SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
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The following document has been received:

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Company Information

SEC Registration No.: CS201811119
Company Name: FIGARO CULINARY GROUP, INC.
Industry Classification: I56101
Company Type: Stock Corporation

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07 November 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

PHILIPPINE STOCK EXCHANGE, INC.
6th Floor, PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City
Taguig 1635, Philippines

Attention: **NORBERTO T. MORENO JR.**
Head, Listings Department
Issuer Regulation Division

ATTY. JOHANNE DANIEL M. NEGRE
Officer-In-Charge
Disclosure Department

Re: **FCG ANNUAL REPORT**

Gentlemen:

Attached herewith is the Figaro Culinary Group, Inc.'s ("FCG") Annual Report SEC Form 17 – A for the fiscal year ending 30 June 2025.

Truly Yours,

JOSE PETRONIO VICENTE D. ESPAÑOL III
Chief Financial Officer, Treasurer

COVER SHEET

CS201811119
SEC Registration Number

FIGARO CULINARY GROUP, INC.
(Company's Full Name)

116 EAST MAIN AVE. PHASE V-SEZ LAGUNA TECHNOPARK, BINAN, LAGUNA 4034
(Business Address: No. Street City/Town/Province)

Sigrid Von D. De Jesus	**0917-8832172**
(Contact Person)	(Company Telephone Number)

06 30	**SEC 17-A**	**DEC 04**
Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

N/A
(Secondary License Type, If Applicable)

SEC-MSRD	
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

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 – A, ***AS AMENDED***

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

1. For the Fiscal year ended: **30 JUNE 2025**

2. SEC Identification Number: **CS201811119**

3 BIR Tax Identification Number: **010-061-026-000**

4. Exact Name of Issuer as specified in its charter **FIGARO CULINARY GROUP, INC.**
(formerly FIGARO COFFEE GROUP, INC.)

5. **LAGUNA, PHILIPPINES**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use only)
Industry Classification Code:

7. **116 EAST MAIN AVENUE, PHASE V – SEZ LAGUNA TECHNOPARK, BIÑAN LAGUNA 4034**
Address of Principal Office Postal Code: 4034

8. **(632) 8.812-17-18**
Issuer's Telephone Number, including area code

9. **33 MAYON ST. BGY. MALAMIG MANDALUYONG CITY**
Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**5,468,455,298**

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

Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
THE PHILIPPINE STOCK EXCHANGE, INC.

12. Check whether the issuer:

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

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

As of 30 June 2025

	2025
Total Number of Outstanding Common Shares	**5,468,455,298**
Less: Outstanding Shares held by Affiliates	**4,179,101,299**
Shares Held by Non-Affiliates	**1,289,353,999**
Closing Price as of 30 June 2025	**0.71**
Aggregate Market Value of Voting Stock held by Non-Affiliate	**915,441,339.29**
Level of Public Float based on available information as of 30 June	**23.58%**

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

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

Yes [✓] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) Annex A : Sustainability Report;

(b) Annex B : List of Stockholders;

(c) Annex C : Consolidated Financial Statements of Figaro Culinary Group, Inc. (the "Company") or (formerly Figaro Coffee Group, Inc.) and Figaro Coffee Systems, Inc. (the "Subsidiary") for the fiscal year ending 30 June 2025;

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business Overview

The Figaro Culinary Group, Inc. (formerly Figaro Coffee Group, Inc.) is proud to be a purely Filipino and home-grown diversified food group with over 25 years in the industry. Figaro Culinary Group, Inc. operates through its wholly-owned subsidiary, Figaro Coffee Systems, Inc. ("FCSI").

The Figaro Culinary Group, Inc. is a set of retail restaurants with 223 branches nationwide that serve a wide variety of food offerings and services. As of 31 October 2025, the Figaro Group currently operates 55 Figaro coffee shops, 159 Angel's Pizza outlets, 8 Tien Ma's Taiwanese cuisine restaurants, and 1 Koobideh Kebabs.

Quality is our top priority. We ensure high quality products by controlling our production process, from roasting our own coffee weekly, producing our own breads, pastries and food products, and engaging with suppliers that meet the same high-quality standards. Daily internal and external auditors are present to keep improving our quality standards. Across all our brands, we seek to deliver the best value-for-money. We strive to offer the best-tasting products at the best price. Compared to all our competitors, our products; taste profiles and price is unbeatable.

People are our assets. We value our employees and customers because they are what make us great.

We have extensive and innovative menu offerings that cater to a wide market. We are best known for coffee drinks and pastries (Figaro Coffee). Creamy Spinach Dip (Angel's Pizza) and Xiao Long Bao (Tien Ma's Taiwanese cuisines). We cater to families and groups through our large-sized offerings at Tien Ma's and through our pizzas and bundles at Angel's Pizza, and we also cater to corporate and private functions/ events through Figaro Coffee. We have developed four different successful store formats – full store, dual concept, kiosk and cart. We complement our dine-in services with an efficient delivery system and an expanding online sales platform. We believe that our various store formats and sales channels provide us the flexibility to locate in and grow with the different markets we serve.

Figaro Innovation and Development Inc. ("FIDI"), a subsidiary of Figaro Coffee Systems Inc. (FCSI), commenced commercial operations in 2023. The company was duly certified by the Department of Trade and Industry (DTI) Export Management Bureau on September 8, 2023 and the Philippine Economic Zone Authority (PEZA) as an Accredited Coffee Exporter, authorized to engage in the production of coffee blends, including the House Reserve, Espresso Blend, and French Roast. PEZA likewise recognized FIDI as an Export Enterprise for these activities.

On October 7, 2024, PEZA issued a Certificate of Registration (COR) to FIDI for its new project involving the production of pizza products and frozen pizza. This new activity was likewise registered under PEZA as an Export Enterprise and is entitled to the same set of incentives previously granted for the coffee blend operations. These incentives include: an Income Tax Holiday (ITH) for five (5) years, Special Corporate Income Tax (SCIT) for ten (10) years, duty exemption for fifteen (15) years, and exemption from Value-Added Tax (VAT) and VAT zero-rating for fifteen (15) years.

The primary goal of FIDI is to develop and innovate trailblazing products and processes that will level up the F&B industry, to provide products and services that will make their operations more efficient and to promote Filipino brands, products and raw materials globally.

Recently, FIDI received a copy of the Certificate of Registration No.2024-00145-PEZA-EX-C10-2 issued by PEZA on 07 October 2024, certifying FIDI's registration as an Export Enterprise engaged in the production of pizza products and frozen pizza.

Item 2. Properties

As of 31 **October 2025,** we lease the following properties:

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
HEAD OFFICE					
1	FCGI – BINAN LAGUNA	07 June 2030	60,000	9	
2	FCSI – MAYON 01	14 Dec 2035	937,124.99	10	
3	FCSI – MAYON 02	11 Nov 2037	451,406.25	10	
4	CEBU WAREHOUSE	21 Oct 2028	160,000.00	6	
5	TARLAC WAREHOUSE	31 Nov 2025	70.00 / sqm	3	
FIGARO COFFEE					
1	ACIENDA SILANG (Dual Concept)	31 Dec 2025	53,341.20	2	
2	ANALOG 1	02 Sept 2027	15% on Sales	3	
3	ANALOG 2	02 Sept 2027	15% on Sales	3	
4	ASSUMPTION MAKATI	30 May 2026	15% on sales	9 mos	
5	AYALA TERRACES CEBU	31 Dec 2025	5% on sales	2	
6	CENTRO ESCOLAR UNIVERSITY	31 July 2025	17,920.00	1	For renewal
7	DELOS SANTOS MEDICAL CENTER	31 Dec 2027	33,170	3	
8	FIRST SUMIDEN	30 June 2025	15% on Sales	1	For renewal
9	HIGHSTREET	31 Dec 2025	116,695.42	1	
10	MAKATI MEDICAL CENTER	31 Aug 2027	13,300	2	
11	MANULIFE 1 (UP TECHNOHUB)	28 Feb 2025	15% on sales	5 mos	For renewal
12	MANULIFE 2 (UP TECHNOHUB)	01 July 2025	15% on sales	5 mos	For renewal
13	MAXIM	31 Jan 2025	15% on Sales	3	For renewal
14	MEDICAL CITY	31 Dec 2025	78,463.14	3	
15	MONACO STRIP TAYTAY	October 2028	93,236.00	5	
16	ONSEMICON	21 Apr 2025	15% on Sales	2	For renewal
17	PGH	30 Sept 2023	5% of Sales	4	For renewal
18	PNB	20 Feb 2026	700.00 / sqm	1	
19	SCHNEIDER	31 Dec 2025	10% on Sales	1	
20	SHANGRILA	30 June 2026	114,443.93	1	
21	SLU – BAGUIO	31 July 2027	47,980.00	2	
22	SM BAGUIO	31 Oct 2025	5% on Sales	2	
23	SM STO. TOMAS BATANGAS	31 Oct 2026	5% on Sales	3	
24	TOSHIBA 1	30 June 2025	15% on Sales	2	For renewal
25	TRINOMA	31 Dec 2025	14,002.80	1	
26	UST	31 Dec 2026	57,436.76	3	
27	VELOCE ANGELES CITY	Sept 2029	78,370.00	5	
28	WALTERMART NORTH EDSA	31 Oct 2026	7% on Sales	3	
29	WALTERMART SUCAT	31 Oct 2025	6% on Sales	3	
30	WORLD TRADE CENTER	31 Dec 2024	15% on sales	1	For renewal

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
ANGEL'S PIZZA					
1	ACIENDA SILANG (Express /Dual Concept)	31 Dec 2025	6% of Sales	2	
2	AGOO LA UNION	31 May 2029	63,800	5	
3	ALMANZA LAS PINAS	31 Aug 2029	130,000	5	
4	ANGELES	31 Mar 2026	65,000	5	
5	ANTIPOLO	31 Jan 2030	68,582.67	5	
6	AYALA TERRACES (EXPRESS)	31 Dec 2025	5% of Sales	2	
7	AYALA MANILA BAY (EXPRESS)	31 Dec 2025	1,575.00/sqm	1	
8	AURORA BLVD. QC	07 Apr 2029	109,782.00	5	
9	BACOOR	30 Apr 2026	90,000	5	
10	BAGUIO PALACE	31 Mar 2031	267,179	8	
11	BASAK CEBU	30 June 2028	81,790.80	6	
12	BDO CORPORATE CENTER (EXPRESS)	09 Apr 2026	20,000	6 mos	
13	BGC	30 June 2026	1,000/ sqm	5	
14	BINANGONAN RIZAL	20 Apr 2029	100,000	5	
15	BINONDO	31 July 2029	140,000	5	
16	BUTUAN	14 Aug 2034	110,638.00	10	
17	CAINTA	30 June 2026	103,576.03	5	
18	CALAPAN MINDORO	17 Aug 2028	128,595.50	5	
19	CALOOCAN (formerly MONUMENTO)	11 Dec 2028	150,000.00	5	
20	CANDELARIA, QUEZON	30 Apr 2029	118,263.16	5	
21	CAPAS TARLAC	31 Oct 2029	73,450.00	5	
22	CAPITOL SQUARE BALANGA	14 Apr 2028	76,389.50	5	
23	CAUAYAN ISABELA	14 Oct 2029	107,000	5	
24	CDO	01 June 2032	161,891.00	8	
25	CITYWALK TARLAC	30 June 2030	500.00/sqm	8	
26	CONSOLACION CEBU	31 Oct 2028	160,000	6	
27	DASMA CAVITE	31 May 2028	90,000	6	
28	DAU PAMPANGA	14 May 2031	235,200	8	
29	DAVAO (AVIDA)	30 June 2027	744.19/ sqm	5	
30	DOÑA SOLEDAD	28 Feb 2027	-	20	Inclusive of fleet card usage
31	DUMAGUETE	31 Mar 2031	109,686.50	8	
32	FAIRVIEW	07 Feb 2027	20,000	3	
33	FISHERMALL QUEZON AVE. (EXPRESS)	30 June 2026	35,000	2	
34	GENERAL TRIAS	31 July 2026	472.50/sqm	5	
35	GLORIETTA (EXPRESS)	31 Dec 2025	15% of Sales	3	
36	HANSTON	30 Sept 2026	1,100/ sqm	5	
37	HOLY SPIRIT	19 Dec 2029	75,328.00	5	
38	IMUS	04 Apr 2028	95,285.74	5	
39	IT PARK CEBU	12 Feb 2030	107,000	5	

