

SEC Registration Number

(Company's Full Name)

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

(Contact Person)

(Company Telephone Number)

(Form Type)

<i>Month</i>	<i>Day</i>
(Annual Meeting)	

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Preliminary Information Statement

☐ Definitive Information Statement

2. Name of Registrant as specified in its charter : **FIGARO CULINARY GROUP, INC.
("FCG" or the "Company")**

3. Province, country or other jurisdiction of
incorporation or organization : **PHILIPPINES**

4. SEC Identification Number : **CS201811119**

5. BIR Tax Identification Number : **010-061-026-000**

6. Address of Principal Office : **116 EAST MAIN AVENUE PHASE
V SEZ, LAGUNA TECHNOPARK
BIÑAN LAGUNA**

Postal Code : **4034**

7. Registrant's Telephone Number, including
Area Code : **+(632) 8812-17-18**

8. Date, Time and Place of Meeting of security
holders : **5 NOVEMBER 2025; WEDNESDAY;
2:00PM**

Zoom videoconferencing with the following
link:
<https://us02web.zoom.us/j/86315002251?pwd=KGC2Se7FbCDiaC7NZ64fuAO0bjATHA.1>

9. Approximate date on which the Information
Statement is first to be sent or given to security
holders : **14 October 2025**

10. In case of Proxy Solicitations

Name of Person Filing the Statement/Solicitor : **NOT APPLICABLE**

Address and Telephone No. : **NOT APPLICABLE**

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

Title of each class	Number of Common Stock Outstanding or Amount of Debt Outstanding (As of 30 September 2025)
Common Shares	5,468,455,298 ¹

¹ *The Figaro Culinary Group, Inc. likewise has 8,500,000,00 Preferred Shares Series 2023-1, not for listing*

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

Yes [☒] No [☐]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein

The Common Shares of Figaro Culinary Group, Inc. are listed on the Philippine Stock Exchange

**WE ARE NOT ASKING YOU FOR A PROXY.
YOU ARE NOT BEING REQUESTED TO SEND US A PROXY.**

A copy of this Information Statement may be accessed through the Corporation's website.

<https://www.figaro.ph/>

Figaro Culinary Group, Inc.
116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna

NOTICE OF SPECIAL STOCKHOLDERS' MEETING

Please be advised that the Annual Meeting of the stockholders of **Figaro Culinary Group, Inc.** (the "**Company**" or "**FCGI**") will be conducted **online** on **5 November 2025, Wednesday, at 2:00PM**. Stockholders who wish to participate in the proceedings may do so by signing on at the following URL address:

<https://us02web.zoom.us/j/86315002251?pwd=KGC2Se7FbCDiaC7NZ64fuAO0bjATHA.1>

The Chairman will conduct the online meeting from the principal place of business of the Company at 116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna.

The following shall be the agenda of the meeting:

- I. Call to Order
- II. Proof of Service of Notice
- III. Certification of Presence of Quorum
- IV. Approval of the Minutes of the Previous Special Stockholders' Meeting held on 18 December 2024
- V. Ratification of Matters Approved and Taken by FCGI's Management and Board of Directors from 18 December 2024 to date of Special Stockholders' Meeting
- VI. Appointment of the Company's New External Auditor for Fiscal Year 2025
- VII. Other Matters

The Board of Directors has set **21 October 2025**, as the record date for the determination of stockholders entitled to notice of and to vote at the Special Stockholders' Meeting.

Given the current circumstances and in order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting. Consequently, attendance will only be by remote communication, with voting being accomplished in absentia through the Company's online voting system at URL address: <https://www.figaro.ph/investors/> or through the Chairman of the meeting, as proxy.

Stockholders intending to participate by remote communication should pre-register with the Company via FCGI's Online Registration and Voting System (ORV System) at URL address: <https://www.figaro.ph/investors/> during the given registration period and in any case, no later than **5 p.m. of 24 October 2025**.

Following such pre-registration and subject to validation procedures, stockholders may vote either electronically via the ORV System, no later than **5 p.m. of 3 November 2025** or submit duly accomplished proxies on or before **5 p.m. of 24 October 2025** to the Office of the Corporate Secretary c/o Picazo Buyco Tan Fider Santos & Dee Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to mggo@picazolaw.com or ktcajucom@picazolaw.com. Validation of proxies is set on **30 October 2025** at 6:00 pm. The detailed rules and procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in the Information Statement.

The Company is not soliciting proxies.


LOWELA CONCHA
Corporate Secretary

AGENDA DETAILS AND RATIONALE¹

I. Call to Order

The Chairman of the Board of Directors, Mr. Justin T. Liu, will call the meeting to order.

II. Proof of Service of Notice

The Corporate Secretary, Atty. Lowela Concha, will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

III. Certification of Presence of Quorum

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participates by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- (i) Stockholders may attend the meeting remotely through FCGI's Online Registration and Voting (ORV) System (the "ORV System"). Stockholders may send their questions or comments prior to the meeting by e-mail at info@figaro.ph. The ORV System shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must register through the Company's ORV System to personally participate in the meeting by remote communication and to be included in determining quorum, together with the stockholders who voted by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the ORV System at <https://www.figaro.ph/investors/> or through the Chairman of the meeting as proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) The Company's Corporate Secretary in coordination with the Stock and Transfer Agent and De Jesus Teofilo, CPAs will tabulate and validate all votes received.

IV. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 18 December 2024

The minutes of the last Annual Meeting of Stockholders held on 18 December 2024 will be presented for approval by the stockholders, in keeping with Section 49 (a) of the Revised Corporation Code.

V. Ratification of Matters Approved and Taken by FCGI's Management and Board of Directors from 18 December 2024 to date of Special Stockholders' Meeting

¹ Annex to Notice of Meeting for 2025 Special Stockholder's Meeting.

The ratification of all acts and resolutions of the Board of Directors, and all the acts of management taken or adopted from 18 December 2024 to date of the Special Stockholders' Meeting will be sought from the stockholders during the meeting.

The ratification of the acts and resolutions of the Board and management will also serve as an avenue for the stockholders to better understand how the Board manages the business and operations of the Company. The ratification will also serve as confirmation by the stockholders that they approve of the manner by which the Board and management of the Company have been running its business and affairs.

IV. Appointment of Company's New External Auditor for the Fiscal Year 2025

The approval of the stockholders of the company is being sought for the ratification of the appointment of De Jesus & Teofilo, CPAs as the external auditor of the Company for Fiscal Year ending 30 June 2025.

V. Other business that may properly be brought before the meeting

Stockholders may be requested to consider such other issues/matters as may be raised throughout the course of the meeting.

VI. Adjournment

After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

Stockholders who will not, are unable or do not expect to attend the meeting in person but would like to be represented there at may choose to execute and send a duly accomplished proxy to the Office of the Corporate Secretary c/o Picazo Buyco Tan Fider Santos & Dee Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, on or before 5 p.m. of **24 October 2025**. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to mggo@picazolaw.com and ktcajucom@picazolaw.com.

PROXY

The undersigned stockholder of Figaro Culinary Group, Inc. (the "Company") hereby appoints the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote _____ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Special Stockholders' Meeting of the Company to be held on 5 November 2025, at 2:00PM, to be conducted online, and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the Minutes of the Previous Special Stockholders' Meeting held on 18 December 2024
☐ For ☐ Against ☐ Abstain
2. Ratification of Matters Approved and Taken by FCG's Management and Board of Directors from 18 December 2024 to date of Special Stockholders' Meeting
☐ For ☐ Against ☐ Abstain
3. Appointment of De Jesus & Teofilo, CPAs as the Company's New External Auditor for the Fiscal Year 2025
☐ For ☐ Against ☐ Abstain
4. Other Matters
☐ For ☐ Against ☐ Abstain

Printed Name of the Stockholder

Signature of Stockholder/
Authorized Signatory

Date

Instructions

This proxy should be received by the Corporate Secretary on or before 5 p.m. of 24 October 2025 the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy will also be considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

Notarization of this proxy is not required.

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

INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time, and Place of Meeting of Security Holders

The Special Meeting of the stockholders of Figaro Culinary Group, Inc. (the “**Company**”) will be held on 5 November 2025, Wednesday, 2:00PM to be conducted via remote communication through zoom videoconferencing.

The Chairman will conduct the online meeting from the principal place of business of the Company at the 116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna 4034.

However, considering the COVID 19 pandemic and to conform with the government’s mandate to exercise social distancing and to avoid mass gatherings, attendance and voting in the SSM by the stockholders shall be done only via remote communication by signing in through. Stockholders may attend the meeting remotely through the *Zoom* application, with links to be posted FCGI’s website.

The mailing address of the Company is at 116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna 4034.

This Information Statement will be first sent or given to security holders (by posting on PSE Edge and the Company’s website) on or around **14 October 2025**.

The requirements and procedure for registration, participating and voting are set forth in **Annex “A”** to the Information Statement.

Item 2. Dissenters’ Right of Appraisal

Under Sections 41 and 80 of the Revised Corporation Code, the following are the instances when a stockholder may exercise his appraisal right:

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

In order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder must have voted against the proposed corporate action at the annual meeting. Within thirty (30) days after the date of the stockholders’ meeting at which meeting such stockholder voted against the corporate action, the dissenting stockholder shall make a written demand on the Company for the fair value of his shares held. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrendering the certificates of stock representing his shares, the fair value of said shares on the day prior to the date on which the vote was taken. If the dissenting stockholder and the Company cannot agree on the fair value of the shares within sixty (60) days from the date of stockholders’ approval of the corporate action, then the determination of the fair value of the shares shall be determined by three (3) disinterested persons, one (1) of whom shall be named by the dissenting stockholder, one (1) by the Company and a third to be named by the two (2) already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the

Company within thirty (30) days after such award is made. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Revised Corporation Code.

There are no matters or proposed actions as specified in the Notice of Special Stockholders' Meeting that will give rise to a possible exercise by shareholders of their appraisal rights as provided in the Corporation Code of the Philippines and summarized above.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

There are no matters to be acted upon in which any director or executive officer is involved or had a direct, indirect, or substantial interest. Furthermore, no director has informed the registrant, in writing or otherwise, that he/she intends to oppose any action to be taken by the registrant at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of 30 September 2025, the number of shares outstanding of Figaro Culinary Group Holdings, Inc. ("FCGI" or the "Company") is **5,468,455,298** common shares with par value of Ten Centavos (Php0.10) per share.

All stockholders of record at the close of business hours on **21 October 2025** (the "Record Date") are entitled to notice and to vote at the Special Stockholders' Meeting.

A common stockholder entitled to vote at the Meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock and transfer book of the Company as of the Record Date.

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia*.

The following are the list of the top twenty (20) stockholders of the Company as of 30 September 2025:

RANK	NAME OF STOCKHOLDER	NATURE OF SHARES	NUMBER OF SHARES	PERCENTAGE
1	Camerton Inc.	Common	11,401,148,995	81.6206856934%
2	PCD Nominee Corporation Filipino	Common	1,179,143,219	8.4414718295 %
3	PCD Nominee Corporation Non-Filipino	Common	1,013,098,081	7.2527567250 %
4	Carmetheus Holdings, Inc.	Common	375,000,000	2.6846203965%
5	Perfecto Crooc Nolasco	Common	20,000	0.0001431798%
6	Gabrielle Claudia F. Herrera	Common	10,000	0.0000715899%
7	Joselito C. Herrera	Common	10,000	0.0000715899%
8	Nadezhda Iskra F. Herrera	Common	10,000	0.0000715899%
9	Juan Trinidad Lim	Common	10,000	0.0000715899%
10	Jennifer T. Ramos	Common	5,000	0.0000357949%
11	Corazon P. Guidote	Common	1	0.0000000072%
12	Hector R. Villanueva	Common	1	0.0000000072%
13	Senen L. Matoto	Common	1	0.0000000072%
Subtotal for Top 20 Stockholders				
TOTAL ISSUED AND OUTSTANDING			13,968,455,298	100.00000000%

Security Ownership of Certain Record and Beneficial Owners as of 30 September 2025

The Company has no knowledge of any person who, as of 30 September 2025 was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares of common stock or who has voting power of investment with respect to shares comprising more than five percent (5%) of the Company's outstanding shares of common stock except as stated below:

TITLE OF CLASS	NAME	ADDRESS	NO. OF SHARES HELD	NAME OF BENEFICIAL OWNER	CITIZENSHIP	%
Common Shares	Carmetheus Holdings, Inc.	116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna	375,000,000	Carmetheus Holdings, Inc.		2.68
Common Shares	Camerton Inc	116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna	2,901,148,995	Camerton Inc		81.62
Preferred Shares			8,500,000,000			
Common Shares	Monde Nissin Corporation	Felix Reyes St., Bgy. Balibago, Santa Rosa Laguna 4026	820,268,295	Monde Nissin Corporation		15.00
TOTAL						99.30

For purposes of this Special Stockholders' Meeting, the person who will vote on behalf of Camerton Inc. and Carmetheus Holdings, Inc. is Mr. Justin T. Liu, while the person who will vote on behalf of the Monde Nissin Corporation is Mr. Henry Soesanto.

Security Ownership of Directors and Management as of 30 September 2025

The following table shows the shareholdings beneficially held by the directors and executive officers of the Company as **30 September 2025**

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	% OF TOTAL OUTSTANDING SHARES
		DIRECT	INDIRECT		
Common	Justin T. Liu	0	1		0.00%
Common	Michael Stephen T. Liu	0	1		0.00%
Common	Brian Gregory T. Liu	0	1		0.00%
Common	Divina Gracia G. Cabuloy	0	1		0.00%
Common	Sigrid Von D. De Jesus	0	1		0.00%
Common	Michael T. Barret	0	1		0.00%
Common	Senen L. Matoto	0	1		0.00%
Common	Corazon P. Guidote	0	1		0.00%
Common	Hector R. Villanueva	0	1		0.00%
N/A	Jose Petronio D. Espanol III	0	0		0.00%
N/A	Lowela L. Concha	0	0		0.00%
N/A	Marilou R. Roca	0	0		0.00%
TOTAL		3	6		0.00%

Voting Trust Holders of 5% or More

As of 30 September 2025, the Company is not aware of any voting trust or similar agreements involving the securities of the Company or of any person who holds more than five percent (5%) of a class of securities under a voting trust or similar agreements.

Change in Control

Since the beginning of its last fiscal year, no change in control in the Company has occurred.

Item 5. Independent Public Accountants

The previous external auditor of the Company is the accounting firm of R.S. Bernaldo and Associates ("RSBA"). The Board of Directors of the Company in the meeting held on 07 October 2025 approved, through the recommendation of the Audit Committee, the appointment of De Jesus Teofilo CPAs as the new external auditor of the Company for the Fiscal Year ending 30 June 2025 subject to compliance with the required accreditation of the auditor with the SEC and the approval of the stockholders.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The consolidated financial statements of the Company as of and for the years ended 30 June 2025, 2024, 2023, and 2022 were audited by RSBA.

RSBA has acted as the Company's independent auditor since fiscal year 2018. Mr. Rosario S. Bernaldo is the current audit partner for the Company and has served as such since fiscal year 2018. As of date, to the best knowledge of the Company, the Company has not had any material disagreements on accounting and financial disclosures with its current independent auditor for the same periods or any subsequent interim period. RSBA has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The appointment of the new external auditor of the Company, De Jesus & Teofilo, CPAs, is in line with the best practices in corporate governance, including the rotation of external auditors.

De Jesus & Teofilo, CPAs has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Audit and Audit-related Fees

The following table sets forth the aggregate fees billed for each of the last two years for professional services rendered by RSBA:

	For the year ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Audit and Audit-Related Services	1,492,738.70	824,500.00	265,865.60
All Other Fees	0.00	0.00	0.00
Total	1,492,738.70	824,500.00	265,865.60

In relation to the audit of our annual financial statements, our Manual on Corporate Governance provides that the audit committee shall, among other activities, oversee, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, engage and provide oversight of the Company's internal and external auditors.

The Audit Committee will carry out, among other things, the following functions: (i) assist the Board in the performance of its oversight responsibility for: our financial reporting process; our system of internal control; our audit process and the monitoring of compliance with applicable laws, rules and regulations; (ii) supervise the effectiveness of our internal control procedures and corporate risk management systems; (iii) perform oversight functions over our internal and external auditors, ensuring that the internal and external auditors act independently from each other, and that each are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; (iv) review the annual internal audit plan to ensure its conformity with our objectives; (v) organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; (vi) monitor and evaluate the adequacy and effectiveness of our internal control system, including financial reporting control and information technology security; (vii) review the reports submitted by the internal and external auditors; (viii) review the quarterly, half-year and annual financial statements before their submission to the Board; (ix) coordinate, monitor and facilitate compliance with laws, rules and regulations; (x) evaluate and determine non-audit work, if any, required of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to our overall consultancy expenses; and (xi) establish and identify the reporting line of the internal auditor to enable them to properly fulfill their duties and responsibilities.

The Audit Committee must be comprised of at least three directors, including one independent director, preferably with an accounting and financial background. The Audit Committee has been constituted and has adopted the Audit Committee Charter.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 6. Authorization or Issuance of Securities Other than for Exchange

There are no actions or matters to be discussed in the Special Stockholders' Meeting with respect to the authorization or issuance of any securities.

Item 7. Modification or Exchange of Securities

There are no actions or matters to be discussed in the Special Stockholders' Meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one (1) class of securities of the Company in exchange for outstanding securities of another class.

Item 8. Financial and Other Information

- (i) The Quarterly Report for the third quarter of 2025 are attached hereto as **Annex "C"**.

Item 9. Mergers, Consolidations, Acquisitions, and Similar Matters

There are no actions or matters to be discussed in the Special Stockholders' Meeting with respect to mergers, consolidations, acquisitions, sales, or other transfers of all or any substantial part of the assets of the Company, liquidation or dissolution of the Company, and similar matters.

Governmental approval of principal products and services

The Consumer Act

The Consumer Act (R.A. No. 7394) establishes quality and safety standards with respect to the composition, contents, packaging and advertisement of food products. Furthermore, it regulates the following: (1) consumer product quality and safety; (2) the production, sale, distribution and advertisement of food, drugs, cosmetics and devices as well as substances hazardous to the consumer's health and safety; (3) fair, honest consumer transactions and consumer protection against deceptive, unfair and unconscionable sales acts or practices; (4) practices relative to the use of weights and measures; (5) consumer product and safety warranties; (6) compulsory labeling and fair packaging; (7) liabilities for defective products and services; (8) consumer protection against misleading advertisements and fraudulent promotion practices; and (9) consumer credit transactions. Under the Consumer Act, it is prohibited to manufacture, import, export, sell, offer to sell, distribute and transfer food products that do not conform to applicable consumer product quality or safety standards.

The implementing agencies tasked to enforce the Act are the Department of Health, the Department of Agriculture, and the Department of Trade and Industry. The Department of Health, in particular, regulates the production, sale, distribution, and advertisement of food to protect the health of consumers.

Violation of the Consumer Act shall warrant administrative penalties and/or imprisonment of not less than one year but not more than five years, or a fine of not less than P5,000.00 but not more than P10,000.00 or both, at the discretion of the court. Should the offense be committed by a juridical person, the chairman of the board of directors, the president, general manager, or the partners and/or the persons directly responsible therefor shall be penalized.

The Food Safety Act

The Food Safety Act (R.A. No. 10611) seeks to strengthen the food safety regulatory system in the country by principally delineating the mandates and responsibilities of the government agencies. The National Dairy Authority, National Meat Inspection Service, and Bureau of Fisheries and Aquatic Resources under the Department of Agriculture ("DA") are the government agencies responsible for the development and enforcement of food safety standards and regulations in the primary production and post-harvest stages for milk, meats, and fish, respectively, while the FDA under the DOH is responsible for the safety of processed and pre-packaged foods. The Food Safety Act created the Food Safety Regulation Coordinating Board to monitor and coordinate the performance and implementation of the mandates of the government agencies under the law.

