36,048	00.07%
32	TACUB,PACIFICO B.	30,948	00.06%
33	VICTONETA INVESTMENT CORP.	28,179	00.06%
34	CHUA,CONSTANTINO WY,&/OR WILLINGTON WY CHUA &/OR GEORGE WY C	26,376	00.05%
35	RAUL ANTHONY CONCEPCION	25,998	00.05%
36	SERVER, ERNEST FRITZ	24,742	00.05%
37	CONSTANTINO CHUA	23,714	00.05%
38	MENDOZA,RODOLFO G.,&/OR ALBINA M. MENDOZA	21,980	00.05%
39	LUIS BERNARDO A. CONCEPCION	19,100	00.04%
40	PAN-ASIATIC COMMERCIAL CO.,INC	18,348	00.04%
41	CHUA,WILLINGTON,&/OR GEORGE CHUA	17,583	00.04%
42	HANS JOSEPH BANZHAF	17,551	00.04%
43	FRANCISCO, ERLINDA	16,444	00.03%
44	JOHN MARIE A. CONCEPCION	16,263	00.03%
45	ALITA C. ALMEDA	16,228	00.03%
46	GONZALEZ, ANGELITA	14,682	00.03%
47	LOPEZ SUGAR CORPORATION	14,414	00.03%
48	SERVER, CHRISTOPHER MARK B.	14,220	00.03%
49	ESTRADA, CORAZON S.	13,537	00.03%
50	VERGEL DE DIOS, GLORIA S.	13,537	00.03%
51	BELLA S. BARRERA	13,537	00.03%
52	ALFREDO B. CHIA	13,187	00.03%

Stock Transfer Service Inc.
 SWIFT FOODS, INC. - PREFERRED
 List of Top 100 Stockholders
 As of 12/31/2020

Page No. 3

Rank	Name	Holdings	Rank
53	RAUL JOSEPH CONCEPCION	12,917	00.03%
54	GUALTERIO C. ABRANTES	12,799	00.03%
55	GAMILLA, OFELIA E.	12,538	00.03%
56	LIM,WILSON,&/OR JUSY LIM	11,539	00.02%
57	FERNANDEZ, ATTY. CELSO A.	11,429	00.02%
58	MANPHIL INVESTMENT & FINANCING CORPORATION	11,294	00.02%
59	SY,BENITO,&/OR DALISAY SY	10,989	00.02%
60	INVESTMENT & FINANCING CORP.	10,837	00.02%
61	ABELARDO BUENAVENTURA	10,260	00.02%
62	SHAU PANG, MARGARET	10,037	00.02%
63	ONG,JOSE C.,&/OR JUANITA T. ONG	9,792	00.02%
64	MANOTOC, AURORA PIJUAN	9,462	00.02%
65	SERVER JR., ERNEST FRITZ	9,013	00.02%
66	SINGH, MARGARITA A. DE	8,995	00.02%
67	MENDOZA, PROCESO G.	8,791	00.02%
68	CONCEPCION,REYNALDO,&/OR JESUSA P. CONCEPCION	8,791	00.02%
69	BIAO,MARIANO GO,&/OR PETER GO BIAO	8,791	00.02%
70	TIONGCO,NAPOLEON S.,&/OR JOHN L. TIONGCO	8,791	00.02%
71	CHRISTINE MAE G. CHING	8,791	00.02%
72	VERONA S. AGUSTINES	8,791	00.02%
73	FRANCISCO, REMEDIOS	8,552	00.02%
74	RAUL JOSEPH CONCEPCION	8,510	00.02%
75	GURNAMAL, AIL	8,451	00.02%
76	KAWSEK, PAUL L.	8,385	00.02%
77	MENDOZA,ALBERTO,&/OR JEANNIE C. MENDOZA	8,352	00.02%
78	RAUL T. CONCEPCION	8,168	00.02%

Stock Transfer Service Inc.
 SWIFT FOODS, INC. - PREFERRED
 List of Top 100 Stockholders
 As of 12/31/2020

Page No. 4

Rank	Name	Holdings	Rank
79	FERNANDEZ, PIO	7,893	00.02%
80	MACAPAGAL,MA. ELZABETH,&/OR ALEX MACAPAGAL &/OR ANDREI MACAP	7,868	00.02%
81	GEORGE CHUA	7,458	00.02%
82	LOPEZ, ROSARIO S.	7,300	00.02%
83	LEBRON, MA. LOURDES CELINE C.	7,143	00.01%
84	LIZARES, JOSE L.	6,801	00.01%
85	LIM, MA. LOURDES S.	6,781	00.01%
86	RAMOS, GRACIA FERNANDEZ	6,738	00.01%
87	ONG,ROSALIE P.,&/OR MILAGROS T. CHAN	6,515	00.01%
88	GONZALES, BLANQUITA S.	6,503	00.01%
89	TOUCHSTONE RESOURCES CORP.	6,421	00.01%
90	WY GUA HONG, PACITA	6,164	00.01%
91	ARCENAS,TERESITA V.,&/OR MA. ANNA V. ARCENAS	6,154	00.01%
92	SIMON, JOSE G.	6,146	00.01%
93	GOZON, ERLINDA S.	6,016	00.01%
94	SERVER JR., JOSEPH B.	5,950	00.01%
95	ARANETA,SALVADOR,&/OR VICTORIA L. ARANETA	5,917	00.01%
96	LLANTO,LIDUVINA C.	5,714	00.01%
97	LABADAN, MARIO M.	5,582	00.01%
98	VILLA, LEONARDO K.	5,428	00.01%
99	WEE, OSCAR T.	5,385	00.01%
100	LAPID, JESUS	5,311	00.01%

Stock Transfer Service Inc.
SWIFT FOODS, INC. - PREFERRED
List of Top 100 Stockholders
As of 12/31/2020

Page No. 5

Rank	Name	Holdings	Rank
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Total Top 100 Shareholders :	47,678,837	98.03%
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Total Issued Shares	48,633,664
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OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - SFIP00000000

Business Date: December 29, 2020

BPNAME	HOLDINGS
UPCC SECURITIES CORP.	1,210
A & A SECURITIES, INC.	1,757
ABACUS SECURITIES CORPORATION	3,871,198
PHILSTOCKS FINANCIAL INC	104,208
A. T. DE CASTRO SECURITIES CORP.	6,818
ALPHA SECURITIES CORP.	11,437
BA SECURITIES, INC.	3,222
AP SECURITIES INCORPORATED	53,279
ANSALDO, GODINEZ & CO., INC.	221,936
AB CAPITAL SECURITIES, INC.	423,881
SB EQUITIES, INC.	34,660
ASIASEC EQUITIES, INC.	5,308
ASTRA SECURITIES CORPORATION	702
CHINA BANK SECURITIES CORPORATION	218
MACQUARIE CAPITAL SECURITIES (PHILIPPINES), INC.	2,197
BELSON SECURITIES, INC.	584,344
BENJAMIN CO CA & CO., INC.	4,587
JAKA SECURITIES CORP.	6,869
BPI SECURITIES CORPORATION	1,163,532
CAMPOS, LANUZA & COMPANY, INC.	7,701
SINCERE SECURITIES CORPORATION	57
CENTURY SECURITIES CORPORATION	99
CTS GLOBAL EQUITY GROUP, INC.	15,428
TRITON SECURITIES CORP.	71,614
IGC SECURITIES INC.	26,062
CUALOPING SECURITIES CORPORATION	11,874
DBP-DAIWA CAPITAL MARKETS PHILPPINES, INC.	21
DAVID GO SECURITIES CORP.	459
DIVERSIFIED SECURITIES, INC.	6,497
E. CHUA CHIACO SECURITIES, INC.	163,660
EASTERN SECURITIES DEVELOPMENT CORPORATION	14,225
EQUITIWORLD SECURITIES, INC.	204,135
EVERGREEN STOCK BROKERAGE & SEC., INC.	27,968
FIRST ORIENT SECURITIES, INC.	366,145
FIRST INTEGRATED CAPITAL SECURITIES, INC.	989
F. YAP SECURITIES, INC.	388,233
AURORA SECURITIES, INC.	2,338
GLOBALINKS SECURITIES & STOCKS, INC.	438
JSG SECURITIES, INC.	380
GOLDSTAR SECURITIES, INC.	12,803
GUILD SECURITIES, INC.	70
HDI SECURITIES, INC.	23,795
I. ACKERMAN & CO., INC.	13,312
I. B. GIMENEZ SECURITIES, INC.	55,842
INVESTORS SECURITIES, INC.	145,187
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	4,563
VALUE QUEST SECURITIES CORPORATION	21,980
STRATEGIC EQUITIES CORP.	15,794
LOPEZ, LOCSIN, LEDESMA & CO., INC.	4,277

BPNAME	HOLDINGS
LUCKY SECURITIES, INC.	66,509
LUYS SECURITIES COMPANY, INC.	10,589
MANDARIN SECURITIES CORPORATION	14,069
COL Financial Group, Inc.	364,451
DA MARKET SECURITIES, INC.	2,131
MERCANTILE SECURITIES CORP.	3,602
MERIDIAN SECURITIES, INC.	4,989
MDR SECURITIES, INC.	2,166
REGIS PARTNERS, INC.	425
OPTIMUM SECURITIES CORPORATION	20,473
RCBC SECURITIES, INC.	10,684
PAN ASIA SECURITIES CORP.	12,528
PAPA SECURITIES CORPORATION	36,490
MAYBANK ATR KIM ENG SECURITIES, INC.	234,348
PLATINUM SECURITIES, INC.	699
PNB SECURITIES, INC.	37,408
PREMIUM SECURITIES, INC.	86,791
SALISBURY BKT SECURITIES CORPORATION	1,733
QUALITY INVESTMENTS & SECURITIES CORPORATION	91,122
R. COYIUTO SECURITIES, INC.	33,677
REGINA CAPITAL DEVELOPMENT CORPORATION	84,400
R. NUBLA SECURITIES, INC.	21,170
AAA SOUTHEAST EQUITIES, INCORPORATED	20,373
R. S. LIM & CO., INC.	58,361
RTG & COMPANY, INC.	6,419
S.J. ROXAS & CO., INC.	128,512
SECURITIES SPECIALISTS, INC.	34
FIDELITY SECURITIES, INC.	8,826
SUMMIT SECURITIES, INC.	10,271
STANDARD SECURITIES CORPORATION	60,768
TANSENGCO & CO., INC.	87,157
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	18,319
TOWER SECURITIES, INC.	987,408
TRI-STATE SECURITIES, INC.	19,614
UCPB SECURITIES, INC.	49,675
VENTURE SECURITIES, INC.	15,334
FIRST METRO SECURITIES BROKERAGE CORP.	416,969
WEALTH SECURITIES, INC.	58,221
WESTLINK GLOBAL EQUITIES, INC.	5,048
WONG SECURITIES CORPORATION	70
YAO & ZIALCITA, INC.	90,000
YU & COMPANY, INC.	7,179
BDO SECURITIES CORPORATION	78,035
EAGLE EQUITIES, INC.	12,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	5,130
SOLAR SECURITIES, INC.	22,806
G.D. TAN & COMPANY, INC.	202,323
PHILIPPINE EQUITY PARTNERS, INC.	518,691
UNICAPITAL SECURITIES INC.	13,683
SunSecurities, Inc.	2,426
CITIBANK N.A.	29,265
DEUTSCHE BANK MANILA-CLIENTS A/C	959
STANDARD CHARTERED BANK	291,869
UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	43,961

BPNAME	HOLDINGS
MBTC - TRUST BANKING GROUP	8,924
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	20
THE HONGKONG & SHANGHAI BANKING CORP. LTD. -OWN ACCOUNT	2
PCD NOMINEE	40
SWIFT FOODS, INC.	3,387,953
TOTAL	15,914,408

If no written notice of any error or correction is received by PDTC within five (5) calendar days from receipt hereof, you shall be deemed to have accepted the accuracy and completeness of the details indicated in this report.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

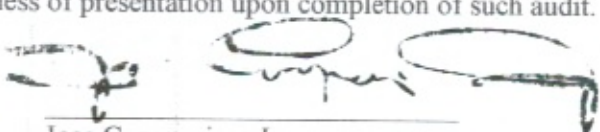
The management of **Swift Foods, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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.

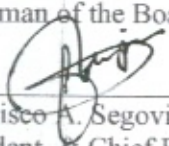
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

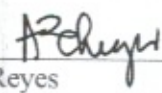
SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion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



Jose Concepcion, Jr.
Chairman of the Board



Francisco A. Segovia
President & Chief Executive Officer



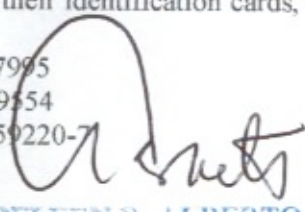
Agnes C. Reyes
Treasurer
Signed this 12 day of April 2021.