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
40	KABIHASNAN PARAÑAQUE	15 Jan 2028	65,000	5	
41	KALAYAAN	31 Jan 2026	29,741.25	3	
42	LAOAG ILOCOS NORTE	2028 June	84,000	5	
43	LA UNION	31 Jan 2031	120,000	8	
44	LAS PIÑAS	15 Mar 2026	100,000	5	
45	LG GARDEN MACTAN	31 July 2027	85,250	5	
46	LIPA	15 Dec 2026	85,526.44	5	
47	LUCAO, DAGUPAN	12 July 2034	107,000	10	
48	LUCENA	31 May 2031	145,475.40	8	
49	MAKATI	15 Jan 2026	168,198.13	10	
50	MALABON CITYSQUARE (EXPRESS)	31 May 2026	31,500.00	1	
51	MALABON CITY	31 Mar 2029	68,052	5	
52	MALATE	31 Jan 2026	57,104.27	1	
53	MANDALUYONG (MAYON)	14 Dec 2035	Under the lease of FCSI HO	10	
54	MAPUA MANILA (EXPRESS)	31 Dec 2025	35,000	2	
55	MARIKINA	14 Oct 2025	69,317.34	3	
56	MARILAO BULACAN	09 Sept 2028	95,950.00	5	
57	MARSHA MORIONES TONDO	18 Mar 2031	146,880	8	
58	MAYPAJO, KALOOKAN	16 June 2029	80,000.00	5	
59	MC KINLEY WEST BGC	31 Jan 2028	202,300	3	
60	MEYCAUAYAN, BULACAN	14 Feb 2029	103,953.64	5	
61	MIDTOWN SQUARE SILANG	22 Apr 2028	96,440	5	
62	MORAYTA (EXPRESS)	31 May 2029	40,000	5	
63	MUNTINLUPA	30 Nov 2030	125,000	8	
64	NORTHRIDGE	04 Nov 2026	472.00/sqm	5	
65	OLONGAPO	31 Jan 2034	350.00/sqm	10	
66	PACO MARKET MALL (EXPRESS)	12 July 2028	57,112.00	5	
67	PAGADIAN CITY	03 May 2029	107,000.00	5	
68	PASIG	06 Oct 2025	53,928	5	
69	PETRON - DASMA	06 Sept 2025	66,950	2	
70	PORTA VAGA BAGUIO (EXPRESS)	14 Mar 2030	156,786.03	5	
71	PRIMARK RODRIGUEZ RIZAL	31 Jan 2029	113,099	5	
72	RETIRO	31 Dec 2026	142,417	3	
73	ROBINSONS ANTIPOLO (EXPRESS)	31 May 2026	5% of Sales	2	
74	SANDOVAL PASIG	30 Sept 2032	171,895.50	8	
75	SAN FERNANDO PAMPANGA	30 Nov 2026	134,482.95	5	
76	SAN JOSE DEL MONTE BULACAN	08 Apr 2028	100,285.55	5	
77	SAN JOSE NUEVA ECIJA	29 June 2028	68,320	5	
78	SAN MATEO RIZAL	03 Nov 2027	73,700	5	
79	SAN MIGUEL BULACAN	Aug 2028	70,000	5	
80	SAN PEDRO LAGUNA	28 Apr 2028	700.00/sqm	6	
81	SAN SEBASTIAN	15 Nov 2025	32,000	1	

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
82	SANTIAGO ISABELA	May 2029	110,000	5	
83	SHELL U.N. AVENUE	15 Apr 2030	93,500	5	
84	SILANG VILLAGE SQUARE	09 Oct 2027	74,235	5	
85	SINDALAN, PAMPANGA	28 Feb 2030	173,340	5	
86	SLU BAGUIO (EXPRESS)	31 July 2027	45,980.00	1	
87	SM CENTER SAN PEDRO (EXPRESS)	31 July 2026	5% of Sales	3	
88	SMF DOWNTOWN (EXPRESS)	31 Jan 2027	5% of Sales	2	
89	SM CITY CLARK (EXPRESS)	30 Apr 2025	5% of Sales	1	For renewal
90	SM CITY DASMARIÑAS (EXPRESS)	31 Oct 2026	5% of Sales	2	
91	SM CITY PAMPANGA (EXPRESS)	31 Oct 2026	5% of Sales	2	
92	SM CITY SUCAT (EXPRESS)	31 Oct 2025	5% of Sales	3	
93	SM CITY TANZA (EXPRESS)	31 Oct 2026	5% of Sales	2	
94	SM CITY TAYTAY (EXPRESS)	31 Jan 2026	15% of Sales	2	
95	STA. CRUZ LAGUNA	03 Aug 2028	6,500	5	
96	STA. LUCIA (EXPRESS)	30 Nov 2025	30,000	1	
97	STA. MARIA BULACAN	15 June 2027	80,000	5	
98	SUCAT	14 June 2026	35,001.58	1	
99	TAGUM DAVAO	07 Dec 2028	98,553	5	
100	TALABA, BACOOR	14 Sept 2029	112,350.00	5	
101	TAYTAY (MARC SQUARE)	30 Apr 2027	122,377.50	5	
102	THE OUTLETS, LIPA BATANGAS	14 May 2028	750.00/sqm	3	
103	TIMOG AVENUE QC	30 Nov 2029	172,449.22	5	
104	TUGUEGARAO	30 Aug 2031	70,000	8	
105	URDANETA PANGASINAN	15 Aug 2027	500.00/ sqm	5	
106	VALENZUELA	14 Oct 2026	67,644.92	5	
107	V. MAPA STA. MESA	30 June 2026	112,000	5	
108	VICTORY LINER – BAGUIO	10 Apr 2026	20,360.00	1	
109	VICTORY LINER – CUBAO	10 Apr 2026	20,360.00	1	
110	VICTORY LINER – PASAY	15 Apr 2026	24,533.00	1	
111	WALTERMART BALIWAG	31 Oct 2027	6% of Sales	5	
112	WALTERMART CARMONA CAVITE (EXPRESS)	31 July 2026	6% of Sales	1	
113	WALTERMART SUCAT (EXPRESS)	31 July 2025	6% of Sales	3	
114	WALTERMART TRECE MARTIRES (EXPRESS)	31 July 2026	5% of Sales	1	
115	WEST DRIVE MARIKINA	25 Aug 2027	70,780.50	5	

TIEN MA'S					
1	MAKATI	15 Jan 2026	130,000	5	
2	MORIONES TONDO	18 Mar 2031	146,880	8	
3	MUNTINLUPA	30 Nov 2030	125,000	8	

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
4	PUREGOLD AVELINO SOUTHPARK	30 May 2028	95,207	5	
5	PUREGOLD SUMULONG ANTIPOLO	22 Apr 2028	71,000	5	
6	RETIRO	31 Dec 2026	133,100	3	
7	SAN FERNANDO	30 Nov 2026	114,000	5	
8	WALTERMART NORTH EDSA	31 Oct 2025	7% of Sales	3	

KOOBIDEH KEBABS					
1	MAKATI AVENUE	01 July 2028	120,000	5	

In the next 12 months, we plan to expand our expand our company-owned stores. We plan to focus on the following areas, subject to various factors such as market and economic conditions, and results of our operations and performance: (i) for Angel's Pizza – various viable locations in NCR, Bulacan, Laguna, Cavite, Pampanga and Batangas; (ii) for Figaro Coffee – viable locations in Metro Manila including malls, hospitals and mixed-use areas or CBDs; (iii) for Tien Ma's – viable locations in NCR. The locations for such stores shall be leased from third parties. We will fund these new stores through internally generated funds.

As of date, we do not hold any land. Our head office is located at 116 E. Main Avenue, Phase V SEZ Laguna Technopark, Biñan Laguna. We lease our head office. Aside from our warehouse facilities in Mandaluyong, we also now operate additional warehouses in Consolacion, Cebu City and Concepcion, Tarlac City.

We lease spaces for our Company-owned stores. Our franchisees have independent leasing arrangements for their franchised stores or may own the land on which the store is located. Lease terms and rates vary depending on whether the store is located in or outside of a mall.

Item 3. Legal Proceedings

As of 30 June 2025, 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 G. Cabuloy, Sigrid Von D. De Jesus and Justin T. 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 09 March 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 G. Cabuloy, 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 G. Cabuloy 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.

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 refiling, 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 obligation under the Supply Agreement dated 17 July 2017 for the supply of meals and food products for its crew and employees.

The case was instituted on 27 July 2021.

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 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the annual meeting on 18 December 2024, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

The Company's common shares are traded in the Main Board of the Philippine Stock Exchange, Inc. ("PSE"). The common shares were listed on 24 January 2022.

As announced by the PSE on 28 July 2023, FCG has joined the sectoral Industrial Index and is also a constituent of the PSE Dividend Yield Index effective on 07 August 2023.

The following table shows the high and low prices (in pesos per common shares) of the Company's shares in the PSE for this fiscal period:

PERIOD	2025	
	HIGH	LOW
JANUARY	.90	.81
FEBRUARY	.84	.72
MARCH	.82	.72
APRIL	.74	.66
MAY	.73	.65
JUNE	.71	.66
JULY	.70	.67
AUGUST	.68	.62
SEPTEMBER	.66	.62
OCTOBER	.64	.59
JANUARY TO OCTOBER		

Source: *https://edge.pse.com.ph/companyPage/stockData.do?cmpy_id=689*

Total number of shares outstanding as of 31 October 2025 is **13,968,455,298,** consisting of **5,468,455,298** common shares and **8,500,000,000** Preferred Shares Series 2023-1. The Preferred Shares Series 2023-1 are not listed in the PSE.
There were 13 shareholders as of 31 October 2025. The shareholders of the Company's common and preferred shares, as of the same date, are as follows:

	No. of Shares	Percentage
Camerton, Inc.	***11,401,148,995	81.6206856934%
PCD Nominee Corporation – Filipino	1,179,646,712	8.4450763297%
PCD Nominee Corporation – Non Filipino	1,012,594,588	7.2491522248%
Carmetheus Holdings, Inc.	375,000,000	2.6846203965%
Perfecto Nooc Nolasco	20000	0.0001431798%
Joselito Herrera	10000	0.0000715899%
Nadezhda Iskra F. Herrera	10000	0.0000715899%
Gabrielle Claudia F. Herrera	10000	0.0000715899%
Juan Trinidad Lim	10000	0.0000715899%
Jennifer T. Ramos	5000	0.0000357949%
Corazon P. Guidote	1	0.0000000072%
Senen L. Matoto	1	0.0000000072%
Hector R. Villanueva	1	0.0000000072%
TOTAL	**13,968,455,298**	**100.0000000000%**

**** Includes the 8,500,000,000 Preferred Shares Series 2023-1 that are not listed in the PSE.*

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

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this SEC Form Amended 17-A as "Annex E". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

Fiscal Year 2024 – 2025 Results of Operations

Key Highlights

- FCG, from its full acquisition of its subsidiary, Figaro Coffee Systems, Inc (FCSI) in June 21, 2021, saw a Consolidated FY July- June 30, 2025 Profit before tax of ₱672.0 million, barely P1.2M increase from June 30, 2024 Profit before tax of ₱670.83 million, despite the 7% same store sales growth decline, provided an improvement in profitability primarily because of the growth in the number of stores from 206 to 238 stores as of June 30, 2025 driven by the 30 net new stores opened for Angels Pizza.

- System-wide Sales FY ending June 30, 2025, amounted to ₱5.95 Billion, 5% increase from same periods ending June 30, 2024 System-wide Sales of ₱5.67 Billion
- Consolidated Revenues for FY ending June 30, 2025 stood at ₱5.67 Billion, 5% increase over same periods of Consolidated Revenues of ₱5.48 Billion.
- The increase in Revenues was primarily driven by the store openings from 206 store count ending June 30, 2024 to 238 stores ending June 30, 2025 or 32 net new store opening during the period or 15.5% increase in store count, which primarily are Angels Pizza Stores or about 94% of the newly opened stores.

STORE COUNT PER BRAND

Concept	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**
Figaro	61	60	57
Angel's Pizza	157	127	96
Tien Mas, Koobideh Kebab	9	14	9
Figaro Express (formerly Café Portofino)	11	5	5
TOTAL	**238**	**206**	**167**

Cost of Sales

For the FY ending June 30, 2025, consolidated direct costs increased to ₱3.14billion or 7% increase from ₱2.94 billion based on June 30, 2024 direct costs.

Global inflation that started in April 2023 that significantly affected the cost of main raw materials like dairies, flour, meat products and stainless equipment and machines were slightly tamed down during the year due to massive supplier renegotiation significant cash payment discounts were availed in 2024 thru 2025. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

Consolidated gross profit increased to ₱2.53 billion for the FY ending June 30, 2025, representing a 1% increase from the ₱2.50 billion in the previous year same periods. This yielded a gross profit margin in 2025 of 45%, from 46% of July to June 2024 gross profit margin.

Operating Expenses

For the twelve months ending June 30, 2025, consolidated operating expenses totaled ₱1.79 billion, representing a cost-to-sales ratio of 31.5% from last year's same periods cost-to-sales ratio of 33.3%, primarily because of the increasing overhead and store support related expenses resulting from opening of new stores in the provinces during the period.

Net Interest Expense

Interest expense of ₱105.2 million was recorded for the twelve months ending June 30, 2025. This increase in financing costs was primarily due to the availment of additional bank loans to take advantage of the suppliers' prompt payment discounts to counter the inflationary effects of increasing prices increasing our bank loans to fund also store opening of 1,520M from 550M bank loan in 2024.

Other Income

Other income totaled ₱31.9 million as of FY ending June 30, 2025 from previous years same periods interest income of ₱26.3 million from the Institutional Sales revenues.

Net Income

For the FY ending June 30, 2025, consolidated net income after tax stood at ₱629.6 million, from P628.4 million NIAT of June 2024, a modest increase over same periods of 2024, yielding a net income margin of 11.1% in 2025 from 11.5% NIAT Margin of same periods of 2024.

FY2024 Financial Condition

FCG had consolidated total assets of ₱5.69 billion as of June 30, 2025, an increase of ₱1.34 billion or 31% increase versus total assets of ₱4.35 billion as of June 30, 2024, primarily because of the increased in Fixed assets resulting from opening of 32 new stores during the period.

Cash and cash equivalents

As of June 30, 2025, cash and cash equivalents totaled ₱331.30 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

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 follows:

		2025		2024
Cash on hand	₱	**11,188,884**	₱	13,867,400
Cash in banks		**320,113,866**		361,067,005
	₱	**331,302,750**	₱	374,934,405

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.

Trade and other receivables

Trade and other receivables stood at ₱199.94 million as of FY end June 30, 2025 compared to ₱164.03 million in2024 or 22% increase primarily because of new franchisees that opened during the period and the increased receivable from the improved volume of institutional accounts during the year.

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:

		2025		2024
1 to 30 days	₱	**131,984,098**	₱	48,209,670
31 to 60 days		**19,126,409**		38,695,245
Over 60 days		**48,832,023**		77,129,770
	₱	**199,942,530**	₱	164,034,685

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

		2025		2024
1 to 30 days	₱	**131,984,098**	₱	48,209,670
31 to 60 days		**19,126,409**		38,695,245
Over 60 days		**48,832,023**		77,129,770
	₱	**199,942,530**	₱	164,034,685

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.

