

## COVER SHEET

SEC Registration Number

1	4	7	8	2					
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Company Name

L	I	B	E	R	T	Y		F	L	O	U	R		M	I	L	L	S	,		I	N	C	.		A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S																		

Principal Office (No./Street/Barangay/City/Town/Province)

L	i	b	e	r	t	y		B	u	i	L	D	i	n	g	,		8	3	5		A	.		A	r	n	a	i
z		A	v	e	n	u	e	,		M	a	K	a	t	i		C	i	t	y									

Form Type

1	7	-	A
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Department requiring the report

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Secondary License Type, If Applicable

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### COMPANY INFORMATION

Company's Email Address

info@libertygroup.com.ph

Company's Telephone Number/s

(02) 8892-5011

Mobile Number

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No. of Stockholders

451

Annual Meeting Month/Day

Last Wednesday of May

Fiscal Year Month/Day

December 31

### CONTACT PERSON INFORMATION

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

Name of Contact Person

Maria Luisa L. Quizon

Email Address

mlquizon@libertygroup.com.ph

Telephone Number/s

(02) 8892-5011

Mobile Number

09178294869

Contact Person's Address

Liberty Building, 835 A. Arnaiz Avenue, Makati City

**Note:** 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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended December 31, 2024
2. SEC Identification Number 14782 3. BIR Tax Identification No. 000-128-846-000
4. Exact name of issuer as specified in its charter LIBERTY FLOUR MILLS, INC.
5. MANILA Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. LIBERTY BUILDING, A. ARNAIZ AVENUE, MAKATI CITY 1223  
Address of principal office Postal Code
8. (632) 8892-5011  
Issuer's telephone number, including area code
9. NONE  
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<br>Outstanding and Amount of Debt Outstanding |
|---------------------|--|
| <u>COMMON</u>       | <u>150,000,000</u>   |
| .....               | .....  |
| .....               | .....  |
11. Are any or all of these securities listed on a Stock Exchange.
- Yes [☒] No [☐]
- If yes, state the name of such stock exchange and the classes of securities listed therein:  
PHILIPPINE STOCK EXCHANGE COMMON
12. Check whether the issuer:
- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
- Yes [☒] No [☐]
- (b) has been subject to such filing requirements for the past ninety (90) days.
- Yes [☒] No [☐]

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

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

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

Yes [ ☐ ]      No [ ☒ ]

**DOCUMENTS INCORPORATED BY REFERENCE**

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

(a) Any annual report to security holders; **-NA-**

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

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



**LIBERTY FLOUR MILLS, INC.**

**2024  
ANNUAL REPORT**

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **1. Business of the Company**

Liberty Flour Mills, Inc. (the "Company") is a stock corporation incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 26, 1958. On December 28, 2008 the Company extended its corporate life for another 50 years. The Parent Company is primarily engaged in the business of manufacturing flour, utilization of its by-products and the distribution and sales of its produce. The common shares of the Parent Company were listed beginning January 24, 1966 and have been traded in the Philippine Stock Exchange (PSE) since then.

Liberty Flour Mills, Inc. currently has two (2) subsidiaries, namely:

- a.) LFM Properties Corporation (LPC) – 58.60 % ownership
- b.) Liberty Engineering Corporation (LEC) -100% ownership

LFM Properties Corporation was incorporated and registered in the Philippines on December 18, 1995 while Liberty Engineering Corporation was incorporated and registered with SEC on December 10, 1965 and extended its corporate life for another 50 years from December 31, 2015.

LFM Properties Corporation is engage in the business of leasing out office spaces and condominium units. Liberty Engineering Corporation is on sale, lease and purchase of equipment and machinery.

### **Products**

The products of the Company consist mainly of flour products and its by-products. The following is a description of the primary products produced by the Company:

#### **1. Bakery Flour**

- a. El Superior and LFM Bakers

El Superior and LFM Bakers are the Company's flour products which undergo the same processes as the other flour products the Company produces. These products are hard variety of flour best for making pandesal and loaf bread. El Superior is marketed exclusively by Parity Values, Inc., while LFM Bakers is marketed by Liberty Commodities Corporation.

- b. Pine Tree and LFM Soft

Pine Tree and LFM Soft are soft variety of flour which are best used for making biscuits and cookies. Pine Tree and LFM soft are marketed by Trade Demands Corporation and Liberty Commodities Corporation, respectively.

## 2. **Mill Feed**

Mill Feed is a flour by-product which is sold for animal feeds.

Other than the products above-mentioned, the Company currently has no new products or services under development.

### **Services**

The Company is likewise engaged in the business of leasing out office and commercial spaces at its property in Mandaluyong City. LFM Properties Corporation leases out excess office spaces at its head office at Liberty Building in Makati City which it acquired from the Company. It also leases out commercial and office spaces as follows: (1) a 21-storey building – Liberty Plaza located at 102 H.V. Dela Costa Street corner Valero and San Agustin Streets, Salcedo Village, Makati City which was completed in 2019 and is fully leased out to local and foreign corporations as well as some foreign embassies and consulates; (2) a 21-storey building – Liberty Center at 104 H. V. Dela Costa Street corner L. P. Leviste and San Agustin Streets in Salcedo Village, Makati City which was completed in Year 2000; and (3) a 2,094 square meter more or less property in Ortigas Center which is currently leased out as a parking lot. Future plans for the Ortigas Center property are not yet definite although studies are being undertaken for a 2-storey structure to be leased out to commercial and service establishments.

The relative contribution of the Company's products and services to its sales or revenues are as follows:

Products/Services	Percentage of Sales/Revenues
Hard Flour	65%
Soft Flour	20%
Mill Feed	12%
Rental Income	3%

### **Customers**

#### **Transactions with and/or Dependence on Related Parties**

The Company's products are exclusively distributed and marketed by Parity Values, Inc., Trade Demands, Corp., and Liberty Commodities Corp. The Company sells its products mainly on a wholesale basis principally to bakeries, institutional end-users

(i.e. pastry and cake shops) as well as supermarkets members of the baking and food supply industry nationwide.