Under the Food Safety Act, food business operators or those who undertake to carry out any of the stages of the food supply chain are held principally responsible in ensuring that their products satisfy the requirements of the law and that control systems are in place to prevent, eliminate, or reduce risks to consumers.

For the enforcement of the Food Safety Act, the food safety regulatory agencies are authorized to perform regular inspection of food business operators taking into consideration the compliance with mandatory safety standards; implementation of the Hazard Analysis at Critical Control Points or the science-based system that identifies,

evaluates, and controls hazards for food safety at critical points; good manufacturing practices; and other requirements of regulations. It is prohibited to refuse access to pertinent records or entry of inspection officers of the food safety regulatory agencies. It is likewise prohibited, among others, to produce, handle, or manufacture for sale, offer for sale, distribute in commerce, or import any food or food product, which is banned or is not in conformity with applicable quality or safety standard is also prohibited. The commission of any of the prohibited acts under the Food Safety Act can result in imprisonment and/or a fine.

FDA Rules and Regulations

Consistent with the mandate to adopt and establish mechanisms and initiatives that are aimed to protect and promote the right to health of every Filipino, the FDA issued the Rules and Regulations on the Licensing of Food Establishments and Registration of Processed Food, which require all food establishments to obtain a License to Operate (“LTO”) from the FDA before they can validly engage in the manufacture, importation, exportation, sale, offer for sale, distribution, and transfer of food products in the Philippine market. An initial LTO is valid for a period of two years, while a renewed license is valid for five years.

In addition to an LTO, the FDA also requires a Certificate of Product Registration (“CPR”) for processed food products before said products are distributed, supplied, sold or offered for sale or use in the market. A CPR covering a particular health product constitutes *prima facie* evidence of the registrant’s marketing authority for said health product in connection with the activities permitted pursuant to the registrant’s LTO. In case of initial registration, a CPR shall be valid for a minimum period of two years to a maximum period of five years. Any renewal thereafter shall be valid for five years.

The operation of a food business without the proper authorization from the FDA is prohibited and punishable with a fine. The closure of the establishment may also be imposed as a penalty upon a finding of a commission of a prohibited act.

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System has been established in furtherance of the State policy to attain and maintain a rational and orderly balance between socio-economic growth and environmental protection. Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (“ECC”) prior to their commencement. As a prerequisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (“EIS”) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“IEE”) to the proper DENR regional office, without prejudice to the power of the DENR to require a more detailed EIS. The EIS refers to both the document and the environmental impact assessment of a project, including a discussion of direct and indirect consequences to human welfare and ecology as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, at a minimum, they contain all relevant information regarding the environmental effects of a project. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS system. The EIS system successfully culminates in the issuance of an ECC. The ECC is a government certification that (i) the proposed project or undertaking will not cause a significant negative environmental impact; (ii) that the proponent has complied with all the requirements of the EIS system and; (iii) that the proponent is committed to implement its approved environmental management plan in the EIS or, if an IEE was required, that it will comply with the mitigation measures suggested therein. The ECC contains specific measures and conditions that the project proponent must undertake before and during the operation of a project, and in some cases, during the abandonment phase of the project to mitigate identified environmental impact.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund (“EGF”) when the ECC is issued to projects determined by the DENR to pose significant public risks to life, health, property and the environment. The EGF is intended to answer for damages caused by such projects as well as

any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund (“EMF”) when an ECC is eventually issued. The EMF shall be used to support activities of a multi-partite monitoring team that will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

In certain instances, the EMB may determine and issue a certification that a certain project is not covered by the EIS System and an ECC is not required. Consequently, a Certificate of Non-Coverage (“CNC”) may be issued in lieu of an ECC.

The Ecological Solid Waste Management Act of 2000

The Ecological Solid Waste Management Act of 2000 (Republic Act No. 9003) provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

Any violation of this law may be punishable by fine or imprisonment, or both, depending on the prohibited act committed. If the offense is committed by a corporation, the chief executive officer, president, general manager, managing partner or such other officer-in-charge shall be liable for the commission of the offense.

The Code on Sanitation of the Philippines

The Sanitation Code (Presidential Decree No. 856) provides for sanitary and structural requirements in connection with the operation of certain establishments such as food establishments which include such places where food or drinks are manufactured, processed, stored, sold or served. Under P.D. 856, which is implemented by the DOH, food establishments are required to secure sanitary permits prior to operation which shall be renewable on a yearly basis.

Further, the Code on Sanitation provides that no person shall be employed in any food establishment without a health certificate issued by the local health authority. This certificate will be issued only after the required physical and medical examinations are performed and immunizations are administered at prescribed intervals. The health certificate must be renewed every year or as often as required by local ordinance.

Non-compliance with the provisions of the Code on Sanitation may result in the revocation of the sanitary permit, which is a requisite for the operation of a food establishment. Moreover, a food establishment that employs a person without the appropriate health certificate may be punished by fine or imprisonment, or both.

DENR Rules on Disposition of Hazardous Waste

A waste generator or a person who generates or produces hazardous wastes through any institutional, commercial, industrial or trade activities must register online and pay the registration fee to the EMB Regional Office having jurisdiction over the location of the waste generator. Upon registration, the EMB shall issue a DENR identification number, which is generally a one-time permit unless there is a change in the hazardous wastes produced.

Under DENR Administrative Order No. 2013-22, a duly registered waste generator must, among others: (a) designate a full-time Pollution Control Officer; (b) disclose to the DENR the type and quantity of waste generated; (c) implement proper waste management from the time the wastes are generated until they are rendered non-hazardous; (d) continue to own and be responsible for the wastes generated in the premises until the wastes have been certified by an accredited waste treater as adequately treated, recycled, reprocessed, or disposed of; (e) adhere to the hazardous waste transport manifest system when transporting hazardous wastes for offsite treatment, storage, and/or disposal; (f) prepare and submit to the DENR comprehensive emergency preparedness and response program to mitigate spills and accidents involving chemicals and hazardous wastes; (g) communicate to its employees the hazards posed by the improper handling, storage, transport, use and

disposal of hazardous wastes and their containers; and (h) develop capability to implement the emergency preparedness and response programs and continually train core personnel on the effective implementation of such programs.

Failure to comply with DENR Administrative Order No. 2013-22 shall make the violator liable for a fine of ₱ 50,000.00. In addition to such penalty, a violation of any of its Governing Rules or rules covering the Contingency Program shall result in the immediate suspension of the permit.

DENR Rules against Air Pollution

DENR Administrative Order No. 2000-81, as amended by DENR Administrative Order No. 2004-26, requires a Permit to Operate for each source emitting regulated air pollutants, which shall be issued by the EMB. The permittee shall display the permit upon the installation itself in such manner as to be clearly visible and accessible at all times. In the event that the permit cannot be so placed, it shall be mounted in an accessible and visible place near the installation covered by the permit.

The Permit to Operate is valid for five years from the date of issuance, unless sooner suspended or revoked. It may be renewed by filing an application for renewal at least 30 days before its expiration date and upon payment of the required fees and compliance with requirements.

Moreover, under DENR Administrative Order No. 2014-02, the managing heads of establishments required to have pollution control officers must apply for accreditation of their appointed/designated Pollution Control Officer at the concerned EMB Regional Office within 15 days from the date of appointment/designation.

Laguna Lake Development Authority Clearance

R.A. No. 4850, as amended, created the Laguna Lake Development Authority (“LLDA”) in order to promote and accelerate the balanced growth of the Laguna de Bay Region, with due regard for environmental management and control, preservation and preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution.

As an attached agency of the DENR, the LLDA is mandated to manage and protect the environmentally critical Laguna de Bay Region. It is empowered to pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices or agencies within the region, public corporations, and private persons or enterprises where such plans, programs, and projects are related to the development of the region.

At present, the jurisdiction and scope of authority of the LLDA comprises the towns of Rizal and Laguna Provinces, towns of Silang, General Mariano Alvarez, Carmona, Tagaytay City in Cavite, Lucban, Quezon, City of Tanauan, towns of Sto. Tomas and Malvar in Batangas, Cities of Marikina, Pasig, Taguig, Muntinlupa, Pasay, Caloocan, Quezon and town of Pateros in Metro Manila. Accordingly, any person, natural and juridical, with existing and/or new development projects and activities within these areas are required to secure an LLDA Clearance, which is issued upon submission of an application and the supporting financial documents.

An administrative fine is imposed on establishments operating, developing, or constructing within the Laguna de Bay Region without the necessary LLDA Clearance. Any proposed, ongoing, or completed expansion inconsistent with a previously issued LLDA Clearance must be covered by a new LLDA Clearance.

Wastewater Discharge Permit

The Philippine Clean Water Act of 2004 (Republic Act No. 9275) prohibits the discharge of material of any kind into water bodies, which shall cause pollution or impede natural flow of water, discharge of substance into soil or sub-soil which would pollute groundwater, operating facilities that discharge regulated water pollutants without valid permits, and other related acts. The Clean Water Act also regulates the discharge of effluents on land.

Pursuant to this law, all industries that discharge in any manner wastewater into Philippine waters and/or land are required to secure a wastewater discharge permit from the EMB. This permit is valid for five years and renewable for five-year periods.

The Labor Code and Social Welfare Legislations

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (R.A. No. 8282), the National Health Insurance Act of 1995 (R.A. No. 7875), as amended, and the Home Development Fund Law of 2009 (R.A. No. 9679).

Social Security Act

Under the Social Security Act of 1997, social security coverage is compulsory for all employees under 60 years of age. An employer has the duty to report to the Social Security System ("SSS") the names, ages, civil status, occupations, salaries and dependents of its employees who are subject to compulsory coverage, and to pay and remit their monthly contributions. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits. The failure of the employer to comply with any of its obligations may lead to sanctions, including the impositions of a fine of not less than ₱5,000.00 nor more than ₱20,000.00, or imprisonment for not less than six years and one day nor more than 12 years, or both, at the discretion of the court. The erring employer will also be liable to the SSS for damages equivalent to the benefits to which the employee would have been entitled had his name been reported on time to the SSS and for the corresponding contributions and penalties thereon.

National Health Insurance Act

The National Health Insurance Act, created the National Health Insurance Program ("NHIP") to provide health insurance coverage and ensure affordable and accessible health care services to all Filipino citizens. Under the law, all members of the SSS are automatically members of the NHIP. An employer is required to deduct and withhold the contributions from its employee's salary, wage or earnings, make a counterpart contribution for the employee, and remit both amounts to the Philippine Health Insurance Corporation ("PhilHealth"), the agency which administers the NHIP. The NHIP will then subsidize personal health services required by the employee subject to certain terms and conditions under the law. An employer who fails or refuses to register its employees, regardless of their employment status, or to deduct contributions from its employees' compensation or remit the same to the Corporation shall be punished with a fine of not less than ₱5,000.00 multiplied by the total number of employees of the firm.

Home Development Fund Law

The Home Development Fund Law (R.A. No. 9679) or the Pag-IBIG Fund Law, created the Home Development Mutual Fund ("HDMF"), a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF. Refusal of an employer to comply, without any lawful cause or with fraudulent intent, particularly with respect to registration of employees as well as collection and remittance of contributions, is punishable by a fine of not less but not more than twice the amount involved, or imprisonment of not more than six years, or both such fine and imprisonment. When the offender is a corporation, the penalty will be imposed upon the members of the governing board and the president or general manager, without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines and deportation when the offender is a foreigner.

The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the

compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: fifteen days salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

Other Labor-Related Laws and Regulations

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the Department of Labor and Employment ("DOLE") must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000.00 nor more than ₱20,000.00, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

Effect of existing or probable government regulations on the business

The Food and Drug Administration under the Department of Health is the main regulatory body for the consumer foodservice industry

The Department of Health (DOH) is the ministry responsible for ensuring access to basic public health services. Other than healthcare services, the DOH also regulates the provision of health-related goods and services via the multiple agencies under it.

The lead agency for food-related matters is the Food and Drug Administration (FDA), an agency focused on protecting public health by ensuring the safety, efficacy and security of human drugs and biological products. It also ensures the safety of the country's food supply. The FDA not only acts as an administrative office to approve and issue food establishment operating licenses to regulate the consumer foodservice industry but also works with other agencies and the private sector to ensure food safety in the country and to establish the food security of the Philippines' population.

As food safety is of paramount importance throughout the entire food supply chain, the Food Safety Regulation Coordinating Board (FSRCB) coordinates the implementation of the mandates of the various government bodies, such as the DOH (via the FDA), the Department of Agriculture (DA) and the Department of Interior and Local Government (DILG) and various local government units (LGUs), ensuring food safety through a performance-based food safety control management system at various stages from production, to processing, to distribution and consumption by consumers in foodservice establishments. Other than compliance with the food laws and regulations, the FSRCB also focuses on traceability along the food supply chain. Players in the consumer foodservice industry importing food from suppliers overseas must ensure the necessary food safety tests are passed under the FDA.

On a broader level, the FDA also oversees the food security of the country over the long term by working together with industry players to ensure diversification of food supply sources with a focus on the development of local food sources. The FDA also works with businesses in the consumer foodservice industry to strengthen capabilities and raise productivity, as well as develop new lines and models of businesses for industry transformation.

Stringent regulation of consumer foodservice is reflected by the multiple permits, approvals and licences to operate a business in the industry

In the Philippines, there are several permits, approvals and licenses required to run a business in any industry, such as a Business Permit, tax account registration with the Bureau of Internal Revenue (BIR), Barangay Clearance, and Business Name registration with the Department of Trade and Industry (DTI).

Specific to consumer foodservice, businesses looking to enter the industry must obtain approval for several licenses before they can operate a foodservice establishment. To obtain the License to Operate Food Establishments issued by the FDA, foodservice establishments must submit a Fire Safety Inspection Certificate (FSIC) issued by the local police department once the fire safety checks are completed.

Upon full compliance with licensing requirements and submission of required documents, including the details of the location, business name registration, business permit, proof of income to verify capitalization, the FDA will review and issue the License to Operate Foodservice Establishments. In the case of consumer foodservice players which might also be involved in food manufacturing, the FDA may also request additional documents such as the Risk Management Plan (RMP) or Site Master Files (SMF).

Depending on the nature or business model of the foodservice establishment, the business may also require other related licenses. For example, restaurants, bars and bistros, or cafés wishing to sell alcoholic beverages on their premises will need to obtain a Liquor License from the Liquor Licensing and Regulatory Board. In addition, if the food establishment needs to import food supplies or products from overseas, it must also obtain the import license from the Custom Authorities.

Throughout the period of licensed operation, all players must also ensure compliance with food safety laws under The Food Safety Act of 2013.

Labor laws pose costly implications on the labour-intensive consumer foodservice industry

Foodservice establishments are encouraged to employ locals which can be challenging due to a high turnover rate. Hiring foreign workers incurs a higher cost due to additional taxes and it often involves a lengthy and tedious administrative process as the foodservice establishment must prove that the job requires skills that are not available locally and apply for an Alien Employment Permit (AEP).

In addition, the Philippine government dictates a minimum wage, which varies from region to region, to reduce poverty rates in the country. The minimum wage amount is set by the Regional Tripartite Wages and Productivity Boards. In the National Capital Region (Metropolitan Manila), the minimum daily wage stands at ₱466 (approximately USD10) but employers are also required to provide a living allowance of ₱15 (approximately USD0.50) per day. Employers are also required by law to convert employees to permanent employment after six months of probationary employment and provide them with medical insurance, paid leave

and security of tenure. Such requirements potentially add to the costs of foodservice establishments, especially for smaller local independent businesses, and cut into the profitability of the business.

In compliance with food safety laws, employees who are handling food must be checked and vaccinated for contagious diseases such as Typhoid or Hepatitis A. This could pose a challenge for new businesses as it may be difficult to employ vaccinated and certified food handlers and add to their costs and impact operations for newly employed staff to complete the food safety training, complete the necessary medical checks and be vaccinated.

Major risks involved in each of the business of the company and subsidiary

We list below the major risks in the business of the Company and its subsidiary, FCSI (collectively referred in this section as the “Group”).

- The Group operates in highly competitive markets and if it does not compete effectively, its results of operations will be harmed.
- The Group’s growth is highly dependent on its ability to open new stores, maintain its existing store network and select strategically located sites for our stores.
- Strong competition could negatively affect prices and demand for the Group’s products and services and could decrease its market share.
- The Group relies on key suppliers for certain of its raw materials and the failure of those suppliers to adhere to and perform contractual obligations may adversely affect its business.
- The Group relies on key third-party service providers for certain services and the failure of these services providers to adhere to and perform contractual obligations may affect its business.
- Labor disputes or changes in employment laws may disrupt the Group’s operations and affect its profitability.
- Changes in food and supply costs and availability could adversely affect the Group’s results of operations.
- Damage to the Group’s reputation and its brands, and negative publicity to its stores, could negatively impact its business.
- There may be food safety and foodborne illness concerns.
- Opening new stores in existing markets may negatively affect sales at the Group’s existing stores.
- The Group results of operations and growth strategy depend in part on the success of its franchisees and the Group is subject to various additional risks associated with its franchise owners.
- The Group is subject to safety, health and environmental laws and regulations.
- The Group relies on information technology systems to manage and effectively operate its business.
- Changes in customer preferences and perceptions may lessen the demand for the Group’s products, which could reduce sales and harm its business.
- The Group’s advertising and marketing campaigns may not be successful.
- If the Group fails to identify, recruit and contract with a sufficient number of qualified franchise owners, its ability to open new franchised stores and increase its revenues could be materially adversely affected.
- The Group’s growth depends in part on its ability to develop and introduce new menu offerings, which is subject to customer preferences and other market factors at the time of introduction.
- The Group’s intellectual property rights could be infringed or it could infringe the intellectual property rights of others.
- The major shareholders could affect matters concerning the Company.
- The Group depends on key members of its management team.
- Natural disasters or other catastrophes, such as weather disturbances in the Philippines, or climate change may adversely affect the Group’s business, materially disrupt the Group’s operations and result in losses not covered by its insurance.
- The Group results of operations may fluctuate due to seasonality.
- The Group expects to need capital in the future, and it may not be able to generate sufficient cash flow, raise capital or obtain financing on acceptable terms to meet its needs.
- The Group’s current insurance coverage may not be adequate, insurance premiums for such coverage may increase and it may not be able to obtain insurance at acceptable rates, or at all.
- The Group may be unable to renew its Halal certification and HACCP-compliance certification.
- The Group is dependent on third-party food delivery services.

Legal Proceedings

As of date, the Company is not involved in any legal proceedings but its subsidiary, FCSI, is involved in the pending cases listed below. One case is a case instituted by FCSI.

1. Filipino Society of Composer, Authors and Publishers, Inc., Plaintiff -versus- Figaro Coffee Systems Inc., Nelia T. Liu, Brian Gregory T. Liu, Michael Stephen T. Liu, Divina Gracia Cabrera, Sigrid De Jesus and Justin Liu, defendants.

Civil Case No. R-QZN-17-06048-CV; RTC, Quezon City (Copyright Infringement)

This case is a civil action for copyright infringement filed against FCSI and its directors for publicly performing musical compositions without securing licenses from the plaintiff.

Plaintiff is claiming actual damages in the amount of ₱1,124,707.58, moral damages in the amount of ₱500,000.00, and attorney's fees and litigation expenses in the amount of ₱100,000.00.

The action was instituted on March 9, 2017.

