

COVER SHEET

S.E.C. Registration Number

						1	4	7	8	2
--	--	--	--	--	--	---	---	---	---	---

Company Name

LIBERTY FLOUR MILLS, INC.																			
---------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

[illegible][illegible][illegible]

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						
---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	--	---	---	---	--	---	--	---	---	---	---	---	---	--	--	--	--	--	--

[illegible][illegible]

Contact Person

MICHAEL JOHN A. TANTOCO JR.

Company's Telephone Number/s

+63288937790

1	2	3	1
---	---	---	---

Month _____ Day _____
Of Fiscal Year _____

20-IS

FORM TYPE

0	8	2	7
---	---	---	---

Month Day
Of Annual Meeting

--

Secondary License (if Applicable)

C	G	F	D	
---	---	---	---	--

Department Requiring this Document	
---------------------------------------	--

Amended Articles

--	--	--	--	--

Number/Section

Total Amount of Borrowings

To be Accomplished by SEC Personnel Concerned

--	--	--	--	--	--	--	--	--

File Number

LCU

--	--	--	--	--	--	--	--	--

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of the stockholders of **LIBERTY FLOUR MILLS, INC.** will be conducted virtually through remote communication on **August 27, 2025 at 4 o'clock in the afternoon**. Stockholders will be notified through a disclosure on the PSE Edge or publication through Business Mirror, Philippine Star or Manila Times if physical attendance will be allowed.

The Agenda for the Meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the 2024 Annual Stockholders' Meeting
4. Annual Report of the President and Chairman of the Board
5. Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers
6. Election of Directors
7. Appointment of the External Auditor
8. Approval of 10% Profit Sharing for the Directors and Corporate Officers.
9. Approval of the amendment to the Articles of Incorporation decreasing the number of Members of the Board of Directors from 11 to 7.
10. Amendment of the By-Laws moving the Annual Stockholders' Meeting date from the last Wednesday of May to the last Wednesday of July.
11. Other Matters
12. Adjournment

Only stockholders as of July 30, 2025, shall be entitled to notice and to vote at the meeting.

The Minutes of the last Annual Stockholders' Meeting and resolutions of the Board of Directors will be available for inspection during office hours at the Office of the Corporate Secretary. In addition, copies of the minutes will also be made available at the meeting.

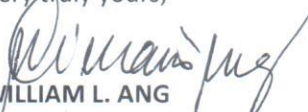
The annual stockholders' meeting will be held through remote communication. Stockholders who intend to participate by remote communication should notify the Company by email on or before August 20, 2025 at 5:00 p.m. Such requests may be sent to lfmcorporatesecretary@gmail.com.

Should you be unable to attend the meeting, please accomplish the proxy form attached hereto and return the same to us.

The procedures for participation in the Annual Meeting through remote communication and for casting votes are provided for in the Information Statement.

Copies of the Information Statement, Annual Report, and other pertinent documents shall be uploaded to the Company's website as well as the PSE EDGE.

Very truly yours,


WILLIAM L. ANG
Corporate Secretary



RATIONALE AND EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDER APPROVAL

I. Approval of the Minutes of the Annual Stockholders' Meeting held on May 29, 2024

At the meeting, Stockholder approval for the minutes of the 2024 annual Stockholders' Meeting shall be sought.

Copies of the draft minutes have been posted on the website of the Corporation, and will be made available upon request of the Stockholders. Copies of such minutes shall also be made available at the registration area on the date of the 2025 Stockholders' Meeting, or through online means. Shareholders who wish to request for a copy of the minutes may send an email to lfmcorporatesecretary@gmail.com.

II. Annual Report of the President and Chairman of the Board

The Chairman of the Board will present to the shareholders a summary of audited financial statements, and the current commercial standing of the company. This Audited Financial Statement is attached to the Definitive IS and shall be made available in LFM's website fifteen (15) days before the 2025 Stockholders' Meeting. The Chairman will also present to the Stockholders highlights and significant events that transpired during the previous year.

Upon the conclusion of the report by the Chairman, there will be an open forum where Stockholders shall be given the opportunity to give their comments and ask questions concerning the report given by the Chairman.

Upon the conclusion of such open forum, the Stockholders will note for the adoption of a resolution closing the Stockholders' open forum and approving the Annual Report and Audited Financial Statements of the Company for the year ended on December 31, 2024.

III. Ratification of all Acts and Proceedings of the Board of Directors

Stockholder ratification shall be sought for all the acts and resolution of the Board of Directors and corporate officers passed and made since the last Annual Stockholder's Meeting. This will cover acts done within the period of April 29, 2024 to July 30, 2025.

These acts, include among others:

1. Declaration of a cash dividend of Thirty Centavos (P0.30) per share;
2. Declaration of a property dividend consisting of shares of LFM Properties Corporation ("LPC") with an entitlement of 97 LPC shares for every 1 LFM share;
3. Designation of authorized signatories for the corporate accounts with Metropolitan Bank & Trust Company;
4. Appointment of Ms. Maria Luisa S. Quizon as AVP Finance and Administration, and Donato S. Napo as AVP Milling;

5. Designation of an authorized signatory for the contract of lease with Jesus is Lord Church Worldwide Missions Foundations, Inc.;
6. Updating of signatories for the retirement benefit plan of the Corporation;
7. Designation of an authorized representative to sign a *Petition for Reissuance of Title* for TCT No. 417054;
8. Ratification of disbursements made in June 2025;
9. Designation of an authorized representative to transact with the Bureau of Fire Protection;
10. Designation of Ms. Maria Luisa Quizon as the authorized representative to represent the corporation and decide issues in relation to the CBA.
11. Designation of Mr. Jenkins Dubio or Ms. Junaila Andaya as authorized representatives for the Provincial Treasurer of Rizal and Registry of Deeds.
12. Designation of Engr. Donato S. Napo as the authorized representative to file application with the PPA;
13. Designation of Engr. Donato S. Napo as the authorized representative for the submission of the Certificate of Non-Conformance (Renewal) at the Mandaluyong City Hall;
14. Entering into a Memorandum of Agreement with Haus Talk, Inc. for the sale of the properties consisting Maya Farms;
15. Designation of Ms. Wilhelmina Tobias as the company authorized representative to submit, process and sign the application for exemption clearance with Department of Agrarian Reform (DAR);
16. Approval of the SalaryPlus facility with China Banking Corporation;
17. Approval of the Licensing and Manufacturing Agreement between Parity Value Inc. (PVI) and the Corporation;
18. Approval of authorized representatives to transact with various government agencies;
19. Change of assignee for the Baguio Country Club share of the Corporation;
20. Declaration of a cash dividend of P2.00 per share;
21. Acceptance of the resignation of Maria Elisa G. Ledesma as the Corporate Secretary, and the election of William L. Ang as her replacement;
22. Designation of an authorized representative to sign the Deed of Absolute Sale for the Corporation's sale of Liberty Building; and
23. Designation of an authorized representative to sign a Motion for Resolution for the following cases: (a) O.P. Case No. 20-B-030 (DAR ADM. Case No. A-9999-04-EXE-9); and (b) O.P. Case No. 20-I-201 (DARCO Order No. LUCC No. 1120-0457, Series of 2020).
24. Designation of John Carlos Uy as the Corporation's authorized representative to attend the 2025 Annual Stockholders' Meeting of LFM Properties Corporation.
25. Amendment of the Articles of Incorporation to decrease the members of the board of directors from 11 to 7.
26. Amendment of the By-Laws to move the annual stockholders meeting date from the last Wednesday of May to the last Wednesday of July.
27. Postponement of the Annual Stockholders' Meeting.
28. Securing Director's and Officer's Liability Insurance
29. Designation of an authorized representative to sign the filing of Petition for Certiorari including the Verification and Certification of Non-Forum Shopping for the case of Gilmar M. Marquez and Sonny M. De Vera vs. Hon. Labor Arbiter Leilanie T. Braza-Oro, Liberty Flour Mills, Inc., et al." docketed as NLRC LER Case No. 03-043-25 (NLRC LAC No. 07-002421-18, NLRC NCR Case No. 05-06266-17).