Inventories

As of June 30, 2025, inventories increased to ₱436.94 million from ₱430.66 million in June 30, 2024 or 1% increased during the year as a result of increased operations from opening of new stores and to buffer stock with inventories secured at very low prices and at a discount to counter the inflationary pressures and the increasing prices of the raw materials and other direct costs.

The Group's inventories pertaining to foods, beverages, store and kitchen supplies amounted to ₱436,935,354 and ₱430,658,720, respectively, as of June 30, 2025 and 2024.

The cost of inventories recognized as an expense amounted to ₱1,858,788,785, ₱1,885,028,161 and P1,613,512,610, in 2025, 2024 and 2023.

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 non-cancellable commitments for the future purchase of inventory items.

Property, plant, and equipment

Consolidated net property, plant, and equipment stood at ₱3.89 billion as of FY end June 30, 2025 or 54% increase from ₱2.53 billion of June 30, 2024 which were primarily invested in the opening of new stores and the construction of satellite commissaries.

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

	Office and Store Equipment	Building and Building Improvements	Total
June 30, 2023			
Cost	₱ 1,227,852,728	₱ 761,891,307	₱ **1,989,744,035**
Accumulated depreciation	(325,958,023)	(450,691,503)	**(776,649,526)**
Carrying Amount	**901,894,705**	**311,199,804**	**1,213,094,509**
Movements during 2024			
Balance, July 1, 2023	901,894,705	311,199,804	**1,213,094,509**
Additions	370,910,824	1,161,382,473	**1,532,293,297**
Depreciation	(77,001,708)	(141,291,464)	**(218,293,172)**
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 2025			
Balance, July 1, 2024	1,195,803,821	1,331,290,813	**2,527,094,634**
Additions	795,013,672	932,636,037	**1,727,649,709**
Depreciation	(192,127,744)	(172,371,246)	**(364,498,990)**
Balance, June 30, 2025	**1,798,689,749**	**2,091,555,604**	**3,890,245,353**
June 30, 2025			
Cost	2,393,777,224	2,855,909,817	**5,249,687,041**
Accumulated depreciation	(595,087,475)	(764,354,213)	**(1,359,441,688)**
Carrying Amount	**₱ 1,798,689,749**	**₱ 2,091,555,604**	**₱ 3,890,245,353**

In 2025, 2024 and 2023, all additions were paid in cash.

Depreciation is allocated as follows:

		2025		2024		2023
Direct cost	₱	**-**	₱	-	₱	6,394,035
Operating expenses		**364,498,990**		218,293,172		304,287,330
	₱	**364,498,990**	₱	218,293,172	₱	310,681,365

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

Accounts payable and other current liabilities

Accounts payable and other current liabilities stood at ₱370.1 million from ₱382.6 million or 3% decrease from the previous year primarily because of the availment of the prompt payment discount to control and cushion the effect of global inflation.

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

		2025		2024
Trade	₱	**337,029,748**	₱	331,242,122
Due to government agencies		**33,788,678**		11,824,222
Customers' deposits		**-**		34,685,463
Gift certificate payable		**-**		3,495,200
Accrued expenses		**-**		1,353,200
	₱	**370,818,426**	₱	382,600,207

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 pertain to accrual of professional fee and other services.

Loans payable

As of June 30, 2025, the Company's total interest-bearing debt stood at ₱1,520.98 million from last year's same period, short-term loans amounting to ₱550 million. This new loan availment aside from funding the new store opening and additional commissary facilities and capacities, we also availed short term financing to availed of the supplier cash payment discounts that have cushioned the inflationary impact on our raw materials and thus have improved our margins that kept us afloat during price wars with our competitors.

		2025		2024
Balance, July 1	₱	**550,435,689**	₱	30,000,000
Assumed from business combination		**1,055,000,000**		1,050,000,000
Payments		**(84,451,369)**		(529,564,311)
Balance, June 30	**₱**	**1,520,984,320**	₱	550,435,689

The loans availed is used for additional working capital of the Group. The loans bear an interest rate of 5.5% to 8.5% with a term of 180 days to one (1) year. The loans are secured by the corporate guaranty of Camerton, Inc. a related party under common key management.

In 2025, 2024 and 2023, finance costs incurred and paid amounted to ₱25,436,409, ₱1,817,310 and ₱1,519,647, respectively.

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

Cash flows

Consolidated net cash provided by operating activities amounted to ₱1,016 million for the FY ending June 30, 2025 resulting from 4% revenue increase from last year.

Consolidated net cash used in investing activities was ₱1,761.1 million, mainly attributable to capital expenditures for 32 new store openings, commissary satellites and commissary and equipment upgrades.

Consolidated net cash provided in financial activities was at ₱717.7 million in FY ending June 30, 2025, which includes the proceeds from bank loans of 1,055M less the payments of dividends of 147M and the payment of loans of 84.45M.

All in all, net cash flow used for the year totaled ₱27.78 million, leading to cash and cash equivalents balance of ₱331.30.04 million FY ending June 30, 2025.

Key Performance Indicators (KPIs)

	Audited 12 Months Ended June 30,2025	Audited 12 Months Ended June 30, 2024	Proforma 12 Months Ended June 30, 2023
Gross Profit Margin	45%	46%	45%
Before Tax Return on Sales	12%	12%	14%
Return on Equity	18%	20%	22%
Net Gearing Ratio	0.33x	0.06x	0.01x
Current Ratio	1.29x	1.19x	3.74x

Notes:

1 Gross Profit margin = Gross Profit / Net Revenue

2 Before Tax Return on Sales = Net Profit Before Tax / Net Revenue

3 Return on Equity = Net Income / Average Equity
4 Net gearing ratio = (Interest-bearing liabilities – Cash) / Total Equity
5 Current Ratio = Total Current Assets / Total Current Liabilities

Item 7. Financial Statement

The Company's Financial Statement and Notes is attached herewith as "**Annex E**".

Item 8. Information on Independent Director

De Jesus & Teofilo is a distinguished audit and consulting firm led by seasoned professionals with extensive expertise in audit, taxation, and business advisory services. The firm is headed by **Romeo A. De Jesus, Jr.**, a globally experienced tax and business advisor who has held leadership roles in multinational corporations and Philippine accounting practices, and serves as director in multiple companies across fintech, remittance, petroleum, and accounting systems. **Gerardo S. Teofilo, Jr.** brings over 15 years of audit and business management experience, currently serving as Comptroller of a major wholesale and retail conglomerate, with deep knowledge in financial reporting, internal controls, and compliance. **Percival R. De Guzman** contributes nearly three decades of audit and consulting experience, having held senior roles in both Big Four and leading Philippine accounting firms, and holds an MBA from Ateneo Graduate School of Business. Collectively, the partners of De Jesus & Teofilo combine technical excellence with strategic business insight, delivering comprehensive and reliable audit and advisory services across diverse industries.

The following table sets out the aggregate fees billed for each of the years ended June 30, 2021, June 30, 2022 and June 30, 2023 for professional services rendered, excluding fees directly related to the Offer.

FIGARO CULINARY GROUP, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE RELATED INFORMATION

30 JUNE 2025

	Current Year	Prior Year
	2025	**2024**
Total Audit Fees	**1,107,680.00**	**1,492,738.70**
Non-audit services fees:	0.00	0.00
Other assurance services	0.00	0.00
Tax Services	0.00	0.00
All other services	0.00	0.00
Total Non-audit Fees	**0.00**	**0.00**
Total Audit and Non-audit Fees	**1,107,680.00**	**1,492,738.70**

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 Corporation's internal control system, engage and provide oversight of the Company's internal and external auditors.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's Amended Articles of Incorporation, the Company's Board of Directors shall consist of nine (9) members, of whom three (3) are Independent Directors.

The table below sets forth each member of the Board of Directors and Principal Officers as of 30 June 2025:

Name	Age	Nationality	Position
Jerry S. Liu	77	Filipino	Chairman Emeritus
Justin T. Liu	43	Filipino	Chairman
Michael Stephen T. Liu	41	Filipino	Director
Brian Gregory T. Liu	38	Filipino	Director
Divina Gracia G. Cabuloy	47	Filipino	President
Sigrid Von D. De Jesus	51	Filipino	Director, Chief Compliance Officer, Asst. Corporate Secretary
Michael T. Barret	46	Filipino	Director, Chief Operations Officer, Corporate Information Officer, Chief IR Officer
Senen L. Matoto	78	Filipino	Independent Director
Corazon P. Guidote	65	Filipino	Independent Director
Hector R. Villanueva	90	Filipino	Independent Director
Jose Petronio Vicente D. Español III	51	Filipino	Treasurer, Chief Financial Officer, Chief Risk Officer
Lowela L. Concha	60	Filipino	Corporate Secretary
Marilou R. Roca	41	Filipino	Chief Accounting Officer

Jerry S. Liu

Mr. Liu is the Chairman Emeritus of FCGI. Mr. Liu holds a Bachelor of Science degree in Physics from Chung Yuan University of Taiwan and an MBA from the University of the East. As Chairman Emeritus, he does not participate in the management of the Company nor does he have any voting rights. It is merely an honorary title to acknowledge the support that he has provided to us.

Justin T. Liu

Mr. Justin Liu is the Chairman and a Director of Figaro Culinary Group, Inc. Vice President and Director of Cirtek Holdings Philippines Corporation, and a Director of Tonik Digital Bank, Inc. Prior to serving in his current positions, he was Vice President of Research in Evergreen Stock Brokerage and Securities, Inc., and Operations Manager of Pizzatek and Foods, Corp. He holds a Master of Science in Financial Analysis degree from University of San Francisco, and a B.S. Business Management and Entrepreneurship degree from De La Salle University.

Michael Stephen T. Liu

Mr. Michael Liu is a Director of Figaro Culinary Group, Inc., Director of Cirtek Holdings Phils. Corp., and EVP and Corporate Secretary of Cirtek Advanced Technologies and Solution, Inc. Previously, he served as Special Project Development Lead at Cirtek Electronics Corp., Product Engineer at Silicon Link, Inc., General Manager of Cirtek Advanced Technologies & Solutions Inc., and President at QUINTEL. He graduated from De La Salle University with a Bachelor's degree in Electronics and Communications Engineering, and completed an Entrepreneurship course at the Ateneo Graduate School of Business.

Brian Gregory T. Liu

Mr. Brian Liu is a Director of Figaro Culinary Group, Inc., EVP & CFO of Cirtek Holdings Phils. Corp.,Managing Director and COO of Cirtek Elect. Corp.,Director of Cirtek Land Corp., Director of Cayon Holdings Corp., General Manager of Tuborg Trading, CEO and Chairman of Figaro Innovation and Development Inc. Previously, he was involved in the Design, Planning, Construction, Operation and Sales of Capri Villa in New Manila. He graduated from De La Salle University with a Bachelor's degree in Management of Financial Institutions. He trained as an Analyst under Mr. Peter Gaisano of Evergreen Stock Brokerage & Securities, Inc.

Divina Gracia G. Cabuloy

Ms. Cabuloy is the President, CEO, and a Director of Figaro Culinary Group, Inc. Previously, she was a Cost Control Officer of Hotel Rembrandt, Restaurant Manager of Burger King Philippines and PERF Restaurants, Store Manager, Area Manager and Operations Manager of Figaro Coffee Company and Operations Director and Deputy COO of Figaro Coffee Systems, Inc. She holds a Bachelor's degree in Hotel and Restaurant Management.

Sigrid Von D. De Jesus

Ms. De Jesus is the Director, Assistant Corporate Secretary and Chief Compliance Officer of Figaro Culinary Group, Inc., and the HRAD and Training Director and Financial Comptroller of Figaro Coffee Systems, Inc. Previously, she was the General Manager of Zuriel Pizza and Pasta, General Manager, Commissary Manager, and Accounting Officer of Pizzatek and Foods Corporation, Collection Officer of Citibank Philippines, Executive Assistant of CAC Insurance Agency, General Manager of 788 Car Care Center, Executive Assistant of Cannondale Auto Center, and Assistant Manager of Divina Bakery and Restaurant. She holds Bachelor's and Master's Degree in Nutrition and Dietetics.

Michael T. Barret

Mr. Barret is EVP, Chief Operations Officer, Corporate Information Officer, Chief IR Officer and a Director of Figaro Culinary Group, Inc. He is also Deputy Chief Operating Officer of Figaro Coffee Systems Inc. Previously, he was Franchise and Business Development Director, Area Manager and Store Manager of Figaro Coffee Company, Deputy Store Operations Manager of Highlands Coffee in Hanoi, Vietnam, Franchise Manager of Figaro Coffee Systems, Inc. and Warehouse Supervisor of SM Mart, Inc. He holds Bachelor's and Master's degrees in Mass Communications and Business Administration, respectively.

Senen L. Matoto

Mr. Matoto is an Independent Director and Audit Committee Chairman of Figaro Culinary, Group, Inc. He is currently the Chairman of Makati Rotary Club of Makati Foundation , Inc. , Director of Financial Executives Institute of the Philippines , Columnist from the Daily Tribune, Independent Director and Audit Committee Chairman of Yuanta Savings Bank, Executive Coach at the International Coach Federation, Trustee in the Institute of Corporate Directors, Director at Center of Excellence in Governance and Senior Advisor to the Chairman of Cirtek Holdings Philippines Inc. Mr. Matoto obtained a Bachelor of Science Degree in Business Administration from the University of the Philippines, and post-graduate studies from the Asian Institute of Management.

