

COVER SHEET

SEC Registration Number

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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

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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

444

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

Jose Ma. S. Lopez

Email Address

jmslopez29@gmail.com

Telephone Number/s

(02) 8892-
5011

Mobile Number

-

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-Q

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

1. For the quarterly period ended: **June 30, 2024**
2. Commission identification number: **14782**
3. BIR Tax Identification No: **000-128-846-V**
4. Exact name of registrant as specified in its charter: **LIBERTY FLOUR MILLS, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila**
6. Industry Classification Code: (SEC Use Only)
7. **Liberty Building, 835 A. Arnaiz Avenue, Makati City 1229**
Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code: **(632) 8892-5011**
9. Former name, former address and former fiscal year, if changed since last report: **-na-**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	150,000,000

11. Are any or all of the securities listed on a stock exchange?

Yes [☒] No [☐]

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

Stock Exchange	Class of Securities
Philippine Stock Exchange, Inc.	Common Shares

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the unaudited interim financial statements of the Liberty Flour Mills, Inc. (the "Company") and its subsidiaries for the six (6) months ended June 30, 2024 which is attached hereto as Annex "A" and which is hereby incorporated by reference to form an integral part of the Report. Likewise, attached as Annex "B" is the Company's Statement of Changes in Stockholder's Equity for the six (6) months ended June 30, 2024 and as compared to same period for the year 2023, and the Company's basis for the computation of Basic Earnings per share.

The interim financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) in accordance with the Securities Regulations Code.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The sales volume from flour and mill feed business posted a decline of 14% for six-month period ended 30 June 2024 as compared from previous year's same period primarily due to stiff competition. In terms of Sales Value, the Company delivered P595.54 million vs. P790.76 million same period of previous year for a huge decline of sales revenue of 25% due to decline in volume coupled with some price reductions implemented. Fortunately, Cost of Sales had decreased by a huge 39% primarily due to lower US\$ cost of wheat coupled with lower direct operating costs. This led to a double digit GP % versus single digit same period last year. The combined lease rental income of the Company and from one of the subsidiaries amounting to P140.36 million for six-month period this year compared to P110.46 million last year resulted to an increase of 27% as there were new contracts and new tenants of one of the subsidiaries.

For the quarter ended 30 June 2024, total gross income amounted to P182.22 million, which is 322% significantly higher from the previous year's same quarter operation which made gross profit amounting to P43.17 million. Huge increase on gross income was due to improved gross profit because of lower cost of sales and the combined improved lease 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 for the six-month period of 2024 amounted P123.09 million, 5% higher than the previous year's same period operating expense of PhP116.76 million. 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.

Other income(charges), net, for the six-month period of 2024 amounted to (P1.66 million), which is 95% lower than last year's same period amounting to net charges (P30.74 million). The account consists of net miscellaneous income from scrap sales, unrealized foreign currency gain (loss), provision for impairment loss, gain (loss) on sale of financial assets.

As for the quarter ended, the Company has trust receipt balance amounting to P316.74 million as compared to last year's same period of P213.09 million primarily due to timing difference in TR booking.

The total combined assets amounted to PhP4.41 billion as of 30 June 2024 which is higher by 4.01% while total liabilities amounted to P1.90 billion which is higher by 11.48%, from balances as of 31 December 2023.

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. There are no seasonal aspects which had a material effect on the Company's financial condition or results of operation.

Further discussion of material changes in amount of accounts with 5.0% or more change:

Inventories – The decrease in account is due to lower importation of raw materials for the period.

Financial Assets at FVPL – The decrease is because of the mark to market adjustment and its sale made by one of the subsidiaries.

Prepaid expenses and other current assets – The increase is due to creditable taxes and importation cost to be carried over and reclassified by the Parent Company.

Accounts payable – The increase is primarily on the recognition by one of the subsidiaries during the second quarter of 2024.

Notes payable - Increased by 32% because of the loan availments of one of the subsidiaries.