In view of the Company's distribution structure, the Company is largely dependent on the distribution capability of its three (3) distributors whereby the loss of any of the three (3) would have a material adverse effect on the business.

The Company's products are distributed to the above-mentioned distributors as follows:

Distributor	Percentage to Sales
Parity Values, Inc.	57%
Trade Demands, Corp.	15%
Liberty Commodities Corp.	28%

### Competition

Considering that competition in the supply of flour, bakery and mill products is very stiff now, the Company believes that product pricing, customer service and satisfaction and product performance will ultimately determine market leadership. Currently, the Company's market strategy follows such belief and the Company is confident that by making the quality of its products more superior than that of its competitors, while maintaining the competitiveness of its prices, it will be able to maintain, if not further improve, its standing in the industry.

There are now about twenty two (22) major flour millers in the country who are currently undertaking the same business as the Company.

Back then in the 1960s only eight (8) were competing with the Company being part of this group namely RFM Corporation, Liberty Flour Mills, Inc., General Milling Corp., Wellington Flour Mills Corp., Pacific Flour Mills, Inc., Pilmico Foods Corp., Philippine Flour Mills, Universal Robina Corp.

In 1990s, the following established their own mills: San Miguel Corp., Philippine Foremost Milling Corp., Morning Star Milling Corp., Delta Milling Corp.

Then in 2010 -2018 newer mills have joined the industry and made competition stronger and these are: Monde Nissin Corp., Atlantic Grains Corp. Asian Grain, Inc., New Hope Flour Milling Corp., Great Earth Industrial Food, Inc., North Star Flour Mill, Mabuhay Interflour Mill, Agri-Pacific Corp. (Rebisco), Big-C Agri Miller, California Flour Mill Group

### Purchase of Raw Materials and Supplies

The principal raw materials for flour manufacturing which is wheat is fully imported are obtained on a competitive basis from many different sources that are readily available, both in the Philippines and abroad such as: CHS, Inc., Bunge Asia PTE. Ltd. and Columbia Grain Int'l, LLC.

## Employees

As of December 31, 2024, the Company has reduced to 64 regular and probationary employees as per below compared to previous years of about 70 -120 employees. The reduction in number of employees is primarily due to streamlining of work processes in the plant as a result of the new mill equipment installed that require lesser human Intervention.

Type of Employee	Number of Employees
Executive / Managerial	8
Administrative	5
Clerical	5
Operations	46
Total	64

The rank-and-file employees and the supervisory employees are subject to separate Collective Bargaining Agreements (CBA). Both existing CBAs expired on June 30, 2024. However, a new CBA was concluded in October 2024 for the years covering July 1, 2024 to June 30, 2029. The CBA generally cover a five-year term with a right to renegotiate the economic provisions of the agreement after three years, and contain provisions for the annual salary increases and signing bonus. Before the end of June 30, 2027, a renegotiation for the remaining 2 years will be renegotiated.

Overall, the relationship between management and labor has been good.

The Company has a funded, noncontributory defined benefit retirement plan covering all of the regular employees of Liberty Flour Mills, Inc. The plan provides retirement, separation, disability and death benefits to its members. The funds of the plan are administered and managed by the trustees.

The Company's subsidiary has the following employees:

Type of Employees	LFM Properties Corp.
Executive/Managerial	5
Administrative	3
Clerical	0
Operations	9
Total	17



### Working Capital

The working capital required by the Company in its business is from internally generated funds and bank borrowings.

### Sales

All sales by the Company of its products are sold locally or to the domestic market. The Company does not export nor cater to foreign consumers.

### Effect of any existing or probable government regulation on the business of the Company

The Company's products are subject to evaluation and approval by the Food and Drug Administration. The Company ensures that all its products comply with strict government and health standards.

Other than as mentioned above, the Company is not aware of any existing or probable government regulations that would have an effect on the business of the Company. Should there be new government regulations that would have an adverse effect on the Company's business; the Company believes that it will have to make adjustments in its business so that it may comply with such new regulations.

The Company is compliant with government regulating agencies relative to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water and waste water discharges, odor emissions, and the management of, disposal of, and exposure to hazardous materials. Clearances and permits are secured and required reports are submitted within the mandated period

### Research and Development

None of the research and development expenses are borne directly by the Company's customers.

On the other hand, the subsidiaries are not expected to spend any amount for development activities.

### Patents

The Company enters into royalty agreements covering its products. The Company regularly ensures that all such agreements are valid and subsisting and takes earnest efforts in protecting its right to such agreements.

The Company's Royalty Agreement with General Mills, Inc., a Delaware Corporation, involving the license to use the trademark Softasilk has expired in 2003.

The Royalty Agreement of the Company with General Mills, Inc. for the exclusive license to use the trademark Gold Medal expired in December 2009.

### Cost of Compliance with Environmental Laws

The Company was granted Environmental Compliance Certificate (ECC) by the DENR-NCR after complying with the Environmental Impact Statement (EIS) System requirements as prescribed in the guidelines of the Implementing Rules & Regulations of Presidential Decree No. 1586. A Permit To Operate pursuant to Clean Air Act (RA 8749) is granted to the Company with annual fees of around P19, 700.00 and other charges.

### Major Risks Involved

The Company is affected by foreign exchange fluctuation considering that its supplies and raw materials are sourced abroad. Similarly, increase in the price of wheat in the world market poses as a major risk to the Company. When necessary, the Company adjusts the prices of its products in order to meet changes in the currency rates and prices.

The properties of the Company and its subsidiary are sufficiently insured with reputable insurance companies.