Corazon P. Guidote

Ms. Guidote is an Independent Director, Corporate Governance Committee Chairman and Nominations Committee Chairman of Figaro Culinary, Group, Inc. A Certified Public Accountant, Ms. Guidote is a Bachelor of Science graduate, Major in Accountancy at the University of Santo Tomas in 1982. The UST College of Commerce eventually recognized her as one of its most outstanding alumnae in 2004. She holds a Master's Degree in Applied Business Economics from the University of Asia and the Pacific where she likewise received an Achievement Award in 1997 from the ABEP Alumni Association. She is now a member of the teaching faculty at the Institute of Corporate Directors currently specializing in the field of Sustainability Reporting otherwise referred to as ESG or (Environmental, Social and Governance). She successfully concluded her 15-year career in Investor Relations on October 2017. It was during this period that her pioneering spirit ushered her into two of her most challenging tasks of setting up the Investor Relations offices; first, at the Bangko Sentral ng Pilipinas (BSP), and second at SM Investments Corporation.

Hector R. Villanueva

Mr. Villanueva is an Independent Director, Board Risk Committee Chairman and Related Party Transactions Committee Chairman of Figaro Culinary, Group, Inc. He has held senior positions in both private and public sectors. He was Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc., Chairman, Postmaster General & CEO of Philippine Postal Corporation, Member of the Advisory Board, First Metro Investment Corporation, and Publisher and Editor-in-Chief of Sun Star Manila. Mr. Villanueva was also Cabinet Secretary from 1995-1998. Mr. Villanueva obtained a Bachelor of Science Degree in Economics from the London School of Economics and Political Science, and post-graduate studies from Royal Institute of Bankers, United Kingdom.

Jose Petronio Vicente D. Español III

Mr. Español is the Treasurer and Chief Finance Officer of Figaro Culinary, Group, Inc. He started as a Senior Auditor in SGV & Co in 1995, until he became the Company Accountant of Alsons' Cement Corporation. He was the Chief Accountant of Domino's Pizza Transnational Philippines for 5 years and was promoted as the Finance Head of American Express Transnational Travel for 3 years until he was promoted as General Manager of Transnational Logistics, Inc. for 6 years. Currently, he is an Independent Director of Rural Bank of Capalonga and the Managing Director of JDE Systems Logistics, Inc and H&P Consulting. He is a Certified Public Accountant and a Certified Management Accountant with masteral units in Industrial Relations in UP and Supply Chain Management in Ateneo Business School. He was a graduate of University of Sto. Tomas in 1995.

Lowela L. Concha

Ms. Concha is a partner at the law firm Garay Usita Concha and Jimenea. She is a litigator with almost 30 years of experience representing individual and corporate clients in disputes involving commercial law, criminal law, civil law, and family law among others. In active general law practice while continuing to render legal advice to clients from a wide spectrum of industries on corporate governance, real estate transactions, human resources administration, and contract management. She obtained a Bachelor of Science degree in Marketing from St. Paul's University in Quezon City, and her law degree from San Beda University College of Law in 1992. She was admitted to the Philippine Bar in 1993.

Marilou R. Roca

Ms. Roca is Comptroller and Chief Accounting Officer of the Figaro Culinary Group, Inc. Currently, she is the Accounting and Finance Senior Manager, Treasury Officer, Cost Control Officer of Figaro Coffee Systems, Inc. She holds a BS Accounting Management Degree from Batangas State University.

(2) Significant Employees

No single person is expected to make a significant contribution to the business since we consider the collective efforts of all our employees as instrumental to the overall success of our performance.

Item 10. Executive Compensation Table

The following table identifies and summarizes the aggregate compensation of the Company's president and four most highly compensates executive officers, as well as the aggregate compensation paid to all other directors and all other officers as a group, for the years ended December 31, 2019, 2020, 2021, 2022, 2023, 2024 and 2025 what we expect to be paid on the ensuing year.

Name	Position
Justin T. Liu	Chairman
Divina Gracia G. Cabuloy	President & CEO
Michael T. Barret	COO
Sigrid Von D. De Jesus	CCO

Year	Salary (in thousands)	Bonus (in thousands)	TOTAL (in thousands)
2019	3,893.53	3,244.60	7,138.13
2020	3,893.53	3,244.60	7,138.13
2021	4,756.21	3,986.00	8,742.21
2022	3,834.30	2,000.00	5,834.30
2023	7,692.58	2,102.03	9,794.61
2024	22,780.00	3,132.55	25,912.55
2025	25,824.19	3,219.66	29,043.85

Employment Contracts Between the Company and Named Executive Officers

We have no special employment contracts with the named executive officers.

Standard Arrangements

Other than payment of reasonable per diem as may be determined by our board of directors for every meeting, there are no standard arrangements pursuant to which our directors are compensated directly or indirectly, for any services provided as a director.

Other Arrangements

There are no other arrangements pursuant to which any of member of our board of directors is compensated, directly or indirectly, for any service provided as a director.

Warrants and Options

There are no outstanding warrants or option held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

Family Relationships

Justin T. Liu, Michael Stephen T. Liu, and Brian Gregory T. Liu are brothers and their father is Jerry S. Liu. Aside from the foregoing, there are no family relationships between any Directors and any members of the Company's senior management as of the date of this report.

Interlocking Directors

Except in cases of fraud, and provided the contract is fair and reasonable under the circumstances, a contract between two or more corporations having interlocking directors shall not be invalidated on that ground alone; provided, that if the interest of the interlocking director in one corporation is substantial and his interest in the other corporation or corporations is merely nominal, he shall be subject to the provisions of the preceding section insofar as the latter corporation or corporations are concerned. Stockholdings exceeding twenty (20%) percent of the outstanding capital stock shall be considered substantial for purposes of interlocking directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS AS OF 30 JUNE 2025

The following table sets forth security ownership of the Company's Directors and Officers as of 30 June 2025.

Title of Class	Name of Beneficial Owners	Amount and Nature of Beneficial Ownership	Citizenship	% of total Outstanding Shares
Common	Justin T. Liu	1 (Indirect)	Filipino	Nil
Common	Michael Stephen T. Liu	1 (Indirect)	Filipino	Nil
Common	Brian Gregory T. Liu	1 (Indirect)	Filipino	Nil
Common	Divina Gracia G. Cabuloy	1 (Indirect)	Filipino	Nil
Common	Sigrid Von D. De Jesus	1 (Indirect)	Filipino	Nil
Common	Michael T. Barret	1 (Indirect)	Filipino	Nil
Common	Senen L. Matoto	1 (Direct)	Filipino	Nil
Common	Corazon P. Guidote	1 (Direct)	Filipino	Nil
Common	Hector R. Villanueva	1 (Direct)	Filipino	Nil
	Jose Petronio Vicente D. Espanol III	-	Filipino	-
	Lowela L. Concha	-	Filipino	-
Common		**6 (Indirect)**		
Common		**3 (Direct)**		

There is no director or key officer of the Company that owns at least 10% of its issued and outstanding shares of common or preferred stock.

Voting Trust Holders of 5% or More

There is no voting trust arrangement executed among the holders of five percent (5%) or more of the issued outstanding shares of our common stock.

Changes in Control

There has been no change of control in our beneficial ownership since our incorporation.

Item 12. Certain Relationships and Related Transactions

All sales to, and purchases from, related parties are made at prevailing market prices. Outstanding year end balances pertain to the extension and receipt of, and advances to and from, related parties. For further information, such as outstanding advance balances, see note 18 to the audited financial statements of FCGI. These balances are unsecured, short-term and interest-free, and settlement occurs in cash. There have been no guarantees received or provided for any related party-receivables or payables, respectively.

Our policy is to subject any related party transaction to Board approval. The transaction must be supported by a Secretary's Certificate signifying the approval of the Board.

We have limited related party transactions. Our operations can handle our financing requirements, and we have been funding our capital expenditures through internally generated cash flows.

FCSI, as the operating company, does not own land. It entered into a lease arrangement with LC International Garments Corp. to lease the land where its office is located. The commercial building has a total floor area of 3,968.07 sqm. The lease will expire 2035 and FCSI does not anticipate any issues with its renewal.

On January 4, 2017, FCSI entered into a lease agreement with Cirtek Land Corporation for the period commencing on January 16, 2021 and ending on January 16, 2026. Said lease agreement covers the lease of a commercial building located at 1 Constellation St. cor. Makati Avenue, Makati City, for use by the Makati City branches for Angel's Pizza, Tien Ma's and Koobideh Kebabs. The lease agreement will be renewed in due course.

Figaro Innovation and Development Inc. ("FIDI") is a wholly-owned subsidiary of Figaro Coffee Systems Inc. ("FCSI"), the operating subsidiary of Figaro Culinary Group, Inc. ("FCG"). FIDI is registered with the Philippine Economic Zone Authority ("PEZA") as an Ecozone Export Enterprise pursuant to a Certificate of Registration issued on 7 September 2023. The registration authorizes FIDI to engage in the production of roasted coffee products, including House Reserve, Espresso Blend, and French Roast.

On 8 September 2023, the Department of Trade and Industry–Export Management Bureau ("DTI-EMB") issued a Certificate of Accreditation to FIDI as a Coffee Exporter.

FIDI's primary purpose is to develop and innovate products and processes that enhance efficiency in the food and beverage ("F&B") industry and to promote Filipino brands, products, and raw materials in the global market.

On 7 October 2024, PEZA issued Certificate of Registration No. 2024-00145-PEZA-EX-C10-2, confirming FIDI's registration as an Export Enterprise engaged in the production of pizza products and frozen pizza

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Board of Directors, the Management, officers and employees of the Company believe that sound and effective governance is fundamental to its continued success and long-term existence.

The Group is committed to the principles and best practices contained in the FCGI Manual on Corporate Governance ("Manual") and acknowledge that the same may guide the attainment of our corporate goals.

The Company's corporate governance framework is based on the following principles:

Accountability – This Manual establishes the Company's accountability to all its shareholders and guides the Board in setting strategies and monitoring the Company's management.

Fairness – The Company obligates itself to safeguard shareholder rights and ensure fair treatment of all shareholders, including minority shareholders.

Transparency – The Company ensures that timely and accurate disclosures are made on all material matters, including the financial situation, performance, ownership, and governance, in a manner easily accessible to the public and all interested parties

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Reports filed with SEC 17-C from July 01, 2024 to 30 June 2025

SEC 17- C Current Reports

FILED DATE	PSE FORM NO.	CIRCULAR NO.	PARTICULARS
29 July 2024	4-31	C04991-2024	Press Release
03 Oct 2024	4-30	C06362-2024	Material Information/ Transactions *(Approval of PEZA application for FIDI)*
08 Oct 2024	4-30	C06411-2024	Material Information/ Transactions *(Issuance of PEZA Certificate of Registration for FIDI)*
11 Oct 2024	4-30	C06480-2024	Material Information/ Transactions *(Results of the Regular Meeting of the BOD)*
11 Oct 2024	6-1	C06481-2024	Declaration of Cash Dividends
11 Oct 2024	7-1	C06482-2024	Notice of the Annual or Special Stockholders
11 Oct 2024	4-3	C06483-2024	Amendments to Articles of Incorporation
11 Oct 2024	4-4	C06484-2024	Amendments to By-Laws
11 Oct 2024	4-7	C06501-2024	Change in Corporate Name and/or Stock Symbol
14 Oct 2024	4-13	C06523-2024	Clarification of News Reports
14 Oct 2024	4-31	C06537-2024	Press Release
14 Oct 2024	17-3	CR06772-2024	Request for extension to file SEC Form 17-A
08 Nov 2024	7-2	C07094-2024	Postponement of Annual Stockholders' Meeting
08 Nov 2024	7-1	C07095-2024	[Amend-1] Notice of Annual or Special Stockholders' Meeting
14 Nov 2024	4-30	C07274-2024	Material Information/ Transactions *(Results of the Regular Meeting of the BOD)*
14 Nov 2024	17-1	CR07539-2024	Annual Report
14 Nov 2024	4-31	C07311-2024	Press Release
15 Nov 2024	17-5	CR07618-2024	Information Statement
19 Nov 2024	4-30	C07401-2024	Material Information/ Transactions *(Results of the Regular Meeting of the BOD)*
26 Nov 2024	4-31	C07541-2024	Press Release
26 Nov 2024	17-5	CR07799-2024	Information Statement
19 Dec 2024	4-25	C08015-2024	Results of the Organizational Meeting
19 Dec 2024	4-24	C08016-2024	Results of Annual or Special Stockholders' Meeting
19 Dec 2024	4-7	C08017-2024	[Amend-1] Change in Corporate Name and/or Stock Symbol
19 Dec 2024	4-3	C08023-2024	[Amend-1] Amendments to Articles of Incorporation
19 Dec 2024	4-4	C08024-2024	[Amend-1] Amendments to By-Laws
06 Jan 2025	4-13	C00068-2025	Clarification of News Reports
09 Jan 2025	17-18	CR00245-2025	Other SEC Forms, Reports and Requirements (*General Information Sheet)*
06 Feb 2025	4-13	C00699-2025	Clarification of News Report
14 Feb 2025	4-30	C00842-2025	Material Information/ Transactions *(Results of the Regular Meeting of the BOD)*

FILED DATE	PSE FORM NO.	CIRCULAR NO.	PARTICULARS
18 Feb 2025	4-31	C00913-2025	Press Release
20 Feb 2025	4-7	C00987-2025	[Amend-2] Change in Corporate Name and/or Stock Symbol
20 Feb 2025	4-3	C00988-2025	[Amend-2] Amendments to Articles of Incorporation
20 Feb 2025	4-4	C00989-2025	[Amend-2] Amendments to By-Laws
12 Mar 2025	17-18	CR01455-2025	Other SEC Forms, Reports or Requirements *(Amended General Information Sheet)*
14 Mar 2025	4-7	C01601-2025	[Amend-3] Change in Corporate Name and/or Stock Symbol
19 Mar 2025	4-7	C01735-2025	[Amend-4] Change in Corporate Name and/or Stock Symbol
11 Apr 2025	POR-1	CR02113-2025	Clarification of News Reports
16 Apr 2025	17-18	CR02641-2025	Other SEC Forms, Reports or Requirements *(Certificate of Attendance in Corporate Governance Seminar)*
14 May 2025	4-30	C03349-2025	Material Information/ Transactions *(Results of the Meeting of the Board of Directors)*
30 May 2025	I-ACGR	CR04018-2025	Integrated Annual Corporate Governance Report