The Stockholders will then, though a vote, pass a resolution approving, confirming, ratifying, and adopting, all acts, resolutions, proceedings of the Board of Directors and Corporate Officers for the period including and between the 2024 Annual Stockholders' Meeting until the 2025 Stockholders' Meeting.

IV. Election of Directors

In accordance with the By-Laws, Manual on Corporate Governance, Nominations and Proxy Validation Procedure, and SEC Rules on the matter – any Stockholder, including minority stockholders, may submit nominations to the Board.

The Stockholders will cast their votes during the meeting for the Election of the Board of Directors for the ensuing year. Upon the conclusion of such voting, the eleven (11) nominees with the greatest number of votes shall be deemed as elected as members of the Board of Directors beginning August 27, 2025 until their successors are elected and qualified.

V. Appointment of the External Auditor

The Audit Committee will recommend to the Stockholders the reappointment of SGV & Co. as the external auditors of the Company for the ensuing fiscal year.

The Stockholders shall vote on a resolution on whether SGV and Co. shall serve as the external auditors of the Company for the 2025 fiscal year.

VI. Approval of 10% Profit Sharing for the Directors and Corporate Officers

Pursuant to Section 29 of the Revised Corporation Code of the Philippines, a Profit Sharing Incentive to be granted to the Board of Directors and Corporate Officers, amounting to 10% of the Corporation's net income derived from its flour milling operations, shall be discussed and proposed to the shareholders.

The Stockholders shall vote on a resolution approving the Profit Sharing Incentive to be granted to the members of the Board of Directors and Corporate Officers.

VII. Amendment of the Articles of Incorporation

The proposed amendment to Article Sixth of the Articles of Incorporation seeks to reduce the number of Board of Directors from eleven (11) to seven (7). This change will take effect at the board election immediately following the Securities and Exchange Commission's approval of the amended Articles of Incorporation.

The proposed reduction in the number of members of the Board of Directors is intended to align to best governance principles by maintain a board size that is proportionate to the company's operational complexity and strategic needs. Furthermore, a streamlined board composition allows for more focused discussions, quicker consensus-building, and improved accountability.



VIII. Amendment of the By-Laws

The proposed amendment to Article VII, Section 5 of the Corporation's By-Laws seeks to move the date of the annual stockholders meeting from the last Wednesday of May to the last Wednesday of July.

The amendment is being made to lessen the administrative burden of the Company's employees. Historically, preparation for the Annual Stockholders' Meeting overlaps or is soon after the financial regulatory filings, causing significant administrative burden which may result to the postponement of the annual meeting. Hence, the meeting date is being amended to avoid postponements and to lessen administrative burden.

IX. Other Matters

The Chairman will open the floor to for the Stockholders to present any matter, business, or concern, for consideration of the Board and the Stockholders present at the meeting.

Finally, upon the conclusion of the above, the Chairman shall entertain any motion to adjourn the meeting.



PROXY FORM EXPLANATION

Following this page are two (2) proxy forms: (a) Solicited Proxy Form; and (b) Unsolicited Proxy Form as follows:

First Proxy: Solicited Proxy

The first is the Proxy Form that is solicited by the Corporation, which generally appears as follows (*note that the proxy itself will have information filled into the tables, and the proxy provided below is for illustrative purposes only*):

PROXY

I, _____, a stockholder of record of LIBERTY FLOUR MILLS, INC. hereby name, constitute and appoint, the Chairman, Mr. JOHN CARLOS UY, to be my true and lawful attorney and for me and in my name, place and stead, to vote at the Annual Stockholders' Meeting on May 28, 2025 at 4:00PM at Liberty Building, 835 A. Arnaiz Avenue, Makati City, and at any adjournment thereof.

The following matters will be considered and I hereby authorize the above-named proxy to vote all my shares as follows:

Matter	Approve	Disapprove	Abstain

In addition, I authorize the above-named proxy to vote all my shares equally for election of the following persons who have been nominated as directors:

Nominees	

**Independent Director*

(Note: The Stockholder may withhold authority to vote for any of the nominees by lining through or striking out the name/s of the nominee/s. In which case, the total votes of the Stockholder shall be divided equally among the remaining nominees)

In the event that this Proxy is returned without a choice having been made in any or all of the above items, I hereby authorize the above-named proxy to vote all my shares at the above-named proxy's discretion. In which case, the above-named proxy intends to vote for the approval of all the above matters and for the election of all the nominees above-mentioned.

In addition, I hereby grant discretionary powers to the above-named proxy as to other matters incidental to the conduct of the meeting.

IN WITNESS WHEREOF, I have set my hand this ____ day of _____, 2025 at _____.

Signature

Name in Print

No. of Shares

THIS PROXY IS BEING SOLICITED ON BEHALF OF LIBERTY FLOUR MILLS, INC.



Second Proxy: Unsolicited Proxy

The second proxy is a proxy that can be provided by shareholders to the Corporation authorizing their designated representative to vote their shares in the 2025 Annual Meeting. This proxy is not solicited by the Corporation and is a form that is provided for the convenience of the shareholders. Shareholders' are not required to submit an unsolicited proxy in the same format as what is provided in the information statement; proxies that are compliant and consistent with the Revised Corporation Code of the Philippines may be submitted.

The unsolicited proxy form generally appears as follows:

PROXY

The undersigned stockholder of LIBERTY FLOUR MILLS, INC. hereby name, constitutes and appoints _____ as proxy to represent the undersigned stockholder and to vote for a total of the shares indicated below and shares registered in the name of the undersigned stockholder in the books of the Corporation at the meeting of the stockholders of the Corporation to be held on May 28, 2025 and any adjournment thereof.