## **2. Properties**

The properties of the Company consist of the following:

1. A parcel of land with a flour mill located at F.Blumentritt Ext., Mandaluyong City which serve as the manufacturing plant of the Company for its flour and feeds products;
2. A parcel of land located at the border of Angono and Teresa, Rizal which is not used in operation;
3. A parcel of land with a building located along Boni cor. P. Cruz, Mandaluyong City which is being leased out to tenants; and
4. A parcel of land with a building located at A.Arnaiz Avenue, Makati City

The Company entered into a Contract to Sell for the purchase of land and building with its subsidiary - LPC on November 9, 2023 for a consideration of P980.00 million (exclusive of VAT) payable on installment basis which must be fully paid on or before November 30, 2024. The Deed of Absolute Sale was executed and the absolute transfer of Liberty Building to LPC was made upon the tender of the instalment payment.

All of the above transactions are at arm's length and above board.

The Company also owns several properties which were purchased for investment purposes, namely:

1. A parcel of land located in Cabuyao, Laguna
2. A parcel of land located in Tagaytay
3. A parcel of land in Angeles City
4. A parcel of land in FTI Taguig
5. An office unit in PSE, Fort BGC
6. A parcel of land in Lemery, Batangas

All of the Company's properties are owned by it as absolute and registered owner.

The Company currently does not have any plans of acquiring any other real property within the next twelve (12) months.

### **3. Legal Proceedings**

The Company is involved in legal proceedings and tax assessments and claims occurring in the ordinary course of business. In consultation with the Group's external legal counsels, management believes that the ultimate disposition of the above matters will not have any material adverse effect on the Group's operations or its financial condition.

However, there are no pending criminal cases filed against the Company or any of its directors and key officers.

### **4. Submission of Matters to a Vote of Security Holders**

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this Report.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### 5. Market for Company's Common Equity and Related Stockholder Matters

#### Market Information

The shares of the Company consist solely of common shares which are presently listed and traded in the Philippine Stock Exchange. The high and low sales prices for the shares of the Company for each quarter within the last two fiscal years are as follows:

<b>2024</b>	<b>High</b>	<b>Low</b>
First Quarter	14.02	14.02
Second Quarter	15.10	15.10
Third Quarter	13.32	13.32
Fourth Quarter	18.00	17.50
<b>2023</b>	<b>High</b>	<b>Low</b>
First Quarter	16.70	16.70
Second Quarter	14.14	14.14
Third Quarter	14.88	14.88
Fourth Quarter	15.98	15.98

#### Holders

As of December 31, 2024, there are 451 holders of common shares of stocks of the Company.

The top 20 stockholders of the Company as of December 31, 2024 are as follows:

	<b>Name of Stockholder</b>	<b>Number of Shares held</b>	<b>Percentage</b>
1.)	Parity Values, Inc.	59,891,231	39.93%
2.)	PCD Nominee Corp.(F)	49,251,398	32.83%
3.)	Bacsay Management Corp.	5,589,742	3.73%
4.)	Sebring Management Corp.	3,122,102	2.08%
5.)	E.K.I Tourist Dev. Corp.	2,855,505	1.90%
6.)	L & J Agricultural Inc.	2,417,841	1.61%
7.)	Moreno, Jose Jr.	928,277	0.62%
8.)	Lopez Jr., Eduardo	915,468	0.61%
9.)	Pulmones, Amelia Kalaw	913,613	0.61%
10.)	Carvina Farms Inc.	769,920	0.51%
11.)	Feria, Paula K.	737,112	0.49%
12.)	Lopez, Jose Ma. S.	735,647	0.49%
13.)	Fajardo, Erwin M.	697,337	0.46%
14.)	Kalaw, Regina	628,116	0.42%
15.)	Hsu, Philip	602,405	0.40%
16.)	Galan, Norma Yu	524,745	0.35%
17.)	Fajardo, Eric	521,796	0.35%
18.)	Javellana, Maria Teresa V.	509,493	0.34%
19.)	PCD Nominee Corp.(NF)	499,145	0.33%
20.)	Maramba III, Felix R.	487,934	0.33%

## Dividends

### Cash Dividends

The average cash dividend per share of the Company was ₱2.00 and ₱0.30 in 2024, ₱0.20 and ₱0.50 in 2023 and ₱0.30 in 2022.

The following table contains information regarding the cash dividend declaration and distribution on the common stock of the Company for the years 2024, 2023 and 2022.

	Dividend Type	Record Date / Date of Payment	Rate	Amount
For 2024	Cash	December 18, 2024 / February 04/ 2025	20%	P300,000,000.00
	Cash	May 29, 2024 / July 12, 2024	3%	P 45,000,000.00
For 2023	Cash	November 15, 2023 / December 6, 2023	2%	P 30,000,000.00
	Cash	April 19, 2023 / May 12, 2023	5%	P75,000,000.00
For 2022	Cash	December 16, 2022 / December 28, 2022	3%	P45,000,000.00

### Property Dividends

On May 29, 2024, the BOD approved the declaration of property dividends in the form of 14.55 billion common shares of LPC (with a par value of ₱0.01 per share), with an entitlement ratio of ninety-seven (97) shares of LPC for every one (1) share of the Company, to eligible stockholders of the Company as of record date of June 19, 2024. As of December 31, 2024, no approval yet from SEC.

On November 25, 2020, the Parent Company's BOD approved the declaration of property dividends of 10.35 billion common shares of LPC (with a par value of ₱0.01 per share), with an entitlement ratio of sixty-nine (69) shares of LPC for every one (1) share of the Parent Company, to eligible stockholders of the Parent Company as of record date of December 18, 2020. In August 2021, LPC secured the SEC approval while in November 2021, the application for Certificate of Registration has been approved by the BIR but the release of eCARs was partially done for the 439 stockholders by BIR. The stock certificates for property dividends were distributed on June 30, 2022.