Status: The Regional Trial Court – Quezon City, Branch 93 has granted the *Joint Motion to Postpone the Scheduled Hearing* and set the initial presentation of witnesses by the defendants on 02 September 2025.

2. BDO Unibank, Inc., plaintiff, -versus- Figaro Coffee Systems, Inc. and Divine Cabrera, defendants.

Civil Case No. R-MKT-17-01307-CV; Branch 132, Makati City (Collection and Damages with Application for the Issuance of Writ of Preliminary Attachment)

Fernando C. Go, doing business under single proprietorship "Café Ferdigo" is a franchisee of FCSI. He operated a Figaro store in the Podium Keppel Center. In order to renovate the coffee shop, Mr. Go secured a loan from BDO Unibank, Inc. and as security for the loan, Mr. Go assigned by way of security his rights under the franchise agreement without the consent of and without notice to, FCSI.

In February 2016, Mr. Go informed FCSI through a letter that he sold his business to a third party.

BDO Unibank Inc. is demanding that FCSI and Divine Cabrera pay the following: (a) ₱3,804,113.33 outstanding loan obligation; (b) ₱1,000,000.00 in moral damages; (c) ₱500,000.00 in exemplary damages; and (d) costs of suit.

The case was instituted on February 17, 2020.

Status: Figaro Coffee Systems, Inc. and the BDO Unibank, Inc. has come to an amicable settlement and agreed for a joint motion to dismiss the case on June 19, 2024, with prejudice to its refile, as the issues between the parties have now become moot and academic by reason of the parties' mutual waiver of their respective claims against each other in connection with, in relation to, and incidental to the instant case. Resolution has been achieved to the satisfaction of all parties, this matter has been formally closed.

3. Figaro Coffee Systems, Inc., plaintiff, -versus- Philippine Air Asia, Inc., defendant.

Civil Case No. 21-01559; RTC Branch 118; Pasay City (Sum of Money)

FCSI filed a case for collection for sum of money amounting to ₱16,746,587.99 plus legal interests accruing from the date of extra-judicial demand against Philippine Air Asia, Inc. ("Air Asia"). The case

arose from Air Asia's failure to pay its obligations under the Supply Agreement dated July 17, 2017 for the supply of meals and food products for its crew and employees.

The case was instituted on July 27, 2021.

Status: Status: On 02 May 2025, Air Asia has fully settled the remaining balance amounting to ₱227,728.39. The case between FCSI and Air Asia is now concluded.

Item 10. Acquisition or Disposition of Property

There are no actions or matters to be discussed in the Special Stockholders' Meeting with respect to the acquisition or disposition of any significant Company property.

Item 11. Restatement of Accounts

There are no actions or matters to be discussed in the Special Stockholders' Meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 12. Action with Respect to Reports

The following are to be submitted for approval during the Special Stockholders' Meeting:

- (i) Minutes of the Annual Stockholders' Meeting held on 18 December 2024;

The minutes of the last Annual Meeting of Stockholders held on 18 December 2024 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code.

Item 13. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 14. Other Proposed Actions

- (i) Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 18 December 2024
- (ii) Ratification of Matters Approved and Taken by FCGI's Management and Board of Directors 18 December 2024 to date of Special Stockholders' Meeting
- (iii) Appointment of the Company's External Auditors for Fiscal Year 2025

Item 15. Voting Procedures

Manner of Voting

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

Considering the COVID 19 pandemic and to conform with the government's mandate to exercise social distancing and to avoid mass gatherings, voting may only be done *in absentia* or through the submission of a duly executed proxy in favor of the Chairman.

Stockholders as of Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote in absentia, duly verified and validated by the Company shall be provided with unique log-in credentials to securely access the voting portal and participate and watch the

online meeting of the stockholders of the Company. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies.

Vote Required

With respect to the approval of the minutes of the previous Special Stockholders' Meeting, the ratification of matters approved and taken by FCGI's Management and Board of Directors from 18 December 2024 to date of Special Stockholders' Meeting, appointment of external auditor, and the approval or ratification of the other actions set forth above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method of counting votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders.

Considering the COVID 19 pandemic and to conform with the government's mandate to exercise social distancing and to avoid mass gatherings, voting may only be done by remote communication, in absentia or by proxy.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the partial results of voting during the meeting. The actual voting results shall be reflected in the minutes of the meeting.

The requirements and procedure for registration, participating and voting are set forth in **Annex "A"** to the Information Statement.

UNDERTAKING

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO:

THE OFFICE OF THE CORPORATE SECRETARY

Penthouse, Liberty Center,
104 H.V. dela Costa Street,
Salcedo Village, Makati City

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed on 8 October 2025.

FIGARO CULINARY GROUP, INC.

By:

DIVINA GRACIA G. CABULOY
President and CEO

A handwritten signature in black ink, consisting of a large, stylized 'D' and 'G' intertwined, with a horizontal line crossing through the middle.

**FCGI - PRELIMINARY INFORMATION STATEMENT
FOR 5 NOVEMBER 2025 SPECIAL STOCKHOLDERS' MEETING**

LIST OF ANNEXES

1. **Annex A** - Virtual ASM Requirements for Electronic Voting in Absentia
2. **Annex B** – Quarterly Report
3. **Annex C** - List of Stockholders (by PNB)
4. **Annex D** - Minutes of the Annual Stockholder's Meeting last 18 December 2024
5. **Annex D-1** - Organizational Meeting last 18 December 2024

VIRTUAL SPECIAL STOCKHOLDERS' MEETING AND REQUIREMENTS AND PROCEDURES FOR ELECTRONIC VOTING IN ABSENTIA

The Special Meeting of the stockholders of FIGARO CULINARY GROUP, INC. ("FCGI" or the "Company") will be held on Wednesday, 5th day of November 2025 at 2:00 p.m.

In order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and by voting in absentia, or voting through the Chairman of the meeting as proxy.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participates by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- (i) Stockholders may attend the meeting remotely through Zoom with links to be posted in FCGI's website (the "Website") pursuant to FCGI's Online Registration and Voting (ORV) System (the "ORV System"). Stockholders may send their questions or comments prior to the meeting by e-mail at info@figaro.ph. The Company's ORV System shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must register through the Company's ORV System to personally participate in the meeting by remote communication and to be included in determining quorum, together with the stockholders who voted by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the ORV System at <https://www.figaro.ph/investors/> or through the Chairman of the meeting as proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- (vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

Registration Period

Registration to vote in absentia or via an absentee ballot may be made through ORV System at <https://www.figaro.ph/investors/> from 9:00 a.m. of 15 October 2025 until 5:00 p.m. of 24 October 2025. Beyond this time and date, a stockholder may no longer be allowed to personally participate in the Special Meeting of the stockholders but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before **24 October 2025**.

Registration Requirements

The following are needed for the online registration:

A. For Individual Stockholders

1. The unique Stockholder ID which the Stockholder should request from Philippine National Bank acting through its Trust Banking Group, the stock transfer agent (STA) of FCGI, before commencing with the online registration. Stockholders may reach the STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
2. Full name of the Stockholder;
3. Valid and current email address;
4. Valid and current contact number, including the area code (landline or mobile number);
5. Citizenship/Nationality; and
6. Digital copy of the Stockholder's valid and unexpired government-issued ID (in JPG format).

B. For Corporate Stockholders

1. Secretary's certificate or equivalent document (in case of a non-resident stockholder) attesting to the authority of the representative to vote for and on behalf of the corporation;
2. The unique Stockholder ID which the Stockholder should request from the STA before commencing with the online registration. Stockholders may reach the STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
3. Full name of the Stockholder's Representative;
4. Valid and current email address of the Stockholder's Representative;
5. Valid and current contact number (landline or mobile number) of the Stockholder's Representative;
6. Citizenship/Nationality of the Stockholder's Representative; and
7. Digital copy of the valid and unexpired government-issued ID of the Stockholder's Representative (in JPG format).

C. For Stockholders with shares under Broker Accounts (PCD Nominees)

In addition to the requirements specified in Item A or B above:

1. A certification from the stockholder's broker on the Stockholder's shareholdings in the Company as of the Record Date (in JPG format); and
2. The unique Broker's ID assigned to stockholder's broker by the PCD, together with sub-ID number assigned by such broker to the stockholder, which the stockholder should request from such broker before commencing with the online registration.

In all cases, incomplete or inconsistent information may result in an unsuccessful registration. As a result, stockholders will not be allowed access to vote electronically *in absentia* but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before 24 October 2025.

Online Registration Procedure

1. Prior to online registration:
 - (a) For shareholders holding share certificates, contact the STA via email at avilesjml@pnb.com.ph to secure your unique Stockholder ID. Stockholders are encouraged to secure said unique Stockholder ID via email at avilesjml@pnb.com.ph as this has been set up as the primary manner for securing such ID. When contacting the STA, please be prepared to indicate your stock certificate number/s and corresponding number of shares.
 - (b) For stockholders whose shares are lodged under broker accounts, in addition to Item 1 (a) above, please contact your respective brokers to secure the necessary requirements under Item C (Registration Requirements).
2. Log-in into the ORV System using your unique individual Stockholder ID/Broker's ID. Please ensure that you have prepared the necessary information and requirements.
3. Read the Data Privacy Notice in the ORV System. If you agree to its terms, please check the box signifying your consent to the processing of your personal information which shall be used solely for purposes of Special Stockholders' Meeting of FCGI.
4. Enter the information required in the respective fields and upload the digital copies of your valid government-issued photo ID. When all information and digital copies have been uploaded, please click the "Submit" button.

Reminders:

- Please take note of your Stockholder ID/Broker ID and Authentication Code (as described below) and keep them in a safe place. While the Company shall endeavor to take all reasonable steps to generate replacements, the Company cannot in any way guarantee that it will be able to do so in a timely manner.
- A Stockholder's online registration cannot be completed if any of the mandatory requirements are not submitted.
- Only Stockholders who submitted the complete requirements thru the ORV System by 24 October 2025, 5:00 P.M., are entitled to personally participate in the Special Stockholders' Meeting of FCGI.
- In any event, stockholders whose registration cannot be completed may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before 24 October 2025.
- In case of any issues relating to your registration in the ORV System, or in case you lose your Stockholder ID or Authentication Code, please send an email to info@figaro.ph or to avilesjml@pnb.com.ph.

Verification of Stockholder Registrations

The Company or the STA shall verify the information and details submitted through the Electronic Voting in Absentia System, starting on 15 October 2025.

After verification of complete submission of the required information and documents, the stockholder shall receive an e-mail confirming registration in the ORV System through the stockholder's e-mail address provided in such registration. Such e-mail confirmation shall include the stockholder's unique Authentication Code (for use during the online AGM) and detailed instructions on how to participate and cast votes in the Special Meeting of the stockholders of the Company.

In the event that you have not received such e-mail notification by 3 November 2025, please call or contact the Company or the STA.

Special Meeting of the Stockholders

The Special Meeting of the stockholders of FCGI shall be broadcasted online. The procedure for online voting, as well as the manner by which stockholders may bring up questions or concerns to the Board of Directors, shall be emailed to stockholders who successfully registered before the lapse of the Registration Period and whose registration has been verified.

Data Privacy

Each individual stockholder's (or that of the corporate stockholder's Authorized representative) data will be collected, stored, processed and used exclusively for the purposes of electronic registration in the ORV System of FCGI for Special Meeting of the stockholders. Personal information will be processed and retained in accordance with the Data Privacy Act of 2012 and applicable regulations. The detailed data privacy policy of the Company may be accessed through the Company's website.



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

ANNEX B



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: May 16, 2025 08:36:38 AM

Company Information

SEC Registration No.: CS201811119

Company Name: FIGARO CULINARY GROUP, INC.

Industry Classification: I56101

Company Type: Stock Corporation

Document Information

Document ID: OST10516202583336589

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: March 31, 2025

Submission Type: Original Filing

Remarks: None

Acceptance of this document is subject to review of forms and contents



15 May 2025

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, 1307 Pasay City

Attention: **MR. VICENTE GRACIANO P. FELIZMENIO JR.**
Director, Markets and Securities Regulation Department

THE PHILIPPINE STOCK EXCHANGE, INC.

6F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
Officer in Charge, Disclosure Department

Re: **QUARTERLY REPORT**

Gentlemen:

Attached herewith is the Figaro Culinary Group, Inc. 's (formerly Figaro Coffee Group, Inc.) or ("FCG" or the "Company") Quarterly Report (SEC Form 17-Q) for the quarter period ending 31 March 2025.

Sincerely Yours,


JOSE PETRONIO VICENTE D. ESPAÑOL III
Treasurer, Chief Finance Officer and Chief Risk Officer

FCG – Quarterly Report (Q3) ending 31 March 2025

SEC Registration Number

(Company's Full Name)

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

(Contact Person)

(Company Telephone Number)

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER**

1. For the quarterly period ended **31 MARCH 2025**
2. Commission Identification Number **CS201811119**
3. BIR Tax Identification No. **010-061-026-000**
4. Exact name of issuer as specified in its charter **FIGARO CULINARY GROUP, INC.** *(formerly Figaro Coffee Group, Inc.)*
5. Province, country or other jurisdiction of incorporation or organization **LAGUNA, PHILIPPINES**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office **116 EAST MAIN AVE., PHASE V-SEZ
LAGUNA TECHNOPARK, BIÑAN
LAGUNA**
- Postal Code **4034**
8. Issuer's telephone number, including area code **(632)-8812-17-18**
9. Former name, former address and former fiscal year, if changed since last report **33 MAYON ST., BRGY. MALAMIG,
MANDALUYONG CITY**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
COMMON SHARES	5,468,455,298

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

Yes [☒] No [☐]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

THE PHILIPPINE STOCK EXCHANGE

COMMON SHARES

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

(Signature Page follows)

FINANCIAL INFORMATION

**Item 1: Quarterly Financial Statements for the Quarter ending
31 March 2025 attached.**

FIGARO CULINARY GROUP, INC.
(formerly Figaro Coffee Group, Inc.)


JOSE PETRONIO VICENTE D. ESPAÑOL III
Treasurer / Chief Finance Officer / Chief Risk Officer


MARILOU R. ROCA
Comptroller and Chief Accounting Officer

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2025 and June 30, 2024

(In Philippine Peso)

	NOTES	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
A S S E T S			
Current Assets			
Cash	7	542,405,243	374,934,405
Trade and other receivable	9	199,182,340	164,034,685
Inventories	10	488,340,294	430,658,720
Due from related parties	19		120,000,000
Prepayments and other current assets	11	240,924,255	159,419,315
		1,470,852,132	1,249,047,125
Non-current Assets			
Property and equipment - net	12	3,694,925,357	2,527,094,634
Intangible assets - net	13	252,091,714	239,765,356
Right-of-use assets - net	14	317,029,844	291,026,459
Other non-current assets	15	45,204,924	36,212,610
Deferred tax assets	29	9,842,402	3,242,137
		4,319,094,241	3,097,341,196
TOTAL ASSETS		5,789,946,373	4,346,388,321
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	16	407,691,323	382,600,207
Loans payable	17	816,953,027	550,435,689
Lease liabilities	18	10,982,424	70,997,346
Income tax payable		14,649,701	42,622,411
		1,250,276,475	1,046,655,653
Non-current Liabilities			
Lease liabilities - net of current portion	18	174,824,536	195,574,427
Loans payable		980,000,000	
Retirement benefits obligation	25	14,092,424	13,836,726
		1,168,916,960	209,411,153
TOTAL LIABILITIES		2,419,193,435	1,256,066,806
S T O C K H O L D E R S ' E Q U I T Y			
Capital Stock	20	589,345,528	589,345,528
Additional Paid-in Capital	20	1,403,308,680	1,403,308,680
Retained Earnings		1,372,498,793	1,092,067,370
Remeasurements - net	25	5,599,937	5,599,937
TOTAL STOCKHOLDERS' EQUITY		3,370,752,938	3,090,321,515
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		5,789,946,373	4,346,388,321

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Periods Ended January 1 to March 31, 2025 and 2024

(In Philippine Peso)

	Notes	Capital Stock	Additional Paid-in Capital	Retained Earnings	Remeasurement	Total
Balance at December 31, 2023	20,25	589,345,528	1,403,308,680	848,727,527	(2,489,402)	2,838,892,333
Profit				104,522,725		104,522,725
Balance at March 31, 2024	20,25	589,345,528	1,403,308,680	953,250,252	(2,489,402)	2,943,415,058
Profit				240,951,132		240,951,132
PPA				(102,134,013)		(102,134,013)
Remeasurement loss	25				8,089,339	8,089,339
Balance at June 30, 2024	20,25	589,345,528	1,403,308,680	1,092,067,370	5,599,937	3,090,321,515
Profit				103,488,322		103,488,322
Balance at September 30, 2024	20,25	589,345,528	1,403,308,680	1,195,555,692	5,599,937	3,193,809,837
Profit				222,043,488		222,043,488
Dividends declared				(147,648,293)		(147,648,293)
Balance at December 31, 2024	20,25	589,345,528	1,403,308,680	1,269,950,887	5,599,937	3,268,205,032
Profit				102,547,906		102,547,906
						-
Balance at March 31, 2025	20,25	589,345,528	1,403,308,680	1,372,498,793	5,599,937	3,370,752,938

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME- Quartely
 For the Quarters Ended Jan1, 2024 to March 31, 2025
 (In Philippine Peso)

	NOTES	Jan1 to Mar 31, 2025 (Unaudited)	Jan1 to Mar 31, 2024 (Unaudited)
REVENUES	22	1,301,577,665	1,310,743,076
DIRECT COSTS	23	720,767,681	717,368,131
GROSS PROFIT		580,809,984	593,374,945
FINANCE INCOME	8	1,189,405	4,931,507
OPERATING EXPENSES	24	432,814,490	449,449,668
FINANCE COST	17,18	31,987,291	9,493,151
PROFIT (LOSS) BEFORE TAX		117,197,607	139,363,634
INCOME TAXES	28	14,649,701	34,840,908
PROFIT (LOSS)		102,547,906	104,522,725
TOTAL COMPREHENSIVE INCOME (LOSS)		102,547,906	104,522,725

(See Notes to Consolidated Financial Statements)



FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Period Ended Jul 1 to March 31, 2025 and 2024

(In Philippine Peso)

	NOTES	Q1-Q3 2025 Unaudited	Q1-Q3 2024 Unaudited
REVENUES	22	4,137,307,770	4,078,390,739
DIRECT COSTS	23	2,309,211,932	2,190,378,396
GROSS PROFIT		1,828,095,838	1,888,012,343
FINANCE INCOME	8	6,268,595	21,694,007
OPERATING EXPENSES	24	1,210,668,561	1,378,578,364
FINANCE COST	17,18	76,702,227	14,515,984
PROFIT (LOSS) BEFORE TAX		546,993,645	516,612,002
INCOME TAXES	28	118,913,929	129,153,000
PROFIT (LOSS)		428,079,716	387,459,001
TOTAL COMPREHENSIVE INCOME (LOSS)		428,079,716	387,459,001
EARNINGS PER SHARE			
Basic Earnings per Share	30	0.07	0.07

(See Notes to Consolidated Financial Statements)



FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Period Ended March 31, 2025 and 2024

(In Philippine Peso)

	NOTES	March 31, 2025	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		117,197,607	516,612,002
Operating cash flows before changes in working capital		117,197,607	516,612,002
Increase in operating assets:			
Trade receivables	-	1,587,700	94,702,374
Inventories		17,659	117,069,011
Prepayments and other current assets		2,028,790	51,840,170
Other non-current assets		871,772	102,222,851
Increase/(Decrease) in trade and other payables		5,936,373	199,170,726
Cash generated from operations		124,464,501	349,948,322
Income taxes paid	-	55,118,419	65,815,803
Net cash from operating activities		69,346,082	284,132,519
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Intangible Assets	13	518,260	407,206,366
Additions to property and equipment	12	362,622,902	1,303,882,602
Short-Term Placements			895,000,000
Net cash used in investing activities	-	363,141,162	816,088,968
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend declared and paid	20	-	147,648,293
Finance costs paid	17,18	28,226,250	
Payments of lease liabilities	18	7,195,802	15,645,181
Availment of loans	17	291,553,027	520,275,000
Net cash from financing activities		256,130,975	388,271,888
NET INCREASE (DECREASE) IN CASH	-	37,664,105	143,684,560
CASH AT BEGINNING OF YEAR		580,069,348	463,290,392
CASH AT END OF YEAR		542,405,243	319,605,832

(See Notes to Consolidated Financial Statements)

FIGARO COFFEE GROUP, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025 and 2024

1. CORPORATE INFORMATION AND STATUS OF OPERATION

Figaro Coffee Group, Inc. and Subsidiary (the “Group”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 6, 2018. The principal activities of the Parent Company are to process, manufacture, and package all kinds of food products; to establish, invest, develop, operate and maintain restaurants, coffee shops, and refreshment parlors; to serve, arrange and cater foods, drinks, refreshments and other food or commodities; to partner and/or collaborate with other players in the food industry for the management and operation of food establishments; to acquire, invest, organize, develop, promote, or otherwise undertake the management and operation of commercial franchises in the food industry; to provide facilities and commissaries and perform all other activities and services incidental thereto, necessary or desirable in relation thereto, and offer and sell to public such products, franchises, services other operation thereof, and to own shares in companies which are in furtherance of its purposes, and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

On March 31, 2021, the Parent Company’s Board of Directors and Stockholders approved the following:

- a. The Parent Company’s change in registered office address from No. 33 Mayon St., Brgy. Malamig, Mandaluyong City, Metro Manila, Philippines to 116 E. Main Avenue, Phase V, SEZ Laguna Technopark, Binan, Laguna.
- b. The Parent Company’s change in reporting period from calendar year to fiscal year which shall begin on the first day of July and end on the last day of June.