SEC 17-Q – and Quarterly Reports

FILED DATE	PSE FORM NO.	CIRCULAR NO.	PARTICULARS
12 July 2024	17-12A	CR04965-2024	List of Top 100 Stockholders (Common shares)
12 July 2024	POR-1	CR04978-2024	Public Ownership Report
15 Oct 2024	POR-1	CR06945-2024	Public Ownership Report
15 Oct 2024	17-12A	CR06946-2024	List of Top 100 Stockholders (Common shares)
13 Nov 2024	17-4	CR07467-2024	Request for extension to file SEC Form 17-Q
19 Nov 2024	17-2	CR07713-2024	Quarterly Report
14 Jan 2025	17-12A	CR00522-2025	List of Top 100 Stockholders (Common Shares)
14 Jan 2025	POR-1	CR00528-2025	Public Ownership Report
14 Feb 2025	4-31	CR01188-2025	Request for extension to file SEC Form 17-Q
18 Feb 2025	17-2	CR01224-2025	Quarterly Report
11 Apr 2025	17-12-A	CR02124-2025	List of Top 100 Stockholders Q1 (Common shares)
15 May 2025	17-2	CR03462-2025	Quarterly Report

Item 15. Attendance in Board Meetings

DATE OF MEETING	RESOLUTION / MATTERS DISCUSSED	ATTENDEES
03 October 2024	<u>Corporate Governance Committee</u> Review and approval of the CG Committee on the Sustainability Report for the FY period 30 June 2024	Corazon P. Guidote Senen L. Matoto Sigrid Von D. De Jesus Jose Petronio D. Espanol III
08 October 2024	<u>Audit Committee Meeting</u> Committee review of the Financial reports, Sustainability Report (Audit Com)	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
10 October 2024	<u>Regular Meeting</u>	Justin T. Liu

	Approval of the Financial reports including the Sustainability Report	Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca
07 November 2024	Special Meeting Postponement of the 2024 Annual Stockholders Meeting (Special)	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca
11 November 2024	Audit Committee Meeting Committee review of the financial reports for the Q1	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
13 November 2024	Regular Meeting Approval of the Q1 Quarterly Report	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca
11 February 2025	Audit Committee Meeting Committee review on the Q2 report	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
13 February 2025	Regular Meeting Approval of the Q2 Report	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote

		Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca
06 May 2025	<u>Corporate Governance Committee</u> Review on the I-ACGR for the period	Corazon P. Guidote Senen L. Matoto Justin T. Liu Sigrid Von D. De Jesus Jose Petronio D. Espanol III
08 May 2025	<u>Audit Committee Meeting</u> Review of the Q3 report Financial report	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
13 May 2025	<u>Regular Meeting</u> Approval of the Q3 Report	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Mandaluyong City on NOV 05 2025 2025

DIVINA GRACIA G. CABULOY
Principal Executive Officer

MARILOU R. ROCA
Principal Accounting Officer / Comptroller

MICHAEL T. BARRET
Principal Operating Officer

JOSE PETRONIO VICENTE D. ESPAÑOL III
Principal Financial Officer

LOWELA L. CONCHA
Corporate Officer

SUBSCRIBED AND SWORN to before me this NOV 05 2025 day of 2025 affiant(s) exhibiting to me his / her valid IDs, as follows:

NAMES	VALID IDs	DATE OF ISSUE	PLACE OF ISSUE
DIVINA GRACIA G. CABULOY	LTO Drivers' License	N25-07-009920	Quezon City
MICHAEL T. BARRET	LTO Drivers' License	N01-12-002157	Quezon City
JOSE PETRONIO D. ESPAÑOL III	LTO Drivers' License	N02-02-015502	Cavite City
MARILOU R. ROCA	BIR TIN ID	305-173-064-000	Batangas City
LOWELA L. CONCHA	LTO Drivers' License	N02-08-012581	Quezon City

Notary Public

ATTY. JAMES K. ABUGAN
Notary Public
APPT. NO. 0442-25 Until 12-31, 2026
IBP No. 461986 Nov.12, 2024 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VIII-0022918 until 4/14/2028
TIN No. 116-239-956
PTR No. 5712001 01/03/2025
Rm. 314 J&L Bldg., 251 EDSA,
Mandaluyong City Tel. No. (02)834-523-21

Doc No. 415
Book No. 58
Page No. 84
Series of 2025.

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	8	1	1	1	1	9

C O M P A N Y   N A M E

FIGARO CULINARY GROUP, INC.

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

116 EAST MAIN AVENUE PHASE V-
SEZ LAGUNA TECHNOPARK BIÑAN
LAGUNA 4304

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS	SEC	

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
	1ST WED OF DECEMBER	JUNE 30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
SIGRID VON D. DE JESUS	sigs_dm@yahoo.com		0917-8832172

CONTACT PERSON's ADDRESS

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

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the consolidated financial statements including its schedules attached therein, as at June 30, 2025 and 2024 and each for the three years in the period ended June 30, 2025, in accordance with the Philippine Financial Reporting Standards (PFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

DE JESUS & TEOFILO, CPAs, and **R.S BERNALDO & ASSOCIATES**, the independent auditors appointed by the stockholders as at June 30, 2025 and 2024, respectively, have audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

JUSTIN T. LIU
Chairman of the Board

DIVINA GRACIA G. CABULOY
President/ Chief Executive Officer

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

SUBSCRIBED AND SWORN to before me
this NOV 05 2025 at Mandaluyong City
Affiant exhibits to me her/his ________
with No. __________ as strong proof of
her/his identity.

ATTY. JAMES K. ABUGAN
Notary Public
APPT. NO. 0442-25 Until 12-31, 2026
IBP No. 461980 Nov.12, 2024 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VIII-0022918 until 4/14/2028
TIN No. 116-239-956
PTR No. 5712001 01/03/2025
Rm. 314 J& L Bldg., 251 EDSA.
Mandaluyong City Tel. No. (02)854-523-21

DOC. NO: 408
PAGE NO: 83
BOOK NO: 58
SERIES OF 2025

DE JESUS & TEOFILO, CPAs
Unit 1411, Cityland Herrera Tower, 98 V.A. Rufino Ave., Makati City

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
116 E. Main Avenue, Phase V. SEZ Laguna Technopark
Binan, Laguna

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** (the "Group"), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at June 30, 2025, and its consolidated financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Other Matter

The consolidated financial statements of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** for the year ended June 30, 2024, were audited by another auditor whose report dated November 13, 2024 expressed an unqualified opinion on those statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a consolidated opinion on these matters, if any.

We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

DE JESUS & TEOFILO, CPAs

ROMEO A. DE JESUS JR.
CPA Certificate No. 86071
BOA Accreditation No. 9953/P-002
Valid from May 25, 2025 to August 14, 2027
BIR Accreditation No. 08-007679-006-2024
Valid from March 15, 2024 until March 14, 2027
Tax Identification No. 109-227-897-000
PTR No. 10480595
Issued on January 13, 2025 at Makati City

November 5, 2025

DE JESUS & TEOFILO, CPAs
Unit 1411, Cityland Herrera Tower, 98 V.A. Rufino Ave., Makati City

REPORT ON THE INDEX AND SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
116 E. Main Avenue, Phase V. SEZ Laguna Technopark
Binan, Laguna

We have issued our report dated November 5, 2025 on the basic consolidated financial statements of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** as of and for the year June 30, 2025. Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** taken as a whole. The information in the index to the consolidated financial statements and the supplementary schedules as of and for the year June 30, 2025, which are not required parts of the consolidated financial statements, are required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY**. The information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

DE JESUS & TEOFILO, CPAs

ROMEO A. DE JESUS JR.
CPA Certificate No. 86071
BOA Accreditation No. 9953/P-002
Valid from May 25, 2025 to August 14, 2027
BIR Accreditation No. 08-007679-006-2024
Valid from March 15, 2024 until March 14, 2027
Tax Identification No. 109-227-897-000
PTR No. 10480595
Issued on January 13, 2025 at Makati City

November 5, 2025

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2025
(With Comparative Audited Figures as of June 30, 2024)
(In Philippine Peso)

	NOTES	2025	2024
A S S E T S			
Current Assets			
Cash	7	**331,302,750**	374,934,405
Trade and other receivable	8	**199,942,530**	164,034,685
Inventories	9	**436,935,354**	430,658,720
Due from related parties	18	**-**	120,000,000
Prepayments and other current assets	10	**212,063,635**	159,419,315
		1,180,244,269	1,249,047,125
Non-current Assets			
Property and equipment – net	11	**3,890,245,353**	2,527,094,634
Intangible assets – net	12	**252,942,435**	239,765,356
Right-of-use assets – net	13	**317,924,519**	291,026,459
Other non-current assets	14	**45,029,456**	36,212,610
Deferred tax assets	28	**3,807,085**	3,242,137
		4,509,948,848	3,097,341,196
TOTAL ASSETS		**5,690,193,117**	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	15	**370,818,426**	382,600,207
Loans payable	16	**540,984,320**	550,435,689
Lease liabilities	17	**63,857,836**	70,997,346
Income tax payable		**-**	42,622,411
		975,660,582	1,046,655,653
Non-current Liabilities			
Lease liabilities – net of current portion	17	**146,189,635**	195,574,427
Loans payable- net of current	16	**980,000,000**	-
Retirement benefits obligation	24	**16,096,518**	13,836,726
		1,142,286,153	209,411,153
TOTAL LIABILITIES		**2,117,946,735**	1,256,066,806
S T O C K H O L D E R S ' E Q U I T Y			
Capital Stock	19	**589,345,528**	589,345,528
Additional Paid-in Capital	19	**1,403,308,680**	1,403,308,680
Retained Earnings		**1,573,992,237**	1,092,067,370
Remeasurements – net	24	**5,599,937**	5,599,937
TOTAL STOCKHOLDERS' EQUITY		**3,572,246,382**	3,090,321,515
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**5,690,193,117**	4,346,388,321

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Year Ended June 30, 2025
(With Comparative Audited Figures as of June 30, 2024 and 2023)
(In Philippine Peso)

	NOTES	2025	2024	2023
REVENUES	21	**5,671,444,081**	5,447,082,212	4,284,080,714
DIRECT COSTS	22	**3,139,146,586**	2,945,259,454	2,347,990,423
GROSS PROFIT		**2,532,297,495**	2,501,822,758	1,936,090,291
OTHER INCOME		**31,940,510**	26,264,296	39,479,710
OPERATING EXPENSES	23	**1,787,035,165**	1,814,246,505	1,357,006,132
FINANCE COST	16,17	**105,194,627**	43,011,669	1,817,310
PROFIT BEFORE TAX		**672,008,212**	670,828,880	616,746,559
INCOME TAXES	27	**42,435,052**	42,418,747	154,186,640
PROFIT		**629,573,160**	628,410,133	462,559,919
OTHER COMPREHENSIVE LOSS				
ITEM THAT WILL NOT BE RECLASSIFIED				
SUBSEQUENTLY TO PROFIT OR LOSS:				
REMEASUREMENT LOSS	25	**-**	10,785,786	-
INCOME TAX RELATING TO				
OTHER COMPREHENSIVE LOSS	25	**-**	(26,969,447)	-
		-	(16,183,661)	-
TOTAL COMPREHENSIVE INCOME		**629,573,160**	612,226,472	462,559,919
EARNINGS PER SHARE				
Basic Earnings per Share	29	**0.12**	0.11	0.09

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Year Ended June 30, 2025
(With Comparative Audited Figures as of June 30, 2024 and 2023)
(In Philippine Peso)

	Notes	Capital Stock	Additional Paid-in Capital	Retained Earnings	Remeasurement	Total
Balance at July 1, 2022		464,818,820	665,068,300	238,734,511	(2,489,402)	**1,366,132,229**
Loss				462,559,919	-	**462,559,919**
Dividend declaration				(89,988,900)		
Remeasurement loss						**-**
Issuance of shares	19	124,526,708	738,240,380	-		**862,767,088**
Balance at June 30, 2023	19	**589,345,528**	**1,403,308,680**	**611,305,530**	**(2,489,402)**	**2,601,470,336**
Profit				628,410,133		**628,410,133**
Dividend declaration				(147,648,293)		**(147,648,293)**
Remeasurement gain	24				8,089,339	**8,089,339**
Issuance of shares	19			-		**-**
Balance at June 30, 2024	19, 24	**589,345,528**	**1,403,308,680**	**1,092,067,370**	**5,599,937**	**3,090,321,515**
Profit				629,573,160		**629,573,160**
Dividend declaration				(147,648,293)		**(147,648,293)**
Balance at June 30, 2025	20,25	**589,345,528**	**1,403,308,680**	**1,573,992,237**	**5,599,937**	**3,572,246,382**

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2025
(With Comparative Audited Figures as of June 30, 2024 and 2023)
(In Philippine Peso)