Below is the schedule of Retained Earnings available for Dividend Declaration:

Unappropriated retained earnings, beginning	₱1,681,767,138
Add: Net income for the current year	104,008,481
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	1,282,527
Net movement of deferred tax asset	249,188
Net income as adjusted	1,787,307,334
Less: Cash dividend declaration during the year	(345,000,000)
Total retained earnings, end of the reporting period available for dividend	₱1,442,307,334

Recent Sales of Unregistered or Exempt Securities, including Recent Issuance of Securities Constituting an Exempt Transaction

The Company has not sold any securities, whether unregistered or exempt or any issuance constituting an exempt transaction under the Revised Securities Act (RSA) or the Securities Regulation Code (SRC), during the past three (3) years.

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

*The selected financial information of the Company set forth below are derived from the audited financial statements submitted by Sycip Gorres Velayo & Co. for 2024:*

**Income Statement Data**

For the Year December 31  
(in Millions)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Income	1,267,080	1,567,756	1,548,394
Expense	(1,138,902)	(1,605,452)	(1,617,257)
Income Before Tax	128,178	(37,696)	(68,863)
Provision for Tax	(20,978)	(731)	(830)
Net Income	<u>107,200</u>	<u>(38,427)</u>	<u>(69,693)</u>

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this Annual Report.

## Results of Operations

### CY 2024

On May 29, 2024, the BOD approved the declaration of property dividends in the form of 14.55 billion common shares of LPC (with a par value of ₱0.01 per share), with an entitlement ratio of ninety-seven (97) shares of LPC for every one (1) share of the Company, to eligible stockholders of the Company as of record date of June 19, 2024, subject to SEC approval. The eventual distribution of the Company's investment in LPC shares as property dividends will result to dilution in the Company's ownership % to 0.40%, hence, losing control over LPC.

As of December 31, 2024, the Company is still waiting for the SEC's approval for the issuance of such property dividends. This regulatory approval is considered customary for a similar transaction. Accordingly, the assets and liabilities related to LPC were classified as part of a disposal group held for distribution to owners and the results of the operations of LPC were presented as a discontinued operation. The result of discontinued operations in 2024 is presented as "Net income from discontinued operations, net of tax" in the consolidated statement of comprehensive income. As a disclosure requirement of PFRS 5, the Group restated its 2023 and 2022 consolidated statements of comprehensive income to present separately the results of discontinued operations to conform to the 2023 presentation. As of March 26, 2025, the Group is still awaiting SEC approval of the property dividend declaration.

The sales revenue from flour & mill feed business for the year ending December 31, 2024 posted a decrease of 19% from previous year 2023 primarily due to several price decreases implemented as the cost of major raw materials gradually decreased but still coupled with decline in sales volume due to stiff competition. In terms of Sales Value, the Company delivered P1,214.28 million vs. P1,501.18 million in 2024 and 2023, respectively. The Cost of Sales had significant decrease of 31% due to lower US\$ cost of wheat during the year coupled with lower direct operating costs which contributed to the Company's turnaround for the increase in Gross Profit vs. previous years. The lease rental income of the Company amounting to P14.54 million compared to P43.00 million in year 2023 recorded a significant decrease of 66% due to sale of Liberty Building to its subsidiary.

As of the year ended December 31, 2024, the total gross income amounted to P275.14 million, as compared to December 31, 2023 (as restated) which was P128.11 million posted a movement of 114.8%. Significant increase on gross income was due to decrease in cost of sales despite of the increase in the company's rental income. Gross income was accounted as coming from the gross profit from the sale of the company's products, rental and real estate income, interest income, and dividend income. Operating expenses and finance costs amounted to P151.95 million in CY2024 and P161.65 million in PY2023, to a decrease of 6.00% as a result of decrease in interest and marketing expenses. Operating expenses consists of selling and administrative expenses such as salaries and wages, employee's welfare, depreciation, outside services, taxes, insurance, communications, office supplies, transportations, repairs, maintenance, interest and other expenses.

The total combined assets amounted to P4.40 billion in CY2024 compared to P4.24 billion in PY2023 which was an increase by 4% while the total combined liabilities for

CY2024 amounted to P2.03 billion which is lower by 19%, vs. P1.71 billion in 2023. The effect of the increase (decrease) mainly due to reclassification of the subsidiary classified as held for distribution to owners.

The Company has no knowledge of any trends, events or uncertainties which are reasonably expected to have a material impact on the net sales or revenues of the Company.

Below is a discussion of material changes of accounts which had increased or decreased by 5% or more in CY2024 as compared to PY2023 (as restated):

*Inventories* – The significant decrease of 38.70% in inventory is due to reduction in the volume of importation due to better inventory management coupled with decline in \$ wheat price towards the end of the year.

*Financial assets at FVOCI* – There have been material changes of the account because of the mark to market valuation of the Company.

*Accrued Retirement Liability* – The increase is primarily due to changes in actuarial valuation.

Take note of the Classification of Subsidiary's Assets & Liabilities as Held for Distribution to Owners and Discontinued Operations as per below.