APR 13 2021

SUBSCRIBE AND SWORN to before me in Mandaluyong City this ____ day of April 2021 by the following affiants who are personally known to me, with their identification cards, as follows:

Jose Concepcion, Jr.
Francisco A. Segovia
Agnes C. Reyes

TIN # 105347995
TIN # 101109554
SSS # 03-4059220-7



Doc. No. 492 ;
Page No. 99 ;
Book No. XXXI/III ;
Series of 2021



ADELEEN B. ALBERTO
Appt No. 0250-19 until June 30, 2021
5/F RFM Corporate Center, Pioneer St., Mand. City
IBP NO. 132732/11.17.2020/RSM
PTR NO. 4536747/01.04.21/Mand
Roll of Attorneys No. 51345
MCLE COMPLIANCE NO. VI-0017167/4.14.22



SWIFT FOODS, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

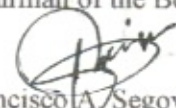
The Management of **SWIFT FOODS, INC.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2020. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including but not limited to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2020 and the accompanying Annual Income Tax Return are in accordance with the books and records of **SWIFT FOODS, INC.**, complete and correct in all material respects. Management likewise affirms that:

- a) The Annual Income Tax Returns has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b) Any disparity in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c) The SWIFT FOODS, INC., has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



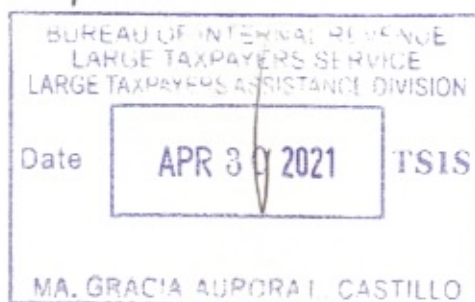
Jose Concepcion, Jr.
Chairman of the Board



Francisco A. Segovia
President & Chief Executive Officer



Agnes C. Reyes
Treasurer



COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number
A S 0 9 4 0 0 5 0 6 6

COMPANY NAME
S W I F T F O O D S , I N C .

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)
4 F R F M C O R P O R A T E C E N T E R ,
S H E R I D A N C O R N E R P I O N E E R
S T R E E T S , M A N D A L U Y O N G C I T Y

Form Type: A A F S
Department requiring the report: C R M D
Secondary License Type, If Applicable: N / A

COMPANY INFORMATION
Company's Email Address: alex.lopez@swiftfoods.com.ph
Company's Telephone Number: 8719-5190
Mobile Number: 0922 825 6873
No. of Stockholders: 10,638
Annual Meeting (Month / Day): Any day of June
Fiscal Year (Month / Day): 12/31

CONTACT PERSON INFORMATION
The designated contact person MUST be an Officer of the Corporation
Name of Contact Person: Atty. Jose A. Bernas
Email Address: bernaslaw@gmail.com
Telephone Number/s: 8892-7470
Mobile Number: N/A

CONTACT PERSON'S ADDRESS
8/F Floor Raha Sulayman Bldg., 108 Benavidez St., Legaspi Village, Makati 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 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
Swift Foods, Inc.
4F RFM Corporate Center
Sheridan corner Pioneer Streets
Mandaluyong City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swift Foods, Inc. (the "Company") which comprise the balance sheets as at December 31, 2020 and 2019, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to financial statements, including a summary of significant accounting policies.

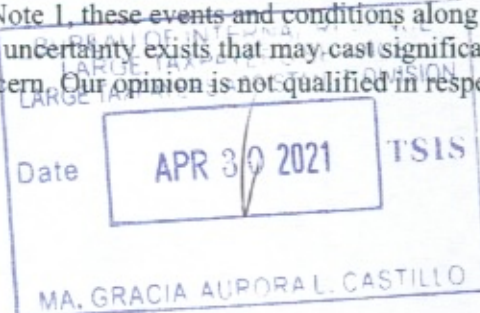
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that the Company has reported significant deficit amounting to ₱2.86 billion and ₱2.92 billion as of December 31, 2020 and 2019, respectively, resulting from accumulated losses in prior years. Also, the Company's current liabilities already exceeded its current assets by ₱25.75 million and ₱30.24 million as of December 31, 2020 and 2019, respectively. As stated in Note 1, these events and conditions along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

In addition to the matters described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the 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 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 financial statements.

Valuation of investment properties at fair value

The Company accounts for its investment properties using the fair value model. Investment properties consist of land, building and improvements and machinery and equipment and represent 94.00% of the Company's total assets as at December 31, 2020. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of an external appraiser whose calculations also depend on certain assumptions, such as sales price of similar properties and adjustments to sales price based on internal and external factors, including any impact associated with coronavirus pandemic. Thus, we considered the valuation of investment properties as a key audit matter.

The disclosures relating to investment properties are included in Note 9 to the financial statements.

Audit response

We evaluated the competence, capabilities and objectivity of the external appraiser by considering their qualifications, experiences and reporting responsibilities. We reviewed the methodology and assumptions used in the valuation of investment properties. We assessed the methodology adopted by referencing common valuation models and reviewed the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price, including any impact associated with coronavirus pandemic.

Estimation of fair value of biological assets and agricultural produce

The Company's biological assets consisting of growing livestock and agricultural produce consisting of harvested live broilers are carried at fair value less estimated cost to sell. As of December 31, 2020, biological assets and agricultural produce amounted to P1.74 million and ml, respectively. Fair value change of biological assets and agricultural produce for the year ended December 31, 2020 amounted to P0.003 million and P8.11 million, respectively. The valuation of biological assets and agricultural

MA. GRACIA AURO



produce is significant to our audit because the estimation process involves significant management estimate and is based on assumptions that can be affected by natural phenomena. The key assumptions for the fair value of the biological assets and agricultural produce include the livestock's future selling prices, mortality rate, estimated volume of production and future growing costs.

The disclosures relating to biological assets and agricultural produce are included in Notes 7 and 23 to the financial statements.

Audit response

We obtained an understanding of management's fair value measurement methodology and their process in valuing the biological assets and agricultural produce. We tested the key assumptions used in the valuation, which include the livestock's future selling prices, mortality rate, estimated volume of production and future growing costs by comparing them to external data such as selling prices in the principal market and historical information.

Provision and contingencies

The Company is involved in certain claims from regulatory bodies and other parties. This matter is significant to our audit because the determination of whether the provision should be recognized and the estimation of the potential liability requires significant judgment by management. The inherent uncertainty over the outcome of these claims is brought about by the differences in the interpretation and application of the regulations, laws and rulings.

The disclosures about provisions and contingencies are included in Notes 10 and 25 to the financial statements.

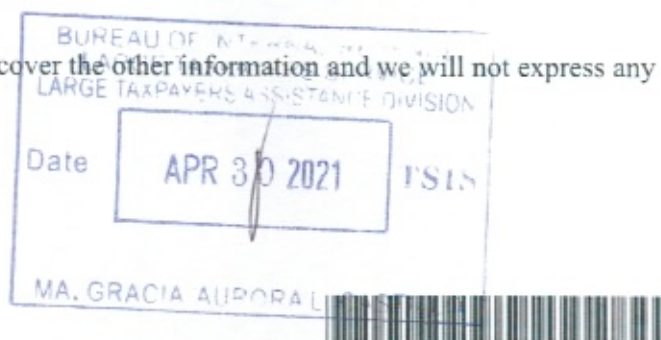
Audit response

We involved our internal specialist in the evaluation of management's assessment on whether any provision for contingencies should be recognized, and the estimation of such amount. We discussed with management the status of the legal proceeding and claims and obtained management's correspondences with the regulatory bodies and opinions from the external legal counsel. We evaluated the position of the Company by considering the relevant laws, ruling and jurisprudence.

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 December 31, 2020, but does not include the 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 December 31, 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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.

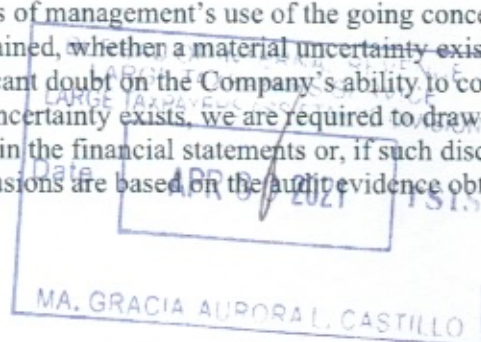
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 26 to the 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 Swift Foods, 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 Manolito R. Elle.

SYCIP GORRES VELAYO & CO.



Manolito R. Elle

Partner

CPA Certificate No. 106471

SEC Accreditation No. 1618-AR-1 (Group A),

November 11, 2019, valid until November 10, 2022

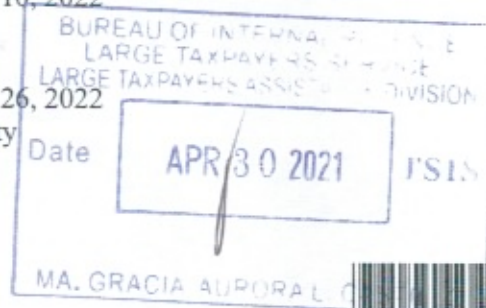
Tax Identification No. 220-881-929

BIR Accreditation No. 08-001998-128-2019,

November 27, 2019, valid until November 26, 2022

PTR No. 8534244, January 4, 2021, Makati City

April 27, 2021

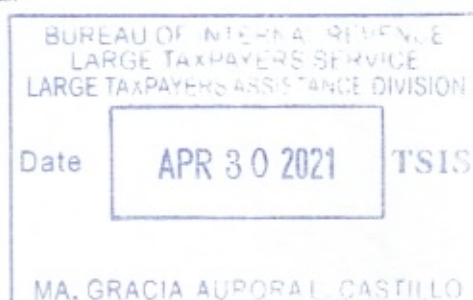


SWIFT FOODS, INC.**BALANCE SHEETS**

(Amounts in Thousands)

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱9,910	₱11,457
Receivables (Note 5)	7,738	7,095
Inventories (Note 6)	1,919	786
Biological assets (Note 7)	1,736	2,496
Other current assets (Note 8)	192	173
Total Current Assets	21,495	22,007
Noncurrent Assets		
Investment properties (Note 9)	340,090	261,534
Other noncurrent assets	211	229
Total Noncurrent Assets	340,301	261,763
TOTAL ASSETS	₱361,796	₱283,770
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable, provisions and other payables (Note 10)	₱47,248	₱52,250
Noncurrent Liabilities		
Retirement benefits liability (Note 18)	6,462	5,306
Other employee benefits liability (Note 18)	—	863
Deferred income tax liabilities (Note 19)	101,787	78,220
Total Noncurrent Liabilities	108,249	84,389
Total Liabilities	155,497	136,639
Equity (Note 11)		
Capital stock	1,878,169	1,878,169
Capital in excess of par value	1,281,414	1,281,414
Deficit	(2,861,708)	(2,920,876)
Revaluation increment on investment properties (Note 9)	19,406	19,406
Cost of preferred treasury shares	(110,982)	(110,982)
Total Equity	206,299	147,131
TOTAL LIABILITIES AND EQUITY	₱361,796	₱283,770

See accompanying Notes to Financial Statements.

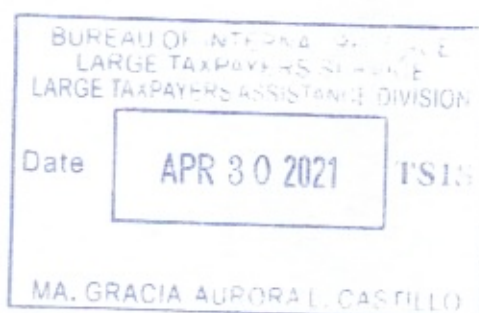


SWIFT FOODS, INC.**STATEMENTS OF INCOME**

(Amounts in Thousands, Except Basic and Diluted Loss Per Share)

	Years Ended December 31		
	2020	2019	2018
REVENUE			
Revenue from contracts with customers (Note 12)	P37,396	P59,815	P54,698
Fair value change of agricultural produce (Note 7)	8,106	4,797	3,121
Fair value change of biological assets (Note 7)	(3)	569	564
	45,499	65,181	58,383
COST OF GOODS SOLD (Note 13)	(43,943)	(58,744)	(52,611)
GROSS INCOME	1,556	6,437	5,772
GENERAL AND ADMINISTRATIVE EXPENSES (Note 14)	(15,628)	(15,840)	(13,839)
SELLING AND MARKETING EXPENSES (Note 15)	(1,479)	(1,338)	(1,183)
RENTAL INCOME (Note 9)	9,286	9,286	9,286
FAIR VALUE GAIN ON INVESTMENT PROPERTIES (Note 9)	78,556	104,480	1,406
OTHER INCOME - Net (Note 16)	11,155	19,891	3,647
INCOME BEFORE INCOME TAX	83,446	122,916	5,089
PROVISION FOR INCOME TAX (Note 19)			
Current	395	1,218	403
Deferred	23,567	30,488	422
	23,962	31,706	825
NET INCOME	P59,484	P91,210	P4,264
Basic/Diluted Earnings Per Share (Note 20)	P0.0327	P0.0502	P0.0023

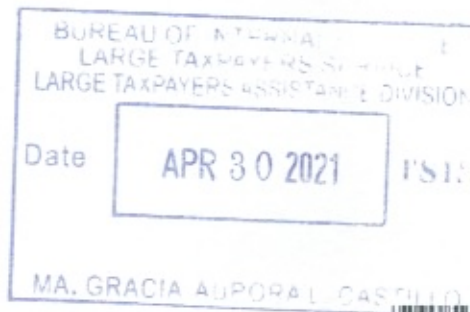
See accompanying Notes to Financial Statements.



SWIFT FOODS, INC.**STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
NET INCOME (LOSS)	₱59,484	₱91,210	₱4,264
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gain (loss) on defined benefit plan (Note 18)	(316)	(315)	123
TOTAL COMPREHENSIVE INCOME (LOSS)	₱59,168	₱90,895	₱4,387

See accompanying Notes to Financial Statements.