The change in registered office address and reporting period was approved by SEC on June 23, 2021.

On October 22, 2021, the SEC approved the Company’s application for amendment of its articles of incorporation to reflect the following primary purpose: invest in, purchase, or otherwise acquire and own, hold, use, sell assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been recognized and to pay thereof in money or by exchanging therefor stocks, bonds or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property; and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including all voting powers of any stock so owned; to carry on, provide support and manage the general business of any corporation, company, association or joint venture; to exercise such powers, acts or functions as may be essential or necessary to carry out the purpose stated herein; and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

The Parent Company

On March 31, 2021, the Parent Company’s Board of Directors and Stockholders approved: (a) the increase in authorized capital stock from ₱150,000,000 to ₱500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Parent Company from ₱100.00 per share

to ₱0.10 per share. SEC approved the Parent Company's application to increase authorized capital stock on June 23, 2021.

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Parent Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Parent Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Parent Company:

- a. In support of the application for increase in authorized capital stock, Camerton, Inc. (CI), on March 31, 2021, subscribed to 1,250,000,000 shares of the Parent Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued on June 22, 2021.
- b. On June 20, 2021, the board of the Parent Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- c. 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and an additional paid-in capital of ₱103,800,000 in the Parent Company; and
- d. 350,000,000 shares of the Parent Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the Parent Company is 88.37% owned by CI and 11.63% owned by CHI.

On September 16, 2021, the Securities and Exchange Commission approved the Group's increase in authorized capital stock to ₱660,000,000 divided into 6,600,000,000 shares with a par value of ₱0.10 per share.

As of June 30, 2021, the Group is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "SRC") for the registration of all the issued and outstanding Shares of the Group and the Offer Shares.

On January 24, 2022, the Group completed its Initial Public Offering (IPO) and was listed in the Philippine Stock Exchange (PSE) under stock symbol "FCG." The Group issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,182,003 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Group is ₱464,818,700 (excluding the additional paid-in capital of ₱697,831,235 with 4,648,187,003 shares issued).

As of June 30, 2022, the Group is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

As of June 30, 2024 and 2023, the outstanding capital of the Group is ₱5,893,455,293 (excluding the additional paid-in capital of ₱1,403,308,680 with 589,345,529 shares issued).

As of June 30, 2024 and 2023, the Group is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

On a regular meeting of the Board of Directors (BOD) of the Parent Company dated October 10, 2024, the BOD has approved the proposed amendment of the Parent Company's article of incorporation to change the corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc.". Stockholders' approval will be sought during the 2024 Annual Stockholders' Meeting scheduled on December 4, 2024.

The Subsidiary

The Parent Company's subsidiary is as follows:

Subsidiary	Principal Activities	Country of Incorporation	Functional Currency	Effective Percentage of Ownership
Figaro Coffee Systems Inc.	Food business including but not limited to operation of retail food stores and restaurants	Philippines	Philippine Peso	100%

The summarized financial information of the subsidiary for the year ended September 30, 2024 and 2023 is as follows:

	2024	2023
Total assets	₱ 4,804,411,425	₱ 3,758,841,237
Total liabilities	1,610,601,587	967,048,109
Net assets	3,193,809,837	2,791,793,128
Revenue	1,392,975,439	1,317,331,927
Direct costs	775,458,296	730,881,211
Operating expense	466,245,922	477,260,151
Finance cost	16,488,686	1,674,278
Profit before tax	137,984,430	117,585,036

On June 21, 2021, F Coffee Holdings Corporation, the 'Seller' agreed to sell and the Parent Company, the 'Buyer' agreed to buy, all the seller's rights, title and interests in 2,500 common shares with a par value of ₱50.00 per share or an aggregate par value of ₱125,000 in Figaro Coffee Systems Inc. (FCSI) for and in consideration of ₱1,851.0256 per share or a total purchase price of ₱4,627,564

On June 23, 2021, the Parent Company subscribed to 7,500 shares of FCSI with ₱50.00 par value per share at the subscription price of ₱27,751.73 per share for a total subscription price of ₱208,138,000. The said subscription resulted to an additional capital stock of ₱375,000 and additional paid-in capital of ₱207,763,000 in FCSI.

On June 27, 2021, the Parent Company subscribed additional 4,576,000 shares of FCSI at ₱50.00 par value resulting to capital stock of ₱228,800,000.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial Sustainability and Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term “PFRS” in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRSs have been adopted in these consolidated financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The definition of accounting estimates has been amended as follows: accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The amendment also clarifies the following:

- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies*

The amendments to PAS 1 are the following:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

The amendments also clarify the following:

- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, PFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to PAS 1.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

- Amendment to PAS 12, *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce an exception to the initial recognition exemption (IRE) in PAS 12. Additional exclusions have been added to the IRE, detailed in paragraphs 15(b)(iii) and 24(c) for deferred tax liabilities and assets respectively. The effects of these amendments essentially mean that the IRE is not available for transactions which involve the recognition of both an asset and liability – which in turn leads to equal and opposite temporary differences – such that deferred taxes are calculated and booked for both temporary differences, both at initial recognition and subsequently. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The initial recognition exemption was initially included within PAS 12 to prevent a lack of reporting transparency for transactions which are not business combinations and, at the time of the transaction, do not affect either accounting or taxable profits. Under this exemption, deferred tax assets/liabilities would neither be recognized at initial recognition of the underlying asset/liability, nor subsequently.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, the amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as assets at the beginning of the earliest comparative period presented.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules, and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Group will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS, to have significant impact on the consolidated financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

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

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

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

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

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

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

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025.

2.02.02 Deferred

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

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed 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.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

3.01 Statements of Compliance

The consolidated financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried either at fair value or at amortized cost and inventories carried at lower of cost or net realizable value.

3.02 Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Group operates (the “functional currency”).

The Group chose to present its consolidated financial statements using its functional currency.

3.03 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary.

The consolidated financial statements incorporate the financial statements of the Parent Company and the entities controlled by the Parent Company (its subsidiary) up to June 30 each year. Control is achieved when the Parent Company has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

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

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date when control is transferred to the Parent Company and ceases to be consolidated from the date when control is transferred out of the Parent Company.

At acquisition, the assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company and are presented in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the Group's equity attributable to equity holders of the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

Upon the loss of control, the Group derecognizes the assets and liabilities of the former subsidiary from the consolidated statements of financial position. The Group recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Group recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3.04 Current and Non-current Presentation

The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Segment Information

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

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-segment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments, provided that; (b) the absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if Management believes that information about the segment would be useful to users of the consolidated financial statements.

The business of the Group is currently organized into two (2) geographical areas namely as National Capital Region and Provincial areas. These areas are the basis on which the Group reports its primary segment information.

4.02 Financial Assets

4.02.01 Initial Recognition and Measurement

The Group recognizes a financial asset in its consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures trade receivables that do not have a significant financing component at their transaction price.

4.02.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

The Group's financial assets measured at amortized cost include cash in banks, trade receivables, due from related parties and other non-current assets.

a) Cash in Banks

Cash in banks pertains to cash deposits held at call with bank that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade Receivables and Due from related parties

Trade receivables and due from related parties are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for expected credit losses of trade receivables and due from related parties are established based on individual assessment and available facts and circumstance, including, but not limited to historical loss experience and economic factors. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

c) Other non-current assets

Other non-current assets pertain to refundable deposits, construction bond and others. Refundable deposits pertain to amount given to the lessor as security for future repairs needed on the leased area. These are initially recorded at the amount of cash paid. Subsequently, this is measured at cost using the effective interest method, less any impairment.

The Group does not have financial assets measured at fair value either through profit and loss or through other comprehensive income in both years.

4.02.03 Effective Interest Method

Finance income is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.02.04 Impairment

The Group measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approaches in accounting for impairment.

➤ **Simplified Approach**

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➤ **General Approach**

The Group applies general approach to cash in banks, due from related parties and other non-current assets. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

The Group compares the risk of default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, that is available without undue cost or effort, to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors. The Group assumes that the credit risk on cash in banks has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group did not apply the 30 days past due rebuttable presumption because the Group determines that there have been no significant increases in credit risk even if collections are more than 30 days past due.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis by considering information that is indicative of significant increases in credit risk.

The Group does not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not. Based on the Group's historical experience, customer is in default when it is already past due for 360 days and beyond.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.02.05 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03 Prepayments and Other Current Assets

4.03.01 Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire through passage of time.

These are classified in the consolidated statements of financial position as current assets when the expenses are expected to be incurred within one (1) year or the group's normal operating cycle, whichever is longer. Otherwise, these are classified as other non-current assets.

4.03.02 Advances to Suppliers

Advances to suppliers represent payments for the goods to be delivered. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are reclassified to inventories upon transfer of ownership of the related goods.

4.03.03 Advances to Contractors

Advances to contractors represent payments for the services to be rendered. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expenses upon the receipt of the services.

4.04 Business Combination

The Group applies the standard on business combination under PFRS 3 as amended and adopted in 2009. The standard outlines the accounting when an acquirer obtains control of a business (e.g. acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at date of acquisition.

PFRS 3 seeks to enhance the relevance, reliability and comparability of information provided about business combinations (e.g. acquisition and mergers) and their effects. It sets out the principles on the recognition and measurement of acquired assets and liabilities, the determination of goodwill and the necessary disclosures.

In determining whether a transaction is a business combination, PFRS 3 provides additional guidance on determining whether a transaction meets the definition of a business combination and accounted for in accordance with its requirements. This guidance includes:

- Business combinations can occur in various ways such as by transferring cash, including liabilities, issuing equity instrument (or any combination thereof), or by not issuing consideration at all (i.e. by contract alone); and
- Business combinations can be structured in various ways to satisfy legal, taxation or other objectives, including one entity becoming a subsidiary of another, the transfer of net assets from one entity to another or to new entity;

The business combination must involve the acquisition of a business, which generally has three elements:

- Inputs – an economic resource (e.g., non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;
- Process – a system standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g., strategic management, operational processes, resource management); and
- Output – the result of inputs and processes applied to those input.

4.04.01 Acquisition Method

In every acquisition of business, the Group determines the acquisition date, recognize and measures all identifiable assets acquired, the liabilities assumed and non-controlling interest (NCI, formerly called minority interest) in the acquiree, and determines if there is goodwill or gain from a bargain purchase if applicable.

The Group recognizes the acquisition date as the date on which the Group obtains control over the acquiree. Generally, this is the date on which the Group legally transfer the consideration, acquires the assets and assumes the liabilities of the acquiree – the closing date. However, the Group as the acquirer may obtain control on a date that is either earlier or later than the closing date depending on what was agreed upon with the acquiree.

In recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, the Group observes the definition of assets and liabilities in accordance with the Framework for the Preparation and Presentation of Financial Statements at the acquisition date. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

On income taxes, the Group recognizes and measures a deferred tax asset or liability arising from the assets acquired and liabilities assumed in accordance with PAS 12 while the standard under PAS 19 is relied on for employee benefits.

The Group recognizes and measures goodwill in accordance with PFRS 3, as the difference between:

- Aggregate of (1) the value of the consideration transferred (generally at fair value), (2) the amount of any non-controlling interest in the acquiree, and (3) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with PFRS 3).

4.04.02 Common Control Business Combinations

A business combination is a “common control combination” if the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This means that the same party or parties have the ultimate control over the combining entities or businesses both before and after the business combination.

Common control combinations are typically accounted for using the “pooling of interest method” and, in some cases where there is commercial substance to the transaction, using the “acquisition method” under PFRS 3.

PIC Q&A 2011-02 established the following consensus:

1. PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires that in the absence of specific guidance in PFRS, management shall use its judgement in developing and applying an accounting policy that is relevant and reliable (PAS 8.10). The most relevant and reliable accounting policies for common control business combination would either be the pooling of interest method and the acquisition method in accordance with PFRS 3.

2. Common control business combinations shall be accounted for using either the pooling of interest method or the acquisition method. However, where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity.
3. The accounting policy for common control business combination shall be applied consistently for similar transactions.

4.04.03 Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary.

The consolidated financial statements incorporate the financial statements of the Parent and the entity controlled by the Parent (its subsidiary) up to June 30 of each year. Control is achieved when the Parent has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Subsidiary is consolidated from the date when control is transferred to the Parent and ceases to be consolidated from the date when control is transferred out of the Parent.

4.04.04 Measurement

The assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

4.04.05 Initial Measurement of Goodwill or Gain on a Bargain Purchase

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on a bargain purchase.

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

4.04.06 Inter-group Balances

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Parent Company. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

4.04.07 Loss of Control

Upon the loss of control, the Parent Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of controls is recognized in profit or loss. If the Parent Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the

control is lost. Subsequently, it is accounted for as entity-accounted investee or as financial assets at FVTPL or FVOCI depending on the level of influence retained.

4.04.08 Measurement Period

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as at the acquisition date or learns that more information is not obtainable. The measurement period does not exceed one year from the acquisition date.

4.05 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, a reversal of the impairment is recognized so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell. Any impairment reversal is recognized in profit or loss but is limited to the amount of the original impairment loss recognized.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.06 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Office and store equipment	5 to 10 years
Building and building improvements	5 to 20 years

The property and equipment's residual values, useful lives and depreciation method are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.07 Intangible Assets

Intangible assets acquired separately are initially carried at cost. Subsequently, intangible asset with definite useful life is carried at cost less accumulated amortization and accumulated impairment

losses. Amortization of intangible assets are recognized on a straight-line basis over its estimated useful life of two (2) to five (5) years.

The estimated useful life, residual value and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.08 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any assets other than inventories, deferred tax assets, and financial assets that are within the scope of PFRS 9, *Financial Instruments* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.09 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.10 Financial Liabilities

4.10.01 Initial Recognition and Measurement

The Group shall recognize a financial liability in its consolidated statements of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

At initial recognition, the Group shall measure a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.10.02 Classification

The Group shall classify all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate;
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities measured at amortized cost include trade and other payables (excluding customers' deposits and due to government agencies), due to a related party, loans payable and lease liabilities.

The Group does not have financial liabilities measured at fair value through profit or loss.

4.10.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or expires).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.11 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

4.12 Customers' Deposits

Customers' deposits pertain to down payments made by customers on their purchase. These are recorded initially as liability equivalent to the amount of cash received. Subsequently, these are charged to profit or loss upon delivery of food products.

4.13 Employee Benefits

4.13.01 Short-term Benefits

The Group recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, SSS, PhilHealth, and HDMF contributions and other employee benefits.

4.13.02 Post-employment Benefits

The Group has an unfunded and noncontributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Retirement benefits include current service cost and net interest on defined benefit obligation. Remeasurements which include change on demographic and financial assumption and experience adjustment are recognized directly in other comprehensive income and are also presented as remeasurements under 'equity' in the consolidated statement of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The retirement benefit obligation recognized in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of interest rates of government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

4.14 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

4.15 Revenue Recognition

The Group shall recognize revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.15.01 Performance Obligations Satisfied at a Point in Time

The Group recognizes revenue at point in time from its store sales and commissary sales, this is when there is a present right to payment for goods, transfer of physical possession of goods, acceptance of the same by its customers and transfer of significant risk and rewards of the goods.

4.15.02 Royalty

Revenue from royalty is recognized as the royalty accrues based on certain percentages of the franchisees' gross sales.

4.15.03 Finance Income

Finance income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.15.04 Principal versus Agent Considerations

The Group should determine whether it is a principal or an agent in a transaction through the nature of its promise in a performance obligation.

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is a principal) or to arrange for the other party to provide those services (i.e. the Group is an agent).

The Group is a principal if it controls a promised service before it transfers the service to a customer. It recognizes revenue in the gross amount of consideration to which it expects to be entitled in exchange for those services transferred.

The Group is an agent if its performance obligation is to arrange for the provision of services by another party. It recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its services.

4.16 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.17 Leases

4.17.01 The Group as a Lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. To apply this definition the Group assesses whether the contract meets three (3) key evaluations, which are whether:

- a. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- b. The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- c. The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group has elected to account for short-term leases and low-value assets using the practical expedients. Instead of recognizing an ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Right-of-Use (ROU) Asset

At the commencement date, the Group measures the ROU asset at cost, which comprises of:

- initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to initial recognition, ROU assets are carried at cost less accumulated depreciation and accumulated impairment losses. The Group depreciates the ROU asset on a straight-line method from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist.

On the consolidated statements of financial position, right-of-use assets have been presented as a separate line item.

Lease Liabilities

At the commencement date, the Group measures the lease liabilities at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not the Group uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Group recognizes the amount of remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

On the consolidated statements of financial position, lease liabilities have been presented as a separate line item.

4.18 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.19 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.19.01 Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.19.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.19.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.19.04 Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account as provided for in PAS 12.61A.

Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

4.20 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.21 Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting period but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to consolidated financial statements when material.

4.22 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Notes 2.01 and 2.02, was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *"Accounting Policies, Changes in Accounting Estimates and Errors"*.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

5.01 Critical Judgments in Applying Accounting Policies

The following are critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Aggregation of Operating Segments

In accordance with the provisions of PFRS 8, *Operating Segments*, the Group's reporting segment is based on the management approach with regard to the segment identification, under which information regularly provided to the chief operating decision maker for decision-making purposes is considered as decisive. The segments are also evaluated under the management approach.

The Group reports its segment based on the nature of the products and services provided and geographic areas. Management identifies its operating segments as generally based on nature of the products and services such as sale of foods and franchise revenue; and geographic areas such as domestic and international. The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of net trading gains (losses), other income, equity in net earnings, operating expenses and income tax.