The details of the results of discontinued operations pertaining to the subsidiary - LPC is presented below:

	<b>Years Ended December 31</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>RENTAL INCOME</b> (Notes 9 and 13)	<b>P269,334,697</b>	P194,836,591	P230,739,119
<b>DIRECT COSTS</b> (Notes 9 and 15)	<b>94,302,332</b>	85,239,642	77,299,074
<b>GROSS PROFIT</b>	<b>175,032,365</b>	109,596,949	153,440,045
<b>OPERATING EXPENSES</b> (Notes 10, 16, 17, 18 and 20)	<b>57,737,053</b>	31,711,371	24,901,400
<b>INCOME BEFORE OTHER INCOME (CHARGES) AND INCOME TAX</b>	<b>117,769,002</b>	77,885,578	128,538,645
<b>OTHER INCOME (CHARGES)</b>			
Gain on sale of investment properties		88,637,478	–
Interest expense (Notes 9, 11 and 13)	<b>(65,159,017)</b>	(43,620,441)	(27,890,956)
Fair value changes of financial assets at FVTPL (Note 6)	<b>(7,738,342)</b>	(42,006,396)	(58,797,005)
Gain on sale of financial assets at FVTPL (Note 6)	<b>6,916,515</b>	728,239	502,046
Dividend income (Note 6)	<b>165,140</b>	394,390	1,068,560
Interest income (Notes 4 and 5)	<b>20,219</b>	19,309	29,711
Loss on pretermination of lease contract (Notes 13 and 24)	–	–	(85,402,721)
Other income (expense) – net (Note 11)	<b>594,850</b>	1,446,392	578,134
	<b>(65,200,634)</b>	5,598,971	(169,912,231)
<b>INCOME (LOSS) BEFORE INCOME TAX FROM DISCONTINUED OPERATIONS</b>	<b>52,568,368</b>	83,484,549	(41,373,586)



<b>PROVISION FOR (BENEFIT FROM)</b>			
<b>INCOME TAX (Note 19)</b>			
Current	<b>12,540,215</b>	31,369,350	21,656,566
Deferred	<b>2,351,202</b>	(38,600)	(17,565,104)
	<b>14,891,417</b>	31,330,750	4,091,462
<b>NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS</b>			
	<b>P37,676,951</b>	P52,153,799	(P45,465,048)
<b>BASIC/DILUTED EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATION (Note 14)</b>			
Basic	<b>P0.0014</b>	P0.0021	(P0.0018)
Diluted	<b>P0.0009</b>	P0.0013	(P0.0011)

The assets and liabilities of LPC classified as held for distribution to owners are as follows:

#### **ASSETS**

Cash	P31,132,167
Receivables	11,711,495
Financial assets at FVTPL	8,616,795
Accrued rent	17,378,429
Prepaid expenses and other current assets	97,096,185
Investment property	754,708,388
Financial assets at FVOCI	139,684,188
Property and equipment	350,551
Net retirement plan asset	1,544,083
Other noncurrent assets	229,262,377

<b>Assets of disposal group classified as held for distribution to owners</b>	<b>P1,291,484,658</b>
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#### **LIABILITIES**

Notes payable	P994,724,489
Accounts payable and other current liabilities	82,284,019
Deposits on long-term leases	54,767,868
Unearned rental income	6,019,546
Deferred tax liability	3,825,241
Other noncurrent liability	51,818,876

<b>Liabilities of disposal group classified as held for distribution to owners</b>	<b>P1,193,440,039</b>
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<b>Net assets classified as held for distribution to owners</b>	<b>P247,134,8480</b>
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<b>Other components of equity of disposal group held for distribution to owners</b>	<b>(P149,090,229)</b>
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## **CY 2023**

The sales revenue from flour & mill feed business for the year ending December 31, 2023 posted a minimal increase of 1% from previous year 2022 primarily due to several price increases implemented to negate effect of price increases of wheat despite decline in sales volume. In terms of Sales Value, the Company delivered P1,501.18 million vs. P1,490.27 million in 2023 and 2022, respectively. Also, the Cost of Sales had slight decrease of 0.28% due to lower US\$ cost of wheat in the last quarter of the year coupled with lower direct operating costs. The combined lease rental income of the Company and from one of the subsidiaries amounting to P237.32 million compared to P265.22 million in year 2022 recorded a significant decrease of 11% due to termination of lease of the biggest lessee of the subsidiary.

As of the year ended December 31, 2023, the total gross income amounted to P238.12 million, as compared to December 31, 2022 which was P260.53 million for a decrease of 8.6%. Decline on gross income was due to decrease in rental income from one of the subsidiaries. Gross income was accounted as coming from the gross profit from the sale of the company's products, rental and real estate income, interest income, and dividend income. Operating expenses and finance costs amounted to P236.98 million in CY2023 and P208.75 million in PY2022, for an increase of 13.5% as a result of increase in interest and marketing expenses. Operating expenses consists of selling and administrative expenses such as salaries and wages, employee's welfare, depreciation, outside services, taxes, insurance, communications, office supplies, transportations, repairs, maintenance, interest and other expenses.

The total combined assets amounted to P4.24 billion in CY2023 compared to P4.59 billion in PY2022 which was a decrease by 8% mainly due to reduction in Receivables and Inventories. The total combined liabilities for CY2023 amounted to P1.71 billion which is lower by 14%, vs. P1.97 billion in 2022. The decrease was primarily due to payments made in Trust Receipts and Notes Payable.

The Company has no knowledge of any trends, events or uncertainties which are reasonably expected to have a material impact on the net sales or revenues of the Company.

For the year 2023 there was one-off transaction which had a material effect on the Company's financial statements.

Below is a discussion of material changes of accounts which had increased or decreased by 5% or more in CY2023 as compared to PY2022:

*Financial Assets at FVTPL* – The significant decrease made in 2022 is because of the mark to market adjustment made by one of the subsidiaries.

*Inventories* – The significant decrease of 57.10% in inventory is due to reduction in the volume of importation coupled with decline in \$ wheat price towards the end of the year.

*Financial assets at FVOCI* – There has been material changes of the account because of the various acquisition of the Company.

*Notes payable* – The increase is due to reclassification from noncurrent to current by one of the subsidiaries' payables.

*Income Tax Payable* – Income tax payable increase due to recognition of tax payable from one of its subsidiaries.

*Long-term leases* - The decrease is because of the adjustment made on the recognition of rental income using straight line method based on the terms of the lease agreement PAS 17 on Lease.-and the effect of termination of major lessee of the subsidiary.