SWIFT FOODS, INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

(Amounts in Thousands)

	Capital Stock (Note 11)			Capital in Excess of Par Value (Note 11)			Deficit	Revaluation Increment on Properties Transferred to Investment Properties (Notes 9 and 11)	Treasury Shares Preferred	Total
	Preferred	Common	Total	Preferred	Common	Total				
BALANCES AT JANUARY 1, 2018	P59,732	P1,818,437	P1,878,169	P414,519	P866,895	P1,281,414	(P3,016,158)	P19,406	(P110,982)	P51,849
Net income for the year	-	-	-	-	-	-	4,264	-	-	4,264
Other comprehensive income for the year	-	-	-	-	-	-	123	-	-	123
Total comprehensive income for the year	-	-	-	-	-	-	4,387	-	-	4,387
BALANCES AT DECEMBER 31, 2018	59,732	1,818,437	1,878,169	414,519	866,895	1,281,414	(3,011,771)	19,406	(110,982)	56,236
Net income for the year	-	-	-	-	-	-	91,210	-	-	91,210
Other comprehensive loss for the year	-	-	-	-	-	-	(315)	-	-	(315)
Total comprehensive income for the year	-	-	-	-	-	-	90,895	-	-	90,895
BALANCES AT DECEMBER 31, 2019	59,732	1,818,437	1,878,169	414,519	866,895	1,281,414	(2,920,876)	19,406	(110,982)	147,131
Net income for the year	-	-	-	-	-	-	59,484	-	-	59,484
Other comprehensive loss for the year	-	-	-	-	-	-	(316)	-	-	(316)
Total comprehensive income for the year	-	-	-	-	-	-	59,168	-	-	59,168
BALANCES AT DECEMBER 31, 2020	P59,732	P1,818,437	P1,878,169	P414,519	P866,895	P1,281,414	(P2,861,708)	P19,406	(P110,982)	P206,299

See accompanying Notes to Financial Statements.

MA. GRACIA AURORA L. CASTILLO



SWIFT FOODS, INC.**STATEMENTS OF CASH FLOWS**

(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱83,446	₱122,916	₱5,089
Adjustments for:			
Fair value change on investment properties (Note 9)	(78,556)	(104,480)	(1,406)
Reversal of long outstanding payables (Note 16)	(6,566)	(5,196)	(4,671)
Provision (reversal of provision) for probable loss (Notes 16 and 25)	(4,030)	(14,358)	1,070
Provision for retirement benefits liability and other employee benefits (Note 18)	863	830	435
Interest income (Notes 4 and 16)	(49)	(59)	(46)
Fair value change on biological assets (Note 7)	3	(569)	(564)
Operating loss before working capital changes	(4,889)	(916)	(93)
Decrease (increase) in:			
Receivables	(643)	(415)	(1,535)
Inventories	(1,133)	(524)	112
Biological assets	757	639	(137)
Other current assets	(19)	62	—
Other noncurrent assets	17	(21)	—
Increase in accounts payable and other payables	4,732	2,273	2,519
Cash generated from (used in) operations	(1,178)	1,098	866
Income taxes paid, including creditable withholding taxes	(395)	(362)	(37)
Retirement benefits paid (Note 18)	(23)	—	—
Interest received (Notes 4 and 16)	49	59	46
Net cash flows from (used in) operating activities	(1,547)	795	875
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,547)	795	875
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,457	10,662	9,787
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱9,910	₱11,457	₱10,662

See accompanying Notes to Financial Statements.



SWIFT FOODS, INC.

NOTES TO FINANCIAL STATEMENTS

(Amounts in Thousands Except Number of Shares or When Otherwise Stated)

1. General

Corporate Information

Swift Foods, Inc. (SFI or the Company) was incorporated in the Philippines and is registered with the Securities and Exchange Commission on June 6, 1994 to assume RFM Corporation's business of manufacturing, marketing, and distributing processed and canned meat products, poultry products and commercial feeds. The Company also has a secondary purpose to lease real properties such as lands, buildings, machineries and equipment. In 2002, the production, marketing, and distribution activities of the meat division were transferred back to RFM Corporation. Starting 2006, the Company's only business is the poultry business.

In 2012, the trade license agreement between the Company and RFM Corporation was finalized giving ownership of the "Swift" brand to RFM Corporation. In October 2012, RFM Corporation sold the trademark to a third party.

The Company's registered office address is 4F RFM Corporate Center, Sheridan corner Pioneer Streets, Mandaluyong City.

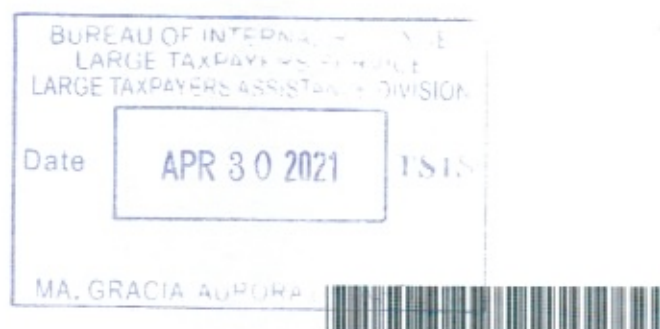
Status of Operations and Management Plans

The Company rested its production and operations nationwide towards the end of 2011 except for Palawan branch which remains as the only company-operated facility and continues to grow day-old chicks from local suppliers and contract growers into broiler, and markets them as dressed chicken. The Company has reported significant deficit which amounted to ₱2.86 billion and ₱2.92 billion as of December 31, 2020 and 2019, respectively, resulting from accumulated losses in prior years. Also, the Company's current liabilities already exceeded its current assets by ₱25.75 million and ₱30.24 million as of December 31, 2020 and 2019, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore, the Company may be unable to realize its assets and settle its liabilities in the normal course of business.

The financial statements have been prepared assuming that the Company will continue as a going concern. To enable the Company to continue as a going concern, the Company will continue the operation of the Palawan branch and will focus on the marketing of fresh dressed chicken. The Company also expects to generate additional income from renting out its investment properties. These will enable the Company to operate for the next 12 months from balance sheet date. The Company continues to wait for better business opportunities and carefully evaluates various business plans.

Authorization for the Issuance of the Financial Statements

The financial statements as of December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 were authorized for issue by the Board of Directors (BOD) on April 27, 2021.



2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The financial statements were prepared using historical cost basis, except for biological assets, agricultural produce and investment properties, which are carried at fair value. The financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency.

All values are rounded off to the nearest thousand (P000), except for the number of shares and loss per share or when otherwise indicated.

The accompanying financial statements have been prepared under the going concern assumption. The Company believes that its businesses would remain relevant despite challenges posed by the COVID-19 pandemic.

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2020. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*

The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments may impact future periods should the Company enter into any business combinations.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."



The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):



- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Company shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Company is not required to restate prior periods. These amendments are expected to have no significant impact to the financial statements.

Effective beginning on or after January 1, 2022

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

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

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

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

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.



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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- Annual Improvements to PFRSs 2018-2020 Cycle

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

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

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

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

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

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



An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

Effective beginning on or after January 1, 2023

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

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- 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

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company.

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted. The amendments are not expected to have a material impact on the Company.



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*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the Company's financial statements are summarized below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the balance sheet based on whether it is current and 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 twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

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

The Company classifies all other liabilities as noncurrent.

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



Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of up to three months or less from dates of acquisition and are subject to an insignificant risk of change in value. Interest income from bank deposits are recognized as interest accrues.

Fair Value Measurement

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 economic best interest. 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of 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 of input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the 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 of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

As of December 31, 2020 and 2019, the Company's biological assets, agricultural produce and investment properties are carried at fair value and with recurring fair value measurements.

Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another entity.



Financial Assets

Initial recognition and subsequent measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). 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.

In order for a 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.

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 FVPL

The Company has no financial instruments classified as financial assets at and designated at FVOCI and financial assets at FVPL.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. 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 SPPI on the principal amount outstanding.

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

The Company's financial assets at amortized cost include cash and cash equivalents and receivables.

Impairment of financial assets

The Company applied the expected credit loss (ECL) model on the impairment of its financial assets. ECL 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 effective interest rate. 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.



ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company applied lifetime ECL calculation on its financial assets. The Company determines probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company triggers its assessment whether its financial asset is in default when contractual payments are 90 days 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.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. To estimate the ECL, the Company uses the ratings published by a reputable rating agency.

Financial Liabilities

Classification and measurement of other financial liabilities

This category pertains to financial liabilities that are not held for trading or designated as FVPL upon inception of the liability and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue. These include liabilities arising from operations or borrowings. The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization for any related premium, discount and any directly attributable transaction costs. Effects of restatement of foreign currency-denominated liabilities, if any, are recognized in statement of income

The Company's financial liabilities include accounts payable and other payables.

Derecognition of Financial Assets and Financial Liabilities

Financial assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risk 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. 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. In this 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.

Financial liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the 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, or 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). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- | | |
|--|--|
| Raw materials, packaging materials
and supplies | - purchase cost using the first-in, first out
method. |
| Finished goods | - the initial cost of finished goods is the fair
value less costs to sell of agricultural
produce at point of harvest (see related
policy on Agricultural Produce). |

NRV is the selling price in the ordinary course of business, less the estimated costs necessary to make the sale. For raw materials, packaging materials and supplies, NRV is the current replacement cost.

Biological Assets and Agricultural Produce

The Company's biological assets include growing livestock (broilers before reaching harvestable weight) and goods in process (day-old chicks), which are grouped mainly according to their transformation capacity (growing or laying) as well as their particular stage in the production process. These biological assets are categorized according to their inherent characteristics in the production cycle.

The day-old chicks will be grown as livestock, which will either be sold as live chicken or transferred to the dressing plant for processing as dressed chicken.

Growing livestock and goods in process are carried at fair value less cost to sell and the live broilers (agricultural produce) harvested from the Company's biological assets are carried at fair value less cost to sell.



The fair value of the biological assets and agricultural produce is determined based on the most recent market price at the point of harvest based on relevant market prices published by the Philippine Bureau of Agricultural Statistics (BAS). The Company, generally, does not maintain any inventory of agricultural produce at any given time as these are either sold as live chicken or are immediately transferred as live broilers to the Company's dressing plants for processing as dressed chicken.

Fair valuation of agricultural produce

Gain from fair value change of agricultural produce is recognized at the point of harvest. Fair value is based on the most recent relevant market price (see related policy on Agricultural Produce) at transaction date.

Creditable Withholding Tax

Creditable withholding tax, which is included under "Other current assets" account in the balance sheet, represents the amount withheld by customers from income payments to the Company and may be applied against the Company's income tax payable. Estimates of amounts that are potentially unrecoverable are provided with allowance for probable losses through charges to statement of income.

Investment Properties

Investment properties, which mainly pertain to land and buildings held for capital appreciation or for rentals, are measured at fair value. These are measured initially at cost, including transaction costs. Fair value changes of investment property are included in the statement of income in the period in which they arise.

The fair value of the land is determined based on appraisal reports conducted by an independent appraiser (duly accredited by the Philippine Securities and Exchange Commission or SEC) on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made. The independent appraisers hold a recognized and relevant professional qualification and have a recent experience in the location and category of the investment properties being valued.

An investment property is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss in the derecognition on an investment property is recognized in the statement of income in the year of derecognition.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred.

Transfers are made to investment properties when, and only when, there is a change in use, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of the Company's occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property, the deemed cost of the property for subsequent accounting is its fair value at the date of change in use. If an 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. The difference between the fair value of the property, plant and equipment transferred to investment property and its carrying value is credited to the revaluation increment account. In 2015, the Company's land (classified as property, plant and equipment at revalued amount) was transferred to investment properties. Prior to the transfer in 2015, the Company's land was measured initially at fair value as of January 1, 2004 as permitted by PFRS 1, *First Time Adoption of Philippine Financial Reporting Standards*. This fair value was the



“deemed cost” of the land. The fair value of the land has been determined based on the appraisal reports conducted by independent appraisers and taking into account the economic conditions prevailing at the time the valuations were made. The difference between the fair value of the land and the carrying value was credited to deficit.

Revenue

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

Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally when the goods are delivered to and accepted by the customer. The normal credit term is 30 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration such as sales discounts, the existence of significant financing component, noncash considerations, and considerations payable to the customer, if any.

Contract Balances

Contract assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables. A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under *Financial Assets - Financial assets at amortized cost (debt instruments)*.

Contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Costs and Expenses

Costs and expenses are recognized as incurred when decrease in future economic benefits related to a decrease in an asset or an increase of a liability, other than equity transactions with equity holders, has arisen that can be measured reliably.

Cost of goods sold

Cost of goods sold is recognized as expense when the related goods are sold.

General, administrative, selling and marketing expenses

General and administrative expenses constitute costs of administering the business. Selling and marketing expenses are costs incurred to sell or distribute the merchandise. These expenses are expensed when incurred.



Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expense (including items previously presented under the statement of changes in equity) that are not recognized in the statement of income for the year in accordance with PFRS.

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.

The Company as a lessee (Effective January 1, 2019)

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

The Company as a lessee (Effective Prior to January 1, 2019)

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of income.

Operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the statement of income on a straight-line basis over the lease term, except for contingent rental payments which are expensed when they arise.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Rent income is recognized using the straight-line method over the term of the lease.