	NOTES	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		**672,008,212**	670,828,880	616,746,559
Adjustments for:				
Depreciation	11,22,23	**528,311,708**	284,859,527	310,681,365
Amortization	12,23	**149,277,166**	116,855,819	5,839,409
Retirement benefits expense	24	**2,259,792**	2,718,667	2,683,409
Finance Costs	16,17	**105,194,627**	43,011,669	1,817,310
Finance Income		**-**	(26,264,296)	(39,479,710)
Operating cash flows before changes in working capital		**1,457,051,505**	1,092,010,266	898,288,342
Increase in operating assets:				
Short-term investment		**-**	895,000,000	(483,099,545)
Trade receivables		**(35,907,845)**	(14,612,614)	(76,055,349)
Inventories		**(6,276,634)**	(252,268,481)	(82,708,799)
Prepayment and other current assets		**(52,644,320)**	(17,907,085)	(4,732,202)
Other non-current assets		**(8,816,846)**	5,826,846	(20,915,686)
Increase in trade and other payables		**(11,781,781)**	(145,602,731)	191,398,065
Cash generated from operations		**1,341,624,079**	1,562,446,201	422,174,826
Income taxes paid		**(203,618,028)**	(154,767,631)	(137,486,278)
Net cash from operating activities		**1,138,006,051**	1,407,678,570	284,688,548
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received		**-**	38,935,714	42,884,310
Advances collected from related parties	18	**120,000,000**	-	167,081,477
Additions to intangible assets	12	**(153,454,245)**	(263,982,336)	(94,675,188)
Additions to property and equipment	11	**(1,727,649,709)**	(1,532,293,297)	(912,137,514)
Net cash used in investing activities		**(1,761,103,954)**	(1,757,339,919)	(796,846,915)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availments of loan	16	**1,055,000,000**	1,050,000,000	10,000,000
Proceeds from issuance of capital stock		**-**	-	862,767,089
Finance costs paid	16,17	**(105,194,627)**	(43,011,669)	(1,817,310)
Payment of lease liabilities	17	**(138,239,463)**	(68,470,366)	(1,195,037)
Dividend declared and paid	19	**(147,648,293)**	(147,648,293)	(89,988,900)
Payments of loans	16	**(84,451,369)**	(529,564,311)	-
Net cash from financing activities		**579,466,248**	261,305,361	779,765,842
NET INCREASE (DECREASE) IN CASH		**(43,631,655)**	(88,355,988)	267,607,475
CASH AT BEGINNING OF YEAR		**374,934,405**	463,290,393	195,682,918
CASH AT END OF YEAR		**331,302,750**	374,934,405	463,290,393

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2025
(With Comparative Audited Figures in 2024 and 2023)

1. CORPORATE INFORMATION

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 Figaro Culinary Group Inc. (FCG) (the "Parent Company") 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 Initial Public Offering (IPO) of Figaro Culinary Group Inc. *(formerly Figaro Coffee Group, Inc.)* 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, 2025 and 2024, 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, 2025 and 2024, FCG 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%**

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 and Sustainability 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 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.

- 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.

- 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.

- 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 transacton 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.

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)

- 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. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. 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. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- 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 consolidated financial statements.

  PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

  The amendments cover the following areas:

  - Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
  - Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
  - Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

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

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments cover the following areas:

  - ➢ Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.
  - ➢ Classification of financial assets:
    - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
    - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
    - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
  - ➢ There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

  An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

  The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

  The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards—Volume 11* relate to:

  - ➢ PFRS 1 *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 *Financial Instruments*.
  - ➢ PFRS 7 *Financial* Instruments*: Disclosures*
    - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 *Fair Value Measurement* was issued.

- Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.

- Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.

➢ PFRS 9 *Financial* Instruments

- Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

- Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15 *Revenue from Contracts with* Customers while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.

➢ PFRS 10 *Consolidated Financial Statements, Determination of a 'de facto agent'* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

➢ PAS 7 *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with earlier application permitted.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 supersedes PAS 1 *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB's Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

➢ Improved comparability in the statement of profit or loss (income statement);

➢ Enhanced transparency of management-defined performance measures; and

➢ More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

  PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS accounting standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS accounting standards.

  An entity may elect to apply the PFRS 19 if at the end of reporting period:

  - It is a subsidiary as defined in PFRS 10 Consolidated Financial Statements;
  - It does not have public accountability; and
  - It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS accounting standards.

  An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

  PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

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 Reclassification

When, and only when, the Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with Note 4.03.02. If the Group reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Group shall not restate any previously recognized gains, losses (including impairment losses) or interest.

4.02.04 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.

4.02.05 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.

- 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.

➢ 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.

4.02.06 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 interests 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.

4.05 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.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

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 Computer Software

Computer software acquired separately is initially carried at cost. Subsequently, intangible asset with definite useful life is carried at cost less accumulated amortization and accumulated impairment losses. Amortization of computer software is recognized on a straight-line basis over its estimated useful life of two (2) 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 Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.13 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.

4.14 Employee Benefits

4.14.01 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.

4.14.02 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.

4.15 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.

4.16 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.

4.16.01 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.

4.16.02 Royalty

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

4.16.03 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.

4.16.04 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 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 June 30, 2025, 2024 and 2023 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 ₱375,198,561, ₱293,219,845 and 260,859,459, in June 30, 2025, 2024 and 2023 respectively, as disclosed in Note 23.

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. In 2025 2024 and 2023 revenues recognized amounted to ₱5,671,444,081, ₱5,447,082,212 and ₱4,284,080,714 as disclosed in Note 21.

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 June 30, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱565,085,852 and ₱681,314,300 respectively, as disclosed in Note 31.02.

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 2025 and 2024.

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 2025 and 2024.

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, 2024 and 2023, no provision for expected credit loss was recognized on Group's financial assets.

As of June 30, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱565,085,852 and ₱681,314,300 as disclosed in Note 31.02.

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 June 30, 2025 and 2024, inventories amounted to ₱436,935,354 and ₱430,658,720, respectively, 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 June 30, 2025 and 2024 the carrying amounts of the Group's property and equipment are ₱3,890,245,353 and ₱2,527,094,634, respectively, as disclosed in Note 11.

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 computer software 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 computer software is 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 June 30, 2025 and 2024, the carrying amounts of the amounted ₱252,942,435 and ₱239,765,356, respectively, as disclosed in Note 12.

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 June 30, 2025 and 2024, the aggregate carrying amounts of the aforementioned assets amounted to ₱4,673,175,942 and ₱3,217,305,764, respectively, as disclosed in Notes 10, 11, 12, and 13.

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 amounting to ₱3,807,085 and ₱3,242,137, in 2025 and 2024, as disclosed in Note 28.

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 ₱2,259,792, ₱2,718,667 and P2,683,409 in June 30, 2025, 2024 and 2023, respectively, as disclosed in Note 24. The Group's retirement benefit obligation as of June 30, 2025 and 2024, amounted to ₱16,096,518 and ₱13,836,726, respectively, as disclosed in Note 24. Remeasurement recognized as other comprehensive gain and loss, net of related tax, amounted to nil and ₱8,089,339 in June 30, 2025 and 2024, respectively, as disclosed in Note 24.

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 3.02% 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 each major product:

		2025		2024	2023
Angel's Pizza	₱	**4,011,720,138**	₱	3,788,108,771	2,871,594,714
Figaro Coffee Group		**1,511,948,367**		1,487,925,999	1,317,818,050
Tien Ma's Taiwanese Cuisine		**147,775,576**		171,047,442	94,667,950
	₱	**5,671,444,081**	₱	5,447,082,212	4,284,080,714

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 are detailed below:

		2025		2024	2023
National Capital Region	₱	**3,433,308,407**	₱	3,288,663,940	3,120,339,428
Provincial Areas		**2,238,135,674**		2,158,418,272	1,163,741,286
	₱	**5,671,444,081**	₱	5,447,082,212	4,284,080,714

7. CASH

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

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

		2025		2024
Cash on hand	₱	**11,188,884**	₱	13,867,400
Cash in banks		**320,113,866**		361,067,005
	₱	**331,302,750**	₱	374,934,405

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

Finance income from banks amounted to nil 2025 and 2024 since bank accounts maintained are current accounts which do not earn interest.

8. TRADE RECEIVABLE

The Group's trade receivable as of June 30, 2025 and 2024 amounted to ₱199,942,530 and ₱164,034,685, respectively.

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 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:

		2025		2024
1 to 30 days	₱	**131,984,098**	₱	48,209,670
31 to 60 days		**19,126,409**		38,695,245
Over 60 days		**48,832,023**		77,129,770
	₱	**199,942,530**	₱	164,034,685

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.

9. INVENTORIES

The Group's inventories pertaining to foods, beverages, store and kitchen supplies amounted to ₱436,935,354 and ₱430,658,720, as of June 30, 2025 and 2024, as disclosed in Note 23.

The cost of inventories recognized as an expense amounted to ₱1,858,788,785 and ₱1,885,028.161, in 2025, 2024 and 2023, as disclosed in Note 22.

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.

10. PREPAYMENTS AND OTHER CURRENT ASSETS

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

		2025		2024
Prepaid rent (Note 26)	₱	**47,712,572**		1,233,630
Advances to contractors		**145,770,366**		125,022,173
Advances to suppliers		**12,503,069**		17,251,124
Advances to officers and employees		**6,077,628**		15,912,388
	₱	**212,063,635**	₱	159,419,315

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

Advances to contractors pertain to payments made for materials, labor, and services to be utilized in the construction, renovation, and improvement of the Group's store outlets, commissaries, and other facilities.

Advances to suppliers pertain to advance payment for goods to be delivered.

11. PROPERTY AND EQUIPMENT – net

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

		Office and Store Equipment		Building and Building Improvements		Total
June 30, 2023						
Cost	₱	1,227,852,728	₱	761,891,307	₱	**1,989,744,035**
Accumulated depreciation		(325,958,023)		(450,691,503)		**(776,649,526)**
Carrying Amount		**901,894,705**		**311,199,804**		**1,213,094,509**
Movements during 2024						
Balance, July 1, 2023		901,894,705		311,199,804		**1,213,094,509**
Additions		370,910,824		1,161,382,473		**1,532,293,297**
Depreciation		(77,001,708)		(141,291,464)		**(218,293,172)**
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 2025						
Balance, July 1, 2024		1,195,803,821		1,331,290,813		**2,527,094,634**
Additions		795,013,672		932,636,037		**1,727,649,709**
Depreciation		(192,127,744)		(172,371,246)		**(364,498,990)**
Balance, June 30, 2025		**1,798,689,749**		**2,091,555,604**		**3,890,245,353**
June 30, 2025						
Cost		2,393,777,224		2,855,909,817		**5,249,687,041**
Accumulated depreciation		(595,087,475)		(764,354,213)		**(1,359,441,688)**
Carrying Amount	**₱**	**1,798,689,749**	**₱**	**2,091,555,604**	**₱**	**3,890,245,353**

In 2025, 2024 and 2023, all additions were paid in cash.

Depreciation is allocated as follows:

		2025		2024		2023
Direct cost (Note 22)	₱	**-**	₱	-	₱	6,394,035
Operating expenses (Note 23)		**364,498,990**		218,293,172		304,287,330
	₱	**364,498,990**	₱	218,293,172	₱	310,681,365

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

12. INTANGIBLE ASSETS – net

The carrying amounts of the Group's intangible assets as of June 30, 2025 and 2024 are as follows:

		2025		2024
Balance, July 1				
Cost	₱	**369,081,855**	₱	105,099,519
Accumulated amortization		**(129,316,499)**		(12,460,680)
Carrying Amount		**239,765,356**		92,638,839
Movements during the year				
Balance, July 1		**239,765,356**		92,638,83900
Additions		**153,454,245**		263,982,336
Amortization (Note 23)		**(149,277,166)**		(116,855,819)
Balance, June 30		**243,942,435**		239,765,356
June 30				
Cost		**393,219,601**		369,081,855
Accumulated amortization		**(140,277,166)**		(129,316,499)
Carrying Amount	₱	**252,942,435**	₱	239,765,356

In 2025, 2024 and 2023, all additions were paid in cash.

The remaining useful life of computer software is two (2) years.

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

13. RIGHT-OF-USE ASSETS – net

The carrying amounts of the Group's right-of-use assets as of June 30, 2025 and 2024, are as follows:

		2025		2024
Balance, July 1				
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		**291,026,459**		17,263,237
Additions		**190,710,778**		340,329,577
Depreciation		**(163,812,718)**		(66,566,355)
Balance, June 30		**317,924,519**		291,026,459
June 30				
Cost		**570,396,681**		379,685,903
Accumulated depreciation		**(252,472,162)**		(88,659,444)
Carrying Amount	₱	**317,924,519**	₱	291,026,459

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

14. OTHER NON-CURRENT ASSETS

The details of other non-current assets are shown below:

		2025		2024
Refundable deposits (Note 26)	₱	**42,719,447**	₱	33,125,666
Construction bond		**2,310,009**		2,086,944
Others		**-**		1,000,000
	₱	**45,029,456**	₱	36,212,610

15. TRADE AND OTHER PAYABLES

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

		2025		2024
Trade	₱	**337,029,748**	₱	331,242,122
Due to government agencies		**33,788,678**		11,824,222
Customers' deposits		**-**		34,685,463
Gift certificate payable		**-**		3,495,200
Accrued expenses		**-**		1,353,200
	₱	**370,818,426**	₱	382,600,207

The average credit period on purchases of certain goods from suppliers is 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.

16. LOANS PAYABLE

Details of Group's loans payable are as follows:

		2025		2024
Balance, July 1	₱	**550,435,689**	₱	30,000,000
Assumed from business combination		**1,055,000,000**		1,050,000,000
Payments		**(84,451,369)**		(529,564,311)
Balance, June 30	₱	**1,520,984,320**	₱	550,435,689

The loans availed is used for additional working capital of the Group. The loans bear an interest rate of 5.5% to 8% with a term of 180 days to one (1) year. In 2020, the loan was renewed for another one (1) year. The loans are secured by corporate guaranty of Camerton, Inc, a related party under common key management.

In 2025, 2024 and 2023, finance costs incurred and paid amounted to ₱105,194,627, P25,436,409 and P1,817,310, respectively.