The proxy is authorized to vote on all matters which may properly be taken in the meeting and other matters indicated in the agenda of the said meeting.

In addition, I hereby grant discretionary powers to the above-named proxy as to other matters incidental to the conduct of the meeting.

This proxy shall be valid only for the meeting stated above, unless earlier withdrawn by the undersigned stockholder by written notice filed with the Corporate Secretary of the Corporation.

IN WITNESS WHEREOF, I have set my hand this _____ day of _____, 2025 at _____.

Signature

Name in Print

No. of Shares

PROXY

I, _____, a stockholder of record of LIBERTY FLOUR MILLS, INC. hereby name, constitute and appoint, the Chairman, Mr. JOHN CARLOS UY, to be my true and lawful attorney and for me and in my name, place and stead, to vote at the Annual Stockholders' Meeting on August 27, 2025 at 4:00PM at Liberty Building, 835 A. Arnaiz Avenue, Makati City, and at any adjournment thereof.

The following matters will be considered and I hereby authorize the above-named proxy to vote all my shares as follows:

Matter	Approve	Disapprove	Abstain
Approval of the Minutes of the 2024 Annual Stockholders' Meeting			
Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers			
Appointment of External Auditor			
Approval of the 10% Profit Sharing Incentive to be granted to the Board of Directors and Corporate Officers			
Amendment to the Articles of Incorporation: Reduction of Directors from 11 to 7.			
Amendment to the By-Laws: Change of Annual Stockholders' Meeting date from last Wednesday of May to the last Wednesday of July.			
Other Matters			

In addition, I authorize the above-named proxy to vote all my shares equally for election of the following persons who have been nominated as directors:

Nominees	
Jose Ma. S. Lopez	John Carlos Uy
William L. Ang	Daniel R. Maramba
Jose S. Jalandoni	Lourdes Elisa J. Chan
Willy G. Ng	Barnaby Barrett T. Ang
Valerie Ann C. Ang	Eldridge Marvin B. Acheron
Philip S. Huang*	Raul M. Leopando*

**Independent Director*

(Note: The Stockholder may withhold authority to vote for any of the nominees by lining through or striking out the name/s of the nominee/s. In which case, the total votes of the Stockholder shall be divided equally among the remaining nominees)

In the event that this Proxy is returned without a choice having been made in any or all of the above items, I hereby authorize the above-named proxy to vote all my shares at the above-named proxy's discretion. In which case, the above-named proxy intends to vote for the approval of all the above matters and for the election of all the nominees above-mentioned.

In addition, I hereby grant discretionary powers to the above-named proxy as to other matters incidental to the conduct of the meeting.

IN WITNESS WHEREOF, I have set my hand this ____ day of _____, 2025 at _____.

Signature

Name in Print

Number of Shares

THIS PROXY IS BEING SOLICITED ON BEHALF OF LIBERTY FLOUR MILLS, INC.

PROXY

The undersigned stockholder of LIBERTY FLOUR MILLS, INC. hereby name, constitutes and appoints _____ as proxy to represent the undersigned stockholder and to vote for a total of the shares indicated below and shares registered in the name of the undersigned stockholder in the books of the Corporation at the meeting of the stockholders of the Corporation to be held on August 27, 2025 and any adjournment thereof.

The proxy is authorized to vote on all matters which may properly be taken in the meeting and other matters indicated in the agenda of the said meeting.

In addition, I hereby grant discretionary powers to the above-named proxy as to other matters incidental to the conduct of the meeting.

This proxy shall be valid only for the meeting stated above, unless earlier withdrawn by the undersigned stockholder by written notice filed with the Corporate Secretary of the Corporation.

IN WITNESS WHEREOF, I have set my hand this _____ day of _____,
2025 at _____.

Signature

Name in Print

No. of Shares



SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Preliminary Information Statement
☐ Definitive Information Statement

2. Name of the Registrant as specified in its Charter: LIBERTY FLOUR MILLS, INC.
3. Province, country or other jurisdiction of incorporation or organization: Metro Manila
4. SEC Identification Number: 14782
5. BIR Tax Identification Code: 000-128-846-000
6. Address of principal office and Postal Code: Liberty Building, 835 A. Arnaiz Avenue, Makati City 1223
7. Registrant's telephone number, including area code: (632) 8892-5011
8. Date, time and place of the meeting of security holders:
- 27 August 2025
4:00 P.M.
Through Videoconferencing
9. Approximate date on which the Information Statement is first to be sent or given to security holders: August 4, 2025
10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: Liberty Flour Mills, Inc.

Address and Telephone No.: Liberty Building, 835 A. Arnaiz Avenue, Makati City; (632) 8892-5011

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

Title of Each Class	Number of Shares of Common Stock Outstanding
Common	150,000,000

12. Are any or all of registrant's securities listed in a Stock Exchange?

YES ☒ NO ☐

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

Name of the Exchange	Shares listed on the Exchange
The Philippine Stock Exchange, Inc.	Common Shares



INFORMATION STATEMENT

For the 2025 Annual Stockholders' Meeting

**Via Videoconferencing and at Liberty Building, 835 A.
Arnaiz Avenue, Makati City
August 27, 2025
4:00 o'clock PM**

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

Date, time and place of meeting of security holders and mailing address

Date of Meeting	August 27, 2025
Time of Meeting	4:00 o'clock in the Afternoon
Place of Meeting	Liberty Building, 835 A. Arnaiz Avenue, Makati City and via Videoconferencing
Complete Mailing address of Principal Office	Liberty Flour Mills, Inc. Liberty Building, 835 A. Arnaiz Avenue, Makati City

The Company intends to send the notice of Annual Stockholders' Meeting, copies of the definitive information statement, the suggested form for the unsolicited proxy, solicited proxy form and the 2024 Annual Report sometime on August 4, 2025.

The Company shall use the alternative mode of distributing and providing notice of the Meeting as provided for in Securities and Exchange Commission Notice dated March 13, 2025.

Item 2. Dissenters' Right of Appraisal

Any stockholder of Liberty Flour Mills, Inc. (hereinafter the "Company") may exercise his appraisal right against any proposed corporate action which qualifies as an instance under Section 80 of the Revised Corporation Code.

Under Section 80, Title X of the Revised Corporation Code of the Philippines, a stockholder shall have the right to dissent and exercise their appraisal right in the following instances:

- a. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- c. In case of merger or consolidation; and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The appraisal right, detailed above, may be exercised as follows, and in accordance with Section 81, Title X, of the Revised Corporation Code of the Philippines:

- a. A stockholder must **VOTE AGAINST** a proposed corporate action. Note, that the *appraisal right* shall not be available to stockholders that do not vote against a particular action.