Retirement Benefits Cost

The Company accrues retirement benefits cost for all regular full-time employees based on the requirements of Republic Act (RA) No. 7641. Retirement benefits cost is actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each separately to build up the final obligation.

Retirement benefit costs comprise the following:

- Service cost;
- Net interest on the net retirement benefits obligation or asset; and
- Remeasurements on the net retirement benefits obligation 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 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 statement of income.

Re-measurements 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 in the period in which they occur and immediately credited to deficit. Re-measurements are not reclassified to the statement of income in subsequent periods.

The amount recognized as retirement benefits liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at reporting date.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Foreign Currency-denominated Transactions

Transactions denominated in foreign currencies are initially recorded in Peso based on the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate at the reporting date. Exchange gains or losses arising from foreign currency transactions and balances are credited to or charged against current operations. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of initial transaction.

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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

Deferred income tax

Deferred income tax is provided, using balance sheet liability method, on all temporary differences at the balance sheet 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, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax



(RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, carryforward benefits of unused MCIT and NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced 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 balance sheet date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are 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 each balance sheet date.

Capital Stock

Capital stock is measured at par value for all shares issued. Common and preferred shares are classified as equity. The proceeds from the issuance of common shares and preferred shares are presented in equity as capital stock to the extent of the par value of issued shares. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the "Capital in excess of par value" account.

Retained Earnings (Deficit)

Retained earnings (deficit) represent the cumulative balance of total comprehensive income (losses) and effects of changes in accounting policy. Retained earnings (deficit) includes the remeasurement gain (loss) on retirement benefits liability and the revaluation increment on the land when the Company adopted the deemed cost.

Revaluation Increment on Properties Transferred to Investment Properties

Revaluation increment on properties transferred to investment properties represent the difference between the fair value and the net book value of the Company's properties transferred to investment properties.

Treasury Shares

The Company's own equity instruments reacquired are carried at cost and deducted from equity. No gain or loss is recognized in the statement of income on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

Basic/Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated through dividing the net income (loss) by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings (loss) per share is calculated through dividing the net income (loss) by the weighted average number of common shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potentially dilutive common shares, if any. Where the basic earnings (loss) per share effect of the assumed conversion of preferred shares on net income (loss) would be anti-dilutive, no diluted earnings per share is presented.



Provisions and Contingencies

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.

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

Segment Reporting

For management reporting purposes, the Company considers the poultry and leasing business as its reportable operating segments. Such business segments are the basis upon which the Company reports its operating segment information. The operating segments are reported in a manner that is more consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the BOD that makes strategic decisions. The Company has no inter-segment sales and transactions.

Events After the Reporting Period

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

3. Management's Use of Significant Judgments and Accounting Estimates

The preparation of the financial statements in accordance with PFRS requires management to exercise judgments and make accounting estimates that affect the amounts reported in the financial statements and related notes to the financial statements. The judgments, estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the reporting date. Actual results could differ from these estimates and assumptions used. Judgments and estimates 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.

In response to the novel Coronavirus Disease 2019 (COVID-19), which has caused global economic disruption, the Company has implemented programs to minimize the risks related to COVID-19 and continue its operations.

Management has considered the potential impact of COVID-19 pandemic on the Company's significant accounting judgments and estimates and there are no changes to the significant judgements and estimates in the financial statements as at and for the year ended December 31, 2020 from those applied in previous financial years, other than for those disclosed under this section,

Judgments

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

Use of going concern assumption

Management shall make an assessment on the Company's ability to continue as a going concern at the end of each reporting period. In making such an assessment, management takes into account all



available information about the future, which is, but not limited to 12 months from the end of the reporting period. Management believes that the use of going concern assumption is still appropriate as discussed in Note 1 to the financial statements.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation at each balance sheet date that have significant risks of covering a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed as follows:

Provision for ECL on trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The assessment of the correlation between observed default 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 of economic conditions may also not be representative of the customer's actual default in the future.

The Company has considered the impact of COVID-19 pandemic on the ECLs of its financial instruments, mainly its trade receivables. The amount and timing of the ECLs, as well as the probability assigned thereto, have been based on the available information up to reporting date. The Company did not recognize additional ECL on its trade receivables with carrying value of ₱6.05 million and ₱5.40 million as at December 31, 2020 and 2019, respectively, because the Company's credit risk exposure is not significant as the trade receivables are covered by cash bonds. For receivable from employees amounting to ₱1.69 million as at December 31, 2020 and 2019, the Company believes that any additional ECL is not significant since these are deductible through salary deductions of these employees (see Note 5).

Estimating allowance for probable losses on creditable withholding taxes

Allowance for probable loss on creditable withholding tax is based on the ability of the Company to recover the carrying value of the assets. Amounts estimated to be potentially unrecoverable are provided with allowance for probable losses. The Company estimates the level of provision for probable losses based on the factors that affect realizability such as future income tax due. The carrying value of creditable withholding taxes is nil as at December 31, 2020 and December 31, 2019. Allowance for probable losses amounted to ₱15.61 million and ₱15.97 million as at December 31, 2020 and 2019, respectively (see Note 8).

Fair value of biological assets and agricultural produce

The Company determines the fair value of its biological assets and agricultural produce based on the most recent market transaction price at the date which approximates the point of harvest, provided that there has been no significant change in economic circumstances between the date of transactions and the balance sheet date, and adjustments to market price by considering the life cycle of the growing livestock and future estimated harvests of live broilers.

Market price is obtained from the monthly commercial farmgate prices of chicken issued by the BAS for provinces which the Company considered as its relevant markets. Management believes that the monthly market prices from BAS are the only available reliable basis of fair value of biological assets and agricultural produce at the point of harvest.



The carrying value of the biological assets amounted to ₱1.74 million and ₱2.50 million as at December 31, 2020 and 2019, respectively (see Note 7). The Company's fair value gains on agricultural produce that were harvested and sold during the year amounted to ₱8.11 million in 2020, ₱4.80 million in 2019, and ₱3.12 million in 2018 (see Note 7).

Estimating NRV of inventories

The Company determines the NRV of inventories by reference to the current selling price of the product and the estimated cost to sell, which is based on the Company's budget for the succeeding year.

The carrying amount of inventories amounted to ₱1.92 million and ₱0.79 million as at December 31, 2020 and 2019, respectively (see Note 6).

Estimating the fair value of investment properties

The Company determines the fair value of the investment properties based on the report prepared by independent Philippine SEC-accredited appraisers or actual offers from prospective buyers, if any. The appraisers are industry specialists in valuing these types of investment properties. 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 carrying value of investment properties amounted to ₱340.09 million and ₱261.53 million as at December 31, 2020 and 2019, respectively (see Note 9).

Estimation of impairment charges on non-financial assets

The Company determines whether there are indications of impairment of the Company's non-financial assets. Indications of impairment include 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. Determining the fair value of the non-financial assets requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. It requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows involves significant judgment and estimations.

While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

Based on evaluation, management believes that the carrying values of investment properties amounting to ₱340.09 million and ₱261.53 million as of December 31, 2020 and 2019 respectively, are recoverable. Accordingly, management did not recognize impairment loss for the years ended December 31, 2020 and 2019 (see Note 9)

Estimating retirement benefits liability and costs

The cost of defined benefit pension plans, as well as the present value of the pension obligation is, determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All significant assumptions are reviewed at each reporting date.



In determining the appropriate discount rate, management considers the interest rates of government bonds, adjusted to zero coupon rates, with term consistent with the obligation of the plan.

As at December 31, 2020 and 2019, the retirement benefits liability amounted to ₱6.46 million and ₱5.31 million, respectively. Retirement benefits costs amounted to ₱0.86 million in 2020 and ₱0.83 million in 2019 and ₱0.44 million in 2018 (see Note 18).

Provisions and contingencies

The estimate of probable costs of resolution of possible claims has been developed in consultation with external counsels handling the Company's defense in these matters and is based upon an analysis of potential results. The Company is a party to certain claims arising from the ordinary course of business. The Company is a party to certain claims. The Company makes provisions based on management's and its legal counsel's opinion and assessment on the outcome of the claims.

As at December 31, 2020 and 2019, the Company recorded provisions amounting to ₱9.77 million and ₱13.80 million, respectively (see Notes 10 and 25).

Recognizing deferred income tax assets

Deferred income tax assets are recognized for all temporary deductible differences, carryforward of NOLCO and MCIT to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The Company considered the deferred income tax assets that will reverse on the same period as the deferred income tax liabilities.

As at December 31, 2020 and 2019, no deferred income tax assets were recognized since the Company believes that there are no sufficient taxable profits against which the deductible temporary differences, carryforward of NOLCO and excess of MCIT over RCIT amounting to ₱36.45 million and ₱35.66 million, respectively, can be realized (see Note 19).

4. Cash and Cash Equivalents

	2020	2019
Cash on hand and in banks	₱6,724	₱8,271
Cash equivalents	3,186	3,186
	₱9,910	₱11,457

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Company.

Interest earned amounted to ₱0.05 million in 2020, ₱0.06 million in 2019 and ₱0.05 million in 2018 (see Note 16).



5. Receivables

	2020	2019
Trade - net of allowance for ECL of ₱239 in 2020 and 2019	₱6,046	₱5,403
Employees - net of allowance for ECL of ₱104 in 2020 and in 2019	1,692	1,692
Nontrade receivables - net of allowance for ECL of ₱13,162 in 2020 and 2019	—	—
	₱7,738	₱7,095

6. Inventories

	2020	2019
At net realizable value (net of valuation allowance of ₱17 in 2020 and 2019):		
Raw materials - medicine and vaccine	₱1,887	₱758
At cost:		
Packaging materials and supplies	32	28
	₱1,919	₱786

Cost of inventories sold amounted to ₱36.51 million in 2020, ₱48.94 million in 2019 and ₱43.50 million in 2018 (see Note 13).

The Company did not have any ending agricultural produce as part of its finished goods inventories as at December 31, 2020 and 2019.

7. Biological Assets

As of December 31, 2020 and 2019, biological assets consist of growing livestock.

Changes in the carrying value of biological assets are as follows:

	2020	2019
At January 1	₱2,496	₱2,565
Increase due to purchases	32,105	49,457
Decrease due to harvest	(32,862)	(50,095)
Fair value gain (loss)	(3)	569
At December 31	₱1,736	₱2,496

Fair value gains on agricultural produce amounted to ₱8.11 million in 2020, ₱4.80 million in 2019 and ₱3.12 million in 2018.



8. Other Current Assets

	2020	2019
Advance rentals	₱170	₱151
Creditable withholding tax, net of allowance for probable loss of ₱15,610 and ₱15,969 in 2020 and 2019 (Note 16)	—	—
Others	22	22
	₱192	₱173

In 2020 and 2019, the Company reversed provision for probable loss on its creditable withholding taxes amounting to ₱359 and ₱221, respectively, which management has assessed to be realizable.

9. Investment Properties

	2020			
	Land	Buildings and Improvements	Machinery and Equipment	Total
Cost:				
Beginning of year	₱256,225	₱2,699	₱3,027	₱261,951
Fair value increase (decrease)	78,710	(98)	(56)	78,556
End of year	334,935	2,601	2,971	340,507
Accumulated impairment	(417)	—	—	(417)
Net Book Values	₱334,518	₱2,601	₱2,971	₱340,090

	2019			
	Land	Buildings and Improvements	Machinery and Equipment	Total
Cost:				
Beginning of year	₱149,966	₱2,746	₱4,759	₱157,471
Fair value increase (decrease)	106,259	(47)	(1,732)	104,480
End of year	256,225	2,699	3,027	261,951
Accumulated impairment	(417)	—	—	(417)
Net Book Values	₱255,808	₱2,699	₱3,027	₱261,534

The investment properties at fair value consists of:

	2020	2019
Cost	₱135,564	₱135,564
Appraisal increase	204,526	125,970
At fair value	₱340,090	₱261,534

In 2015, the Company recognized impairment loss amounting to ₱0.42 million on its land property located at Tumaga, Zamboanga City as management assessed that carrying value of the property is no longer recoverable.

Since the Company is focusing its operations in Palawan, the Company reclassified the property in Tanay, Rizal from property, plant and equipment to investment properties in 2015. The reclassification of owner-occupied property to investment properties is due to the change in the use of the properties that is to recognize income from leasing arrangements. The difference between the fair value and the net book value during the date of reclassification amounted to ₱19.41 million, net of deferred income tax effect, and was recognized as revaluation increment under equity (see Note 11).



The market values are based on the valuation performed by a Philippine SEC-accredited appraiser as of December 31, 2020 and 2019. The valuation procedures have been performed in accordance with the Philippine Valuation Standard - Adoption of the International Valuation Standards Committee under Philippine setting.

The fair value was determined by using the sales comparison approach. Such approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate involving comparison and adjustments to sales price which pertain to factors affecting value such as size, location, time and shape.

Fair value hierarchy disclosures for investment properties are provided in Note 23.

Related real property taxes paid by the Company amounted to ₱0.45 million in 2020, ₱0.45 million in 2019 and ₱0.55 million in 2018 presented as part of taxes and licenses under "General Administrative Expenses" (see Note 14).

Total rental income recognized by the Company amounted to ₱9.29 million in 2020, 2019 and 2018.

For strategic reasons, the investment properties are not being used in accordance with their highest and best use in which the fair values are determined.