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

17. LEASE LIABILITIES

The Group, as lessee, entered into various leasing arrangements as disclosed in Note 26. 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	₱	**75,471,665**	₱	89,119,091	₱	**63,857,836**	₱	70,997,346
Later than one (1) year but not later than five (5) years		**161,667,975**		232,147,196		**146,189,635**		195,574,427
		237,139,640		321,268,311		**210,047,471**		266,571,773
Discount		**(27,092,169)**		(54,694,514)		**-**		-
Present value of minimum lease payments		**210,047,471**		266,571,773		**210,047,471**		266,571,773
Current portion		**63,857,836**		70,997,346		**63,857,836**		70,997,346
Non-current portion	₱	**146,189,635**	₱	195,574,427	₱	**146,189,635**	₱	195,574,427

Movement in lease liabilities are as follows:

		2025		2024
Balance, beginning	₱	**266,571,773**	₱	7,298,695
Additions		**81,715,161**		327,743,444
Finance cost (Note 26)		**15,918,135**		17,575,260
Finance cost paid		**(15,918,135)**		(17,575,260)
Payments		**(138,239,463)**		(68,470,366)
Balance, ending	₱	210,047,471	₱	266,571,773

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 3.02% per annum.

18. RELATED PARTY TRANSACTIONS

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

Related Parties	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

18.01 Due from related parties

18.01.01 Key Management Personnel

Transactions with key management personnel are as follows:

	June 30, 2025		June 30, 2024	
	Amount/ Volume	**Outstanding Balances**	Amount/ Volume	Outstanding Balances
Stockholders				
Advances	₱ -	₱ -	₱ -	₱ 120,000,000

Advances pertain cash given to stockholders for their personal use.

In 2025, 2024 and 2023, the Group partially collected its advances granted to related party amounting to ₱120,000,000, nil and ₱167,081,477, 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 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.

18.02 Remuneration of Key Management Personnel

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

19. CAPITAL STOCK

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

	2025	2024
Capital stock (Note 19.02)	₱ **589,345,528**	₱ 589,345,528
Additional paid-in capital	**1,403,308,680**	1,403,308,680
	₱ **1,992,654,208**	₱ 1,992,654,208

19.01 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 ₱150,000,000 to ₱500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Group from ₱100.00 per share to ₱0.10 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 ₱660,000,000 divided into 6,600,000,000 shares with a par value of ₱0.10 per share.

On June 6, 2023, the Parent Company's Board of Directors and Stockholders approved the increase in authorized capital stock amounting to ₱1,340,000,000 comprising of 11,550,000,000 common shares at ₱0.10 par value per share or equivalent to ₱1,155,000,000 and 9,250,000,000 preferred shares at ₱0.02 par value per share or equivalent to ₱185,000,000. SEC approved the Group's application to increase its authorized capital stock on July 14, 2023.

19.02 Capital Stock

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

		2025		2024
Common shares (Note 19.02.01)	₱	**546,845,528**	₱	546,845,528
Preferred shares (Note 19.02.02)		**42,500,000**		42,500,000
	₱	**589,345,528**	₱	589,345,528

19.02.01 Common Shares

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

	2025			2024		
	Shares		**Amount**	Shares		Amount
Authorized						
₱0.10 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	**5,468,455,280**		**546,845,528**	5,893,455,280		589,345,528
Additional issuance	**-**		**-**			-
Conversion to preferred shares	**-**		**-**	(425,000,000)		(42,500,000)
Balance, end	**5,468,455,280**	₱	**546,845,528**	5,468,455,280	₱	546,845,528

19.02.02 Preferred Shares

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

	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

19.03 Dividend Declaration

On October 12, 2022, Figaro Coffee Group, Inc., the Parent Company declared cash dividend at P0.01936 per share or ₱89,988,900 to stockholders of record as of November 21, 2022. The record date of the declaration of dividend is December 9, 2022.

At the regular meeting held on October 12, 2023, 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, 2023. Dividends paid amounted to ₱147,648,293 during the same year.

At a regular meeting held in 2024, the Board of Directors of Figaro Coffee Group, Inc. (the "Parent Company") approved the declaration of cash dividends amounting to ₱0.027 per share, or a total of ₱147,648,293, to all stockholders. The total amount of ₱147,648,293 was paid during the same year.

19.04 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:

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 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.

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 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 862,767,088 common shares to Monde Nissin Corporation at ₱1 per share.

As of June 30, 2025 and 2024, 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 June 30, 2025 and 2024, the Group is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

19.05 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.

20. 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**

21. REVENUE

The Group's revenue from store sales is as follows:

		2025		2024		2023
Revenue From Contract with Customers						
Angel's Pizza	₱	**4,011,720,138**	₱	3,788,108,771	₱	2,871,594,714
Figaro Coffee Group		**1,511,948,367**		1,487,925,999		1,317,818,050
Tien Ma's Taiwanese Cuisine		**147,775,576**		171,047,442		94,667,950
	₱	**5,671,444,081**	₱	5,447,082,212	₱	4,284,080,714

The Group's revenue includes royalty income received from franchisees amounted to ₱83,321,398, ₱162,592,835, and ₱54,646,352 in 2025, 2024 and 2023, respectively, as disclosed in Note 26.

22. DIRECT COSTS

The following is an analysis of the Group's direct costs:

		2025		2024		2023
Inventories, July 1 (Note 9)	₱	**430,658,720**	₱	178,390,239	₱	95,681,440
Purchases		**1,865,065,419**		2,137,296,642		1,696,221,409
Inventories, June 30 (Note 9)		**(436,935,354)**		(430,658,720)		(178,390,239)
Cost of materials used		**1,858,788,785**		1,885,028,161		1,613,512,610
Direct labor (Note 24)		**600,962,001**		571,931,764		441,584,160
Overhead		**679,395,800**		435,792,519		292,893,653
	₱	**3,139,146,586**	₱	2,945,259,454	₱	2,347,990,423

Details of the overhead is as follows:

		2025		2024		2023
Depreciation (Note 13)	₱	**163,812,718**	₱	66,566,355	₱	6,394,035
Communication, light and water		**134,592,806**		105,085,583		57,349,965
Store and kitchen supplies		**104,211,433**		104,178,264		84,268,309
Rentals (Note 26)		**76,513,787**		29,251,467		53,43,409
Professional fees		**71,235,802**		17,033,696		12,334,827
Security services		**41,577,459**		26,818,052		21,845,053
Taxes and licenses		**33,077,510**		30,624,738		21,665,900
Repairs and maintenance		**32,864,509**		20,970,857		19,555,884
Office supplies		**12,219,017**		-		-
Wastages and spoilage		**3,919,244**		15,268,768		12,930,495
Representation and entertainment		**3,028,890**		2,167,651		493,049
Association Dues		**139,257**		444,142		200,323
Others		**2,203,368**		17,382,946		2,417,404
	₱	**679,395,800**	₱	435,792,519	₱	292,893,653

23. OPERATING EXPENSES

This account is composed of the following expenses:

		2025		2024		2023
Advertisement and promotion	₱	**632,746,297**	₱	891,758,295	₱	610,161,298
Commission		**375,198,561**		293,219,845		260,859,459
Depreciation (Note 11)		**364,498,990**		218,293,172		304,287,330
Amortization (Note 12)		**140,277,166**		116,855,819		5,839,409
Short-term employee benefits (Note 24)		**95,883,591**		92,546,109		52,234,098
Transportation and travel		**71,177,555**		63,942,757		46,934,894
Taxes and licenses		**37,074,524**		27,187,329		14,342,967
Rentals (Note 23)		**11,009,641**		19,183,046		13,095,742
Communication, light and water		**18,667,132**		15,776,063		16,985,069
Representation and entertainment		**6,643,847**		12,475,292		10,428,955
Professional fees		**3,137,362**		5,718,347		7,048,094
Security services		**3,716,630**		3,116,242		3,349,209
Retirement benefits (Note 24)		**2,259,792**		2,718,667		2,683,409
Supplies		**1,339,111**		962,367		1,739,403
Repairs and Maintenance		**1,472,550**		10,172,757		1,509,349
Insurance		**1,081,467**		1,297,377		432,095
Management fees		**-**		-		5,000,000
Others		**20,850,949**		39,023,021		54,126,760
	₱	**1,787,035,165**	₱	1,814,246,505	₱	1,357,006,132

24. EMPLOYEE BENEFITS

Aggregate employee benefits expense, as disclosed in Notes 23 and 24, is comprised of:

		2025		2024		2023
Short-term employee benefits (Note 24.01)	₱	**696,845,592**	₱	716,984,883	₱	493,818,258
Retirement Benefits (Note 24.02)		**2,259,792**		2,718,667		2,683,409
	₱	**699,105,384**	₱	719,703,550	₱	496,501,667

24.01 Short-term Employee Benefits

An analysis of the Company's short-term employee benefits as disclosed in Notes 23 and 24 is as follows:

		2025		2024		2023
Salaries and wages	₱	**512,817,736**	₱	596,510,725	₱	409,007,166
SSS, PhilHealth and HDMF contributions		**59,816,812**		48,392,585		63,722,329
Other employee benefits		**124,211,043**		19,574,563		21,088,763
	₱	**696,845,592**	₱	664,477,873	₱	493,818,258

Allocation of short-term employee benefits is as follows:

		2025		2024		2023
Cost of sales (Note 23)	₱	**600,962,001**	₱	571,931,764	₱	441,584,160
Operating expenses (Note 24)		**95,883,591**		92,546,109		52,234,098
	₱	**696,845,592**	₱	664,477,873	₱	493,818,258

24.02 Post-employment Benefits

24.02.01 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:

	2025	2024
Discount rate	**7.20%**	**7.20%**
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).

	2025	2024
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**
June 30, 2025			
Discount rate	**+/-1.00%**	**7.20%**	**5.20%**
Salary increase rate	**+/-1.00%**	**6.00%**	**4.00%**
June 30, 2024			
Discount rate	+/-1.00%	6.00%	4.00%
Salary increase rate	+/-1.00%	5.00%	5.00%

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		2023
Current service cost	**₱**	**1,245,063**	₱	1,245,063	₱	1,716,489
Interest on the retirement benefit obligation		**1,014,729**		1,473,604		1,098,921
	₱	**2,259,792**	₱	2,718,667	₱	2,815,410

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, 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		**6,042,014**		**(13,412,332)**		**(7,369,318)**		**1,769,381**		**(5,599,937)**
Amount recognized during the year		-		-		-		-		-
Gain (loss) Balance at June 30, 2025	**₱**	**6,042,014**	**₱**	**(13,412,332**	**P**	**(7,369,318)**	**₱**	**1,769,381**	**P**	**(5,599,937)**

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

		2025		2024
Balance, July 1	**₱**	**13,836,726**	₱	21,903,845
Current service cost		**1,245,063**		1,245,063
Interest expense		**1,014,729**		1,473,604
Actuarial loss (gain)		**-**		(10,785,786)
	₱	**16,096,518**	₱	13,836,726

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.

25. FRANCHISE AGREEMENTS

25.01 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.

Deposits paid by the franchisees amounted to nil and ₱34,685,463 as of June 30, 2025 and 2024, respectively, which are to be refunded upon termination of the franchise agreement. The decrease in deposits as of June 30, 2025 was primarily due to the termination and renewal of certain franchise agreements during the period, wherein the related deposits were either refunded to franchisees or applied to existing obligations in accordance with the terms of the agreements.

Royalty received from franchisees amounted to ₱83,321,398 and ₱162,592,835 in 2024 and 2023, respectively, as disclosed in note 21.

26. LEASE AGREEMENT

26.01 The Group as a Lessee

The Group has 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 June 30, 2025 and 2024 amounted to ₱208,928,903 and ₱291,026,459, respectively, while lease liabilities amounted to ₱210,047,471 and ₱266,571,773, respectively.

26.01.01 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.

Prepaid rent, pertaining lease payments not recognized as lease liability, as of June 30, 2025 and 2024, amounted to ₱47,712,572 and ₱1,233,630, respectively, as disclosed in Note 10. Refundable deposits paid by the Group amounted to ₱42,719,447 and ₱33,125,666, as of June 30, 2025 and 2024, as disclosed in Note 14.

At reporting dates, the Group had outstanding commitments for future minimum lease payments amounting to ₱2,412,303.

27. INCOME TAXES

27.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2025		2024	2023
Current tax expense	₱	**138,478,263**	₱	42,215,083	154,422,787
Deferred tax (benefit) expense		**(564,948)**		203,664	(236,147)
	₱	**137,913,315**	₱	42,418,747	154,186,640

28. 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, July 1, 2023	₱	**5,475,961**	**P**	**258,959**	**P**	**5,734,920**
Recognized in profit or loss		**679,667**		**(476,003)**		**(203,664)**
Recognized in other comprehensive income		**(2,696,447)**				**(2,696,447)**
Balance, June 30 2024	₱	**3,284,176**	**P**	**(278,186)**	**P**	**3,242,137**
Recognized in profit or loss		**564,948**		**-**		**564,948**
Balance, June 30 2025	₱	**3,849,124**	**P**	**(278,186)**	**P**	**3,807,085**

29. BASIC EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

		2025		2024		2023
a. Net income (loss) from operations/ attributable to ordinary equity holders of the Group for earnings	₱	**629,573,160**	₱	628,410,133	₱	462,559,919
b. Weighted average number of ordinary shares for the purposes of earnings per share		**5,468,455,280**		5,680,955,885		5,270,822,345
c. Earnings per share (a/b)		**0.12**		0.11		0.09

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
June 30, 2025				
Outstanding shares at the beginning of the period	**5,468,455,280**	**6/12**	**2,734,227,640**	**2,734,227,640**
Outstanding shares at the end of the period	**5,468,455,280**	**6/12**	**2,734,227,640**	**2,734,227,640**
				5,468,455,280
June 30, 2024				
Outstanding shares at the beginning of the period	5,893,456,490	6/12	2,946,728,245	2,946,728,245
Outstanding shares at the end of the period	5,468,455,280	6/12	2,734,227,640	2,734,227,640
				5,680,955,885
June 30, 2023				
Outstanding shares at the beginning of the period	4,648,188,200	6/12	2,324,094,100	2,324,094,100
Outstanding shares at the end of the period	5,893,456,490	6/12	2,946,728,245	2,946,728,245

30. FAIR VALUE MEASUREMENTS

30.01 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 June 30, 2025 and 2024 are presented below:

		2025			2024		
		Carrying Amount		**Fair Value**		Carrying Amount		Fair Value
Financial Assets:								
Cash	₱	**331,302,750**	₱	**331,302,750**	₱	374,934,405	₱	374,934,405
Trade receivables		**199,942,530**		**199,942,530**		164,034,685		164,034,685
Due from related parties		**-**		**-**		120,000,000		120,000,000
Other non-current assets		**45,029,456**		**45,029,456**		36,212,610		36,212,610
	₱	**576,274,736**		**576,274,736**	₱	695,181,700	₱	695,181,700
Financial Liabilities:								
Trade and other payables	₱	**337,029,748**	₱	**337,029,748**	₱	331,242,122	₱	331,242,122
Loans payable		**1,520,984,320**		**1,520,984,320**		550,435,689		550,435,689
Lease liabilities		**210,047,471**		**210,047,471**		266,571,773		266,571,773
	₱	**2,068,061,539**	₱	**2,068,061,539**	₱	1,148,249,584	₱	1,148,249,584

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.