5.01.02 Determining whether or not a Contract Contains a Lease

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from PAS 17 and IFRIC 4 and has not applied PFRS 16 to arrangements that were previously not identified as lease under PAS 17 and IFRIC 4.

Management assessed the Group's agreements to use store spaces qualified as lease contracts since the contract contains an identified asset, the Group has the right to obtain substantially all of the economic benefits, and the Group has the right to direct the use of the identified asset throughout the period of use.

5.01.03 Assessment of Principal-Agency Arrangement

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is a principal) or to arrange for the other party to provide those services (i.e. the Group is an agent).

In Jan1 to March 31, 2025 and 2024 the Group assessed that it is acting as a principal on its sales derived from third-party food delivery supports because the Group has the primary responsibility for fulfilling the promise to provide goods to customers, bears the risk on the goods and has the discretion in determining the selling price of the goods. The Group recognized commission expense on amount paid to third-party delivery supports amounting to ₱85,540,884 and ₱86,053,535, in January 1 to March 31, 2025 and 2024, respectively, as disclosed in Note 24.

5.01.04 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the, which could occur over time or at a point in time.

Management assessed that performance obligation is satisfied at a point in time, this is when there is a present right to payment for goods, transfer of physical possession of goods, acceptance of the same by its customers and transfer of significant risk and rewards of the goods. For January 1 to March 31, 2025 and 2024 revenues recognized amounted to ₱1,301,577,665 and ₱1,310,743,076 as disclosed in Note 22.

5.01.05 Assessment of Contractual Terms of a Financial Asset

The Group determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Group considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with basic lending arrangement. As of March 31, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱786,792,507 and ₱655,784,119 respectively, as disclosed in Note 32.02.

5.01.06 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price to performance obligation is not applicable since the only obligation identified is to deliver and served the foods and drinks ordered by its customers.

5.01.07 Assessment of 30 days Rebuttable Presumption

The Group determines when a significant increase in credit risk occurs on its financial assets based on the credit management practice of the Group.

Management believes that the 30 days rebuttable presumption on determining whether financial assets are past due is not applicable since based on Group's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.08 Assessment of 90 days rebuttable presumption

An entity determines when a past due occurs on its financial assets based on the credit management practice of the entity.

Management believes that the 90 days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable based on the Group's historical experience the Group determines that the customer is in default when it is already past due for 360 days and beyond.

5.01.09 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Group is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Management assessed that it is reasonably certain that it will exercise the extension option but the extension option is not enforceable because it requires mutual agreement of both parties.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties at the end of the reporting periods that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Estimating Allowance for Expected Credit Losses of Financial Assets

The Group evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience and economic factors.

The Group uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the expected credit loss is nil in 2024 and 2023.

The Group uses performance of customers' industry, macro-economic factors and economy's outlook to assess the expected credit losses on its trade receivables. In view of the foregoing factors, Management believes that the expected credit loss on trade receivables is nil in 2024 and 2023.

The Group uses the available financial information about the lessors, macro-economic factors and economy's outlook to assess the expected credit losses on its refundable deposits. In view of the foregoing factors, Management believes that the expected credit loss on refundable deposits is nil in both years.

In 2025 and 2024, no provision for expected credit loss was recognized on Group's financial assets.

As of March 31, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱786,792,507 and ₱655,784,119 as disclosed in Note 32.02.

5.02.02 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

In 2025 and 2024, Management believes the net realizable value of inventories approximate their costs, thus, no allowance for decline in value was recognized. As of March 31, 2025, June 30, 2024 and March 31, 2024, inventories amounted to ₱488,340,294, ₱430,658,720 and ₱295,459,250 as disclosed in Note 9.

5.02.03 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Group's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's property and equipment are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of property and equipment, the Group considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of property and equipment would increase the recognized expenses and decrease non-current assets. The Group uses a depreciation method that reflects the pattern in which it expects to consume the property and equipment's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Group expects to consume the property and equipment's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there are no indications that there has been any change in pattern used by in consuming Group's property and equipment's future economic benefits. As of March 31, 2025, June 30, 2024 and March 31, 2024 the carrying amounts of the Group's property and equipment are ₱3,694,925,357, ₱2,527,094,634 and ₱2,452,853,535 as disclosed in Note 12.

5.02.04 Reviewing Residual Value, Useful Life and Amortization Method of Intangible Assets

The residual value, useful life and amortization method of the Group's intangible assets are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible assets are available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by Management. Amortization ceases when the intangible asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the intangible asset's future economic benefits.

In both years, Management assessed that there are no indications that there has been any change in pattern used by the Group in consuming its intangible assets' future economic benefits. As of March 31, 2025, June 30, 2024 and March 31, 2024, the carrying amounts of the amounted ₱252,091,714, ₱239,765,356 and ₱499,845,205, as disclosed in Note 13.

5.02.05 Asset Impairment

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of prepayment and other current assets, property and equipment, intangible assets and right-of-use assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Group to conclude that aforementioned assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

In both years, Management assessed that no indicators of impairment had existed on prepayment and other current assets, property and equipment, right-of-use assets and intangible assets. As of March 31, 2025, June 30, 2024 and March 31, 2024, the aggregate carrying amounts of the aforementioned assets amounted to P4,550,176,094, P3,253,518,374 and P3,323,055,622, respectively, as disclosed in Notes 11, 12, 13, and 14.

5.02.06 Estimating Recoverability of Deferred Tax Assets

The Group reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

Management believes that the Group will generate future taxable profit to use all or part of its deferred tax asset as of March 31, amounting to P9,842,402 and P6,983,524, in 2025 and 2024.

5.02.07 Post-employment and Other Employee Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, and rates of compensation increase. In accordance with the PFRS, actual results that differ from the assumptions are recognized as remeasurements in other comprehensive income and therefore, generally affect recorded obligation. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

The Group's retirement benefit amounted to P1,066,304 and 904,284 in March 31, 2025 and 2024 respectively, as disclosed in Notes 24 and 25. The Group's retirement benefit obligation as of March 31, 2025 and 2024, amounted to P14,092,424 and P26,045,253, respectively, as disclosed in Note 25.

5.02.08 Estimating the Appropriate Discount Rate to Use

The Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Group uses the incremental borrowing rate.

Management used its incremental borrowing rate of 2.3% to 6.00% per annum to measure the present value of its lease liabilities since the implicit rate was not readily available.

6. SEGMENT INFORMATION

6.01 Revenue from Major Products

Listed below are the revenues earned from January 1 to March 31 for each major product:

		2025		2024		2023
ANGELS PIZZA	P	942,564,266	P	946,300,318	P	671,555,635
FIGARO COFFEE GROUP		56,120,056		54,254,566		43,718,797
TIEN MA		33,838,902		42,306,812		26,365,554
	P	1,032,523,223	P	1,042,861,696	P	741,639,986
		2025		2024		2023
STORE SALES		1,032,523,223		1,042,861,696		741,639,986
COMMISSARY SALES		235,270,692		223,545,310		218,172,452
ROYALTY, FRANCHISE & INSTITUTIONAL SALES		33,783,749		44,336,071		70,632,835
		1,301,577,665		1,310,743,076		1,030,445,273

6.02 Geographical Information

The Group operates in two (2) principal geographical areas. The Group's revenue from continuing operations from external customers by geographical location For the periods January 1 to March 31, are detailed below:

		2025		2024		2023
NATIONAL CAPITAL REGION	P	425,373,982	P	519,705,232	P	425,029,546
PROVINCIAL AREAS		607,149,241		523,156,464		316,610,440
	P	1,032,523,223	P	1,042,861,696	P	741,639,986

7. CASH

For the purpose of the consolidated statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting periods as shown in the consolidated statements of cash flows can be reconciled to the related item in the consolidated statements of financial position as of March 31, as follows:

	March 31, 2025		June 30, 2024		March 31, 2024	
Cash on hand	₱	25,029,495	₱	13,867,400	₱	13,415,619
Cash in banks		517,375,748		361,067,005		306,190,213
	₱	542,405,243	₱	374,934,405	₱	319,605,832

Cash on hand pertains to revolving and change fund kept in the different branches.

Bank accounts maintained are current accounts that do not earn interest.

8. SHORT-TERM INVESTMENT

Short-term investments consist of money market placements made for six (6) months and earn interest of 8%. As of March 31, 2025 and 2024, short-term investments amounted to nil.

9. TRADE AND OTHER RECEIVABLE

The details of the Group's trade and other receivable as of March 31 are shown below:

	March 31, 2025		June 30, 2024		March 31, 2024	
Trade	₱	192,913,745	₱	159,464,396	₱	251,864,356
Accrued interest receivable		6,268,595		4,570,289		4,931,507
	₱	199,182,340	₱	164,034,685	₱	256,795,863

Trade receivables which pertain to supplies billed to franchisees, commissary sales to certain institutions and receivable from credit card companies and food delivery services have an average credit period of sixty (60) days from the sale of goods. No interest is charged on trade receivables. The Group determines that a customer is in default when it is already past due for 360 days and beyond. Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognized an allowance for expected credit losses because there has been no significant amount on past due accounts which are 360 days and beyond. The Group does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging of outstanding accounts that are past due but not impaired is as follows:

	March 31, 2025		June 30, 2024		March 31, 2024	
1 to 30 days	₱	109,183,242	₱	102,845,359	₱	102,432,652
31 to 60 days		63,535,324		39,822,442		54,915,628
Over 60 days		20,195,179		16,796,595		94,516,076
	₱	192,913,745	₱	159,464,396	₱	251,864,356

In determining the recoverability of trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

In 2025, 2024 and 2023, no provision for expected credit loss was recognized for the Group's trade receivables because the Group believes that there is only an insignificant amount of expected credit loss therefrom.

10. INVENTORIES

The Group's inventories pertaining to foods, beverages, store and kitchen supplies amounted to:

	March 31, 2025	June 30, 2024	March 31, 2024
Inventories	488,340,294	430,658,720	295,459,250
	₱ 488,340,294	₱ 430,658,720	₱ 295,459,250

The cost of inventories recognized as an expense for the period January 1 to March 31, 2025, 2024 and 2023 respectively amounted to ₱425,410,550 , ₱495,072,851 and ₱388,899,043, as disclosed in Note 23.

Inventories are expected to be recovered within twelve (12) months after the reporting period.

There are no unusual purchase commitments and accrued net losses on such commitments. There are no losses which are expected to arise from firm and noncancellable commitments for the future purchase of inventory items.

11. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets as of March 31 are shown below:

	March 31, 2025	June 30, 2024	March 31, 2024
Prepaid expenses	₱ 920,453	₱ 612,045	
Prepaid rent (Note 17)	1,902,424	1,233,630	56,215,024
Advances to contractors	180,242,424	125,022,173	135,524,520
Advances to suppliers	42,094,245	17,251,124	12,056,353
Advances to officers and employees	15,764,709	15,912,388	1,530,592
	₱ 240,924,255	₱ 159,419,315	₱ 205,938,534

Advances to contractors pertain to materials and services paid in advance.

Advances to suppliers pertain to inventories that are already paid. The average shipment and delivery is sixty (60) days from the initial payment of goods.

Advances to officers and employees are subject to liquidation.

12. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Group's property and equipment as of March 31, 2025, June 30, and March 31, 2024, are as follows:

	Office and Store Equipment	Building and Building Improvements	Total
Movements during the periods			
Balance, Jan 1, 2024	1,611,567,618	523,009,062	2,134,576,680
Additions	201,823,230	187,892,678	389,715,908
Depreciation	-48,356,803	-18,789,268	-67,146,071
Balance, March 31, 2024	1,765,034,045	692,112,472	2,457,146,516
March 31, 2024			
Cost	2,197,269,746	1,183,079,101	3,380,348,846
Accumulated depreciation	-432,235,701	-490,966,629	-923,202,330
Carrying Amount	₱ 1,765,034,045	₱ 692,112,472	₱ 2,457,146,516
Movements during the periods			
Balance, Apr 1, 2024	1,765,034,045	692,112,472	2,457,146,516
Additions	-598,506,194	740,194,680	141,688,486
Depreciation	29,275,970	-101,016,338	-71,740,368
Balance, June 30, 2024	1,195,803,821	1,331,290,813	2,527,094,634
June 30, 2024			
Cost	1,598,763,552	1,923,273,780	3,522,037,332
Accumulated depreciation	-402,959,731	-591,982,967	-994,942,698
Carrying Amount	₱ 1,195,803,821	₱ 1,331,290,813	₱ 2,527,094,634
Movements during the periods			
Balance, Jul 1, 2024	1,195,803,821	1,331,290,813	2,527,094,634
Additions	225,465,300	337,242,300	562,707,600
Depreciation	-69,657,204	-45,639,400	-115,296,604
Balance, Sept 30, 2024	1,351,611,917	1,622,893,713	2,974,505,630
Sept 30, 2024			
Cost	1,824,228,852	2,260,516,080	4,084,744,932
Accumulated depreciation	-472,616,935	-637,622,367	-1,110,239,302
Carrying Amount	₱ 1,351,611,917	₱ 1,622,893,713	₱ 2,974,505,630
Movements during the periods			
Balance, Oct 1, 2024	1,351,611,917	1,622,893,713	2,974,505,630
Additions	262,643,010	161,447,019	424,090,029
Depreciation	-42,743,934	-23,549,270	-66,293,204
Balance, Dec 31, 2024	1,571,510,993	1,760,791,462	3,332,302,455
Dec 31, 2024			
Cost	2,086,871,862	2,421,963,099	4,508,834,961
Accumulated depreciation	-515,360,869	-661,171,637	-1,176,532,506
Carrying Amount	₱ 1,571,510,993	₱ 1,760,791,462	₱ 3,332,302,455

Movements during the periods

Balance, Jan 1, 2025	1,571,510,993	1,760,791,462	3,332,302,455
Additions	265,093,742	205,308,492	470,402,234
Depreciation	-44,666,900	-63,112,433	-107,779,332
Balance, March 31, 2025	1,791,937,835	1,902,987,522	3,694,925,357
March 31, 2025			
Cost	2,351,965,604	2,627,271,591	4,979,237,195
Accumulated depreciation	-560,027,769	-724,284,069	-1,284,311,838
Carrying Amount	₱ 1,791,937,835	₱ 1,902,987,522	₱ 3,694,925,357

In January 1 to March 31, 2025, 2024 and 2023, all additions were paid in cash.

Depreciation is allocated as follows:

Jan 1 to March 31	2025	2024	2023
Direct cost	₱ 7,291,442	₱ 3,804,252	₱ 750,398
Operating expenses	100,487,890	109,073,853	72,782,102
	₱ 107,779,332	₱ 112,878,105	₱ 73,532,500

In 2025, 2024 and 2023, Management assessed that there were no indications of impairment existing in property and equipment.

13. INTANGIBLE ASSETS – net

The carrying amounts of the Group's intangible assets as of March 31, 2025 and 2024 are as follows:

INTANGIBLES	March 31, 2025	March 31, 2024
Balance, July 1		
Cost	₱ 114,731,928	₱ 57,380,187
Accumulated amortization	- 22,093,089	-22,093,089
Carrying Amount	92,638,839	35,287,098
Movements during the year		
Balance, July 1	92,638,839	35,287,098
Additions	147,126,517	57,351,741
Amortization		
Balance, June 30	- 239,765,356	92,638,839
06/30/2024		
Cost	261,858,445	114,731,928
Accumulated amortization	- 22,093,089	-22,093,089
Carrying Amount	₱ 239,765,356	₱ 92,638,839
Movements during the year		
Balance, July 1	39,765,356	92,638,839
Additions	25,501,115	243,336,011
Amortization	- 25,226,928	
Balance, Sept 30	₱ 240,039,543	335,974,850
Sep-30		
Cost	287,359,560	358,067,939
Accumulated amortization	- 47,320,017	-22,093,089
Carrying Amount	₱ 240,039,543	₱ 335,974,850

Movements during the year			
Balance, Oct 1		240,039,543	335,974,850
Additions		36,760,839	131,882,783
Amortization	-	25,226,928	
Balance, Dec 31	₱	251,573,454	467,857,633
Dec-31			
Cost		324,120,399	489,950,722
Accumulated amortization	-	72,546,945	-22,093,089
Carrying Amount	₱	251,573,454	₱ 467,857,633
Movements during the year			
Balance, Jan 1		51,573,454	467,857,633
Additions		2,611,705	34,080,996
Amortization	-	2,093,445	-2,093,424
Balance, March 31	₱	252,091,714	499,845,205
3/31/2025			
Cost		326,732,104	524,031,718
Accumulated amortization	-	74,640,390	-24,186,513
Carrying Amount	₱	252,091,714	₱ 499,845,205

In 2025 and 2024, all additions were paid in cash.

The remaining useful life of intangible assets two (2) to five (5) years.

The Group has determined that there is no indication that an impairment loss has occurred on its intangible assets in both years.

14. RIGHT-OF-USE ASSETS – net

The carrying amounts of the Group's right-of-use assets as of March 31, 2025 and 2024, are as follows:

		2025		2024
Balance, March 31,				
Cost	₱	107,129,013	₱	12,228,382
Accumulated depreciation		-22,093,089		-7,428,290
Carrying Amount		85,035,924		4,800,092
Movements during the year				
Balance, April 1		85,035,924		4,800,092
Additions		272,556,890		27,127,944
Depreciation		-66,566,355		-14,664,799
Balance, June 30		291,026,459		17,263,237
Cost		379,685,903		39,356,326
Accumulated depreciation		-88,659,444		-22,093,089
Carrying Amount	₱	291,026,459	₱	17,263,237
Movements during the year				
Balance, July 1 2024		291,026,459		17,263,237

Additions	35,898,647	46,434,973
Depreciation	-32,865,472	-25,668,823
Balance, September 30, 2024	294,059,634	38,029,387
September 30, 2024		
Cost	415,584,550	85,791,299
Accumulated Depreciation	-121,524,916	-47,761,912
Carrying Amount	294,059,634	38,029,387
Movements during the year		
Balance, Oct 1 2024	294,059,634	38,029,387
Additions	62,176,123	34,546,963
Depreciation	-38,742,304	
Balance, December 31, 2024	317,493,453	72,576,350
December 31, 2024		
Cost	477,760,673	120,338,262
Accumulated Depreciation	-160,267,220	-47,761,912
Carrying Amount	317,493,453	72,576,350
Movements during the year		
Balance, January 1, 2025	317,493,453	72,576,350
Additions	38,278,695	12,459,574
Depreciation	-38,742,304	
Balance, March 31, 2025	317,029,844	85,035,924
Cost	516,039,368	107,129,013
Accumulated Depreciation	-199,009,524	-22,093,089
Carrying Amount	317,029,844	85,035,924

The details of the lease contracts are disclosed in Note 26.

15. OTHER NON-CURRENT ASSETS

The details of other non-current assets as of March 31, 2025 are shown below:

	March 31, 2025	June 30, 2024	March 31, 2024
Refundable deposits	₱ 4,502,953	₱ 33,125,666	₱ 49,320,546
Construction bond	40,101,971	2,086,944	29,461,878
Others	600,000	1,000,000	600,000
	45,204,924	₱ 36,212,610	₱ 79,382,424

16. TRADE AND OTHER PAYABLES

The components of trade and other payables account as of March 31, are as follows:

	March 31, 2025	June 30, 2024	March 31, 2024
--	-----------------------	----------------------	-----------------------

Trade	P	359,545,946	P	331,242,122	P	537,345,521
Customers' deposits		33,092,552		34,685,463		42,425,254
Due to government agencies		9,320,525		11,824,222		10,323,459
Gift certificate payable		2,102,300		3,495,200		467,244
Accrued expenses		3,630,000		1,353,200		3,630,000
	P	407,691,323	P	382,600,207	P	594,191,478

The average credit period on purchases of certain goods from suppliers is thirty (30) days. No interest is charged on the trade payables from the date of the invoice.