10. Accounts Payable, Provisions and Other Payables

	2020	2019
Trade payables	₱15,358	₱19,292
Provisions (Notes 16 and 25)	9,766	13,796
Nontrade payables	20,191	18,068
Accrued liabilities	1,083	1,094
Other employee benefits (Note 18)	850	—
	₱47,248	₱52,250

Trade payables arise from regular transactions with supplier and service providers. These are noninterest-bearing and are normally settled within one year.

Provisions represent management's best estimate of probable cost of claims arising from the normal course of business that has been developed in consultation with the Company's legal counsel and is based upon an analysis of potential results. As allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, detailed information on the provisions is not disclosed as it may prejudice the Company's negotiation with the third party.

Nontrade payables pertain to utilities, security services and other nontrade liabilities to third party suppliers and service providers.

Accrued liabilities are composed of accrual of accrued rebates, discounts, professional fees and other goods and services provided by the supplier and service providers, as well as, cash bonds received by the Company. These are noninterest-bearing and are normally settled within one year.

The Company reversed its long outstanding trade and nontrade payables amounting to ₱6.57 million and ₱5.20 million in 2020 and 2019, respectively. The income from reversal is recorded as part of "Other income" in the statements of income (see Note 16).



11. Equity

Capital Stock

Issued and outstanding preferred stock are held by 3,384 and 3,385 stockholders as of December 31, 2020 and 2019, respectively. Issued and outstanding common stocks are held by 7,254 and 7,264 stockholders as of December 31, 2020 and 2019, respectively.

Information on capital stock as of December 31 follows:

Number of shares	2020	2019
Preferred stock - ₱1 par value:		
Authorized shares	200,000,000	200,000,000
Issued shares	59,731,934	59,731,934
Outstanding shares	48,633,664	48,633,664
Common stock - ₱1 par value:		
Authorized shares	2,500,000,000	2,500,000,000
Issued and outstanding shares	1,818,436,953	1,818,436,953

In 2020, 2019 and 2018, no shareholders exercised their right to convert their preferred shares to common shares. In 2015, some holders of preferred shares exercised their right to convert their 401,348 preferred shares into 4,013,480 common shares, based on the ratio of ten common shares for every one preferred share.

Preferred Shares

The terms of the Company's convertible preferred shares as amended during the stockholders' meeting on October 11, 2006 and as approved by the SEC on December 6, 2007 follow:

- i. The convertible preferred shares have no voting rights, except as may be provided by law;
- ii. Holders of the convertible preferred shares shall not be entitled to receive dividend;
- iii. The holders of convertible preferred shares shall have the right to convert such shares into common shares anytime at the ratio of ten (10) common shares for every one (1) convertible preferred shares held;
- iv. The Company shall have the option to redeem the convertible preferred shares on any date at the offer price.

As of December 31, 2020 and 2019, the Company has a total of 59,731,934 issued preferred shares, which include the 11,098,270 preferred shares in treasury acquired by the Company at ₱10 per share or a total of ₱110.98 million.

Revaluation Increment on Properties Transferred to Investment Properties

This represents the difference between fair value and net book value of the Company's land, building and improvements, and machinery and equipment under the property, plant and equipment account that was transferred to investment properties in 2015 which amounted to ₱19.41 million, net of ₱8.32 million deferred income tax liability, at the date of reclassification (see Notes 9 and 19).

Deficit

The balance of deficit includes the revaluation increment on land amounting to ₱74.90 million, net of deferred income tax, when the Company adopted the deemed cost, and the cumulative remeasurement on defined benefit plan which pertains to the actuarial differences estimated from the determination of the Company's defined benefit obligation that are directly taken to deficit. Accumulated actuarial loss



amounted to ₱47.85 million and ₱47.53 million as of December 31, 2020 and 2019, respectively (see Note 18).

Track Registration Record of Securities

On May 28, 1998, the SEC approved the Offer of Pre-Emptive Rights on 100,327,687 convertible preferred shares with a par value of ₱1.00 per share at a price of ₱10.00 per share with a Greenshoe Option of up to 50,163,844 additional preferred shares.

On June 24, 1998, the Philippine Stock Exchange approved the listing of the following shares of the Company:

- a. 100,327,687 convertible preferred shares, with a par value of ₱1.00 per share, to cover the 1:8 preemptive rights offering to stockholders as of the proposed record date of July 15, 1998, at an offer price of ₱10.00 per share;
- b. 50,163,844 convertible preferred shares, with a par value of ₱1.00 per share, to cover the Greenshoe option shares granted to stockholders as of the proposed record date of July 15, 1998, at an offer price of ₱10.00 per share; and
- c. 1,504,915,310 common shares, with a par value of ₱1.00 per share, to cover the underlying shares of the convertible preferred shares.

12. Revenue from Contracts with Customers

Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers.

By type	2020	2019	2018
Dressed chicken	₱33,088	₱52,552	₱47,639
By-products	3,185	5,224	5,034
Day old chicks	1,123	2,039	2,025
Total revenue from contract with customers	₱37,396	₱59,815	₱54,698

Contract Balances

The Company's trade receivables amounted to ₱6.05 million and ₱5.40 million as of December 31, 2020 and 2019, respectively (see Note 5).

The Company has no contract assets and liabilities as of December 31, 2020 and 2019.

Performance Obligations

For the sale of goods, the performance obligation is satisfied when the goods are taken out of the Company premises for delivery and payment is generally due 30 to 60 days after delivery. The Company has no outstanding performance obligations as of December 31, 2020 and 2019. There are no revenue recognized in 2020 and 2019 from performance obligations satisfied in the previous period.



13. Cost of Goods Sold

	2020	2019	2018
Raw materials used (Note 6)	₱36,507	₱48,937	₱43,503
Freight and handling	3,052	3,425	2,955
Outside services	1,155	1,968	1,580
Supplies and facilities	1,031	1,943	1,889
Personnel costs (Notes 14 and 18)	942	858	872
Rental (Note 25)	742	835	865
Taxes and licenses	170	269	250
Communication, light and water	98	187	219
Repairs and maintenance	90	72	241
Others	156	250	237
	₱43,943	₱58,744	₱52,611

14. General and Administrative Expenses

	2020	2019	2018
Personnel costs (Notes 13, 17 and 18)	₱9,864	₱9,855	₱9,411
Outside services	3,067	2,592	1,768
Taxes and licenses	760	722	835
Repairs and maintenance	587	177	256
Rental (Note 25)	464	417	402
Transportation and travel	371	619	395
Communication, light and water	255	826	411
Supplies and facilities	141	376	172
Advertising and promotion	103	119	89
Insurance	14	131	79
Others	2	6	21
	₱15,628	₱15,840	₱13,839

Personnel costs pertain to:

	2020	2019	2018
Salaries and wages (Notes 13 and 14)	₱9,943	₱9,883	₱9,848
Retirement benefits costs (Note 18)	863	830	435
	₱10,806	₱10,713	₱10,283



15. Selling and Marketing Expenses

	2020	2019	2018
Rental (Note 25)	₱997	₱578	₱519
Outside services	163	276	178
Freight and handling	119	131	122
Transportation and travel	97	222	239
Supplies and facilities	91	125	106
Others	12	6	19
	₱1,479	₱1,338	₱1,183

16. Other Income - Net

	2020	2019	2018
Reversal of provision (provision) for probable loss (Notes 10 and 25)	₱4,030	₱14,358	(₱1,070)
Reversal of long outstanding payables (Note 10)	6,566	5,196	4,671
Reversal of allowance for probable loss on creditable withholding taxes (Note 8)	359	221	—
Interest income (Note 4)	49	59	46
Others	151	57	—
	₱11,155	₱19,891	₱3,647

Others pertain to collection of previously written-off receivables and other miscellaneous income.

17. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders.

All material related party transactions shall be disclosed to the BOD and all transactions will be reviewed and approved by the BOD to ensure that a conflict of interest does not exist, a proper assessment of such transaction is made, and all necessary information is properly documented. Material related party transaction shall mean any individual related party transaction, or series of related party transactions over twelve (12) months, and with the same related party, amounting to, or exceeding, individually, or in the aggregate, the materiality threshold. Materiality threshold shall mean ten percent (10%) of the Company's total assets based on the latest audited financial statements.



The aggregate compensation and benefits paid and accrued to the Company's key management personnel follow:

	2020	2019	2018
Short-term employee benefits, including salaries and allowances	₱6,952	₱6,373	₱6,902
Retirement benefits costs	603	568	432
	₱7,555	₱6,941	₱7,334

18. Employee Benefits

Retirement Benefits

The Company's retirement plan (the Plan) is non-contributory and of the defined benefit type which provides a retirement benefit equal to a certain percentage of the monthly salary for every year of credited service. The benefit is paid in a lump sum upon retirement or separation in accordance with the terms of the plan. There are no significant risks to which the Plan exposes the Company.

However, in the event a benefit claim arises under the Plan, the benefit shall immediately be due and payable from the Company.

Under the existing regulatory framework, RA 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however, that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The components of retirement benefits cost recognized in statements of income follow (see Note 14):

	2020	2019	2018
Current service cost	₱593	₱518	₱213
Interest cost	270	312	222
Retirement benefits costs	₱863	₱830	₱435

The amounts of remeasurement gain (loss) on defined benefit plan recognized in statement of comprehensive income for the years ended December 31 are as follows:

	2020	2019	2018
Remeasurement gain (loss) arising from changes in:			
Experience adjustments	₱97	₱206	(₱237)
Financial assumptions	(413)	(521)	360
	(₱316)	(₱315)	₱123

The retirement benefits liability is equal to the present value of defined benefit obligation.



Movements in the retirement benefits obligation account and present value of defined benefit obligation are as follows:

	2020	2019	2018
At January 1	₱5,306	₱4,161	₱3,849
Current service cost	593	518	213
Interest cost	270	312	222
Retirement benefits payment	(23)	—	—
Remeasurement loss (gain) recognized in other comprehensive income	316	315	(123)
At December 31	₱6,462	₱5,306	₱4,161

The latest actuarial valuation report is as of December 31, 2020. The principal actuarial assumptions used to determine pension benefits cost as of January 1 follow:

	2020	2019
Discount rate	5.09%	7.50%
Projected salary increase	2.00%	2.00%
Mortality rate	2001 CSO*	2001 CSO*
Disability rate	The Disability Study, Period 2, Benefit 5	The Disability Study, Period 2, Benefit 5

*Commissioners Standard Ordinary Table

The discount rate and projected salary increase rate as of December 31, 2020 is 3.53% and 2.00%, respectively. The basis of the mortality rate and disability rate remain the same as in the table above.

The Company does not expect to contribute to the retirement plan in 2021. The Company currently does not employ any asset-liability matching strategies.

The Company performed sensitivity analysis for the changes in the significant assumptions that would increase the defined benefit obligation. The sensitivity analysis as shown on the next page has been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions occurring at December 31, 2020 and 2019 assuming all other assumptions were held constant.

		Increase (decrease) in present value of defined benefit obligation	
	Movement	2020	2019
Discount rate	+100 basis points	(₱274)	(₱234)
	-100 basis points	311	263
Salary rate	+100 basis points	313	269
	-100 basis points	(280)	(242)

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The average duration of the defined benefits obligation is 4.50 years and 4.70 years as of December 31, 2020 and 2019, respectively.



Shown below is the maturity analysis of the undiscounted expected benefit payments as of December 31:

Plan year	2020	2019
Less than one year	₱1,616	₱1,532
More than one year to five years	4,987	5,011
More than 5 years	565	513
	₱7,168	₱7,056

Other employee benefits liability

Employees can accumulate earned leave credits, which can be used anytime when needed by the employee or converted to cash, computed based on the employee's final rate upon separation (i.e., resignation or retirement). Accumulated leave credits are presented as "Other employee benefits liability" which amounted to ₱0.85 million and ₱0.86 million as of December 31, 2020 and 2019, respectively.

19. Income Taxes

- The provision for current income tax represents the RCIT in 2020 and 2019 and MCIT in 2018.
- The components of the Company's deferred income tax liabilities follow:

	2020	2019
Deemed cost adjustment on land (Note 11)	₱32,112	₱32,112
Revaluation increment on properties transferred to investment properties (Note 11)	8,317	8,317
Fair value changes on investment properties (Note 9)	61,358	37,791
	₱101,787	₱78,220

- The Company did not recognize deferred income tax assets on the following deductible temporary differences and carryforward benefits of NOLCO and excess of MCIT over RCIT since the Company believes that there are no sufficient future taxable profits against which to apply these items:

	2020	2019
Allowance for ECL (Note 5)	13,505	13,505
Retirement benefits liability (Note 18)	6,462	5,306
Other employee benefits (Note 18)	850	863
Allowance for inventory obsolescence (Note 6)	17	17
Fair value change of biological assets	3	—

- Following are the movements of NOLCO and MCIT:

	NOLCO			MCIT		
	2020	2019	2018	2020	2019	2018
At January 1	₱—	₱—	₱4,871	₱—	₱856	₱558
Additions	—	—	—	—	—	403
Application	—	—	(4,871)	—	(856)	—
Expiration	—	—	—	—	—	(105)
At December 31	₱—	₱—	₱—	₱—	₱—	₱856



- e. The reconciliation of provision for income tax computed at the statutory income tax rate to provision for income tax as shown in the statements of income is shown below:

	2020	2019	2018
Provision for income tax at statutory income tax rate	₱25,034	₱36,875	₱1,526
Additions to (reductions in) income tax resulting from: Movement in MCIT, NOLCO, and temporary differences for which no deferred income tax assets were recognized	260	(4,295)	(1,251)
Application of MCIT from previous years for which no deferred income tax assets were recognized	₱—	(₱856)	₱—
Interest income subjected to final tax	(15)	(18)	(14)
Non-taxable income	(1,317)	—	—
Nondeductible interest and other expenses	—	—	564
Provision for income tax	₱23,962	₱31,706	₱825

- f. The President of the Philippines signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.