- b. The dissenting stockholder should make a written demand on the Company for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.
- c. If the proposed corporate action is implemented, the Company shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken excluding any appreciation or depreciation in anticipation of such corporate action.
- d. If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company and the third by the two (2) thus chosen.

The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder or unless the Company has unrestricted retained earnings in its books to cover such payment: Provided, further, That upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation

The Company does not reasonably foresee any stockholder exercising their right of appraisal during the Annual Stockholders' Meeting.

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

None of the members of the board of directors or senior management have any substantial interest in the matters to be acted upon by the stockholders in the Annual Stockholders Meeting.

As of June 30, 2025, the board of directors and senior management, as a group, own 1,310,740 common shares which is approximately 0.86% of the outstanding common stock.

None of the Company's directors have manifested any intention of opposing any action intended to be taken by the Company during the scheduled annual stockholders meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

As of July 21, 2025, One Hundred Fifty Million (150,000,000) common shares of the Company have been issued and One hundred Fifty Million (150,000,000) are outstanding.

All stockholders of record at the close of business on July 30, 2025 ("Record Date") shall be entitled to notice and to vote at the said meeting, provided that those who shall be attending by proxy, must have had their respective proxies validated by the Company by further to the Nominations Procedure and Proxy Validation Procedure passed by the Corporation on February 27, 2025, disclosed on the Philippine Stock Exchange, Inc. as well as sent to stockholders of record; and amended (insofar as the *proxy submission* and *proxy validation period* are concerned) on July 16, 2025.

The proxy submission period and proxy validation period shall be as follows:

Proxy Submission Period. There shall be a proxy submission period which shall commence upon the disclosure on the Philippine Stock Exchange EDGE and delivery of the Definitive Information Statement and shall conclude on August 14, 2025. As such the proxy submission period shall be from August 4 to 14, 2025.



Proxy Validation. All proxies intended for use at the 2025 Annual Stockholders' Meeting must be validated and confirmed by the Corporation at least seven (7) days prior to the meeting date. Accordingly, there shall be a proxy validation period will be from August 15 to August 20, 2025.

Voting Trust Holders of 5% or more

The Company does not have knowledge of persons holding more than 5% of common shares under a voting trust or similar agreement.

Manner of Voting

For the purpose of electing directors during the scheduled Annual Stockholders' Meeting, each shareholder shall have the option of cumulating his votes by giving one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal as of Record Date, or he may distribute them on the same principle among as many candidates as he shall see fit, in accordance with Section 23 of the Revised Corporation Code; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of Record Date multiplied by the whole number of directors to be elected.

The total number of votes that may be cast by a stockholder of the Company for the election of directors is computed as follows: number of shares held on record as of Record Date x 11 directors.

For all other matters requiring a vote in the Annual Stockholders' Meeting, each share shall be entitled to one vote.

Changes in Control

No change in control of the Company has occurred since the beginning of the previous fiscal year.

Item 5. Directors and Executive Officers

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 Current Directors of the Company are as follows:

Name of Directors	Age [^]	Citizenship	Position
Sandra Judy Uy	48	Filipino	Director
John Carlos Uy	74	Filipino	Chairman
William L. Ang	74	Filipino	Director
Jose Ma. S. Lopez	81	Filipino	Director
Lourdes Elisa J. Chan	65	Filipino	Director
Jose S. Jalandoni	70	Filipino	Director
Daniel R. Maramba	52	Filipino	Director
Willy G. Ng	72	Filipino	Director
Jose A. Feria Jr.*	77	Filipino	Director
Philip S. Huang*	69	Filipino	Director

* Independent Director

[^] The Ages of the directors are as of July 21, 2025.

The following persons, who constitute the final list of candidates presented and approved by the Nominations Committee have been nominated to the Board for the ensuing year, and the following have accepted their nomination:

1. Jose Ma. S. Lopez
2. John Carlos Uy
3. William L. Ang
4. Daniel R. Maramba
5. Jose S. Jalandoni
6. Lourdes Elisa J. Chan
7. Willy G. Ng
8. Barnaby Barrett T. Ang
9. Valerie Ann C. Ang
10. Eldridge Marvin B. Acheron
11. Philip S. Huang*
12. Raul M. Leopando*

*Independent Directors

The Officers and Senior Management of the Company are as follows:

Name	Age	Citizenship	Position
John Carlos Uy	74	Filipino	Chairman & President
William L. Ang	74	Filipino	Corporate Secretary
Jose Ma. Lopez	81	Filipino	Senior Vice President & Treasurer

Attendance of the Directors at the Meetings of the Board of Directors held in 2024:

In General

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Jose Ma. S. Lopez	22	22
John Carlos Uy	22	21
William L. Ang	22	22
Sandra Judy Uy	22	18
Daniel R. Maramba	22	21
Jose A. Feria Jr.	22	16
Jose S. Jalandoni	22	20
Lourdes Elisa J. Chan	22	20
Philip S. Huang	22	22
Willy G. Ng	22	22

Attendance Per Meeting

2024

	May 29	Jun 26	Jul 31	Aug 28	Sep 17	Sep 20	Sep 25	Oct 23	Nov 23	Nov 27	Dec 11	Dec 18
JMSL	O	O	O	O	O	O	O	O	O	O	O	O
JCU	O	X	O	O	O	O	O	O	O	O	O	O
JSJ	O	O	O	O	O	O	O	O	O	O	O	O
WLA	O	O	O	O	O	O	O	O	O	O	O	O

SJU	O	X	O	O	X	X	O	O	O	O	O	O
DRM	O	O	O	O	O	O	O	O	O	O	O	O
JAF	O	O	O	O	X	X	O	O	O	O	O	X
LJC	O	O	O	O	O	O	O	O	O	O	O	O
PSH	O	O	O	O	O	O	O	O	O	O	O	O
WGN	O	O	O	O	O	O	O	O	O	O	O	O

2025

	Jan 22	Feb 26	Mar 26	Apr 22	Apr 30	May 16	May 28	Jun 10	Jun 25	Jul 16
JML	O	O	O	O	O	O	O	O	O	O
JCU	O	O	O	O	O	O	O	O	O	O
JSJ	O	O	O	O	O	O	X	O	O	X
WLA	O	O	O	O	O	O	O	O	O	O
SJU	O	O	O	O	O	O	O	O	O	X
DRM	O	O	O	O	O	O	O	O	O	X
JAF	O	O	O	X	X	X	O	O	O	O
LJC	O	O	O	O	O	O	X	O	O	X
PSH	O	O	O	O	O	O	O	O	O	O
WGN	O	O	O	O	O	O	O	O	O	O

* Glossary:

- O = Present
- X = Absent
- JCU = John Carlos Uy
- JSJ = Jose S. Jalandoni
- JMSL = Jose Ma. S. Lopez
- WLA = William L. Ang
- SJU = Sandra Judy Uy
- DRM = Daniel R. Maramba
- JAF = Jose A. Feria Jr.
- LJC = Lourdes J. Chan
- PSH = Philip S. Huang
- WGN = Willy G. Ng

Attendance in Committee Meetings

Audit and Risk Oversight Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Philip S. Huang	2	2
Jose A. Feria Jr.	2	1
Jose S. Jalandoni	2	2

Attendance in Meetings

	Dec. 4, 2024	March 24, 2025
Philip S. Huang	O	O
Jose A. Feria Jr.	X	O
Jose S. Jalandoni	O	O

Nominations Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Jose A. Feria Jr.	1	0
William L. Ang*	1	1
Maria Elisa G. Ledesma*	0	0
John Carlos Uy*	0	0
Philip S. Huang	1	1

* At meetings of the Board of Directors held on July 31, 2024 and October 23, 2024, the Board, respectively, approved the replacement of Maria Elisa G. Ledesma with William L. Ang and John Carlos Uy with Philip S. Huang in the Nominations Committee

*The meeting of the Nomelec in 2024 – 2025 was on April 21, 2025.

Compensation and Remuneration Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Philip S. Huang	0	0
Jose S. Jalandoni	0	0
Jose Ma. S. Lopez	0	0

Attendance in Stockholders' Meetings

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Jose Ma. S. Lopez	1	1
John Carlos Uy	1	1
William L. Ang	1	1
Sandra Judy Uy	1	1
Daniel R. Maramba	1	1
Jose A. Feria Jr.	1	1
Jose S. Jalandoni	1	1
Lourdes Elisa J. Chan	1	1
Philip S. Huang	0	0
Willy G. Ng	0	0

*for 2024, the Company only had an Annual Stockholders' Meeting.

Background of the Current Directors, Senior Management, and New Nominees for the Board of Directors

Following is a brief description of the respective backgrounds of the Company's current Directors, Senior Management, and non-incumbent nominees, and involvement in other businesses for the past five (5) years:

John Carlos Uy. He is the Chairman 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. He is a Director and Corporate Secretary of the Company. He serves as Vice President and Treasurer starting March 1, 2022 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.

Jose Ma. S. Lopez. 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. He is a director of the Company and Audit Committee Member. He serves as the President of LFM Properties Corporation (LPC) starting April 19, 2021. He is 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. She is the director of the Company and 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. She is a director of Uniguarantee Insurance Brokerage, Inc.

Daniel R. Maramba. 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.

Philip S. Huang. He serves as the President for Upson Resources Corporation. He graduated from the De La Salle University in 1977 with a degree in Bachelor of Science in Commence, and holds a Masters in Business Management from the Asian Institute of Management.

Willy G. Ng. He is currently a Senior Vice President, Institutional Banking Group of Asia United Bank. He is a senior banking executive with almost 50 years of experience in banking and lending operations. He holds a degree from the De La Salle University in Bachelors of Science in Industrial Engineering, and a Masters of Business Administration from the Ateneo De Manila University.

Barnaby Barrett T. Ang. He currently serves as the Executive Vice President and Certified Securities Representative at Astra Securities Corporation in Makati City, Philippines, a position he has held since 2007. Additionally, he has been the Corporate Secretary of Astra Securities Corporation since 2020. He is also a business partner at Cork Wine Bar and Shop in BGC, Philippines, since 2018. He holds a Master of Business Administration (M.B.A.) from Ateneo Graduate School of Business in Makati City, completed between 2012 and 2014. He earned his Bachelor of Science in Business Administration, majoring in Computer Application, from De La Salle University - CSB in Manila, graduating in 2005. His academic journey began at Xavier School in Greenhills, San Juan, where he received his High School Academic Diploma.

**Valerie Ann C. Ang.* She has held various significant roles at JP Morgan Chase Bank, N.A., in Hong Kong and Singapore, where she provided application support, implemented front office trading systems, and managed high-impact changes related to market data and new portfolios. Valerie has also worked as an Assistant Manager at Value Partners Limited in Hong Kong, documenting business requirements on fund factsheets. Her career began at Hewlett Packard in the Philippines, where she developed tools to streamline financial reporting operations and provided SAP application support. She holds a Master of Commerce in Funds Management from the University of New South Wales, Australia, graduating with distinction, and a Bachelor of Science in Computer Science from De La Salle University, Manila, where she received honorable mention and model thesis presentation awards.

**Raul M. Leopando.* He currently serves as the president of Pacific Basin Capital Corporation and Pacific Basin Securities Corporation, and he is a member of the Board of Directors of Upson International. He is also an independent director of LT Group Inc.. He holds certifications on seminars on Anti-Money Laundering, Cyber Security, and Corporate Governance. He has also been a guest lecturer for the Ateneo Graduate School of Business, a resource person for thesis defense of Asian Institute of Management graduating students, a resource person of the House of Representatives and the Senate in a public hearing on proposed bills regarding Capital and Financial Markets. He has also served as the Vice Chairman of RCBC Bankard Services Corporation, Senior Consultant or Rizal Commercial Banking Corporation, Adviser to the Board of Directors for RCBC Capital Corporation, Member of the Board of Directors of Investment Houses Association of the Philippines, Maibarara Geothermal Energy Corporation, and PetroGreen Energy Corporation.

**Eldridge Marvin B. Aceron.* He a partner in Aceron & Attorneys, who graduated with second honors from the Ateneo de Manila School of Law. He holds a degree in AB Philosophy from the Ateneo de Manila School of Arts and Sciences. He is the executive publisher of San Anselmo Publications, Inc, as well as the winner of the 2022 Gintong Aklat Award by the Book Development Association of the Philippines.

**Barnaby Barrett T. Ang, Valerie Ann C. Ang, Raul M. Leopando, and Eldridge Marvin B. Aceron are non-incumbent nominees in the election of directors at the 2025 Annual Stockholders' Meeting.*

Independent Directors

The Nominations Committee of the Company, which was constituted in accordance with the Company's Manual on Corporate Governance, pre-screens and shortlists all candidates in accordance with the Manual on Corporate Governance.

In a meeting of the Nominations Committee of the Company on April 21, 2025, Mr. Philip S. Huang and Atty. Raul M. Leopando were nominated to be the Company's independent directors for the ensuing corporate year.

Other than as stated above, no new persons were named and nominated to be the Company's independent directors for the ensuing corporate year.