31. 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.

31.01 Market Risk Management

31.01.01 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.

31.02 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 are as follows:

		2025		2024
Cash in banks	₱	**320,113,866**	₱	361,067,005
Trade receivables		**199,942,530**		164,034,685
Due from related parties		**-**		120,000,000
Other non-current assets		**45,029,456**		36,212,610
	₱	**565,085,852**	₱	681,316,324

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:

		June 30, 2025				
	PD rate	**LGD rate**		**EAD**		**ECL**
	a	**B**		**C**		**d=a*b*c**
Cash in banks	**0.00%**	0.00% to 99.06%	**₱**	**320,113,866**	**₱**	**-**
Trade receivables	**0.00%**	100.00%		**199,942,530**		**-**
Due from related parties	**0.00%**	100.00%		**-**		**-**
Other non-current assets	**0.00%**	100.00%		**45,029,456**		**-**
			₱	**565,085,852**	**₱**	**-**

		June 30, 2024				
	PD rate	LGD rate		EAD		ECL
	a	B		C		d=a*b*c
Cash in banks	0.00%	0.00% to 98.75%	₱	361,067,005	₱	-
Trade receivables	0.00%	100.00%		164,034,685		-
Due from related parties	0.00%	100.00%		120,000,000		-
Other non-current assets	0.00%	100.00%		36,212,610		-
			₱	681,314,300	₱	-

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 99.06% and 0.00% to 98.75% as of June 30, 2025 and 2024, 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 2025 and 2024, 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 7.96% and 5.21% of the total financial assets as of June 30, 2025 and 2024, 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.

31.03 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 required to pay.

	Weighted Average Interest Rate	On Demand	Within one (1) Year	One (1) – Five (5) Years	Total
June 30, 2025					
Trade and other payables	**-**	**₱ -**	**₱ 337,029,748**	**₱ -**	**₱ 337,029,748**
Loans payable	**5.5%**	**-**	**540,984,320**	**980,000,000**	**1,520,984,320**
Lease liabilities	**2.3% to 6%**	**-**	**63,857,836**	**146,189,635**	**210,047,471**
		₱ -	**₱ 941,871,904**	**₱ 1,126,189,635**	**₱ 2,068,061,539**
June 30, 2024					
Trade and other payables	-	₱ -	₱ 331,242,122	₱ -	₱ 331,242,122
Loans payable	5.5%	-	550,435,689	-	550,435,689
Lease liabilities	2.3% to 6%	-	70,997,346	195,574,427	266,571,773
		₱ -	₱ 952,675,157	₱ 195,574,427	₱ 1,148,249,584

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
June 30, 2025									
Cash on hand	**-**	**₱**	**11,188,884**	**₱**	**-**	**₱**	**-**	**₱**	**11,188,884**
Cash in banks	**Floating rate**		**320,113,866**		**-**		**-**		**320,113,866**
Trade receivables	-		**-**		**199,942,530**		**-**		**199,942,530**
Due from related parties	-		**-**		**-**		**-**		**-**
Other non-current assets	-		**-**		**-**		**45,029,456**		**45,029,456**
		₱	**331,302,750**	**₱**	**199,942,530**	**₱**	**45,029,456**	**₱**	**576,274,736**
June 30, 2024									
Cash on hand	-	₱	13,867,400	₱	-	₱	-	₱	13,867,400
Cash in banks	Floating rate		361,067,005		-		-		361,067,005
Trade receivables	-		-		164,034,685		-		164,034,685
Due from related parties	-		120,000,000		-		-		120,000,000
Other non-current assets	-		-		-		36,212,610		36,212,610
		₱	494,934,405	₱	164,034,685	₱	36,212,610	₱	695,181,700

32. 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 is as follows:

		2025		2024
Debt	₱	**2,117,946,735**	₱	1,256,066,806
Cash		**331,302,750**		374,934,405
Net debt		**1,786,643,985**		881,132,401
Equity		**3,572,246,382**		3,090,321,515
Net debt to equity ratio		**0.50:1**		0.29:1

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

33. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

		2025		2024
Beginning balance, July 1	₱	**817,007,462**	₱	37,298,695
Changes from financing cash flows				
Availments of loan		**1,055,000,000**		1,050,000,000
Finance cost incurred		**105,194,627**		43,011,669
Additions to lease liabilities		**81,715,161**		327,743,444
Finance cost paid		**(105,194,627)**		(43,011,669)
Payment of lease liabilities		**(138,239,463)**		(68,470,366)
Dividend declaration		**147,648,293**		147,648,293
Dividend payment		**(147,648,293)**		(147,648,293)
Payment of loan		**(84,451,369)**		(529,564,311)
Ending balance, June 30	₱	**1,731,031,791**	₱	817,007,462

34. APPROVAL OF FINANCIAL STATEMENTS

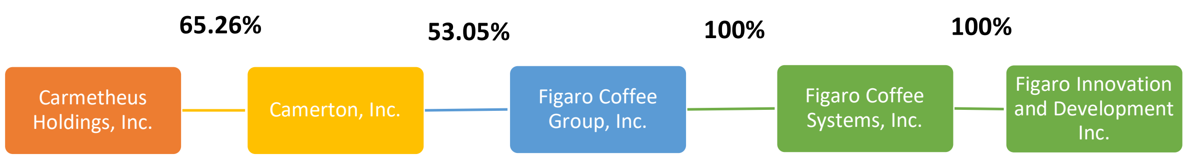
These consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 5, 2025.

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

June 30, 2025

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
INDEX I
Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsidiaries

June 30, 2025



FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
INDEX II
Reconciliation of Retained Earnings Available for Dividend Declaration
June 30, 2025

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)		**18,750,429.00**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s		
Effect of restatements of prior-period adjustments		
Others (describe nature)		
Sub-total		-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period		
Retained Earnings appropriated during the reporting period		
Effect of restatements of prior-period adjustments		
Others (describe nature)		
Sub-total		-
Unappropriated Retained Earnings, as adjusted		**18,750,429.00**
Add/Less: Net Income (Loss) for the current year		**629,573,160**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		
Unrealized fair value gain of investment property		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)		
Sub-total		**-**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)		
Realized fair value adjustment (mark-to-market gains) of financial instrumetns at fair value through profit or loss (FVTPL)		
Realized fair value gain of investment property		
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)		
Sub-total		**-**
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		
Reversal of previously recorded fair value gain of Investment Property		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)		
Sub-total		**-**
Adjusted Net Income/Loss		**648,323,588.91**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		
Sub-total		**-**

Add/Less: <u>Category E</u>: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief		
Total amount of reporting relief granted during the year		
Others (describe nature)		
Sub-total		-
Add/Less: <u>Category F</u>: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable		
Adjustment due to deviation from PFRS/GAAP - gain (loss)		
Others (describe nature)		
Sub-total		-
Total Retained Earnings, end of the reporting period available for dividend		**648,323,588.91**

FOOTNOTES

(1) *The amount of retained earnings of a company shouldbe based on its separate ("stand-alone") audited financial statements.*

(2) *Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declation" of the immediatedly preceding period.*

(3) *Adjustments related to the relief provided by the SEC and BSP pertan to accounting relief (e.g. losses that are reported on a staggered basis) granted by the regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.*

(4) *This Reconciliation of Retained Earnings Availble for Dividend Declaration in pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and Implementing Rules and Regulations*

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

INDEX III

Financial Soundness Indicators

June 30, 2025

	Formula	Amount	Ratio
1 Current Ratio	**Current Assets/Current Liabilities**		₱ **1.21**
	Current Assets	1,180,244,269.00	
	Current Liabilities	975,660,581.91	
2 Debt/Equity Ratio	**Bank Debts/ Total Equity**		**0.43**
	Bank Debts	1,520,984,320.00	
	Total Equity	3,572,246,382.00	
3 Net Debt/Equity Ratio	**Bank Debts-Cash & Equivalents**		**0.33**
	Bank Debts-Cash	1,189,681,570.00	
	Total Equity	3,572,246,382.00	
4 Asset to Equity Ratio	**Total Assets/Total Equity**		**1.59**
	Total Assets	5,690,193,117.00	
	Total Equity	3,572,246,382.00	
5 Interest Cover Ratio	**EBITDA/Interest Expense**		**13.83**
	EBITDA	1,454,791,713.20	
	Interest Expense	105,194,627.29	
6 Profitability Ratios			
6.1 GP Margin	**Gross Profit/Revenues**		**0.45**
	Gross Profit	2,532,297,494.96	
	Revenues	5,671,444,081.01	
6.2 Net Profit Margin	**Net Income/Revenues**		**0.11**
	Net Income	629,573,159.91	
	Revenues	5,671,444,081.01	
6.3 EBITDA Margin	**EBITDA/Revenues**		**0.26**
	EBITDA	1,454,791,713.20	
	Revenues	5,671,444,081.01	
6.4 Return on Assets	**Net Income/Total Assets**		**0.11**
	Net Income	629,573,159.91	
	Total Assets	5,690,193,117.00	
6.5 Return on Equity	**Net Income/Total Equity**		**0.18**

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE A
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
June 30, 2023

Name of Issuing entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position *	Valued based on market quotations at end of reporting period	Income received or accrued
Amounts owed by related parties				
Stockholders	Not applicable	₱ -	-	nil
Cash				
Banks	Not applicable	320,113,866	320,113,866	nil
Trade receivables				
Customers	Not applicable	199,942,530	199,942,530	nil
Other non-current assets				
Lessors	Not applicable	42,719,447	42,719,447	nil
Contractors	Not applicable	2,310,009	2,310,009	nil
Others	Not applicable	-	-	nil
	₱ -	**₱ 565,085,852**	**₱ 565,085,852**	**₱**

Amounts owed by related parties
Outstanding balance is based on the amount received from the related parties less collections as of end of reporting period.

Cash
Gross carrying amount of cash in banks.

Trade receivables
Gross carrying amount of receivables from customers

Other non-current assets
Gross carrying amount of other non-current assets

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

SCHEDULE B

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

June 30, 2025

			Amounts owed by Related Parties				
Name and designation of debtor *	**Balance at beginning of period**	**Additions**	**Amounts collected****	**Amounts Written Off *****	**Current**	**Not Current**	**Balance at the end of the period**
Key management personnel							
Stockholders	120,000,000	-	120,000,000	-	-	-	**-**
	₱ 120,000,000	**₱ -**	**₱ 120,000,000**	**₱ -**	**₱ -**	**₱ -**	**₱ -**

* The amounts outstanding are non-interest bearing, unsecured, will be settled in cash and collectible on demand. No guarantees or collateral have been received.

** All amounts collected were in cash.

*** No amount written off during the period.

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

SCHEDULE C

SUPPLEMENTARY SCHEDULE OF AMOUNTS OF RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

June 30, 2025

Receivables from related parties which are eliminated during the consolidation							
Name and designation of debtor	**Balance at beginning of period**	**Additions**	**Amount collected**	**Amount written off**	**Current**	**Not current**	**Balance at end of period**

----- Nothing to Report ------

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE D
SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
June 30, 2025

Long-term Debt			
Title of issue and type of obligation	**Amount authorized by indenture**	**Amount shown under caption “current portion of long-term” in related Statement of Financial Position**	**Amount shown under caption “long-term debt” in related Statement of Financial Position**

----- Nothing to Report ------

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE E
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
June 30, 2025

Indebtedness to related parties (Long-term loans from related companies)		
Name of related party	**Balance at beginning of period**	**Balance at end of period**

----- Nothing to Report ------

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE F
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
June 30, 2025

Guarantees of Securities of Other Issuers				
Name of issuing entity of securities guaranteed by the company for which this statement is filed	**Title of issue of each class of securities guaranteed**	**Total amount guaranteed and outstanding**	**Amount owned by person for which statement is filed**	**Nature of guarantee**

----- Nothing to Report ------

FIGARO CULINARY GROUP, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE RELATED INFORMATION

30 JUNE 2025

	Current Year	Prior Year
	2025	**2024**
Total Audit Fees	**1,107,680.00**	**1,492,738.70**
Non-audit services fees:	0.00	0.00
Other assurance services	0.00	0.00
Tax Services	0.00	0.00
All other services	0.00	0.00
Total Non-audit Fees	**0.00**	**0.00**
Total Audit and Non-audit Fees	**1,107,680.00**	**1,492,738.70**