Applying the provisions of the CREATE Act, the Company would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

- Based on the provisions of Revenue Regulations (RR) No. 5-2021 dated April 8, 2021 issued by the BIR, the prorated corporate income tax rate for 2020 is 27.5%. This will result in lower tax provision for the year ended December 31, 2020 amounting to ₱0.36 million. This will be reflected in the Company's 2020 annual income tax return. However, for financial reporting purposes, the changes will only be recognized in the 2021 financial statements.
- This will result in lower deferred income tax liabilities as of December 31, 2020 by ₱16.97 million. These reductions will be recognized in the 2021 financial statements.

20. Basic and Diluted Earnings Per Share

Basic/diluted earnings per share are computed as follows:

	2020	2019	2018
Net income attributable to common stockholders	₱59,484	₱91,210	₱4,264
Divided by weighted average number of common stock	1,818,437	1,818,437	1,818,437
Basic/diluted earnings per share	₱0.0327	₱0.0502	₱0.0023

The effect of convertible preferred shares is antidilutive for 2020, 2019 and 2018. Accordingly, the basic and dilutive earnings per share presented are the same.

21. Operating Segment Information

In December 2016, the Company entered into a leasing agreement with a third party on its property in Tanay, Rizal for a period of 5 years commencing on December 1, 2016 to November 30, 2021. Annual rental amounted to ₱9.26 million.

Consequently, the Company assessed that the leasing business should be monitored as an operating segment separate from the Company's poultry business starting 2016.

The Company has only one geographical segment as all its assets are located in the Philippines. The Company operates and derives principally all its revenue from domestic operations. Thus, geographical business operation is not required.

Segment information is as follows:

	Poultry			Leasing			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Segment revenues*	₱45,499	₱65,181	₱58,383	₱87,842	₱113,766	₱10,692	₱133,341	₱178,947	₱69,075
Segment net income (loss)	(1,691)	11,888	(2,836)	61,175	79,322	7,100	59,484	91,210	4,264
Total assets	21,706	22,236	20,613	340,090	261,534	157,054	361,796	283,770	177,667
Total liabilities	155,497	136,639	121,431	—	—	—	155,497	136,639	121,431

*Inclusive of the fair value gain on investment properties



Revenue from agricultural produce amounted to ₱4.74 million, ₱22.25 million and ₱20.22 million was derived from one customer, representing 12.68%, 37.19% and 36.97% of total revenue from contracts with customers, in 2020, 2019 and 2018, respectively.

Rental income from the leasing business was derived only from a single third-party lessee.

Operating results of the Company is regularly reviewed by the Company's BOD for the purpose of making decisions about resource allocation and performance assessment. Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS. The presentation and classification of segment assets and liabilities are consistent with the balance sheets.

22. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, receivables and accounts payable and other payables. The main purpose of these financial instruments is to ensure adequate funds for the Company's operations.

It is the Company's policy that no trading of financial instruments shall be undertaken.

The Company's management and the BOD review and approve policies for managing these risks. Management closely monitors the funds and financial transactions of the Company.

The Company recognizes the fact that their business operations are always exposed, in one way or the other, to some level of uncertainties or risks which, if not properly addressed and managed, could be detrimental to the profitability of the Company.

Listed below are the financial risks the Company is exposed to:

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 Company is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions and other financial instruments.

The Company has concentration with one customer whose sales represent 12.68%, 37.19% and 36.97% of total sales in 2020, 2019 and 2018, respectively. It is the Company's policy to require all customers, who wish to trade on credit terms, to comply with and undergo the credit verification process. This process emphasizes on the customer's capacity and willingness to pay. In addition, receivables are closely monitored so that exposure to bad debts is minimized. The Company deals only with creditworthy customers with whom it has already firmly established a good business relationship. The maximum credit exposure of the Company's financial assets is equal to their carrying values as of December 31, 2020 and 2019, except for trade receivables which are covered by cash bonds provided by customers amounting to ₱2.31 million as of December 31, 2020 and 2019, thereby, reducing the Company's credit risk exposure.

An impairment analysis is performed using a provision matrix to measure ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The 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.



For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The following tables show the credit quality and aging analysis of financial assets.

	2020						
	Current			Past Due		Credit Impaired	Total
	Minimal Risk	Average Risk	High Risk	1-90 Days	More than 90 days		
Cash and cash equivalents	₱9,910	₱-	₱-	₱-	₱-	₱-	₱9,910
Receivables							
Trade	3,144	-	-	982	1,920	239	6,285
Nontrade	-	-	-	-	-	13,162	13,162
	₱13,054	₱-	₱-	₱982	₱1,920	₱13,401	₱29,357

	2019						
	Current			Past Due		Credit Impaired	Total
	Minimal Risk	Average Risk	High Risk	1-90 Days	More than 90 days		
Cash and cash equivalents	₱11,457	₱-	₱-	₱-	₱-	₱-	₱11,457
Receivables							
Trade	3,544	-	-	1,719	140	239	5,642
Nontrade	-	-	-	-	-	13,162	13,162
	₱15,001	₱-	₱-	₱1,719	₱140	₱13,401	₱30,261

The Company classifies credit quality risk as follows:

Minimal risk - accounts with a high degree of certainty in collection, where counterparties have consistently displayed prompt settlement practices, and have little to no instance of defaults or discrepancies in payment. This includes receivables which are covered by cash bonds.

Average risk - active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues, but where the likelihood of collection is still moderate to high as the counterparties are generally responsive to credit actions initiated by the Company.

High risk - accounts with low probability of collection and can be considered impaired based on historical experience, where counterparties exhibit a recurring tendency to default despite constant reminder and communication, or even extended payment terms.

The following tables below summarize the staging considerations (other than trade receivables subject to provision matrix) of the Company's financial assets as at December 31:

	2020			
	Stage 1 (12-Month ECL)	Stage 2 (Life time ECL)	Stage 3 (Credit Impaired)	Total
	₱9,910	₱-	₱-	₱9,910
Cash and cash equivalents				
Nontrade receivables	-	-	13,162	13,162
	₱9,910	₱-	₱13,162	₱23,072



	2019			
	Stage 1 (12-Month ECL)	Stage 2 (Life time ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents	₱11,457	₱—	₱—	₱11,457
Nontrade receivables	—	—	13,162	13,162
	₱11,457	₱—	₱13,162	₱24,619

Set out below is the information about the credit risk exposure on trade receivables using a provision matrix as of December 31:

	2020				
	Days Past Due				
	Current	1-90 Days	More than 90 Days	Impaired	Total
Expected credit loss rate	0%	0%	0%	0%	
Estimated total gross carrying amount at default	₱3,144	₱982	₱1,920	₱—	₱6,046
Expected credit loss	—	—	—	—	—
Credit impaired	—	—	—	239	239
Total expected credit loss	₱—	₱—	₱—	₱239	₱239

	2020				
	Days Past Due				
	Current	1-90 Days	More than 90 Days	Impaired	Total
Expected credit loss rate	0%	0%	0%	0%	
Estimated total gross carrying amount at default	₱3,544	₱1,719	₱140	₱—	₱5,403
Expected credit loss	—	—	—	—	—
Credit impaired	—	—	—	239	239
Total expected credit loss	₱—	₱—	₱—	₱239	₱239

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations when they fall under normal and stress circumstances. To limit risk, the Company manages its liquid funds through cash planning on a monthly and weekly basis. The Company uses historical figures and experiences and forecasts from its collections and disbursements, as well as projections based on the annual business plan. Likewise, the Company places excess funds in short-term cash investments. The Company also enters into restructuring agreements with creditor banks, as the need arises.

The following table summarizes the Company's maturity profile of financial assets held for managing liquidity and maturity profile of financial liabilities based on contractual undiscounted obligations.

As of December 31, 2020:

	On Demand	Less than 3 months	3 to 12 months	Total
Debt instruments at amortized cost:				
Cash and cash equivalents	₱9,910	₱—	₱—	₱9,910
Trade receivables	3,141	3,144	—	6,285
Total financial assets	13,051	3,144	—	16,195
Other financial liabilities:				
Accounts payable, provisions and other payables*	34,326	—	—	34,326
Liquidity position (gap)	(₱21,275)	₱3,144	₱—	(₱18,131)

* Excluding nonfinancial liabilities amounting to ₱12,922



As of December 31, 2019:

	On Demand	Less than 3 months	3 to 12 months	Total
Debt instruments at amortized cost:				
Cash and cash equivalents	₱11,457	₱—	₱—	₱11,457
Trade receivables	2,098	3,544	—	5,642
Total financial assets	13,555	3,544	—	17,099
Other financial liabilities:				
Accounts payable, provisions and other payables*	35,270	—	—	35,270
Liquidity position (gap)	(₱21,715)	₱3,544	₱—	(₱18,171)

* Excluding nonfinancial liabilities amounting to ₱16,980

The Company's operations relate to agricultural activity and leasing of real property. The financial risk management disclosure on credit risk and liquidity risk above reflects the strategies related to agricultural activity as required by PAS 41. Management intends to use cash collections arising from leasing of real property to support the requirements of the Company's agricultural activity.

23. Fair Value Measurement

The following provides the quantitative disclosures of fair value measurement as of December 31:

Assets measured at fair value and recurring fair value measurement	Fair value measurement using significant unobservable inputs (Level 3)
Investment properties	
2020	₱340,090
2019	261,534
Biological assets	
2020	1,736
2019	2,496

There have been no transfers between Level 1 and 2 in 2020, 2019 and 2018.

The table below summarizes the valuation techniques used and the significant unobservable input valuation for investment properties, biological assets and agricultural produce held by the Company.

Assets measured at fair value-Investment properties	Valuation Techniques	Significant unobservable Inputs	Interrelationship between key unobservable input and fair value measurement
Investment Properties			
2020	Sales Comparison Approach	Price per square meter (including adjustments to sales price based on internal and external factors). Range of estimates is about ₱1,700/sqm	The estimated fair value would increase (decrease) if the price per square meter increase (decrease)



2019	Sales Comparison Approach	Price per square meter(including adjustments to sales price based on internal and external factors). Range of estimates is about P1,300/sqm	The estimated fair value would increase (decrease) if the price per square meter increase (decrease)
Biological assets and agricultural produce 2020	Market Data Approach	Inclusive of: ▪ Farmgate price rate - P114.03 ▪ Estimated future sale price of dressed chicken ▪ Estimated mortality rate ▪ Estimated volume of production ▪ Estimated costs to be incurred in the growing process	The estimated fair value would increase (decrease) if: ▪ the farmgate price rate increase (decrease) ▪ the estimated sale price was higher (lower); ▪ the estimated cash inflows based on forecasted sales were higher (lower); ▪ the estimated mortality rate was lower (higher); ▪ the estimated volume of production was higher lower; or ▪ the estimated costs to be incurred in the growing process were lower (higher)
2019	Market Data Approach	Inclusive of: ▪ Farmgate price rate - P112.11 ▪ Estimated future sale price of dressed chicken ▪ Estimated mortality rate ▪ Estimated volume of production ▪ Estimated costs to be incurred in the growing process	The estimated fair value would increase (decrease) if: ▪ the farmgate price rate increase (decrease) ▪ the estimated sale price was higher (lower); ▪ the estimated cash inflows based on forecasted sales were higher (lower); ▪ the estimated mortality rate was lower (higher); ▪ the estimated volume of production was higher lower; or ▪ the estimated costs to be incurred in the growing process were lower (higher)

Investment properties

Sales Comparison Approach is a process to value based on sales of similar or substitute properties and related market data and establishes a value estimated by processes involving comparison.



Biological assets and agricultural produce

Market Data Approach is a method of comparison based on the assumption that no prudent purchaser will buy more than what it will cost him to acquire an equally desirable substitute asset. The approach is primarily based on sales and listings, which are adjusted for the time of sale, location and general characteristics of comparable asset where the asset is located.

The fair value of the Company's biological assets and agricultural produce are based on the market price obtained from the monthly commercial farmgate prices of broiler issued by the BAS to provinces which the Company considered as its relevant market. Management makes adjustments by considering the maturity relative to life cycle of the growing livestock. The estimated fair value would increase (decrease) if the farmgate prices increase (decrease). The estimated fair value would increase (decrease) if the estimated costs to bring the livestock to its harvest condition intended by management decrease (increase).

Cash and cash equivalents, receivables and accounts payable and other payables

Due to the short-term nature of transactions, the carrying amounts of these instruments approximate the fair values at the balance sheet date.

24. Capital Management

The Company maintains a capital base to cover risks inherent in the business. The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern so that it continues to fulfill the Company's vision and mission and provide adequate return to shareholders. It also aims to provide adequate return to shareholders by maintaining profitability as the main requirement of the business and to ensure that the Company complies with externally imposed capital requirements. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. The Company is not subject to externally imposed capital requirements. No changes were made in the objectives, policies and processes from the previous years.