Committee Membership in 2024

Audit and Risk Committee	Philip S. Huang	Chairman
	Jose A. Feria Jr	Member
	Jose S. Jalandoni	Member
Compensation and Remuneration Committee	Philip S. Huang	Chairman
	Jose S. Jalandoni	Member
	Jose Ma. S. Lopez	Member
Nominations Committee	Jose A. Feria Jr.	Chairman
	Maria Elisa G. Ledesma*	Member
	William L. Ang*	Member
	Philip S. Huang*	Member
	John Carlos Uy*	Member

* At meetings of the Board of Directors held on July 31, 2024 and October 23, 2024, the Board, respectively, approved the replacement of Maria Elisa G. Ledesma with William L. Ang and John Carlos Uy with Philip S. Huang in the Nominations Committee

Family Relationships

Sandra Judy Uy is the niece of John Carlos Uy.

Jose S. Jalandoni and Lourdes Elisa J. Chan are siblings.

Jose S. Jalandoni, Lourdes Elisa J. Chan, and Jose Ma. S. Lopez are first cousins.

William L. Ang is the father of Valerie Ann C. Ang and the uncle of Barnaby Barrett T. Ang.

*Valerie Ann C. Ang and Barnaby Barrett T. Ang are nominees to the Board in the upcoming 2025 Annual Stockholders' Meeting.

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.

Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than five percent (5%) of the Company's voting securities, as of June 30, 2025, are as follows:

Title of Class	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	Parity Values, Inc. Ground Floor, Liberty Building 835 A. Arnaiz Avenue, Makati City.	John Carlos Uy is a Director and General Manager of Parity Values, Inc. William L. Ang is a Director and 1 st Vice President and Treasurer of Parity Values, Inc.	Filipino	59,891,231	39.93%
Common	PCD Nominee Corp. 37/F The Enterprise Center, Ayala Ave., Makati City	PSE Member Brokers	Filipino	49,251,243	32.83%

Security Ownership of the Board of Directors

Title of class	Name of Beneficial Owners	Amount and nature of beneficial ownership		Citizenship	Percent of ownership
Common	Daniel R. Maramba	433,596	Sole Voting	Filipino	0.28%
Common	Jose Ma. S. Lopez	735,647	Sole Voting	Filipino	0.41%
Common	Jose S. Jalandoni	140,601	Sole Voting	Filipino	0.09%

Common	William L. Ang	373	Sole Voting	Filipino	Negligible
Common	Lourdes J. Chan	1	Sole Voting	Filipino	Negligible
Common	Jose A. Feria, Jr.*	36	Sole Voting	Filipino	Negligible
Common	Philip S. Huang*	10	Sole Voting	Filipino	Negligible
Common	John Carlos Uy	374	Sole Voting	Filipino	Negligible
Common	Sandra Judy Uy	2	Sole Voting	Filipino	Negligible
Common	Willy G. Ng	100	Sole Voting	Filipino	Negligible

*Independent Director

Security Ownership of Officers and Senior Management

Title of class	Name of Beneficial Owners	Position	Amount and nature of beneficial ownership		Citizenship	Percent of ownership
Common	John Carlos Uy	Chairman & President	374	Sole Voting	Filipino	Negligible
Common	Jose Ma. S. Lopez	Senior Vice President & Treasurer	735,647	Sole Voting	Filipino	0.41%
Common	William L. Ang	Corporate Secretary	373	Sole Voting	Filipino	Negligible

Security Ownership of All directors and officers as a group

Title of class	Name of Beneficial Owners	Amount and nature of beneficial ownership		Percent of class
Common	All directors and officers as a group	1,310,740	Sole Voting	0.87%

Significant Employees

While the Company believes that its employees are a valuable resource, other than the persons named above, the Company does not expect any other person to individually make a significant contribution to the business of the Company.

Certain Relationships and Related Transactions

There are directors of the Company that 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 and above board.

These directors are as follows:

Directors	Related Distribution Companies
Jose Ma. S. Lopez	Liberty Commodities Corporation
John Carlos Uy	Parity Values, Inc. Trade Demands Corporation Liberty Commodities Corporation
William L. Ang	Parity Values, Inc. Trade Demands Corporation

The business purpose between the Company and the related parties mentioned is as distributors of the Company's flour and feed products. Transaction prices are between the company and the related parties are determined by the costing of products plus a mark-up; likewise. In any event, the prices offered to the related parties are dictated by market competition.

The transactions with related parties are always evaluated with fairness and are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

Involvement in Certain Legal Proceedings

None of the directors or officers have been declared bankrupt nor have there been any petitions filed by or against any of the directors, nor to any businesses of which they were a part of. Neither have any of them been convicted of any crime, domestic or foreign; and there are no criminal proceedings or threatened material litigation presently pending against any of them or any of their properties; or between any of them and the Company which are material to an evaluation of the ability or integrity of any director or officer of the Company as described in Part II, Paragraph (c) of the Securities Regulation Code ("SRC") Rule 12.

None of the directors and officers of the Company have been temporarily or permanently barred, suspended, or otherwise limiting any of their involvement in any type of business.

The Company is presently not involved in any material legal proceeding affecting any of its properties.

Item 6. Compensation of Directors and Executive Officers

Compensation of Executive Officers

The Company adopts a performance-based compensation scheme. The aggregate compensation paid to the President and top two (2) highly compensated executives amounted to ₱10.18 Million in 2023, and ₱13.73 Million in 2024. The projected total annual compensation for the current year is ₱12.31 Million.

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 three (3) most highly compensated executive officers are as follows:

Estimated Compensation for 2025

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

** The 2025 figures are only estimates of the compensation to be given to the aforementioned Executive Officers. The actual compensation given for 2024 may vary from what is provided above.*

Actual Compensation for 2024

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

Actual Compensation for 2023

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				

* There are no other corporate officers apart from those mentioned above.

The amount of compensation for the above-named executive officers as a group for the last two (2) fiscal years are as follows:

Name and Principal Position	Year	Salaries (₱)	Bonus (₱)	Others (₱)	Total (₱)
Total compensation for the President and top three (3) highest paid executives	2025*	P10.29 mil	P1.84 mil		P12.13 mil
	2024	P9.18 mil	P4.55 mil		P13.73 mil
	2023	₱8.27 mil	₱1.77mil	₱.14mil	₱10.18 mil
All other directors as a group	2025*	-	-	₱580,000.00	₱580,000.00
	2024	-	-	₱580,000.00	₱580,000.00
	2023	-	-	₱580,000.00	₱580,000.00

* The 2025 figures are only estimates of the compensation to be given to the Executive Officers and members of the Board. The actual compensation given for 2025 may vary from what is provided above.

There are no special compensatory arrangements between the Company and any of its directors or officers.

Compensation of Directors

Article II, Section 6 of the Corporation's By Laws provide:

“Directors, as such, shall receive such compensation for their services as may be from time to time fixed by the stockholders.”

Standard Arrangement and Other Arrangement for Director Compensation

The per diems of the directors are based on an attendance per board meeting basis. The gross amount of per diem per meeting equivalent of P5,000.00. There are no additional per diems that are given for attendance at committee meetings.