Accrued retirement benefit costs - The increase is because of the additional recognition of retirement costs during the second quarter of 2024.

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.

Performance Indicators

The Company and its subsidiaries determine their performance on the following five (5) key performances indicators:

- Selling Price, Volume and Revenue Growth

These indicate external performance of the Company in relation to the movements of consumer demand and the competitors' action to market behavior. These also express market acceptability and room for development and innovation. These are being monitored and compared as basis for further study and development.

During the six-month period ended 30 June 2024, there was a 25% increase in gross revenue as compared to previous year's same period performance due to improved gross profit on sales coupled with a significant increase in the Company and its subsidiaries rental income by 27%.

- Cost Contribution

This measures the amount of supply and cost-efficiency of the applicable products of the Company. It shows the trend of supplies' cost particularly in imported raw materials where there are foreign exchange exposures. Costs are analyzed regularly pursuant to cost reduction and efficiency measures.

During the six-month ended 30 June 2024, there was a sharp decrease of 39% in cost of sales over the previous year's same period performance primarily due to lower US\$ cost of wheat coupled with lower direct operating costs.

- Gross Profit Contribution

Review of sales less cost is done on a regular basis to check if targets are being met.

This measures the profitability within the bounds of cost and demand. Like other indicators, this is reviewed on a regular basis for proper action and consideration.

During the six-month ended 30 June 2024, the Company generated gross profit of 17%. There was a huge increase in gross profit as compared in the prior year's same period performance. The increase is directly attributable to the lower costs.

- Operating margin

This shows the result after operation expenses have been deducted. Operating expenses are examined, checked and traced for major expenses. These are being analyzed

and compared to budget and expenses incurred in previous years to ensure prudence and discipline in spending behind marketing and selling activities.

During the six-month ended 30 June 2024, there was a minimal increase in operating expenses by 1% over the previous year's same period performance. Operating income was earned this quarter as a result of increase in sales coupled with decrease in operating expenses.

- **Plant Capacity Utilization**

This determines total usage of the plant capacity, Full utilization produces better yield thus better margin. Standard rates for the plants were set and monthly utilization is determined to property equate and carefully assess the differences.

Plant capacity is at average of 75% utilization.

As of June 30, 2024, there are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation. There were also no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

MARKETPRICE

The market price of the Company's common shares closed at PhP15.10 on 30 June 2024. For the Company's high and low prices for the second quarter of 2024, please see table below:

Stock	Quarter	High	Low
LFM	2	15.10	15.10

PART II – FINANCIAL DISCLOSURES

Financial Instruments and Financial Risk Disclosure

The Group's financial instruments consist of cash and cash equivalents, trade receivables, financial assets at FVPL, financial assets at FVOCI. The main purpose of these financial instruments is to fund the group's operations. The other financial assets and financial liabilities arising directly from its operations are refundable deposits recorded under "Other noncurrent assets" account, liabilities under trust receipts, accounts payable and accrued expenses.

The main risks arising from the Group's financial instruments are credit risk, equity price risk and liquidity risk. The Group's exposure to foreign currency risk is minimal as this only relates to the Group's foreign currency-denominated cash in banks. The BOD reviews and approves policies for managing each of these risks.

a. Credit Risk

This represents the loss that the Group would incur if counterparty failed to perform under its contractual obligations. The Group has established controls and procedures in its credit policy to determine and monitor the credit worthiness of customers and counterparties. The Group is operating under a sound credit-granting process over its distributors. Credit monitoring process involves a weekly check over collections based on a benchmark.