The following table summarizes the capital considered by the Company as of December 31:

	2020	2019
Capital stock	₱1,878,169	₱1,878,169
Capital in excess of par value	1,281,414	1,281,414
Deficit	(2,861,708)	(2,920,876)
Revaluation increment on investment properties (Note 9)	19,406	19,406
Cost of preferred treasury shares	(110,982)	(110,982)
	₱206,299	₱147,131

The Company was able to meet its capital management objectives as at December 31, 2020 and 2019, considering the status of operations and management plans disclosed in Note 1.



25. Commitments and Contingencies

Provisions

The Company, in the normal course of business, is involved in certain claims, the outcome of which are presently not determinable. In the opinion of management and its legal counsel, the Company has strong legal basis on the possible claims, and the liability on these lawsuits, if any, will not have a material effect on the financial statements. For those cases where management, in consultation with the legal counsel, believes that the Company may eventually be obligated to settle, accruals have been made in the financial statements (see Note 10).

Movement in the provisions follows:

	2020	2019
Beginning balance	₱13,796	₱28,983
Settlement during the year	—	(829)
Reversal of provision for probable loss (Note 16)	(4,030)	(14,358)
Ending balance	₱9,766	₱13,796

Management reversed the provision for probable loss amounting to ₱4.03 million and ₱14.36 million in 2020 and 2019, respectively, since it was assessed that an outflow of economic benefits is no longer probable.

Commitments

Company as a lessee

During the year, the Company entered into several short-term lease of office space, warehouse, processing plant and poultry facility. Set out below are the amounts recognized in the statements of income:

	2020	2019	2018
Rent expense - short-term leases included under "Cost of Goods Sold" (Note 13)	₱742	₱835	₱865
Rent expense - short-term leases included under "General and Administrative Expenses" (Note 14)	464	417	402
Rent expense - short-term leases included under "Selling and Marketing Expenses" (Note 15)	997	578	519
	₱2,203	₱1,830	₱1,786

There are no remaining leases not yet commenced to which the lessee is committed nor future non-cancellable minimum lease payments as of December 31, 2020 and 2019.

Company as a lessor

In 2015, the Company entered into commercial property lease for its investment property for a period of five years.

The future minimum rental income under the operating lease as of December 31 is as follows:

	2020	2019
Within one year	₱8,512	₱9,286
After one year but not more than five years	—	8,512
	₱8,512	₱17,798



Rental income earned amounted to ₱9.29 million in 2020, 2019 and 2018 (See Note 9).

26. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with Revenue Regulations No. 15-2010 issued by the Bureau of Internal Revenue on November 25, 2010, mandating all taxpayers to disclose information on taxes, duties and licenses paid and accrued during the taxable year, summarized below are the taxes paid and accrued during the year.

The information shown below reflects the taxes, duties and license fees paid or accrued by the Company during 2020.

- a. Net Sales/Receipts and Output VAT declared in the Company's VAT returns filed for the period.

	Net Sales/Receipt	Output VAT
Vatable sales	₱9,286	₱1,114
VAT Exempt sales	37,396	—
	₱46,682	₱1,114

The Company has VAT-exempt transactions pursuant to Sections 106, and 109 of the Tax Code. Exempt sales consist of sales of that are not subject to output VAT and the seller is not allowed any tax credit or input VAT on purchases.

- b. Input VAT

The following table shows the sources of input VAT claimed as declared in the VAT returns:

Beginning balance	₱—
Purchases of services lodged under cost of goods sold and general and administrative expenses	1,569
Total	1,569
Less:	
Input VAT claimed as deduction against output VAT	(14)
Income tax allocable to exempt sales	(1,555)
Ending balance	₱—

- c. The taxes, duties and license fees paid or accrued in 2020 follow:

Real property tax	₱449
Business taxes	284
Meat inspection fee	170
Registration fees	18
Other taxes	9
	₱930

- d. The withholding taxes paid or accrued in 2020 are categorized into:

	Accrued	Paid
Withholding tax on compensation	₱238	₱1,505
Expanded withholding tax	94	867



e. Tax cases

The Company has no tax cases and amounts involved, under preliminary investigation, litigation and prosecution in courts or bodies outside the BIR. The Company has not received any Final Assessment Notice or Formal Letter of Demand from the BIR in any of the open years as at December 31, 2020.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Swift Foods, Inc.
4F RFM Corporate Center
Sheridan corner Pioneer Streets
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Swift Foods, Inc. (the Company) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, included in this Form 17-A, and have issued our report thereon dated April 27, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company'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 financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Manolito R. Elle

Partner

CPA Certificate No. 106471

SEC Accreditation No. 1618-AR-1 (Group A),

November 11, 2019, valid until November 10, 2022

Tax Identification No. 220-881-929

BIR Accreditation No. 08-001998-128-2019,

November 27, 2019, valid until November 26, 2022

PTR No. 8534244, January 4, 2021, Makati City

April 27, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Swift Foods, Inc.
4F RFM Corporate Center
Sheridan corner Pioneer Streets
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Swift Foods, Inc. as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated April 27, 2021. Our audits were made for the purpose of forming an opinion on the basic 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) 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 financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Manolito R. Elle
Partner

CPA Certificate No. 106471

SEC Accreditation No. 1618-AR-1 (Group A),
November 11, 2019, valid until November 10, 2022

Tax Identification No. 220-881-929

BIR Accreditation No. 08-001998-128-2019,
November 27, 2019, valid until November 26, 2022

PTR No. 8534244, January 4, 2021, Makati City

April 27, 2021



SWIFT FOODS, INC.

**INDEX TO THE FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2020**

Supplementary schedules required by the Revised Securities Regulation Code (SRC) Rule 68:

- Reconciliation of retained earnings available for dividend declaration
- Map of the conglomerate or group of companies within which the reporting entity belongs (*not applicable – the Company is not part of any conglomerate*)
- Supplementary Schedules included in Form 17-A as required by the Revised SRC Rule 68, Annex 68-J:
 - Schedule A - Financial assets - (Cash equivalents, Short-term cash investments, and Equity investments designated at FVOCI)
 - Schedule B - Amounts receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
 - Schedule C - Amounts receivable from related parties which are eliminated during the consolidation of financial statements
 - Schedule D - Long-term debt
 - Schedule E - Indebtedness to related parties
 - Schedule F - Guarantees of securities of other issuers
 - Schedule G - Capital stock

SWIFT FOODS, INC

RECONCILIATION OF RETAINED EARNINGS (DEFICIT)
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands)

Deficit, beginning	(P2,920,876)
Add: Accumulated actuarial loss, beginning	47,534
Less: Fair value adjustment of investment property resulting to gain	(125,970)
Deficit as adjusted to amount available for dividend declaration, beginning	(2,999,312)
Total comprehensive income closed to retained earnings during the year	59,168
Add: Remeasurement loss on defined benefit plan	316
Less: Non-actual/unrealized income net of tax:	
Fair value adjustment of investment property resulting to gain	(78,556)
Deficit, end	P3,018,384

There are no retained earnings available for dividend declaration as the Company is in a deficit position.

SWIFT FOODS, INC

SCHEDULE ON FINANCIAL SOUNDNESS INDICATORS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands)

Key Performance Indicator	Formula	CY2020	CY2019
Sales Revenue Growth	$\frac{\text{Sales this period}}{\text{Sales in the prior period}}$	69.80%	111.64%
Operating Margin	$\frac{\text{Income from Operations}}{\text{Net Sales}}$	-34.18%	-16.48%
ROS	$\frac{\text{Net income before tax after interest}}{\text{Net sales}}$	183.40%	188.58%
Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.4549:1	0.4212:1
Debt to equity	$\frac{\text{Total liabilities}}{\text{Total Equity}}$	0.75	0.93
Asset to equity	$\frac{\text{Total assets}}{\text{Total equity}}$	1.75	1.93
Solvency ratio	$\frac{\text{Income before income tax + depreciation}}{\text{Total liabilities}}$	53.66%	89.96%
Interest coverage ratio	$\frac{\text{EBIT}}{\text{Interest expense}}$	—	—
Profitability ratio	$\frac{\text{Gross profit}}{\text{Net sales}}$	3.42%	9.88%

SWIFT FOODS, INC

SCHEDULE A – FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

Nature of issuing entity and description of Investment	Number of shares or principal amount of bond and notes	Amount shown in the Statement of Financial Position	Valued based on market quotation at balance sheet date	Income received and accrued
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NOT APPLICABLE*

*The Company has no financial assets that needs to be disclosed.

SWIFT FOODS, INC
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
FOR THE YEAR ENDED DECEMBER 31, 2020

Name and designation of debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at End of Period
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NOT APPLICABLE*

*The Company has no directors, officers, employees, and principal stockholders (other than related parties) from whom an aggregate
Indebtedness of more than P100,000 or one per cent of total assets, whichever is less, is owed.

SWIFT FOODS, INC
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Name and designation of debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at End of Period
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NOT APPLICABLE*

*The Company is not part of any conglomerate thus there is no consolidation and the financial statements submitted is a stand-alone financial statement.

SWIFT FOODS, INC
SCHEDULE D – LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption “Current Portion of Long-term Debt” in related Statement of Financial Position	Amount shown under Caption “Long-term Debt” in related Statement of Financial Position
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NOT APPLICABLE*

*The Company has no long term debt as all debts are due and demandable for the year ended December 31, 2020.

SWIFT FOODS, INC
SCHEDULE E – INDEBTEDNESS TO AFFILIATES AND RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
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NOT APPLICABLE*

*The Company has no noncurrent indebtedness to affiliates and related parties for the year ended December 31, 2020.

SWIFT FOODS, INC
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
FOR THE YEAR ENDED DECEMBER 31, 2020

Name of issuing entity of securities guaranteed By the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
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NOT APPLICABLE*

*There are no securities of other issuers being guaranteed by the Company for the year ended December 31, 2020.

SWIFT FOODS, INC
 SCHEDULE G – CAPITAL STOCK
 FOR THE YEAR ENDED DECEMBER 31, 2020

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserve		Number of Shares Held By	
			for Options, Warrants, Conversions, and other Rights	Affiliates	Directors, Officers and Employees	Others
PREFERRED STOCK	200,000,000	48,633,664	0	0	0	0
COMMON STOCK	2,500,000,000	1,818,436,953	0	0	1,434,972	1,817,001,981

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S.E.C. Registration Number

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(Company's Full Name)

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Business Address: No. Street City/Town/Province

Atty. Jose A. Bemas

Contact Person

811-0668/810-1814

Company/Telephone Number

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Month

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Day

Integrated Annual Corporate Governance Report
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FORM TYPE

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Month

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Day

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2020**.
2. SEC Identification Number **AS094-005066**
3. BIR Tax Identification No. **003-973-161**
4. Exact name of issuer as specified in its charter **Swift Foods, Inc.**
5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **4F RFM Corporate Center, Sheridan cor. Pioneer Streets**
Mandaluyong City
Address of principal office
- 1603
Postal Code
8. **(632) 631-8101 loc. 7203**
Issuer's telephone number, including area code
9.
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:	The resumé of the directors as found in the Issuer's Annual Report and Definitive Information Statement are self explanatory.
2. Board has an appropriate mix of competence and expertise.	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	This information is found in the Corporation's Annual Report or SEC Form 17-A and Information Statement or SEC Form 20-IS
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		This information is found in the Corporation's Annual Report or SEC Form 17-A and Information Statement or SEC Form 20-IS
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	This information is found in the Corporation's Annual Report or SEC Form 17-A and Information Statement or SEC Form 20-IS
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpry_id=165

2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpr_id=165
3. Company has relevant annual continuing training for all directors	Compliant		http://edge.pse.com.ph/company/Disclosures/form.do?cmpr_id=165
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpr_id=165
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpr_id=165
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		The Corporate Secretary is Jose A. Bernas while the Compliance Officer is Marie Lourdes T. Sia-Bernas
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		The Corporate Secretary is not a member of the Board
4. Compliance Officer attends training/s on corporate governance.	Compliant	Provide information on or link/reference to a document containing information on the	The director Ms. Reyes attended seminar on 12 January 2021 held via

		corporate governance training attended, including number of hours and topics covered.	zoom, conducted by the Center for Global Best Practices on New Code of Corporate Governance for Public Companies and Registered Issuers
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Provide information or reference to document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	The Board minutes are confidential and cannot be attached here. The Board is given the Agenda well ahead of time in addition to materials that may be taken up.
Recommendation 2.2.			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Indicate or provide link/reference to a document containing the company's vision, mission, and core values. Indicate frequency of review of the vision, mission and core values.	http://swiftfoods.com.ph/
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Provide information on or link/reference to a document containing information on the strategy execution process.	The Board is quite conservative in its strategy and execution process. In fact, there is now a problem of even obtaining quorum for the holding of a stockholders' meeting.
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	This information is found in the Corporation's Annual Report or SEC Form 17-A, in the person of Mr. Francisco Segovia. Mr. Segovia is the President of Segovia & Company, Inc. Fritz International Philippines, Inc., Intellicon, Inc., Chillco Holdings,

			Araneta Institute of Agriculture, Republic Dynamic Corporation, and Republic Consolidated Corporation, among others, These Information can also be found in the General Information Sheets of the Companies enumerated.
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpr_id=165
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	Internal Company Manual
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		Internal Company Manual
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		Internal Company Manual
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Provide proof of board approval	Board minutes which are confidential in nature.