Apart from the executive directors who are compensated for their holding of executive positions, there are no other agreements between the Company and any member of the Board of Directors under which the latter would be compensated or is to be compensated for any service provided as a director. There are no special compensatory arrangements between the Company and any of its directors or officers.

For the year 2024 the directors of the Corporation received the following per diems and bonuses:

NAME	Per Diem		Bonus	Total
	Board Meetings	Committee Meetings		
Sandra Judy Uy				
Jose Ma. S. Lopez				
William L. Ang				
John Carlos Uy				
Jose S. Jalandoni				
Jose A. Feria, Jr				
Daniel R. Maramba				
Lourdes Elisa J Chan				
Philip S. Huang				
Willy G. Ng				
Total	₱825,000.00	₱-	₱-	₱825,000.00

For the year 2023 the directors of the Corporation received the following per diems and bonuses:

NAME	Per Diem		Bonus	Total
	Board Meetings	Committee Meetings		
William Carlos Uy				
Sandra Judy Uy				
Jose Ma. S. Lopez				
William L. Ang				
John Carlos Uy				
Jose S. Jalandoni				

Vicente S. Vargas				
David Ng				
Jose A. Feria, Jr				
Daniel R. Maramba				
Lourdes Elisa J. Chan				
Total	₱775,000.00	₱-	₱	₱775,000.00

For the year 2022 the directors of the Corporation received the following per diems and bonuses:

NAME	Per Diem		Bonus	Total
	Board Meetings	Committee Meetings		
William Carlos Uy				
Sandra Judy Uy				
Jose Ma. S. Lopez				
William L. Ang				
John Carlos Uy				
Jose S. Jalandoni				
Jesus S. Jalandoni Jr.				
Vicente S. Vargas				
David Ng				
Jose A. Feria, Jr				
Daniel R. Maramba				
Lourdes Elisa J Chan				
Total	₱830,000.00	₱-	₱-	₱830,000.00

There are no special compensatory arrangements between the Company and any of its directors or officers

Item 7. Independent Public Accountants

Sycip Gorres Velayo & Co (“SGV”) is presently the Company's independent external auditor. The audit services provided by Sycip Gorres Velayo & Co. for the fiscal year ended 31 December 2023 included the examination of the financial statements of the Company, preparation of the final income tax returns, and other services related to the filing of reports with the Securities and Exchange Commission. Other than the preparation and filing of income tax return, the Company has not engaged SGV for any tax services.

There have been no 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 audit committee at the start of the calendar year discusses, evaluates and reviews the nature and scope of the audit including the appointment of external auditor, the audit fees and any question of resignation or dismissal. Further, the audit committee reviews the quarterly, half-year and annual financial statements before submission to the Board, focusing particularly on any change in the accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumption, compliance with accounting standards and compliance with tax, legal and stock exchange requirements.



Representatives of the Company's external auditor are expected to be present in the 2025 Annual Stockholders' Meeting. They are expected to have an opportunity to make statements if they so desire, and to be available to respond to appropriate questions.

Item 8. Compensation Plans

Among the matters to be discussed in the 2025 Annual Stockholders' Meeting is the approval of a 10% profit sharing incentive to be granted to the members of the Board of Directors and Corporate Officers. The basis of the profit sharing will be the net income of the Corporation from its flour milling activities.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no actions to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the registrant.

Item 10. Modification or Exchange of Securities

There are no plans or actions to be taken with respect to the modification of any class of outstanding securities of the Company; nor the issuance or authorization for issuance of one class of securities of the registrant in exchange for the outstanding securities of another class.

Item 11. Financial and Other Information

Please see the attached Annual Report and Audited Financial Statements for the year 2024.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no intended merger, consolidation, acquisition or other similar matters.

Item 13. Acquisition or Disposition of Property

On September 17, 2024 the Board of Directors of Liberty Flour Mills, Inc. passed a resolution designating its President and Chairman, John Carlos Uy, as the Corporation's authorized representative to sign a Memorandum of Agreement with Haus Talk, Inc. (HTI) in the event that the Parties come to an agreement involving the sale of eight (8) contiguous parcels of land in Rizal (the "Property").

On September 20, 2024, the Corporation and Haus Talk, Inc. signed a Memorandum of Agreement regarding the sale of the said properties, which will be sold for a selling price of PhP1,000,000,000.00 and subject to certain conditions precedent.

The purpose of the Property's sale is to expand and diversify the Corporation's investment portfolio and invest in new food related businesses.

This transaction involves the sale of eight (8) parcels of land, located in the Province of Rizal, with a total area of 372,201 square meters.

Item 14. Restatement of Accounts

There was a restatement of accounts due to the property dividend declaration of the corporation, an explanation for which can be found in page 2 of the Audited Consolidated Financial Statements, under the heading: "*Classification and Presentation of Subsidiary's Assets and Liabilities as Held for Distribution to Owners and Discontinued Operations*".

The details of the property dividend declaration are as follows: On May 29, 2024 the Board of Directors approved the declaration of a property dividend in the form of 14.55 billion common shares of its subsidiary, LFM Properties Corporation (LPC), with an entitlement ratio of ninety-seven (97) shares of LPC for every one (1) share of the Parent Company, to eligible stockholders of the Company as of record date of June 19, 2024. Currently, the Corporation is waiting for the approval of the SEC for the distribution of the said dividend. Upon securing SEC approval and the distribution of the property dividend, the ownership of the Corporation in LPC will be reduced from 58.6% to 0.40%.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

During the scheduled Annual Stockholders Meeting, the following reports shall be submitted to the stockholders for their approval:

1. The Minutes of the 2024 Annual Stockholders Meeting; and
2. The Financial Statements for the fiscal year ended 31 December 2024.

The Minutes of the last Annual Stockholders' Meeting and resolutions of the Board of Directors will be made available to stockholders upon request.

Summary of 2024 Annual Stockholders' Meeting

Quorum for the 2024 Annual Stockholders' Meeting

At the 2024 Annual Stockholders' Meeting of the Corporation, there were the stockholders present through person or proxy represented 108,310,950 shares which corresponds to 72.21% of the issued and outstanding capital stock entitled to vote.

Voting and Vote Tabulation Procedures used in the Meeting

In the 2024 Regular Meeting voting was done during the meeting and was conducted in person (through remote communication), through proxy; and by voting in absentia.

Votes through Proxy

Stockholders had the option to vote through proxy where the proxy form included with the information statement would be filled up and sent to the LFM's principal office address or electronically to the Corporate Secretary at to lfmcorporatesecretary@gmail.com.

Voting in Absentia

Stockholders were given the option of using the online web address provided to the shareholders. This online web address led them to a Microsoft Form which contained the matters to be voted on, as well as a mechanism for stockholders to cast their votes. Stockholders who casted their votes *in absentia* were considered as present for the purposes of the quorum.