*Accrued Retirement Liability* – The increase is primarily due to changes in actuarial valuation.

## **CY 2022**

The sales revenue from flour & mill feed business for the year ending December 31, 2022 posted an increase of 25% from previous year 2021 primarily due to several price increases implemented to negate effect of price increases of wheat despite decline in sales volume. In terms of Sales Value, the Company delivered P1,490.27 million vs. P1,195.55 million in 2021. However, Cost of Sales had increased by 37% primarily due to increase in US\$ cost of wheat mainly due to effect of Russia-Ukraine war and peso depreciation resulting to a lower gross margin. The combined lease rental income of the Company and from one of the subsidiaries amounting to P265.22 million compared to P253.99 million in year 2021 recorded a slight increase of 4%.

As of the year ended December 31, 2022, the total gross income amounted to P260.53 million, as compared to December 31, 2021 which was P362.62 million for a decrease of 28%. Decline on gross income was due to higher cost of sales. Gross income was accounted as coming from the gross profit from the sale of the company's products, rental and real estate income, interest income, and dividend income. Operating expenses and finance costs amounted to P208.75 million in CY2022 and P214.03 million in PY2021, for a decrease of 14.3% as a result of big reduction in marketing expenses. Operating expenses consists of selling and administrative expenses such as salaries and wages, employee's welfare, depreciation, outside services, taxes, insurance, communications, office supplies, transportations, repairs, maintenance, interest and other expenses.

The total combined assets amounted to P4.59 billion in CY2022 compared to P4.20 billion in PY2021 which was an increase by 9.5%. The total combined liabilities for CY2022 amounted to P1.97 billion which is higher by 47%, vs. P1.34 billion in 2021. The increase was primarily due to increase in Trust Receipts and Notes Payable.

The Company has no knowledge of any trends, events or uncertainties which are reasonably expected to have a material impact on the net sales or revenues of the Company.

For the year 2022 there was one-off transaction which had a material effect on the Company's financial statements.

Below is a discussion of material changes of accounts which had increased or decreased by 5% or more in CY2022 as compared to PY2021:

*Financial Assets at FVTPL* – The significant decrease made in 2022 is because of the mark to market adjustment made by one of the subsidiaries.

*Inventories* – The significant increase of 218.5% in inventory is due to higher volume importation with very high US\$ cost/MT – more than double the usual price in anticipation of supply problem due to Russia-Ukraine war.

*Financial assets at FVOCI* – There has been material changes of the account because of the fair value changes at the end of the year.

*Accrued Rent*– The decrease in Accrued Rent is primarily due to pretermination of lease contract of one of the major tenants of the Company's subsidiary.

*Notes payable* – Increased by 413.4%% because of the Company's availments and increase in existing payables of one of the subsidiaries.

*Income Tax Payable* – Income tax payable increase due to recognition of tax payable from one of its subsidiaries.

*Long-term leases* - The increase is because of the adjustment made on the recognition of rental income using straight line method based on the terms of the lease agreement PAS 17 on Lease.

*Accrued Retirement Liability* – The decrease is primarily due to changes in actuarial valuation.

## **Summary of 2025 and 2026 Forecasted Financial Statements**

The Company has prepared financial projections for the years ending December 31, 2025 and 2026. The Company expects P416.40 million in CY 2025 and P481.33 million in CY 2026 as net income in flour business.

The Company has approved capital expenditures for the year 2024 - 2025 about P155 million.

As the forecast is based on assumptions about circumstances and events that have not yet occurred and are subject to significant uncertainties beyond the Company's control, there can be no assurance that the forecast will be realized. Actual results may be materially different from those shown in the forecast. Under no circumstances should the inclusion of the forecasted financial statements be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions, or that the Company will achieve or is likely to achieve the particular results.

## **Management Discussion of Future Plans for Operation**

The Company plans to sell its property in Angono and Teresa, Rizal to expand and diversify the Corporation's investment portfolio and invest in new food-related businesses in the coming years.

## **7. CONSOLIDATED AUDITED FINANCIAL STATEMENTS**

The Company's consolidated audited Financial Statements for the year ended 31 December 2024 is attached as Annex "A" of this Report.

## **8. CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING DISCLOSURE**

There have been neither changes in nor disagreements with accountants on accounting and financial disclosure.

In compliance with the Code of Corporate Governance and SEC memorandum Circular No.8, Series of 2003, the Corporation has appointed Sycip Gorres Velayo & Co. as the external auditor.

The Company paid P1,747,000 net of VAT and OPE, for the audit services for the group.

In the selection of auditors, the audit committee give nominations to the Board which, the Board along with the stockholders select and approve during the annual stockholders' meeting.

## PART III - CONTROL AND COMPENSATION INFORMATION

### 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

The Articles of Incorporation of the Company provide that the Directors of the Company shall hold office for one (1) year and until their successors are elected and qualified.

The Directors of the Company are as follows:

<b>Name of Directors</b>	<b>Age</b>	<b>Citizenship</b>	<b>Position</b>
John Carlos Uy	74	Filipino	Chairman of the Board
William Carlos Uy	82	Filipino	Chairman Emeritus
Sandra Judy Uy	47	Filipino	Director
William L. Ang	73	Filipino	Director
Jose Ma. S. Lopez	80	Filipino	Director
Jose S. Jalandoni	69	Filipino	Director
Lourdes Elisa J.g Chan	64	Filipino	Director
Daniel R. Maramba	51	Filipino	Director
Jose A. Feria Jr.*	76	Filipino	Director
Philip S. Huang*	69	Filipino	Director
Willy G. Ng	71	Filipino	Director

\* Independent Director

The Senior Management of the Company is as follows:

<b>Name</b>	<b>Age</b>	<b>Citizenship</b>	<b>Position</b>
John Carlos Uy	74	Filipino	President
Jose Ma. S. Lopez	80	Filipino	Senior Vice President & Treasurer
William L. Ang	73	Filipino	Corporate Secretary

Following is a brief description of the respective backgrounds of the Company's directors and senior management, who have all been nominated for another term, their respective ages and involvement in other businesses for the past five (5) years:

*William Carlos Uy.* 82 years old. He is the Chairman Emeritus of the Company. He is presently the President of Parity Values, Inc. and UPCC Securities Corporation. He also serves as the Vice Chairman of UPCC Holdings Corporation and a Corporate Treasurer of Malayan Bank.