2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	Board minutes which are confidential in nature.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. Provide proof if minority shareholders have a right to nominate candidates to the board. Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpr_id=165
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		Board minutes which are confidential
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		Board minutes which are confidential
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		The current problem is that there is actually no majority stakeholders. This is evident in the corporation's inability to obtain quorum in stockholders' meetings for the past years.
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		Board minutes which are confidential
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		Board minutes which are confidential
Optional: Recommendation to 2.6			

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Not compliant	Identify the professional search firm used or other external sources of candidates	The Board searches by itself and relies on the nomination committee.
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	Unwritten rule
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Identify transactions that were approved pursuant to the policy.	This scenario has not arisen
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		This scenario has not arisen
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories.	RPT Rules of the Company that any RPT should be disclosed, no matter the percentage involved.
2. Board establishes a voting system whereby a majority of non-related party shareholders	Compliant	Provide information on voting system, if any.	RPT Rules of the Company

approve specific types of related party transactions during shareholders' meetings.			
Recommendation 2.8			
1. Board id primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identity the Management team appointed.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	
2. Board establishes an effective performance management framework that ensure that personnel's performance is at par with the standards set by the Board and Senior Management.	Not Applicable		Not Applicable
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's	

		responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant		
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Not Applicable	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	Not Applicable
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Provide proof of effectiveness of risk management strategies, if any.	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Not Applicable	Provide link to the company's website where the Board Charter is disclosed.	Not Applicable
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		http://swiftfoods.com.ph/
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document showing company's insider trading policy.	Manual on Corporate Governance
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	

ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of director's approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	Manual on Corporate Governance
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
3. All the members of the committee have relevant background, knowledge, skills,	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165

and/or experience in the areas of accounting, auditing and finance.		experience of the members of the Audit Committee.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Not Applicable	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	Not Applicable
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions. Indicate if the Committee undertook the process of identifying the quality of	Compliant

		directors aligned with the company's strategic direction, if applicable.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
3. Chairman of the Corporate Governance Committee is an independent director.	Not Applicable		Not Applicable
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.	Manual on Corporate Governance
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	Manual on Corporate Governance
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC.	Manual on Corporate Governance
4. At least one member of the BROC has relevant through knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the	Manual on Corporate Governance

		background, skills, and/or experience of the members of the BROCC.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	Manual on Corporate Governance
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	Manual on Corporate Governance
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	Annual Report under SEC Form 17-A Definitive Information Statement
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	compliant	Provide link to company's website where the Committee Charters are disclosed.	http://swiftfoods.com.ph/
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted	Not Applicable	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.	Not Applicable

in accordance with the rules and regulations of the Commission.		Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Not Applicable	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	Not Applicable
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Not Applicable	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	Not Applicable
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			

2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor the exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpr_id=165
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	Manual on Corporate Governance
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently.	Manual on Corporate Governance
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Not Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	Manual on Corporate Governance
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the	Manual on Corporate Governance

		company's policy on term limits for its independent director.	
3. In the instance that the company retains on independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	This has not arisen
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	Annual Report and C.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Not Applicable	Provide proof of abstention, if this was the case	Not Applicable
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Not Applicable	Provide proof and details of said meeting, if any.	Not Applicable
2. The meetings are chaired by the lead independent director.	Compliant	Provide information on the frequency and attendees of meetings.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Provide name/s of company CEO for the past 2 years	Jose S. Concepcion, Jr.
2.			
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessment conducted for the whole board, the individual members, the Chairman and the Committees	Minutes of the Board which is confidential
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Not Applicable	Identify the external facilitator and provide proof of use of an external facilitator.	Not Applicable
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual	

2. The system allows for a feedback mechanism from the shareholders.	Compliant	directors and committees, including a feedback mechanism form shareholders.	http://swiftfoods.com.ph/
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Not Applicable	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	Not Applicable
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	http://swiftfoods.com.ph/
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Not Applicable	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	Not Applicable
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

		Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	Annual Report under SEC Form 17-A Definitive Information Statement under SEC Form 20-IS
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.	Annual Report under SEC Form 17-A Definitive Information Statement under SEC Form 20-IS
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	Provide link or reference to the company's annual report where the following are disclosed: 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and	Annual Report under SEC Form 17-A

		3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.		Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interests that might affect their judgment.	Compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications,	Compliant	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165

and assess any potential conflicts of interest that might affect their judgment.		in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration.	This information is found in the Manual Corporate Governance Report
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	This information is found in the Manual Corporate Governance Report
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	There is no standard arrangement for the compensation of directors, other than a <i>per diem</i> of P5,000.00 for every Board of Directors' Meeting and a <i>per diem</i> of P5,000.00 for every Committee (Nomination, Compensation and Audit) Meeting.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.		Disclose or provide reference/link to company's RPT policies. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Not Applicable	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. name of the related counterparty; 2. relationship with the party; 3. transaction date;	Such an event did not arise although there is RPT provisions in its Manual

		4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	Did not occur in the period under review although if this were to arise, this would have been discussed in a Board Meeting
Optional: Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.		Provide link or reference where this is disclosed, if any.	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Identify independent party appointed to evaluate the fairness of the transaction price.	Board Lot Reports, Foreign Ownership Reports, and Public Ownership Reports prepared by the Stock and Transfer Agent, Stock and Transfer Service, Inc. (STSI)

		Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	
Supplemental to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Provide link or reference where these are disclosed.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
2. Company's MCG is submitted to the SEC and PSE.			
3. Company's MCG is posted on its company website.			
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission.	Manual on Corporate Governance was filed on 31 May 2017 at the Philippine Stock Exchange (PSE) and at the Securities and Exchange Commission
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Provide link or reference to the company's Annual Report containing the said information.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
a. Corporate Objectives	Compliant		

b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Provide link or reference to where this is contained in the Annual Report.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial,	Compliant	Provide link or reference to where these are contained in the Annual Report	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165

operational including IT, environmental, social, economic).			
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	The annual Audit Fee for 2017 is four hundred fifty thousand pesos (₱ 450,000.00) only. Unfortunately, this did not pass stockholders' approval due to failure to muster a quorum.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Not Applicable	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	Not Applicable
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Not Applicable	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	Not Applicable
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	Provide link/reference to the company's Audit Committee Charter	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165

i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide link/reference to the company's Audit Committee Charter	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Not Applicable	Provide link/reference to the company's Audit Committee Charter	Not Applicable
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Non Compliant	Provide link/reference to the company's Audit Committee Charter	The Audit Committee does not have any formal policies and procedures for the services of the external auditor.
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Not Applicable	Disclose the nature of non-audit services performed by the external auditor, if any.	Not Applicable
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit	Compliant	Provide link or reference to guidelines or policies on non-audit services.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165

services, which could be viewed as impairing the external auditor's objectivity.			
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category	Compliant	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm.	Sycip, Gorres, Velayo & Co. ("SGV"). Manolito R. Elle Partner CPA Certificate No. 106471 SEC Accreditation No. 1618-AR-1 (Group A), November 11, 2019, valid until November 10, 2022 TIN No. 220-881-929 BIR Accreditation No. 08-001998-128-2019 November 27, 2019, valid until November 26, 2022 PTR No. 8534244, January 4, 2021, Makati City
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Not Applicable	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	Not Applicable
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and	Not Applicable	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	Not Applicable

governance (EESG) issues of its business, which underpin sustainability.			
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Not Applicable	Provide link to Sustainability Report, if any. Disclose the standards used.	Not Applicable
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings/press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website	http://swiftfoods.com.ph/
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.			
Internal Control System and Risk Management Framework			

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	Company's Annual Report under SEC Form 17-A
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	Provide information on or link/reference to a document containing the company's compliance program covering compliance with a laws and relevant regulations. Indicate frequency of review.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165

Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides on independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Not Applicable	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	Not Applicable
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Not Applicable	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	Not Applicable
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Not Applicable		Not Applicable
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not Applicable	Identify qualified independent executive or senior management personnel, if applicable.	Not Applicable
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Not Applicable	Provide information on company's risk management function.	Not Applicable
Supplement to Recommendation 12.4			

1. Company seeks external technical support in risk management when such competence is not available internally.	Not Applicable	Identify source of external technical support, if any.	Not Applicable
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Not Applicable	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	Not Applicable
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Not Applicable		Not Applicable
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Not Applicable	Provide link to CEO and CAE's attestation	Not Applicable
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant		
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any.	Board Lot Report, Foreign Ownership Report, and Public Ownership Report
3. Board has an effective, secure, and efficient voting system.	Not Applicable	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	Not Applicable
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect	Not Applicable	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	Not Applicable

minority shareholders against actions of controlling shareholders.			
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Not Applicable	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	Not Applicable
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Not Applicable	Provide information or link/reference to the policies on treatment of minority shareholders	Not Applicable
7. Company has a transparent and specific dividend policy.	Not Applicable	Provide information on or link/reference to the company's dividend Policy. Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration	Not Applicable
Optional: Recommendation 13.1			
1. Company appoints an independent party to court and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out. Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.	https://edge.pse.com.ph/openDiscViewer.do?edge_no=c521210c9ec85facfdcf15ec263a54d

		Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	https://edge.pse.com.ph/openDiscViewer.do?edge_no=c521210c9ec85facfdcf15ec263a54d
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant		Company's Annual Report under SEC Form 17-A
b. Auditors seeking appointment/re-appointment	Compliant		https://edge.pse.com.ph/openDiscViewer.do?edge_no=c521210c9ec85facfdcf15ec263a54d
c. Proxy documents	Compliant		With the Stock and Transfer Agent's safe keeping
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Provide link or reference to the rationale for the agenda items	https://edge.pse.com.ph/openDiscViewer.do?edge_no=c521210c9ec85facfdcf15ec263a54d
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	https://edge.pse.com.ph/openDiscViewer.do?edge_no=0c01139bd349d240efdcf15ec263a54d
2. Minutes of the Annual and Special Shareholders' Meetings were available on the	Compliant	Provide link to minutes of meeting in the company website.	Minutes of the Board which is confidential

company website within five business days from the end of the meeting.		Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	SGV & Co., and shareholders are present
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Not Applicable	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	Not Applicable
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Not Applicable	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	Not Applicable

2. IRO is present at every shareholder's meeting	Not Applicable	Indicate if the IRO was present during the ASM.	Not Applicable
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Not Applicable	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	Not Applicable
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float.	Public Ownership Percentage as of 31 March 2021 are; Common Shares - 99.71% Preferred Shares – 71.32%
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Not Applicable	Disclose the process and procedure for secure electronic voting in absentia, if any.	Not Applicable
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholder's rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Not Applicable	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Not Applicable
Recommendation 14.2			

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Not Applicable	Identify policies and programs for the protection and fair treatment of company's stakeholders.	Not Applicable
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Not Applicable	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders.	Not Applicable
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Not Applicable	Provide information on the alternative dispute resolution system established by the company.	Not Applicable
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Not Applicable	Disclose any requests for exemption by the company and the reason for the request.	Not Applicable
2. Company respects intellectual property rights.	Not Applicable	Provide specific instances, if any.	Not Applicable
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Not Applicable	Identify policies, programs and practices that address customers' welfare or	Not Applicable

		provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Not Applicable	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	Not Applicable
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Not Applicable	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Not Applicable
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Not Applicable	Disclose if any has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	Not Applicable
2. Company has policies and practices on health, safety and welfare of its employees.	Not Applicable	Disclose and provide information on policies and practices on health, safety and welfare of employees. Includes statistics and data, if any.	Not Applicable
3. Company has policies and practices on training and development of its employees.	Not Applicable	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.	Not Applicable
Recommendation 15.2			

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	http://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=165
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Not Applicable	Identify how the board disseminated the policy and program to employees across the organization.	Not Applicable
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Not Applicable	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.	Not Applicable
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Not Applicable	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	Not Applicable
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Not Applicable		Not Applicable

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Not Applicable	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	Not Applicable
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Not Applicable	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	Not Applicable
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates.		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	



Jose S. Concepcion, Jr.

JOSE S. CONCEPCION, JR.
Chairman of the Board

Alfredo B. Parungao

ALFREDO B. PARUNGAO
Independent Director

Jose A. Bernas

JOSE A. BERNAS
Corporate Secretary

SIGNATURES

Francisco A. Segovia

FRANCISCO A. SEGOVIA
President and Chief Executive Officer

Senen C. Bacani

SENEN C. BACANI
Independent Director

Marie Lourdes T. Sia-Bernas

MARIE LOURDES T. SIA-BERNAS
Compliance Officer

SUBSCRIBED AND SWORN to before me this ____ day of **4 MAY 2021** affiants exhibiting to me the following:

NAME	GOVERNMENT ISSUED ID	DATE/PLACE OF ISSUE
Jose S. Concepcion, Jr.	Passport No. P2514823A	30 March 2017 / DFA Manila
Francisco A. Segovia	TIN No. 101-109-554	
Alfredo B. Parungao	TIN No. 132-197-846	
Senen C. Bacani	Senior Citizen ID No. 2470	18 November 2005 / San Juan, Metro Manila
Jose A. Bernas	IBP Lifetime Membership No. 01738	25 January 2000 / Makati City
Marie Lourdes T. Sia-Bernas	IBP Lifetime Membership No. 02165	30 January 2001 / Makati City

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