The Group's trade receivables are concentrated with its three distributors which account for 79% of the total trade receivables as of June 30, 2024. The Group has been transacting business with these distributors for a long time and has not encountered any credit issue with them. With respect to credit risk arising from other financial assets of the Group which comprise of cash equivalents, financial assets at FVPL, financial assets at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancement held over these assets.

b. Equity Price Risk

Equity price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to equity price risk because of investments in quoted equity securities. The Group's policy is to maintain the risk at an acceptable level. Movement of share price is monitored regularly to determine impact on its financial position.

c. Foreign Currency Risk

This risk describes the impact of changes in foreign exchange rates on the consolidated balance sheet and consolidated statement of income items denominated in foreign currencies.

The Group's foreign currency-denominated financial assets and liabilities which are all in US dollar (\$) as of June 30, follows:

	2024	2023
Cash in bank	\$115,709	\$369,743
Foreign Securities – Gazprom	\$298,500	\$298,500
Total US dollar-denominated assets	\$414,209	\$668,243

The exchange rate per \$1.00 to Philippine peso is P58.61 and P55.20 respectively.

d. Liquidity Risk

Liquidity risk is the risk that the Group will be unable to pay its obligations when they fall due under normal and stress circumstances. The Group manages risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

a. Financial assets at FVPL

The fair value of the quoted shares of stock is based on quoted market price.

b. Financial assets at FVOCI

The fair value of the quoted debt instruments and equities is based on quoted market price. Unquoted shares of stock have been estimated using the adjusted net asset method. The adjusted net asset method involves deriving the fair value of the investee's equity instruments by reference to the fair value of its assets and liabilities.

c. Deposits on long-term leases

The carrying values deposits on long-term leases were not materially different from their calculated fair values estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

d. Other financial assets and financial liabilities

Due to the short-term nature of other financial assets and financial liabilities, the fair value of cash and cash equivalents, receivables, liabilities under trust receipts, accounts payable and accrued expenses and other current liabilities approximate the carrying amount as of balance sheet.

PART III - OTHER INFORMATION

All other information which requires disclosure under the full Disclosure Rules of the Securities and Exchange Commission has been previously filed by the Company under SEC Form 17-C

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBERTY FLOUR MILLS, INC.

By:



JOHN CARLOS UY
Chairman of the Board /
Chief Executive Officer



JOSE MA. S. LÓPEZ
Chief Financial Officer

ANNEX “A”

LIBERTY FLOUR MILLS, INC.

**LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY**

**UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2024**

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
BALANCE SHEET
AS OF JUNE 30, 2024
(With comparative figures for year ended Dec. 31, 2023 and six months ended June 30, 2023)