*John Carlos Uy.* 74 years old. He serves as the Chairman of the Board of Directors and President of the Company. He also serves as a director and the general manager of Parity Values, Inc., one of the stockholders of the Company.

*William L. Ang,* 73 years old. He is a director and Corporate Secretary of the Company. He serves as Vice President and Treasurer of LFM Properties Corporation (LPC). Mr. Ang holds the position of First Vice President and Treasurer of Parity Values, Inc. He

is also a stockholder and Treasurer of Trade Demands Corporation and a Director of Securities Clearing Corporation of the Philippines.

*Jose Ma. S. Lopez.* 80 years old. He is a director and Senior Vice President and Treasurer of the Company. Likewise, he is a Director in other corporations including Agchem Manufacturing Corporation, LFM Properties Corporation and Liberty Commodities Corporation. He is also the Senior Vice President for Lopez Sugar Corporation.

*Jose S. Jalandoni.* 69 years old. He is a director of the Company and Audit Committee Member. He serves as the President of LFM Properties Corporation (LPC). He is a currently the Chairman of Valueline Realty Development Corp and Unicom Ingredients Phils Inc., Chairperson of Kanlaon Farms, Inc., Vice Chairman of Enterprise Car Lease Phils Inc, President of Beechwood Corp and Percom OPC., He also serves as Corporate Secretary of Kanlaon Development Corporation, Piliwood Bacolod Corp, Jayjay Realty Corporation JM & Company, Inc., Assistant Treasurer of JM Profreeze, Assistant Corporate Secretary of JM Brenton, and Director and Officer in Charge in Agchem Manufacturing Corporation.

*Lourdes Elisa J. Chan,* 64 years old. She is a Director of the Company. She is the Treasurer & Board Member of Kanlaon Development Corporation; Kanlaon Farms, Inc. and Jayjay Realty Corporation; Board Member of JM & Company; Alegria Development Corporation and Valueline Realty & Development Corporation.

*Sandra Judy Uy.* 47 years old. She is a Director of the Company. She is also a director of Uniguarantee Insurance Brokerage, Inc.

*Daniel R. Maramba.* 51 years old. He is a Director of the Company. He is also the President of Agchem Manufacturing Corp.; Treasurer of New Now Next, Inc. and Mac2 Group Manila, Inc. and Director of Uniguarantee Insurance Brokerage, Inc.

*Jose A. Feria Jr.* 76 years old. He serves as the Company's Independent Director. He is presently the Senior Partner of Feria Tantoco Daos Law Offices. Atty. Feria holds the Chairman position for the following Companies: Assessment Analytichs, Inc., Cyan Management Corporation, Philippine Multi-media Systems, Inc., MG Exeo Network, Inc., Premiere Travel and Tours, Inc., Spencer Food Corp., Vinnel Belvoir Corp. and Padre Burgos Realty, Inc. He also serves as Vice Chairman of Directories Philippines Corp. Moreover, Atty. Feria is a Director of the following Companies: LFM Properties Corporation., EYP.PH Corporation, AeroAsia, Inc., HL&F Management Corp., Macawiwili Gold Mining & Development Corporation, Metropolitan Insurance Corp., Montecito Properties, Inc, Padre Burgos, Pru-Life Insurance Corp.-UK, Telephilippines Inc. and lastly, he is the Corporate Secretary of AisAsia Inc., All Asian Counter Tarde, Inc., Felvisol Development Corp. and Sanara Inc.

*Philip S. Huang.* 69 years old. He serves as the Company's Independent Director. He is a Director in Unno Commercial Enterprises, Inc., and Unno Resource Corporation. He also serves as the President for Upson Resources Corporation.

*Willy G. Ng.* 71 years old. He is a Director of the Company. He is currently a Senior Vice President in the Institutional Banking Group of Asia United Bank.

All the directors and officers of the Company possess a high degree of integrity and character and are fully capable and able to perform their duties as directors and officers, respectively. None of the directors or officers has been declared bankrupt nor has there been any petition filed by or against any of the directors, nor to any businesses of which they were a part of. Nor have any of them been convicted of any crime, domestic or foreign and there are no criminal proceedings presently pending against any of them. Nor have any of them been temporarily or permanently barred, suspended or otherwise limiting any of their involvement in any type of business.

## 10. Executive Compensation

The aggregate compensation paid to the Company's Executive Officers for the years 2024 and 2023 are P13.73million and P10.18million respectively.

Information as to the aggregate compensation paid or accrued by the Company during the last two (2) fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and Two (2) most highly compensated executive officers, namely, Jose Ma. S. Lopez and John Carlos Uy are as follows:

In Million Pesos

Name	Position	Year	Total Compensation	Compensation	Bonus & Others
John Carlos Uy	President	2025	₱12.13 million	₱10.29 million	₱1.84 million
Jose Ma. S. Lopez	SVP-Treasurer				
Donato S. Napo	AVP-Manufacturing				
Maria Luisa L. Quizon	AVP-Finance&Admin				

In Million Pesos

Name	Position	Year	Total Compensation	Compensation	Bonus & Others
John Carlos Uy	President (starting June 2024)	2024	₱13.73 million	₱9.18 million	₱4.55 million
Sandra Judy Uy	President (until May 2024)				
Jose Ma. S. Lopez	SVP-Treasurer				
Stella Marie Jill Uy	VP Purchasing / Asst. Treasurer (until May 2024)				
Donato S. Napo	AVP-Manufacturing				
Maria Luisa L. Quizon	AVP-Finance&Admin				

In Million Pesos

Name	Position	Year	Total Compensation	Compensation	Bonus & Others
Sandra Judy Uy	President	2023	₱10.18 million	₱8.27 million	₱1.91 million
Jose Ma. S. Lopez	SVP-Treasurer				
Stella Marie Jill Uy	VP Purchasing / Asst. Treasurer				



## 11. Security Holders

As of December 31, 2024, there are 451 holders of **common shares** of stocks of the Company.