Customer's deposits pertain to down payments made by customers on their purchases.

Due to government agencies include expanded and compensation withholding taxes and other statutory payables.

Accrued expenses pertains to accrual of professional fee and other services.

17. LOANS PAYABLE

Details of Group's loans payable as of March 31, 2025 are as follows:

Bank Loans		March 31, 2025		June 30, 2024		March 31, 2024
Balance, January 1, 2025	P	525,400,000	P	30,000,000	P	395,000,000
Availments		750,000,000		1,050,000,000		155,275,000
Payments	-	458,446,973	-	529,564,311		-
Short-Term - Balance, March 31	P	816,953,027	P	550,435,689	P	550,275,000
Balance, January 1, 2025	P	980,000,000	P		P	
Availments						
Payments						-
Long-Term - Balance, March 31, 2025	P	980,000,000	P	0	P	0

The loans balance is for working capital while the long term loan availed will be used for store expansion of the Group. The loans bear an interest rate of 5.5% to 8% with a term of 180 days to one (1) year.

For the periods January 1 to March 31, 2025, 2024, 2023 finance costs incurred and paid amounted to P31,987,291, P9,493,151 and P755,855 respectively.

The Group is not required to maintain any ratios or thresholds. In 2025, 2024 and 2023, the Group is compliant with the terms and conditions of the loan contract.

18. LEASE LIABILITIES

The Group, as lessee, entered into various leasing arrangements as disclosed in Note 27, as of March 31, 2025. The following are the amounts of lease liabilities:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2025	2024	2025	2024
Not later than one (1) year	₱ 36,098,453	₱ 4,098,354	₱ 10,982,424	₱ 9,023,452
Later than one (1) year but not later than five (5) years	204,403,021	19,056,819	174,824,536	13,920,424
	240,501,474	23,155,173	185,806,960	22,943,876
Discount	-54,694,514	-211,297	-	-
Present value of minimum lease payments	185,806,960	22,943,876	185,806,960	22,943,876
Current portion	10,982,424	9,023,452	10,982,424	9,023,452
Non-current portion	₱ 174,824,536	₱ 13,920,424	₱ 174,824,536	₱ 13,920,424

Movement in lease liabilities are as follows:

	2025	2024
Balance, beginning	₱ 22,943,876	₱ 11,259,500
Additions	38,278,695	12,459,574
Finance cost (Note 27)	17,575,260	
Finance cost paid		
Lease payments	107,009,129	-775,198
Balance, ending	₱ 185,806,960	₱ 22,943,876

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates 2.3% to 6.00% per annum.

19. RELATED PARTY TRANSACTIONS

Nature of relationship of the Group and its related parties are disclosed below:

Related Party	Nature of Relationship
Carmetheus Holdings, Inc.	Ultimate Parent
Camerton, Inc.	Immediate Parent
F Coffee Holdings, Inc.	Under Common Control
F Coffee Holdings Corporation	Under Common Control
Stockholders	Key Management Personnel

19.01 Due from a related party

19.01.01 Key Management Personnel

Transactions with key management personnel are as follows:

	March 31, 2025		March 31, 2024	
	Amount/ Volume	Outstanding Balances	Amount/ Volume	Outstanding Balances
Stockholders				
Advances	₱ -	₱ -	₱ -	₱ -

Advances pertain cash given to stockholders for their personal use.

In 2024, 2023 and 2022, the Group partially collected its advances granted to related party amounting to nil, ₱167,081,477 and ₱67,872,936, respectively.

The amounts outstanding are unsecured, non-interest bearing, collectible on demand and will be settled in cash. No guarantees have been received in respect of the amounts owed by a related party. No provisions have been made for expected credit losses in respect of the amounts owed by a related party.

The Group has an approval requirement and limits on the amount and extent of related party transactions.

19.02 Remuneration of Key Management Personnel

In both years, no remuneration was given to the directors and members of key management personnel.

20. CAPITAL STOCK

The paid-in capital stock of the Group as of March 31, 2025 are as follows:

	March 31, 2025		June 30, 2024		March 31, 2024	
Capital stock	₱	589,345,528	₱	589,345,528	₱	589,345,529
Additional paid-in capital		1,403,308,680		1,403,308,680		1,403,308,680
	₱	1,992,654,208	₱	1,992,654,208	₱	1,992,654,209

20.01 Increase in Authorized Capital Stock

On March 31, 2021, the Parent Company's Board of Directors and Stockholders approved: (a) the increase in authorized capital stock from P150,000,000 to P500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Group from P100.00 per share to P0.10 per share. SEC approved the Group's application to increase authorized capital stock on June 23, 2021.

On September 16, 2021, the Securities and Exchange Commission approved the Company's increase in authorized capital stock to P660,000,000 divided into 6,600,000,000 shares with a par value of P0.10 per share.

On June 6, 2023, the Parent Company's Board of Directors and Stockholders approved the increase in authorized capital stock amounting to P1,340,000,000 comprising of 11,550,000,000 common shares at P0.10 par value per share or equivalent to P1,155,000,000 and 9,250,000,000 preferred shares at P0.02 par value per share or equivalent to P185,000,000. SEC approved the Group's application to increase its authorized capital stock on July 14, 2023.

20.02 Capital Stock

The paid-in capital stock of the Group are as follows:

Mar-31	2025	2024
Common shares (Note 20.02.01)	₱ 546,845,528	₱ 546,845,528
Preferred shares (Note 20.02.02)	42,500,000	42,500,000
	₱ 589,345,528	₱ 589,345,528

20.02.01 Common Shares

Shown below are the details on the movements of common shares.

	2025		2024	
Mar-31	Shares	Amount	Shares	Amount
Authorized				
P0.10 par value per share	11,550,000,000	₱ 1,155,000,000	11,550,000,000	₱ 1,155,000,000
Issued and fully paid				
Balance, beginning	5,893,455,280	589,345,528	5,893,455,280	589,345,528
Additional issuance	-	-	-	-
Conversion to preferred shares	-425,000,000	-42,500,000	-425,000,000	-42,500,000
Balance, end	5,468,455,280	₱ 546,845,528	5,468,455,280	₱ 546,845,528

20.02.02 Preferred Shares

Shown below are the details on the movements of preferred shares.

March 31, 2025	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
₱0.02 par value per share	9,250,000,000	₱ 185,000,000	9,250,000,000	₱ 185,000,000
Subscribed	8,500,000,000	170,000,000	8,500,000,000	170,000,000
Subscription receivable	-6,375,000,000	-127,500,000	-6,375,000,000	-127,500,000
Balance, end	2,125,000,000	₱ 42,500,000	2,125,000,000	₱ 42,500,000

20.03 Dividend Declaration

On October 12, 2024, Figaro Coffee Group, Inc., the Parent Company declared cash dividend at ₱0.027 per share to stockholders of record as of November 17, 2024. The payment date of the declaration of dividend is December 8, 2024.

At the regular meeting held on October 12, 2024, the Board of Directors of the Figaro Coffee Group, Inc., the Parent Company approved the declaration of cash dividends of ₱0.027 with a total amount of ₱147,648,293 to all stockholders on record as of November 17, 2024. Dividends paid amounted to ₱147,648,293 during the same year.

20.04 Issuances of Shares

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Parent Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Parent Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Parent Company:

- In support of the application for increase in authorized capital stock, Camerton, Inc. (CI), on March 31, 2021, subscribed to 1,250,000,000 shares of the Parent Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued on June 22, 2021.
- On June 20, 2021, the Board of Directors of the Parent Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and an additional paid-in capital of ₱103,800,000 in the Parent Company; and
- 350,000,000 shares of the Parent Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the outstanding capital of the Parent Company is ₱322,500,500 (excluding the additional paid-in capital of ₱186,938,000 with 3,225,005,000 shares issued).

As of June 30, 2021, the Parent Company is 88.37% owned by Camerton, Inc. and 11.63% owned by Carmetheus Holdings, Inc.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol "FCG." The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,183,200 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Company is ₱464,818,820 (excluding the additional paid-in capital of ₱665,068,300 with 4,648,188,200 shares issued).

As of June 30, 2022, the Company is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

On February 2, 2023, the Company issued 820,268,295 common shares to Monde Nissin Corporation at ₱1 per share.

As of September 30, 2024 and 2023, the outstanding capital of the Group is ₱5,893,455,280 (excluding the additional paid-in capital of ₱1,403,308,680 with 5,893,455,280 shares issued).

As of September 30, 2024 and 2023, the Group is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

20.05 Track record of registration of securities under the Securities Regulation Code

As of June 30, 2021, the Company is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "SRC") for the registration of all the issued and outstanding Shares of the Company and the Offer Shares.

The number of shares to be registered, issue/ offer price and the approval or date when the registration statement covering such securities was rendered effective by the Commission, and the number of holders of such securities is to be determined.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol "FCG." The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share.

21. BUSINESS COMBINATION

The Group accounted the common control business combination using the "acquisition method" under PFRS 3 because there is commercial substance to the transaction. Factors that indicate commercial substance are as follows:

1. The business combination is undertaken as an integral part of an Initial Public Offering (IPO).
2. The extent to which the acquiring entity's future cash flows are expected to change as a result of the business combination in which the entity-specific value of the portion of the entity's operations affected by the transaction changes as a result of the combination and the exchange is significant relative to the fair value of the assets exchanged.

Cash consideration	₱	4,627,564
Less fair value of net identifiable assets acquired		38,284,325
Gain on bargain purchase	₱	33,656,761

The subsidiary and the Parent Company are under common control. The Management believes that the acquisition will result to more financing resources to improve further the results of operation and financial position of the subsidiary.

The Group included FCSI in its financial consolidation starting June 21, 2021 (the “acquisition date”). The net cash inflow from the acquisition is as follows:

Cash paid on acquisition	₱	4,627,564
Less cash acquired from subsidiary		281,145,694
	₱	276,518,130

From the acquisition date, FCSI contributed ₱53,539,134 of revenues and ₱9,603,908 net profit to Group. If the business combination had taken place beginning July 1, 2020, contribution to consolidated revenues and net loss for the year ended June 30, 2021 would have been ₱1,354,700,778 and ₱197,365,890, respectively.

The fair value of the identifiable assets acquired and liabilities assumed as at the date of the acquisition were as follows:

Cash	281,145,694
Trade receivables	3,112,625
Inventories	59,452,449
Due from related parties	570,499
Prepayments and other current assets	31,940,875
Property and equipment – net	487,214,074
Intangible assets – net	379,748
Right-of-use assets – net	7,369,323
Other non-current assets	9,425,037
Deferred tax assets	4,579,163
Total identifiable assets acquired	885,189,487
Less:	
Dividend payable	208,138,000
Due to related party	228,800,000
Trade and other payables	116,763,768
Due to a related party	154,986,809
Loans payable	80,000,000
Lease liabilities	2,540,057
Income tax payable	32,688,283
Retirement benefits obligation	17,949,554
Lease liabilities–net of current portion	5,038,691
Total identifiable liabilities assumed	846,905,162
Net identifiable assets acquired	38,284,325

22. REVENUE

The Group's revenue for the period January 1 to March 31, are as follows:

		2025		2024		2023
ANGELS PIZZA	P	942,564,266	P	946,300,318	P	671,555,635
FIGARO COFFEE GROUP		56,120,056		54,254,566		43,718,797
TIEN MA		33,838,902		42,306,812		26,365,554
	P	1,032,523,223	P	1,042,861,696	P	741,639,986

	2025	2024	2023
STORE SALES	1,032,523,223	1,042,861,696	741,639,986
COMMISSARY SALES	235,270,692	223,545,310	218,172,452
ROYALTY, FRANCHISE & INSTITUTIONAL SALES	33,783,749	44,336,071	70,632,835
	1,301,577,665	1,310,743,076	1,030,445,273

The Group's revenue includes royalty and franchise fees income received from franchisees for the period January 1 to March 31, amounted to ₱14,822,930 and ₱21,896,597 in 2025 and 2024, respectively, as disclosed in Note 26.

23. DIRECT COSTS

The following is an analysis of the Group's direct costs for the period Jan 1 to March 31,:

		2025		2024		2023
Inventories, Jan 1 (Note 10)	₱	488,357,953	₱	283,958,309	₱	134,498,031
Purchases		425,392,891		506,573,792		431,818,043
Inventories, Mar 31 (Note 10)		488,340,294		295,459,250		177,416,990
Cost of materials used		425,410,550		495,072,851		388,899,084
Direct labor (Note 24)		160,993,052		157,096,986		103,323,909
Overhead		134,364,079		65,198,294		50,345,872
	₱	720,767,681	₱	717,368,131	₱	542,568,866

Details of the overhead is as follows:

		2025		2024		2023
Store and kitchen supplies	₱	19,003,724	₱	8,853,090	₱	13,089,723
Communication, light and water		29,617,843		15,009,573		9,898,642
Security services		11,092,414		4,897,535		4,098,939
Taxes and licenses		11,092,834		6,024,953		2,409,380
Repairs and maintenance		7,003,234		3,209,535		3,184,038
Wastages and spoilage		6,509,533		3,290,442		2,309,480
Professional fees		4,004,244		1,894,424		2,093,409
Depreciation (Notes 12 & 13)		7,291,442		3,804,252		750,398
Representation and entertainment		900,244		394,242		159,308
Association Dues		842,042		402,323		27,639
Rentals (Note 27)		36,025,255		17,150,394		11,984,038
Others		981,270		267,531		340,878
	₱	134,364,079	₱	65,198,294	₱	50,345,872

24. OPERATING EXPENSES

This account for the period Jan 1 to March 31 is composed of the following expenses:

Jan 1 to Mar 31	2025	2024	2023
Advertisement and promotion	₱ 176,751,248	₱ 191,657,403	₱ 169,271,962
Depreciation (Note 12)	100,487,890	109,073,853	72,782,102
Commission	85,540,884	86,053,535	61,753,106
Short-term employee benefits (Note 25)	3,102,397	17,409,562	11,093,857
Transportation and travel	20,437,847	15,430,953	15,097,634
Communication, light and water	14,517,701	5,794,353	3,639,234
Taxes and licenses	5,071,213	4,892,420	3,709,535
Rentals (Note 27)	5,304,593	5,842,524	3,928,756
Representation and entertainment	5,380,030	3,592,420	3,284,535
Professional fees	3,792,882	2,411,345	10,947,934
Amortization (Note 13)	2,093,445	2,093,424	1,549,530
Management fees	6,863,506	1,785,325	3,034,094
Security services	1,036,204	1,009,424	640,592
Retirement benefits (Note 25)	1,066,304	904,284	904,285
Supplies	368,884	589,322	283,248
Repairs and maintenance	522,043	504,243	184,044
Insurance	187,244	150,354	169,340
Others	290,176	254,924	1,359,241
	₱ 432,814,490	₱ 449,449,668	₱ 363,633,029

25. EMPLOYEE BENEFITS

Aggregate employee benefits expense for the periods Jan 1 to 31, as disclosed in Notes 23 and 24, is comprised of:

Jan 1 to Mar 31	2025	2024	2023
Short-term employee benefits (Note 25.01)	₱ 164,095,449	₱ 174,506,548	₱ 114,417,766
Retirement Benefits (Note 25.02)	1,066,304	904,284	904,285
	₱ 165,161,753	₱ 175,410,832	₱ 115,322,051

25.01 Short-term Employee Benefits

An analysis of the Company's short-term employee benefits for the periods Oct 1 to December 31, as disclosed in Notes 23 and 24 is as follows:

		2025		2024		2023
Salaries and wages	₱	124,784,062	₱	132,598,540	₱	88,026,450
SSS, PhilHealth and HDMF contributions		24,491,656		25,948,535		17,142,935
Other employee benefits		14,819,731		15,959,473		9,248,381
	₱	164,095,449	₱	174,506,548	₱	114,417,766

Allocation of short-term employee benefits is as follows:

		2025		2024		2023
Cost of sales (Note 23)	₱	160,993,052	₱	157,096,986	₱	103,323,909
Operating expenses (Note24)		3,102,397		17,409,562		11,093,857
	₱	164,095,449	₱	174,506,548	₱	114,417,766

25.02 Post-employment Benefits

25.01.01 Defined Benefit Plan

The Group has a single retirement plan under the regulatory framework of the Philippines. Under R.A. No. 7641, the Group is legally obliged to provide a minimum retirement pay for qualified employees upon retirement. The framework, however, does not have a minimum funding requirement. The Group's benefit plan is aligned with this framework.

Under the unfunded plan, the employees are entitled to retirement benefits equivalent to 22.5 days per year of credited service in accordance with R.A. No. 7641 on attainment of a retirement age of sixty (60) years with at least five (5) years of service. The payments for the funded benefits are borne by the Group as it falls due.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out on October 28, 2024 by Miravite Consulting Group, Inc. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	2024	2023
Discount rate	7.20%	7.22%
Expected rate of salary increase	5.00%	5.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age sixty (60).

	2024	2023
Retiring after the reporting period		
Male and Female	14	14

The sensitivity analysis of the defined benefit obligation on changes in the weighted principal assumption is as follows:

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2024			
Discount rate	+/-1.00%	6.00%	4.00%
Salary increase rate	+/-1.00%	5.00%	5.00%
June 30, 2023			
Discount rate	+/-1.00%	3.60%	4.34%
Salary increase rate	+/-1.00%	8.41%	7.79%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the statements of financial position.

Assumed life expectancy is not applicable because under the Group's retirement plan, benefits are paid in full in a lump sum upon retirement or separation of an employee.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Amounts recognized in consolidated profit or loss in respect of these defined benefit plans are as follows:

	2025	2024
Current service cost	P 620,648	P 689,684
Interest on the retirement benefit obligation	445,656	214,600
	P 1,066,304	P 904,284

Reconciliation of remeasurements recognized in consolidated other comprehensive income is as follows:

		Change on financial assumption		Experience adjustment		Total		Income tax		Net
Gain (loss) Balance at June 30, 2022	P	4,275,425	P	(858,957)	P	3,416,468	P	(927,066)	P	2,489,402
Amount recognized during the year		-		-		-		-		-
Gain (loss) Balance at June 30, 2023		4,275,425		(858,957)		3,416,468		(927,066)		2,489,402
Amount recognized during the year		1,767,589		(12,553,375)		(10,785,786)		2,696,447		(8,089,339)
Gain (loss) Balance at June 30, 2024	P	6,042,014	P	(13,412,332)	P	(7,369,318)	P	1,769,381		(5,599,937)

Movements in the present value of the defined benefit obligation in the current period are as follows:

		March 31, 2025		March 31, 2024
Balance, July 1	P	26,045,253	P	19,813,040
Current service cost		620,648		689,684
Interest expense		445,656		214,600
Actuarial loss (gain)		-13,019,133		-724,605
	P	14,092,424	P	26,045,253

The Group operates an unfunded defined benefit plan wherein benefit payments are borne by the Group. Thus, the Group maintains appropriate level of liquidity to meet currently maturing defined benefit obligations and has established a level of solvency ratio aimed to pay for long term defined benefit obligations.

26. FRANCHISE AGREEMENTS

26.01 The Group as a Franchisor

The Group has granted its franchisees the right to use the information and materials pertaining to the restaurant system being franchised under the terms and conditions specified in the franchise agreements. The agreements provide for an initial franchise fee payable upon the execution of the agreement and monthly royalty fees based on gross sales.

	2025	2024
FRANCHISE INCOME		9,076,072
ROYALTY FEE	14,822,930	12,820,445
	14,822,930	21,896,517

27. LEASE AGREEMENT

27.01 The Group as a Lessee

The Group has various leases for the use of store spaces with lease terms of three (3) to five (5) years. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

All leases have extension option but are not enforceable because it requires mutual agreement of both parties as disclosed in Note 5.01.08.