<u>Assets</u>		June 30, 2024		December 31, 2023 <u>Audited</u>		June 30, 2023
Current Assets						
Cash and cash equivalents	P	80,704,193		98,400,616	P	147,331,268
Receivables		1,121,701,796		1,152,545,394		1,166,026,693
Financial assets at fair value through profit or loss		21,020,248		41,472,499		103,428,695
Inventories:						
Finished goods	P	30,172,361	P	30,817,544	P	22,654,568
Raw materials		214,534,510		228,965,530		115,440,319
Inventories-in Transit		-		-		-
Total Inventories		244,706,871		259,783,074		138,094,887
Prepaid expenses & other current assets		178,604,289		144,267,640		112,939,585
Total current assets	P	1,646,737,397	P	1,696,469,223	P	1,667,821,128
Financial assets at fair value through OCI		635,158,804		681,192,064		527,099,534
Investment properties		1,493,693,812		1,506,719,852		1,521,590,491
Plant, Property & Equipment, net		315,166,854		324,047,319		333,212,606
Deferred Charges & Other Assets		320,209,105		32,418,414		41,478,547
Total Assets	P	4,410,965,972	P	4,240,846,872	P	4,091,202,306
<u>Liabilities & Stockholders' Equity</u>						
Current Liabilities						
Accounts Payable	P	590,294,363	P	756,266,096	P	374,494,788
Notes Payable - current portion		1,002,974,357		762,695,077		745,609,473
Income Tax Payable		7,542,531		7,493,599		1,651
Other Liabilities		10,140,986		32,474,778		8,876,660
Total Current Liabilities	P	1,610,952,237	P	1,558,929,550	P	1,128,982,572
Notes Payable - noncurrent portion		102,485,426		-		238,956,014
Deposit on long-term lease		54,366,499		17,354,188		35,036,128
Accrued retirement benefits costs		15,997,824		11,197,824		4,800,000
Deferred Income Tax Liability		1,769,678		1,769,678		3,891,063
Other Non-current Liabilities		117,033,722		117,454,309		204,393,834
Total Liabilities	P	1,902,605,386	P	1,706,705,549	P	1,616,059,611
Stockholders' Equity						
Capital Stock, authorized - 200,000,000 shares at P10 par value per share P2,000,000,000.						
Issued and outstanding, 150,000,000 shares	P	1,500,000,000	P	1,500,000,000	P	1,500,000,000
Fair value changes on financial assets through OCI		(160,719,186)		(164,223,449)		(157,847,391)
Remeasurement gain (loss) on defined benefit		(7,640,742)		(7,113,421)		2,058,144
Retained earnings						
Appropriated	P	-	P	-		-
Unappropriated		1,026,339,296		1,021,170,623		1,042,938,727
Total Retained Earnings		1,026,339,296		1,021,170,623		1,042,938,727
Total Equity Attributable to Equity Holders of Parent Company		2,357,979,368		2,349,833,753		2,387,149,480
Non-controlling interests		150,381,218		184,307,570		87,993,215
Total Stockholders' Equity	P	2,508,360,586	P	2,534,141,323	P	2,475,142,695
Total Liabilities & Stockholders' Equity	P	4,410,965,972	P	4,240,846,872	P	4,091,202,306

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
STATEMENT OF INCOME AND EXPENSES
For quarter ended June 30, 2024
(With comparative figures for the quarter ended June 30, 2023)

	April 1 to June 30, 2024	January 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2023
Net Sales	F 301,142,794	P 595,535,249	P 368,419,839	P 790,759,578
Rental Income	68,814,712	140,335,705	58,861,179	110,459,656
Total Revenue	<u>369,957,506</u>	<u>735,870,954</u>	<u>427,281,018</u>	<u>901,219,234</u>
Cost of sales	249,367,635	494,411,464	365,894,149	809,139,536
Cost of services	29,013,460	59,239,203	25,458,707	48,910,036
Total Cost of sales and services	<u>278,381,095</u>	<u>553,650,667</u> ①	<u>391,352,856</u>	<u>858,049,572</u>
Gross Profit	F 91,576,411	P 182,220,287	P 35,928,162	P 43,169,662
Operating expenses				
General and administrative expenses	29,688,929	63,778,642	30,637,905	60,563,601
Selling and marketing expenses	<u>5,270,127</u>	<u>10,493,818</u>	<u>6,376,492</u>	<u>12,838,987</u>
	34,959,056	74,272,460 ①	37,014,397	73,402,588
Other Income (Charges)				
Interest Income	1,353,939	4,766,420 ②	2,029,251	5,262,743
Dividend Income	7,594,673	11,614,315 ②	3,432,364	5,250,927
Interest expense	(25,299,350)	(48,816,037) ③	(20,653,389)	(43,355,296)
Other Income (charges), net	<u>217,768</u>	<u>(1,660,447)</u> ②③	<u>(10,426,669)</u>	<u>(30,741,315)</u>
	(16,132,970)	(34,095,749)	(25,618,443)	(63,582,941)
Income (loss) before Income Tax	F 40,484,385	P 73,852,078	P (26,704,678)	P (93,815,867)
Provision for Income Tax, current	<u>(5,178,395)</u>	<u>(20,254,213)</u>	<u>(1,426,697)</u>	<u>(2,969,696)</u>
Provision for Income Tax, Deferred				
Net Income (loss) for the period	<u>F 35,305,990</u>	<u>P 53,597,865</u>	<u>P (28,131,375)</u>	<u>P (96,785,563)</u>
Net Income Attributable To:				
Equity holders of the Parent Company	31,673,030.8	45,254,789	(25,495,762)	(86,828,114)
Non-controlling interests	3,632,959.2	8,343,076	(2,635,613)	(9,957,449)
Earnings (loss) per share	<u>F 0.24</u>	<u>P 0.36</u>	<u>F (0.19)</u>	<u>P (0.65)</u>