The top 20 stockholders of the Company as of December 31, 2024 are as follows:

	Name of Stockholder	Number of Shares held	Percentage
1.)	Parity Values, Inc.	59,891,231	39.93%
2.)	PCD Nominee Corp.(F)	49,251,398	32.83%
3.)	Bacsay Management Corp.	5,589,742	3.73%
4.)	Sebring Management Corp.	3,122,102	2.08%
5.)	E.K.I Tourist Dev. Corp.	2,855,505	1.90%
6.)	L & J Agricultural Inc.	2,417,841	1.61%
7.)	Moreno, Jose Jr.	928,277	0.62%
8.)	Lopez Jr., Eduardo	915,468	0.61%
9.)	Pulmones, Amelia Kalaw	913,613	0.61%
10.)	Carvina Farms Inc.	769,920	0.51%
11.)	Feria, Paula K.	737,112	0.49%
12.)	Lopez, Jose Ma. S.	735,647	0.49%
13.)	Fajardo, Erwin M.	697,337	0.46%
14.)	Kalaw, Regina	628,116	0.42%
15.)	Hsu, Philip	602,405	0.40%
16.)	Galan, Norma Yu	524,745	0.35%
17.)	Fajardo, Eric	521,796	0.35%
18.)	Javellana, Maria Teresa V.	509,493	0.34%
19.)	PCD Nominee Corp.(NF)	499,145	0.33%
20.)	Maramba III, Felix R.	487,934	0.33%

## 12. Certain Relationships and Related Transactions

Some of the directors of the Company are also directors and stockholders of the different distributors of the different brands of flour of the Company. All transactions, however, between the Company and the distributors are at arm's length transactions and above board.

### Family Relationships

William Carlos Uy and John Carlos Uy are brothers. Sandra Judy Uy is the daughter of William Carlos Uy and niece of John Carlos Uy. Likewise, Jose S. Jalandoni and Lourdes Jalandoni Chan are siblings. Jose S. Jalandoni, Lourdes Jalandoni Chan, and Jose Ma. S. Lopez are first cousins.

Other than the above, the Company is not aware of any family relationships among the directors, senior management or persons nominated or chosen by the Company to become directors or senior managers.

## **PART IV – CORPORATE GOVERNANCE**

### **13. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE**

The Company continues to abide by the duly adopted Manual on Corporate Governance of the Company (the “Manual”) and the Code of Corporate Governance promulgated by the Securities and Exchange Commission. Pursuant thereto, the Company appointed Ms. Maria Elisa G. Ledesma, as the Compliance Officer of the Company to ensure the Company’s adherence to corporate principles and best practices and monitor compliance with the provisions and requirements of the Manual.

The Company combined the Risk & Oversight with Audit Committee composed of Philip S. Huang as Chairman and Jose S. Jalandoni and Jose A. Feria, Jr. as members. The Company also constituted its Nomination Committee and appointed Jose A. Feria, Jr. as its Chairman with Philip S. Huang and William L. Ang as members. The Company also created its Compensation and Remuneration Committee composed of Philip S. Huang as Chairman and Jose Ma. S. Lopez and Jose S. Jalandoni as members.

There have been no deviations for the past year from the Company’s Manual of Corporate Governance.

The Company continuously reviews and evaluates its Manual in order to ensure that the Company’s practices are compliant with leading practices on good corporate governance.

## **PART V – EXHIBITS AND SCHEDULES**

Also attached in this report the following attachments:

Annex A - Consolidated Financial Statement


Annex B – Sustainability Report

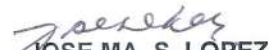
Annex C – Parent Audited Financial Statement

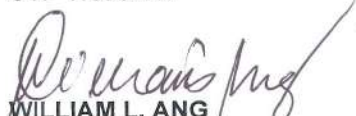
## SIGNATURES

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 Makati on the 11<sup>th</sup> of April, 2025.

By:

  
**JOHN CARLOS UY**  
President

  
**JOSE MA. S. LOPEZ**  
SVP Treasurer

  
**WILLIAM L. ANG**  
Corporate Secretary

  
**MARIA LUISA L. QUIZON**  
AVP-Finance and Administration

APR 11 2025

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_ affiant(s) exhibiting to me their valid IDs, as follows:

Name	Valid IDs
John Carlos Uy	SSS No. 03-2402495-3
Jose Ma. S. Lopez	SSS No. 03-1212721-5
William L. Ang	SC No. 46990
Maria Luisa L. Quizon	SSS No. 03-3938582-3

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Page No. 16  
Book No. XVI  
Series of 2025.

  
**ATY. RENE MA. M. VILLA**  
Notary Public of Makati City  
Appointment No. M-110  
(Ren) (2025 - 2026)  
Until December 31, 2026  
PTR No. 10467471; 01-03-2025; Makati City  
IUP Lifetime No. 013595; 12-27-2013; LC  
Roll No. 37226  
MCLP Compliance No. VIII-0012754; 08-27-2024  
Ground Floor, Makati Terraces Condominium  
1001 Reyes St., 1201, Makati City