Right-of-use assets recognized as of March 31, 2025 and 2024 amounted to ₱317,493,453 and ₱72,576,350 respectively, while lease liabilities amounted to ₱207,041,891 and ₱19,507,987 respectively.

27.01.01 Lease payments not recognized as a liability

Short-term lease relates to lease contracts for stores spaces with a term of one (1) year and renewable upon mutual agreement of both parties.

The Group has elected not to recognize a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

28. INCOME TAXES

28.01 Income Tax Recognized in Profit or Loss

Components of income tax expense for the periods January 1 to March 31, are as follows:

		2025		2024
Current tax expense	₱	29,299,402	₱	34,840,908
Deferred tax benefit		-14,649,701		30,188,517
	₱	14,649,701	₱	65,029,425

29. DEFERRED TAX ASSETS

The Group's deferred tax assets and the respective movement is as follows:

		Retirement benefit obligation		Right-of-use asset and Lease liabilities		Total
Balance, Sept 30 2024	P	5,327,708	P	-278,186	P	5,049,522
Recognized in profit or loss		3,560,798		1,232,082		4,792,880
Recognized in other comprehensive income		-		-		-
Balance, March 31, 2025	P	8,888,506	P	953,896	P	9,842,402

30. BASIC EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share for the periods January 1 to March 31, are as follows:

Jan 1 to March 31		2025		2024		2023
a. Net income (loss) from operations/ attributable to ordinary equity holders of the Group for earnings	P	102,547,906	P	104,522,725	P	99,365,643
b. Weighted average number of ordinary shares for the purposes of earnings per share		5,443,455,290		5,443,455,290		4,847,004,973
c. Earnings per share (a/b)		0.02		0.02		0.02

The weighted average number of ordinary shares for the years 2025, 2024 and 2023 used for the purposes of basic earnings per share were computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average	Total
March 31, 2025				
Outstanding shares at the end of the period	5,443,455,290	12/12	5,443,455,290	5,443,455,290
				5,443,455,290
March 31, 2024				
Outstanding shares at the beginning of the period	5,443,455,290	12/12	5,443,455,290	5,443,455,290
				5,443,455,290
March 31, 2023				
Outstanding shares at the beginning of the period	5,443,455,290	3/12	1,360,863,823	1,360,863,823
Outstanding shares at the end of the period	4,648,188,200	9/12	3,486,141,150	3,486,141,150
				4,847,004,973

31. FAIR VALUE MEASUREMENTS

31.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Group's financial assets and financial liabilities as of March 31, 2025 and 2024 are presented below:

March 31, 2025					March 31, 2024				
		Carrying Amount		Fair Value		Carrying Amount		Fair Value	
Financial Assets:									
Cash	₱	542,405,243	₱	542,405,243	₱	319,605,832	₱	319,605,832	
Trade receivables		199,182,340		199,182,340		256,795,863		256,795,863	
Other non-current assets		45,204,924		45,204,924		79,382,424		79,382,424	
	₱	786,792,507	₱	786,792,507	₱	655,784,119	₱	655,784,119	
Financial Liabilities:									
Trade and other payables	₱	407,691,323	₱	407,691,323	₱	594,191,478	₱	594,191,478	
Loans payable		1,796,953,027		1,796,953,027		550,275,000		550,275,000	
Lease liabilities		185,806,960		185,806,960		2,943,876		22,943,876	
	₱	2,390,451,310	₱	2,390,451,310	₱	1,167,410,354	₱	1,167,410,354	

The fair values of financial assets and financial liabilities are determined as follows:

- Due to the short-term nature of cash, trade receivable, due from related parties, and trade and other payables (except customer deposits and due to government agencies) and due to related parties, their carrying amounts approximate their fair values.
- Other non-current assets having a long-term nature are carried at amortized cost. Management believes that fair value approximates amortized cost.
- Loans payable and lease liabilities bear market interest rates; hence, Management believes that carrying amounts approximate their fair values.
- Lease liabilities bear incremental borrowing rate; hence, Management believes that carrying amounts approximate their fair values.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, including interest rate risk, credit risk and liquidity risk.

32.01 Market Risk Management

32.01.01 Interest Rate Risk Management

The Group's exposure to interest rate risk arises from its cash deposits in banks and loans payable which are subject to variable interest rates.

The interest rate risks arising from deposits with banks and loans payable are managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

Profits for the nine (9) day ended would have been unaffected since the Group has no borrowings at variable rates and interest rate risk exposure for its cash in banks, which is subject to variable rate, is very immaterial.

32.02 Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from cash in banks, trade receivables, advances to stockholders and refundable deposits, all measured at amortized cost.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of risk management. The Group uses other publicly available financial information and its own records to rate its counterparties. Credit ratings of counterparties are continuously monitored by the Management.

The Group considers the following policies to manage its credit risk:

➤ Banks

The Group transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Group uses other publicly available information such as annual report to monitor the financial status of the banks. The Group assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

➤ Trade receivables

On the credit exposures to customers, Management assesses the credit quality of the customers, taking into account its financial position, past experience and other factors.

Financial assets measured at amortized cost as of March 31, are as follows:

	March 31, 2025		March 31, 2024	
Financial Assets:				
Cash	₱	542,405,243	P	319,605,832
Trade receivables		199,182,340		256,795,863
Other non-current assets		45,204,924		79,382,424
	₱	786,792,507	P	655,784,119

The calculation of allowance for expected credit losses are based on the following three (3) components:

➤ Probability of Default (PD)

PD is the likelihood over a specified period, usually 360 days for customers and one year for service providers that they will not be able to make scheduled repayments. PD depends not only on the counterpart's characteristics, but, also on the economic environment. PD may be estimated using historical data and statistical techniques.

➤ Loss Given Default (LGD)

LGD is the amount of money a Group loses when a customer defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

➤ Exposure at default (EAD)

EAD is the total value a Group is exposed to when a loan defaults. It refers to the carrying amount of financial asset.

Below is the summary of computation of allowance for expected credit losses:

March 31, 2025					
	PD rate	LGD rate	EAD		ECL
	a	b	c		d=a*b*c
Cash in banks	0.00%	0.00% to 99.89%	₱ 517,375,748	₱	-
Trade receivables	0.00%	100.00%	199,182,340	-	-
Due from related parties	0.00%	100.00%	-	-	-
Other non-current assets	0.00%	100.00%	45,204,924	-	-
			₱ 761,763,012	₱	-
March 31, 2024					
	PD rate	LGD rate	EAD		ECL
	a	b	c		d=a*b*c
Cash in banks	0.00%	0.00% to 99.89%	₱ 319,605,832	₱	-
Trade receivables	0.00%	100.00%	256,795,863	-	-
Due from related parties	0.00%	100.00%	-	-	-
Other non-current assets	0.00%	100.00%	79,382,424	-	-
			₱ 655,784,119	₱	-

Cash in banks

The Group determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Group estimated the probability of default to be nil.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 98.75% and 0.00% to 99.89% as of December 31, 2024 and 2023, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

Trade receivables

The Group determined the probability of default rate by considering the credit ratings, credit history or payment profiles of customers and forecast of macro-economic factors affecting the industry. Historically, no significant amount of receivables from customers remains uncollected after 360 days past due and with the projected demands of the Group's products by consumers, the impact of

forecast, macro-economic factors is very insignificant, hence, the probability of default was estimated to be 0.00% in both years.

In both years, loss given default rate is 100% because the Group expects to lose the whole amount in case of default. There are no collateral or credit enhancements attached to the receivables.

Exposure at default is equal to the gross carrying amount of trade receivables.

Due from related parties

The Group determined the probability of default rate by considering the credit ratings, credit history and forecast of macro-economic factors affecting the stockholders. The PD rate is estimated to be nil.

In 2024 and 2023, loss given default rate is 100% because the Group expects to lose the whole amount in case of default.

Exposure at default is equal to the gross carrying amount of due from related parties.

Other non-current assets

This financial asset represents less than 5.21% and 6.41% of the total financial assets as of December 31, 2024 and 2023, respectively. Hence, Management believes that the effect of provision for expected credit loss is immaterial to the financial statements as a whole.

In both years, the amount of expected credit loss for other non-current assets is nil.

32.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be

	Weighted Average Interest Rate	On Demand	Within one (1) Year	One (1) – Five (5) Years	Total
March 31, 2025					
Trade payables	- ₱	- ₱	407,691,323 ₱	- ₱	407,691,323
Due to related parties	-	-	-	-	0
Loans payable	7.50%	-	816,953,027	980,000,000	1,796,953,027
Lease liabilities	2.3% to 3.02%	-	10,982,424	174,824,536	185,806,960
	₱	- ₱	1,235,626,774 ₱	1,154,824,536 ₱	2,390,451,310
March 31, 2024					
Trade payables	- ₱	- ₱	594,191,478 ₱	- ₱	594,191,478
Due to related parties	-	-	-	-	0
Loans payable	7.50%	-	550,275,000	-	550,275,000
Lease liabilities	2.3% to 3.02%	-	9,023,452	13,920,424	22,943,876
	₱	- ₱	1,153,489,930 ₱	13,920,424 ₱	1,167,410,354

required to pay.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	Over Five (5) Years	Total
March 31, 2025					
Cash on hand	-	₱ 25,029,495	₱ -	₱ -	25,029,495
Cash in banks	Floating rate	517,375,748	-	-	517,375,748
Trade receivables	-	-	199,182,340	-	199,182,340
Other non-current assets	-	-	-	45,204,924	45,204,924
		₱ 542,405,243	₱ 199,182,340	₱ 45,204,924	₱ 786,792,507
March 31, 2024					
Cash on hand	-	₱ 13,415,619	₱ -	₱ -	12,165,459
Cash in banks	Floating rate	306,190,213	-	-	272,579,098
Trade receivables	-	-	256,795,863	-	243,173,163
Other non-current assets	-	-	-	79,382,424	75,987,960
		₱ 284,744,557	₱ 243,173,163	₱ 75,987,960	₱ 603,905,580

33. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (trade and other payables, advances from stockholders, loans payable, income tax payable and retirement benefit obligation) and equity of the Group (comprising capital stock, remeasurements, and retained earnings).

Pursuant to Section 42 of Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the Board of Directors; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Consistently with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as 'equity' as shown in the statement of financial position. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to equity.

The gearing ratio at end of the reporting period as of March 31, is as follows:

	March 31, 2025	June 30, 2024	March 31, 2024
Debt	₱ 2,419,193,435	₱ 1,256,066,806	₱ 1,258,485,032

Cash	542,405,243	374,934,405	319,605,832
Net debt	1,876,788,192	881,132,401	938,879,200
Equity	3,370,752,938	3,090,321,515	2,943,415,059
Net debt to equity ratio	0.56:1	0.29:1	0.32:1

Debt is defined as all liabilities while equity includes capital stock, remeasurements and retained earnings.

34. EVENTS AFTER REPORTING PERIOD

34.03 Declaration of Cash Dividend

The Board of Directors of Figaro Coffee Group, Inc. (“FCG” or the “Company”) approved on October 10, 2024, the declaration of the cash dividend of ₱0.027 per share to all stockholders of record as of November 14, 2024 and payable on December 14, 2024.

35. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 13, 2025.

Management's Discussion and Analysis of Financial Condition and Results of Operations.

Key Performance Indicators (KPIs)

	Unaudited Twelve Months Ended March 31, 2025	Audited Twelve Months Ended June 30, 2024
Debt to Equity ratio	0.53:1	0.18:1
Net Debt to Equity ratio	0.37:1	0.06:1
Asset to Equity ratio	1.72:1	1.41:1
Return on Equity	20%	20.3%
Current Ratio	1.18:1	1.19:1

Notes:

1 Debt to Equity ratio = Bank Debts / Total Equity

2 Net Debt to Equity ratio = Bank Debts less Cash and Cash Equivalents / Total Equity

3 Asset to Equity ratio = Total Assets / Total Equity

4 Return on Equity = Net Income / Total Equity

5 Current Ratio = Total Current Assets / Total Current Liabilities

Results of Operations

In Million Php	Three Months Ending March 31, 2025	Three Months Ending March 31, 2024	Change%
Systemwide Sales	1,302.71	1,312.06	-1%
Net Revenues	1,301.57	1,310.74	-1%
Cost of Sales	720.77	717.37	0%
Gross Profit	580.81	593.37	-2%
Operating Expense	463.61	454.01	2%
NIBT	117.2	139.36	-16%
Income Tax	14.6	34.84	-58%
NIAT	102.6	104.52	-2%

Profitability

Systemwide Sales for the first 3 months, from Jan 1 to March 31, 2025, remains flat at P1.302B or 0.01% decline from same periods of last year of P1.312B Systemwide Store Sales. The same store sales declined by 10% brought about by the industrywide declining sales as affected by the global inflation, exodus of POGO operation. However, it was cushioned by the 9 new stores that opened during the quarter bring the total number of stores to 225 by the end of March 31, 2025. Likewise, FCG consolidated revenues remains flat at P1.301B from P1.310B of same period revenues from last year.

However, gross profit have declined by 2%, primarily because of the 1% decline in volume and the lower margin during the period brought about by the increasing raw materials and the increase in minimum wage during the year which also resulted from the global inflation which affected all the direct raw materials. Operating costs however were controlled to 21% of Revenues, as we managed to optimize our existing overhead capacities by maintaining it at the minimum level despite the increasing capacity requirements resulting from increasing volume from store opening.

However, the Net Income after tax were maintained at 8% margin as a result of managing our overhead costs despite the increasing capacities resulting from opening of new stores.

Financial Conditions and Liquidity

Cash and Cash Equivalents as of March 31, 2025, stood at P542M, 45% increase versus the audited cash balance as of June 30, 2024 of P375M. Cashflow from operations during the period provided a net inflow of P69M, as a result of the P117M in Net Income provided by the quarter ending March 31, 2025. While the investing activities provided a net outflow of P363M resulting from the increase in CAPEX for PPE for opening 9 new stores in the last 3 months. Meanwhile, financing activities provided a net cash inflow of P256M, from the availment of loans to fund the store expansion.

Current ratio however has improved to from 1.19 times is to 1 to 1.18 times is to 1 as of March 31, 2025 versus the June 30, 2024.

Likewise, Debt-to-equity ratio were maintained at a manageable level, which increased from 0.18 to 0.53 is to 1 as of March 31, 2025 as a result also of new long-term loan funding our store opening during the period. However, such slight decline in liquidity ratio will translate into a more favorable profitability for the company in the long run as we leverage to improve the profit margin. All these liquidity ratios of FCG are well above and better as compared to its peers in the industry.

Total Asset to Equity ratio have significantly improved to 1.72 times as of March 31, 2025 versus 1.41 times as of June 30, 2024.

AR 2024
FCG Q3 2025 March 31

Aging of Receivables December 31, 2024

	0-7 days	8-15 days	16-30 Days	31-60 days	61-90 days	91-120 days	over 120 days	TOTAL
Franchise And ISD Accts	8,203,924	43,029,355	42,299,078	59,511,079	7,067,669	8,242,452	1,092,428	169,445,985
Others	4,802,439	6,824,204	4,024,242	4,024,245	2,524,242	944,143	324,245	23,467,760
TOTAL	13,006,363	49,853,559	46,323,320	63,535,324	9,591,911	9,186,595	1,416,673	192,913,745


TRUST BANKING GROUP
Fiduciary Services Division

3F Trust Banking Group
 PNB Financial Center Pres. D. Macapagal Boulevard
 Pasay City, Philippines
 Trunk Lines: (632) 8891-6040 to 70 local 4649
 Direct Line: (632) 8573-4649
 Fax: (632) 8526-3379

CONFIDENTIAL

October 01, 2025

FIGARO CULINARY GROUP INC.

116 E. Main Avenue, Phase V,
 SEZ Laguna Technopark, Binan
 Laguna

Attention : **MS. DIVINA GRACIA G. CABULOY**
 President and CEO

Subject : **REPORT ON THE LIST OF TOP 20 STOCKHOLDERS**

Gentlemen:

As Transfer Agent for FIGARO CULINARY GROUP INC. we submit herewith the report on the list of top 20 stockholders as of September 30, 2025, as follows:

	Name of Shareholder	Nationality	No. of Shares	Percentage
1	CAMERTON INC.**		11,401,148,995	81.6206856934
2	PCD NOMINEE CORPORATION FILIPINO		1,179,143,219	8.4414718295
3	PCD NOMINEE CORPORATION NON FILIPINO*		1,013,098,081	7.2527567250
4	CARMETHEUS HOLDINGS, INC		375,000,000	2.6846203965
5	PERFECTO CROOC NOLASCO		20,000	0.0001431798
6	HERRERA, GABRIELLE CLAUDIA F.		10,000	0.0000715899
7	HERRERA, JOSELITO C.		10,000	0.0000715899
8	HERRERA, NADEZHDA ISKRA F.		10,000	0.0000715899
9	LIM, JUAN TRINIDAD		10,000	0.0000715899
10	RAMOS, JENNIFER T.		5,000	0.0000357949
11	GUIDOTE, CORAZON P.		1	0.0000000072
12	VILLANUEVA, HECTOR		1	0.0000000072
13	MATOTO, SENEN L.		1	0.0000000072
	TOTAL		13,968,455,298	100.0000000000

****includes 8,500,000,000 preferred shares,
 partially paid, not for listing**

***includes 820,268,295 scrippless common shares of
 Monde Nissin Corporation.**

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
of

FIGARO COFFEE GROUP, INC.

Held on 18 December 2024 at 2:00PM
via videoconference

<https://us02web.zoom.us/j/89415534906?pwd=CFAns7qtoSFCIn6CyK8nhrdRp0bOtx.1>

Stockholders	No. of Shares Present/Represented	Percentage of Ownership
1. Camerton, Inc.	11,401,148,995 ¹	81.62
2. Monde Nissin Corporation	820,268,295	5.87
3. Carmetheus Holdings, Inc.	375,000,000	2.68
4. Shirley L. Olores	56,000	0.00
5. Brian Gregory T. Liu	1	0.00
6. Michael Stephen T. Liu	1	0.00
7. Sigrid Von D. De Jesus	1	0.00
8. Michael T. Barret	1	0.00
9. Divina Gracia G. Cabuloy	1	0.00
10. Justin T. Liu	1	0.00
11. Corazon P. Guidote	1	0.00
12. Senen L. Matoto	1	0.00
13. Hector R. Villanueva	1	0.00
TOTAL	12,596,482,293	90.18

PRESENT:

Justin T. Liu	-	Chairman/Director
Michael Stephen T. Liu	-	Director
Brian Gregory T. Liu	-	Director
Senen L. Matoto	-	Independent Director
Corazon P. Guidote	-	Independent Director
Hector R. Villanueva	-	Independent Director
Divina Gracia G. Cabuloy	-	President/CEO/Director
Sigrid Von D. De Jesus	-	Director
Michael T. Barret	-	Director

ALSO PRESENT:

Sigrid Von D. De Jesus	-	Assistant Corporate Secretary
Jose Petronio D. Español III	-	Chief Finance Officer
Marilou R. Roca	-	Chief Accounting Officer

Representatives from Picazo Buyco Tan Fider and Santos
Representatives from R.S. Bernaldo & Associates

¹ Includes the 8,500,000,000 Preferred Shares Series 2023-1 of Camerton, Inc.

Minutes of the Meeting subject to the approval of the stockholders in the next stockholder's meeting

PROCEEDINGS OF THE MEETING

I. CALL TO ORDER

The Chairman, Justin T. Liu, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Sigrid Von D. De Jesus, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

The Assistant Corporate Secretary conducted certain procedural matters. The stockholders confirmed and stated for the record that (i) they are participating in the meeting through the use of mobile phone with videoconferencing capabilities, (ii) they can completely and clearly hear all other participants in the meeting, and (iii) they have received the agenda and all materials for the meeting.