Legend:

① Gross Expense

② Non-operating income

③ Non-operating expense

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
For quarter ended June 30, 2024
(With comparative figures for the quarter ended June 30, 2023)

	April 1 to June 30, 2024	January 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2023
CASHFLOWS FROM OPERATING ACTIVITIES:				
Income before tax	P 40,484,385	P 73,852,078	P (26,704,678)	P (93,815,867)
Adjustment for:				
Depreciation	19,206,105	38,239,879	17,944,934	35,808,434
Fair Value changes of financial assets at FVPL	827,827	10,956,237	12,584,306	33,517,008
Retirement Benefit Cost	2,400,000	4,800,000	2,400,000	4,800,000
Interest income	(1,353,939)	(4,766,420)	(2,029,251)	(5,262,743)
Dividend Income	(7,594,673)	(11,614,315)	(3,432,365)	(5,250,928)
Interest expense	25,299,350	48,816,037	20,653,389	43,355,296
Realized loss (gain) of FA at FVOCI	-	-	-	-
Gain on disposal of PPE	-	-	(2,053,571)	(2,053,571)
Loss on sale of FVPL investments	-	(7,302,646)	(117,240)	(135,166)
Operating Income before working capital change	79,269,055	152,980,850	19,245,524	10,962,463
Decrease (Increase) in:				
Receivables	18,797,479	35,533,356	99,305,807	91,645,911
Inventories	37,492,120	15,076,203	155,748,280	468,159,450
Prepayments and other assets	28,110,584	(9,534,205)	(19,701,215)	(31,047,201)
Increase (Decrease) in:				
Trade Payables and other current liabilities	(1,977,793)	2,867,936	47,709,248	38,702,688
Deposit on long term lease	(1,688,495)	3,551,389	(8,572,434)	14,076,885
Unearned Rental Income	4,923,841	3,666,172	3,660,706	5,492,999
Due to related party	(224,000,000)	(224,000,000)	-	-
Cash generated (used) from operations	(59,073,209)	(19,858,299)	297,395,916	597,993,195
Income tax paid	(56,487,935)	(58,841,749)	(7,046,455)	(8,164,325)
Interest Received	1,353,939	4,766,420	2,029,251	5,262,743
Net cash provided by (used in) operating activ	(114,207,205)	(73,933,628)	292,378,712	595,091,613
CASHFLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of FVPL	-	16,798,660	2,766,656	4,538,153
Dividends received	7,594,673	11,614,315	3,432,365	5,250,928
Proceeds from redemption of FVOCI	25,000,000	55,000,000	10,000,000	10,000,000
Proceeds from disposal of property	-	-	2,053,571	2,053,571
Acquisition of plant, property and equipment	(860,936)	(4,038,225)	(7,389,475)	(15,537,855)
Acquisition of investment properties	(963,500)	(12,295,143)	(3,611,130)	(8,464,989)
Acquisition of Investments-FVPL	-	-	(0)	(4,584,036)
Acquisition of Investments-FVOCI	-	-	(25,000,000)	(25,000,000)
Decrease(increase) in other non-current assets	274,136,920	(6,116,318)	5,420,173	319,836
Net cash used in investing activities	304,907,157	60,963,289	(12,327,840)	(31,424,392)
CASHFLOW FROM FINANCING ACTIVITIES				
Availment of Loans	1,406,362,118	902,235,769	128,914,502	326,094,249
Loan Payments	(1,520,316,630)	(813,145,816)	(236,136,236)	(721,139,617)
Interest paid	(25,299,350)	(48,816,037)	(20,653,389)	(43,355,296)
Payments of cash dividends	(45,000,000)	(45,000,000)	(75,000,000)	(75,000,000)
Net cash generated from financing activities	(184,253,862)	(4,726,084)	(202,875,123)	(513,400,664)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,446,090	(17,696,423)	77,175,749	50,266,557
Add: Cash and cash equivalents:				
January 1		98,400,616		97,064,711
April 1	74,258,103		70,155,519	
CASH AND CASH EQUIVALENTS, END	P 80,704,193	P 80,704,193	147,331,268	P 147,331,268