Thereafter, the Assistant Corporate Secretary certified that notices of the meeting were sent to all the directors of the Corporation and that there was a quorum to transact business.

III. APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING HELD ON 06 DECEMBER 2023

Mr. Justin T. Liu stated that the first item on the agenda is the approval of the minutes of the annual meeting of the stockholders held on 06 December 2023. He further stated that a copy of the minutes was made available to all stockholders of record, together with the Definitive Information Statement and has been uploaded on the Corporation's website.

The stockholders thereafter cast their votes. With stockholders owning or representing 12,596,482,293 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, voting in favor of the approval of the minutes, as confirmed by the Assistant Corporate Secretary, the stockholders approved the minutes of the Annual Stockholders' Meeting held on 6 December 2023.

IV. RATIFICATION OF MATTERS APPROVED AND TAKEN BY FCG'S MANAGEMENT AND BOARD OF DIRECTORS FROM 06 DECEMBER 2023 TO DATE OF ANNUAL STOCKHOLDERS' MEETING

The next agenda item, as explained by Mr. Justin T. Liu, is the ratification of the acts of the Board of Directors, Board Committees, and Management of the Corporation from 06 December 2023 to date including those set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE").

Among the acts of the Board of Directors, Board Committees, and Management which are for ratification in addition to those disclosed in the Corporation's audited financial statements, are the following: (i) All material resolutions adopted by the Board and duly reported by the Corporation to the SEC and PSE through the filing of SEC Form 17-C, as well as those covered by minutes of board meetings which are available for inspection at the offices of the Corporation; (ii) All other resolutions adopted by the Board in the ordinary course of business; (iii) All resolutions adopted by the Board Committees; and (iv) All other acts executed by the Management in the exercise of their functions in the regular and ordinary course of business of the Corporation.

The stockholders owning or representing 12,596,482,293 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, approved the ratification of the acts of the Board of Directors, Board Committees, and Management of the Corporation from 06 June 2023 to date including those set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and PSE.

V. APPROVAL OF THE PRESIDENT'S REPORT (REPORT OF MANAGEMENT), ANNUAL REPORT, AND AUDITED FINANCIAL STATEMENTS

Mr. Jose Petronio D. Español III reported on the results of operations of the Corporation for the fiscal year ending 30 June 2024, a copy of which is attached hereto as Annex "A". He discussed the financial highlights of the business.

Ms. Divina Gracia G. Cabuloy subsequently delivered the President's report, a copy of which is attached hereto as Annex "B". She reported on the results of operations of the Corporation for the fiscal year ending 30 June 2024.

The stockholders owning or representing 12,596,417,299 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, approved the President's Report and the Audited Financial Statements for the fiscal year ended 30 June 2024.

An open forum ensued. There were questions raised on the delay on the submission of the Annual Report of the Corporation and strategies for growth of the Corporation. Representatives of the Corporation replied to the said questions.

VI. APPROVAL OF AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BY-LAWS TO CHANGE THE CORPORATE NAME FROM "FIGARO COFFEE GROUP, INC." TO "FIGARO CULINARY GROUP, INC."

Mr. Justin T. Liu explained that the next agenda item is the approval of the proposed amendments of the Articles of Incorporation and By-Laws to change the corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc." Specifically, the amendments are as follows:

A. Articles of Incorporation

ARTICLE	SECTION	AMENDED ARTICLES OF INCORPORATION As approved by the SEC on 14 July 2023	PROPOSED AMENDMENT
TITLE	TITLE	AMENDED ARTICLES OF INCORPORATION OF FIGARO COFFEE GROUP, INC.	AMENDED ARTICLES OF INCORPORATION OF FIGARO CULINARY GROUP, INC. (formerly FIGARO COFFEE GROUP, INC.)
FIRST	N/A	FIRST: That the name of this corporation shall be: FIGARO COFFEE GROUP, INC.	FIRST: That the name of this corporation shall be: FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

B. By-Laws

ARTICLE	SECTION	AMENDED BY-LAWS As approved by the SEC on 23 March 2023	PROPOSED AMENDMENT
TITLE	N/A	BY-LAWS OF FIGARO COFFEE GROUP, INC.	BY-LAWS OF FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

The change in name is to accurately reflect the current commercial undertakings of the Corporation, considering that the Corporation not only offers coffee products to the public but is also engaged in various food business. The Board has determined that it is in the best interest of the Corporation to change its corporate name to better reflect its strategic vision and broaden its brand identity. The proposed new name, "Figaro Culinary Group, Inc." will outline the Corporation's commitment to quality and innovation as it expands its offerings to include a wide range of culinary products and experiences.

Thereafter, there was a proposal, as noted by Mr. Liu, to have the foregoing matters approved and adopted by the stockholders. Consequently, considering that the stockholders owning or representing 12,596,417,299 shares equivalent to approximately 90.18%, or more than two-thirds (2/3) of the entire outstanding voting stock of the Corporation voted in favor of this matter, with the following resolutions duly approved:

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be hereby authorized to amend its latest Articles of Incorporation and By-Laws to change its corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc.";

"RESOLVED FURTHER, that the title and the FIRST ARTICLE of the Amended Articles of Incorporation and the title of the Amended By-Laws of the Corporation be hereby amended to reflect the following:

A. Articles of Incorporation

ARTICLE	SECTION	AMENDED ARTICLES OF INCORPORATION As approved by the SEC on 14 July 2023	PROPOSED AMENDMENT
TITLE	TITLE	AMENDED ARTICLES OF INCORPORATION OF FIGARO COFFEE GROUP, INC.	AMENDED ARTICLES OF INCORPORATION OF FIGARO CULINARY GROUP, INC. (formerly FIGARO COFFEE GROUP, INC.)
FIRST	N/A	FIRST: That the name of this corporation shall be: FIGARO COFFEE GROUP, INC.	FIRST: That the name of this corporation shall be: FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

B. By-Laws

ARTICLE	SECTION	AMENDED BY-LAWS As approved by the SEC on 23 March 2023	PROPOSED AMENDMENT
TITLE	N/A	BY-LAWS OF FIGARO COFFEE GROUP, INC.	BY-LAWS OF FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

"RESOLVED, FURTHER, that the Corporation be hereby authorized to: (a) subject to approval of the Securities and Exchange Commission to the amendments to the articles of incorporation and by-laws, call on the stockholders, as necessary, for the amendment of their stock certificates to reflect the new name of the Corporation; and (b) issue replacement stock certificates, as necessary, to reflect the new name of the Corporation;

"RESOLVED, FINALLY, that any of the following officers namely:

Name	Position
Justin T. Liu	Chairman
Divina Gracia G. Cabuloy	President
Lowela L. Concha	Corporate Secretary
Sigrid Von D. De Jesus	Assistant Corporate Secretary

acting singly, be hereby authorized to: (a) sign such documents and certificates for the application for amendment of the articles of incorporation and by-laws of the Corporation; (b) apply before the Securities and Exchange Commission ("SEC") and secure the approval for the amendments to the articles of incorporation and by-laws of the Corporation; (c) submit such disclosures and relevant documents to the Philippine Stock Exchange and the SEC to implement the foregoing amendments; and (d) do all acts and deeds to implement the foregoing resolutions."

VII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS INCLUDING THE INDEPENDENT DIRECTORS FOR THE ENSUING YEAR

The next agenda item, as noted by Mr. Liu, is the election of the members of the Board of Directors for the ensuing year. Ms. Corazon P. Guidote, the Chairman of the Nominations Committee, was requested to confirm that the nomination procedures undertaken by the Committee are in accordance with applicable laws, rules and regulations.

Consequently, Ms. Guidote confirmed that the members of the Nominations Committee duly and timely received the names of the nominees for directors this year. Following such receipt, she confirmed that the Committee implemented procedures for their nominations, all of which are in accordance with the applicable laws, rules, and regulations of the Philippine Stock Exchange and the Securities and Exchange Commission. She likewise confirmed that all the nominees possess the qualifications and none of the disqualifications for them to be nominated as directors.

Thereafter, Sigrid Von D. De Jesus, the Assistant Corporate Secretary, read the names of the persons who have been duly nominated in accordance with the provision of the Corporation's By-Laws and who have been determined by the Board to be qualified to be elected as members of the Board of Directors, as follows:

1. Mr. Justin T. Liu
2. Mr. Michael Stephen T. Liu
3. Mr. Brian Gregory T. Liu
4. Ms. Divina Gracia Cabuloy
5. Ms. Sigrid Von De Jesus
6. Mr. Michael T. Barret

In addition to the said nomination, Atty. Concha noted that the following individuals who are qualified as independent directors were also duly nominated by a registered shareholder of the Corporation. These nominees are listed as follows:

1. Mr. Senen L. Matoto
2. Ms. Corazon P. Guidote
3. Mr. Hector Villanueva

Atty. Concha observed that, since there are as many nominated directors as there are board seats, all the nine (9) nominees are qualified to be elected as directors of the Corporation comprising of six (6) regular directors, and three (3) independent directors.

Mr. Liu noted that he, as Chairman, representing more than a majority of the issued and outstanding shares of the Corporation, and acting on the instructions given by the relevant holders of said shares, casted his votes attaching to his corresponding shares, in favor of all the nine (9) nominees to the Board of Directors of the Corporation, in accordance with the instructions given in the relevant proxy forms. He noted that the final tabulation of the actual votes cast in favor of each nominee, including votes against and abstentions, shall be reflected in the minutes of the stockholders' meeting and in the relevant disclosures to be filed by the Corporation with the Securities and Exchange Commission and the Philippine Stock Exchange.

As confirmed by the tabulators and the Assistant Corporate Secretary, Sigrid Von D. De Jesus, all directors each received votes consisting of 12,596,417,299 shares in their favor. All nine (9) nominees have sufficient number of votes to be elected as directors of the Corporation for the ensuing year. All of the nine (9) nominees identified by the Assistant Corporate Secretary were elected as members of the Board of Directors of Figaro Coffee Group, Inc. for the ensuing year.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The next agenda item, as noted by Mr. Liu, relates to the appointment of external auditor for the Fiscal Year 2025. The approval of the stockholders is being sought for the appointment of R.S. Bernaldo and Associates as the external auditor of the Corporation.

Subsequently, there was a proposal, as noted by Mr. Liu, to have such appointment of external auditor approved by the stockholders. The stockholders owning or representing 12,596,417,299 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, approved the re-appointment of R.S. Bernaldo and Associates as the external auditor of the Corporation. Mr. Liu observed that, considering that more than a majority of the entire outstanding voting stock of the Corporation voted in favor of this matter, the appointment of R.S. Bernaldo and Associates as the external auditor of the Corporation was thus approved by the stockholders.

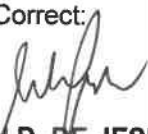
X. OTHER MATTERS

The Chairman noted that there were no other matters which the stockholders seek to be addressed. Mr. Liu stated that, if there are questions on the part of any stockholder, an email may be sent to fcgasm_info@figaro.ph and the Corporation will endeavor to answer the questions via email.

XI. ADJOURNMENT

There being no other matters to be discussed, the meeting was, upon motion made and duly seconded, adjourned.

Certified Correct:


SIGRID VON D. DE JESUS
Assistant Corporate Secretary

Attested by


JUSTIN T. LIU
Chairman

Minutes Read and Approved:



MICHAEL STEPHEN T. LIU



BRIAN GREGORY T. LIU



DIVINA GRACIA G. CABULOY



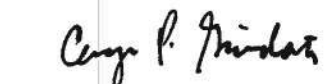
SIGRID VON D. DE JESUS



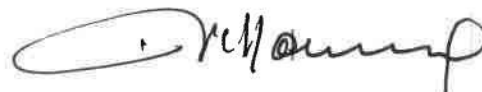
MICHAEL T. BARRET



SENE L. MATOTO



CORAZON P. GUIDOTE



HECTOR R. VILLANUEVA

MINUTES OF THE ORGANIZATIONAL BOARD MEETING
of
FIGARO COFFEE GROUP, INC.
Held on 18 December 2024 at 4:00PM
via videoconference

<https://us02web.zoom.us/j/89415534906?pwd=CFAns7qtoSFCIn6CyK8nhrdRp0bOtx.1>

PRESENT:		
Justin T. Liu	-	Chairman/Director
Michael Stephen T. Liu	-	Director
Senen L. Matoto	-	Independent Director
Corazon P. Guidote	-	Independent Director
Hector R. Villanueva	-	Independent Director
Divina Gracia G. Cabuloy	-	President/CEO/Director
Sigrid Von D. De Jesus	-	Director
Michael T. Barret	-	Director

ALSO PRESENT:		
Sigrid Von D. De Jesus	-	Assistant Corporate Secretary
Jose Petronio D. Español III	-	Chief Finance Officer
Marilou R. Roca	-	Chief Accounting Officer

PROCEEDINGS

I. CALL TO ORDER

The Chairman, Justin T. Liu, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Sigrid Von D. De Jesus, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

A roll call was made by the Assistant Corporate Secretary, in compliance with the rules promulgated by the Securities and Exchange Commission on the conduct of board meetings through remote communication. All the directors confirmed and stated for the record that (i) they are participating in the meeting through the use of mobile phone or computers with videoconferencing capabilities, (ii) they can completely and clearly hear all the other participants in the meeting, and (iii) they have received the agenda and all materials for the meeting.

The Assistant Corporate Secretary then certified that notice of the meeting was sent to all the directors and that at least a majority of the members of the Board was present. There was, therefore, a quorum to transact business.

III. CERTIFICATION OF ELECTION OF DIRECTORS

At the request of the Chairman, the Assistant Corporate Secretary certified that the following have been elected as members of the Board of Directors of the Corporation for the year 2025 or until their successors have been elected and qualified:

- Mr. Mr. Justin T. Liu
- Mr. Michael Stephen T. Liu
- Mr. Brian Gregory T. Liu
- Ms. Divina Gracia G. Cabuloy
- Ms. Sigrid Von D. De Jesus
- Mr. Michael T. Barret
- Mr. Senen L. Matoto (Independent Director)
- Ms. Corazon P. Guidote (Independent Director)
- Mr. Hector R. Villanueva (Independent Director)

IV. ELECTION OF OFFICERS

Upon nominations duly made and the unanimous vote of all directors present, the following were elected to the positions set forth opposite their respective names, to serve as such for a period of one year and until their successors have been duly elected:

Jerry S. Liu
Justin T. Liu
Divina Gracia G. Cabuloy
Michael Stephen T. Liu
Brian Gregory T. Liu
Lowela L. Concha
Jose Petronio Vicente D. Español III

Marilou R. Roca
Michael T. Barret

Sigrid Von D. De Jesus

Chairman Emeritus
Chairman of the Board
President and Chief Executive Officer
Director
Director
Corporate Secretary
Chief Finance Officer, Treasurer and Chief Risk Officer
Comptroller and Chief Accounting Officer
Executive Vice President, Chief Operating Officer, Chief Information Officer, and Chief Investor Relations Officer
Chief Compliance Officer and Assistant Corporate Secretary

V. APPOINTMENT OF COMMITTEE MEMBERS

Upon nominations duly made and the unanimous vote of all directors present, the following were appointed to the various Committees, to serve as such for a period of one year and until their successors have been duly elected:

Audit Committee	Corporate Governance and Nominations Committee	Board Risk Oversight Committee	Related Party Transactions Committee
Senen L. Matoto Chairman	Corazon P. Guidote Chairman	Hector R. Villanueva Chairman	Hector R. Villanueva Chairman
Corazon P. Guidote Member	Justin T. Liu Member	Senen L. Matoto Member	Corazon P. Guidote Member
Justin T. Liu Member	Divina Gracia G. Cabuloy Member	Michael T. Barret Member	Sigrid Von D. De Jesus Member

VI. OTHER MATTERS

The Chairman opened the floor to other matters that need to be taken up by the Board. Mr. Matoto pointed out the need to supplement the resolutions adopted by the Board on 11 October 2024 on the amendments of the articles of incorporation and by-laws of the Corporation to align the same with the resolutions approved by the stockholders of the Corporation.

Upon motion duly made and the unanimous vote of all directors present, the following resolutions adopted by the stockholders on the amendments to the articles of incorporation and by-laws of the Corporation in the annual meeting of the stockholders held on 18 December 2024 was adopted and approved by the Board of Directors in toto.

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be hereby authorized to amend its latest Articles of Incorporation and By-Laws to change its corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc.";

"RESOLVED FURTHER, that the title and the FIRST ARTICLE of the Amended Articles of Incorporation and the title of the Amended By-Laws of the Corporation be hereby amended to reflect the following:

A. Articles of Incorporation

ARTICLE	SECTION	AMENDED ARTICLES OF INCORPORATION As approved by the SEC on 14 July 2023	PROPOSED AMENDMENT
TITLE	TITLE	AMENDED ARTICLES OF INCORPORATION OF FIGARO COFFEE GROUP, INC.	AMENDED ARTICLES OF INCORPORATION OF FIGARO CULINARY GROUP, INC. (formerly FIGARO COFFEE GROUP, INC.)

FIRST	N/A	FIRST: That the name of this corporation shall be: FIGARO COFFEE GROUP, INC.	FIRST: That the name of this corporation shall be: FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)
-------	-----	---	---

B. By-Laws

ARTICLE	SECTION	AMENDED BY-LAWS As approved by the SEC on 23 March 2023	PROPOSED AMENDMENT
TITLE	N/A	BY-LAWS OF FIGARO COFFEE GROUP, INC.	BY-LAWS OF FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

"RESOLVED, FURTHER, that the Corporation be hereby authorized to: (a) subject to approval of the Securities and Exchange Commission to the amendments to the articles of incorporation and by-laws, call on the stockholders, as necessary, for the amendment of their stock certificates to reflect the new name of the Corporation; and (b) issue replacement stock certificates, as necessary, to reflect the new name of the Corporation;

"RESOLVED, FINALLY, that any of the following officers namely:

Name	Position	
Justin T. Liu	Chairman	
Divina Gracia G. Cabuloy	President	
Lowela L. Concha	Corporate Secretary	
Sigrid Von D. De Jesus	Assistant Corporate Secretary	

acting singly, be hereby authorized to: (a) sign such documents and certificates for the application for amendment of the articles of incorporation and by-laws of the Corporation; (b) apply before the Securities and Exchange Commission ("SEC") and secure the approval for the amendments to the articles of incorporation and by-laws of the Corporation; (c) submit such disclosures and relevant documents to the Philippine Stock Exchange and the SEC to implement the foregoing amendments; and (d) do all acts and deeds to implement the foregoing resolutions."

VII. ADJOURNMENT

There being no other matters to be discussed, the meeting was, upon motion made and duly seconded, adjourned.

Certified Correct:


SIGRID VON D. DE JESUS
Assistant Corporate Secretary

Attested by:


JUSTIN T. LIU
Chairman

Minutes Read and Approved:


MICHAEL STEPHEN T. LIU



BRIAN GREGORY T. LIU

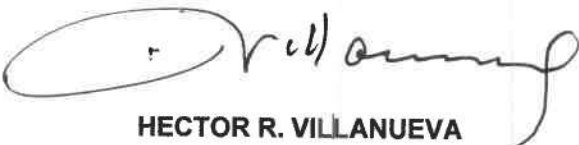

DIVINA GRACIA G. CABULOY


SIGRID VON D. DE JESUS


MICHAEL T. BARRET


SENE L. MATOTO


CORAZON P. GUIDOTE


HECTOR R. VILLANUEVA