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

1. Basis of Financial Statement Preparation

The consolidated financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The consolidated financial statements are presented in Philippine peso (Peso), which is the Group's functional and presentation currency, and rounded to the nearest peso except as otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of June 30, 2024.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. All intra-group balances, transactions, unrealized gains and losses, resulting from intra group transactions and dividends are eliminated in full.

2. Significant Accounting Policies

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the Group's financial statements.

- Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies
- Amendments to PAS 8, Definition of Accounting Estimates
- Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to PAS 12, International Tax Reform – Pillar Two Model Rule

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements, unless otherwise indicated.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

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

3. Others

1. The same accounting policies and methods of computation are followed in the interim financial statements as of June 30, 2024 as compared with the audited financial statements as of December 31, 2023.

2. The business operation of the company for the interim period is continuous, there is no cycle and it is not seasonal.

3. There are no unusual items that affected assets, liabilities, equity and cash flows.

4. There are no changes in estimates of amounts reported in prior financial years.

5. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

6. There are no changes in the composition of this issuer during the interim period. There are no business combinations, no acquisition or disposal of subsidiaries and long term investments, no restructuring and no discontinuing operations.

7. There are no contingent liabilities and contingent assets.

ANNEX “B”

LIBERTY FLOUR MILLS, INC.

**LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY**

**STATEMENT OF CHANGES
IN STOCKHOLDER’S EQUITY
JUNE 30, 2024**

LIBERTY FLOUR MILLS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For six months ended June 30, 2024 and 2023

	2024	2023
CAPITAL STOCK		
Authorized - 200 million shares at P10 par value per share <u>P2 billion</u>		
Issued and outstanding -150 million shares P	1,500,000,000	P 1,500,000,000
Fair value changes on financial assets through OCI	(159,438,262)	(148,399,905)
Accumulated Remeasurement on Retirement Benefits	(7,640,742)	1,460,042
RETAINED EARNINGS		
January `1	1,021,170,623	1,195,917,457
Net income for the period	45,254,789	(86,828,114)
Cash dividends declared and paid	(45,000,000)	(75,000,000)
	1,021,425,412	1,034,089,343
Non-Controlling Interest	154,014,178	87,993,215
	2,508,360,586	2,475,142,695

BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE

	2024	2023
NUMERATOR:		
Net income (loss) for the second quarter P	53,597,865 P	(7,939,407)
DENOMINATOR:		
Outstanding shares	150,000,000	150,000,000
Treasury Stock	0	0
TOTAL WEIGHTED AVERAGE SHARES	150,000,000	150,000,000

LIBERTY FLOUR MILLS, INC. and Subsidiaries
Aging of Accounts Receivable
As of June 30, 2024

Type of Accounts Receivable		Total		Current		1 Month		2-3 Months		Over 3 Mos.
a) Trade Receivables										
Flour and Millfeed customers	P	1,076,225,319	P	424,827,029	P	127,005,211	P	208,255,086	P	316,137,993
Building Tenants		19,919,306		1,904,669		134,747		87,787		17,792,103
b) Non-Trade Receivables:										
Others		25,557,171		-		-		-		25,557,171
Total	P	1,121,701,796	P	426,731,698	P	127,139,958	P	208,342,873	P	359,487,267