Voting at the Meeting

Prior to the first item to be acted upon by the assembly and after the determination of the quorum, the Chairman stated that voting for all matters will be done after the last matter on the agenda; with QR Codes and the voting link provided to voting platform to be provided during the voting period.

He further stated that the floor will be opened for questions after the presentation of a particular agenda matter. Shareholders may ask questions by addressing the body or typing the question in the chat box.

Finally, he asked the assembly whether there were any questions regarding this procedure.

No questions were raised from the assembly.

Tabulation and Counting of Results

The Assistant Corporate Secretary, Maria Elisa G. Ledesma, counted and tabulated all the votes cast during the meeting, which was done in accordance with the the provisions of the Revised Corporation Code.

Opportunity Given to Stockholders to Ask Questions and a Record of Questions Asked and Answers Given

After the presentation of each agenda item, the Stockholders shall be given an opportunity to ask questions and raise concerns regarding the matters that are up for vote. Such questions shall be recorded and taken note of by the Corporate Secretary.

For the 2024 Annual Stockholders' Meeting, after each matter on the agenda, the stockholders were given an opportunity to ask their questions or give their comments relevant to the matter being presented. However, despite being given such opportunities, no questions were raised to the Board of Directors and Management.

Matters Discussed and Resolutions Reached and the Record and Voting Results for Each Agenda Item

Approval of the Minutes of the 2023 Annual Stockholder's Meeting

The first matter on the agenda was the approval of the minutes of the previous meeting. Copies of the minutes of the Stockholders' meeting held on 26 July 2023 were distributed to the shareholders via the Company's website as well as in the information packet for the 2024 Annual Stockholders' Meeting.

He asked the shareholders if there were any questions or comments regarding the minutes of the 2023 Annual Stockholders' Meeting. No questions were raised from the assembly. Given the absence of any question, the Chairman proceeded to the next matter on the agenda.

The stockholders voted to approve the minutes of the 2023 Annual Stockholders' Meeting. The tabulation of voting is as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Amendment to the Articles of Incorporation of the Corporation

The next matter on the agenda is the amendment of the Articles of Incorporation. The Chairman presented the proposed amendment to the Articles of Incorporation as well as the rationale for amendment, as follows:

- a. Amendment of Article Second containing the Secondary and Incidental Purposes – the purpose of this amendment is to streamline the secondary and incidental purposes of the Corporation.
- b. Amendment to Article Third – this is to reflect the current address of the Corporation in the Articles of Incorporation.
- c. Amendment of Article Fourth – this is to revise the corporate term indicated in the Articles to the perpetual term afforded to corporations under the Revised Corporation Code of the Philippines.

After the presentation of the proposed amendments to the Articles of Incorporation and the rationale for its amendment, the Chairman asked the stockholders if anyone had any questions or concerns regarding the proposed amendments.

The stockholders voted to approve the amendment of the Articles of Incorporation. The tabulation of voting is as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Ratification of the Acts of the Board of Directors and Management

The next matter on the agenda was the Ratification of All acts of the Board of Directors and management covering the period of July 26, 2023 to April 29, 2024. The Chairman stated that a detailed description of the matters resolved by the Board is contained in the Definitive Information Statement sent to all stockholders of record.

The Chairman asked the assembly if there were any questions or concerns that any stockholder wishes to raise.

No questions were raised from the assembly. Given the absence of any question, the Chairman proceeded to the next matter on the agenda.

The stockholders voted to ratify the Acts of the Board of Directors and Management from the amendment of the Articles of Incorporation. The tabulation of voting is as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Election of Directors

The next matter on the agenda was the election of directors. The Assistant Corporate Secretary presented the following as the nominees for the Corporation's Board of Directors for the ensuing corporate year:



JOSE MA. S. LOPEZ
JOHN CARLOS UY
WILLIAM ANG
WILLY G. NG
LOURDES J. CHAN
PHILIP S. HUANG
SANDRA JUDY UY
DANIEL R. MARAMBA
JOSE A. FERIA JR.
JOSE S. JALANDONI

Given that there were 10 nominees and 11 seats for the Board of Directors, there was a motion that was made to instruct the corporate secretary to cast the votes of those present in person and/or through proxy, and/or voting through remote communication equally among the nominees.

This motion was duly seconded, and affirmed, approved, and ratified by the stockholders with the following vote:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Appointment of an External Auditor

For the fiscal year of 2024 the Chairman Proposed the SyCip Gorres & Velayo serve as the external auditor of the Company.

For the Agenda matter concerning the appointment of SyCip Gorres & Velayo as the external auditor, such appointment was affirmed, approved and ratified by the affirmative vote of the stockholders present in person and/or through proxy, and/or voting through remote communication, as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Directors Present During the Meeting and their Voting Rights

The following Directors were present during the meeting.

1. Jose Ma. S. Lopez;
2. John Carlos Uy;
3. William L. Ang;
4. Jose S. Jalandoni;
5. Sandra Judy Uy;
6. Daniel R. Maramba;
7. Lourdes Elisa J. Chan; and
8. Jose A. Feria Jr. (Independent Director).

Stockholders Present and their Voting Rights

The voting rights of Shareholders shall be reckoned per share of stock and not per capita.

In the 2024 Annual Stockholders' Meeting stockholders representing 108,310,950 were present in person and by proxy. This constitutes 72.21% of the Corporation's issued and outstanding capital stock.

Item 16. Matters Not Required to be Submitted

The acts and proceedings of the board of directors covering the period of April 29, 2024 to July 30, 2025 shall also be discussed and submitted to the stockholders for their ratification to obtain a confirmation of support from the stockholders for all the acts and decisions taken by the board of directors and management during the above-mentioned period. If the action of the stockholders is a negative vote, the board of directors and management shall have the option to disregard the action completely or study the matter further.

Copies of the resolutions of the board of directors and the Minutes of their meetings will be available upon request.

Item 17. Amendment of Charter, Bylaws or Other Documents

Amendment to the Articles of Incorporation: Article Sixth

The amendment of the Articles of Incorporation will be presented for the appreciation and approval of the stockholders. The proposed amendments pertain to the amendment of Article Sixth of the Corporation's Articles of Incorporation decreasing the members of the board of directors from eleven (11) to seven (7), as follows:

FROM	TO
"That the number of directors of said corporation shall be eleven (11)..."	"That the number of directors of said corporation shall be seven (7)..."

This change will take effect at the board election immediately following the Securities and Exchange Commission's approval of the amended Articles of Incorporation .

The proposed reduction in the number of members of the Board of Directors is intended to align to best governance principles by maintain a board size that is proportionate to the company's operational complexity and strategic needs. Furthermore, a streamlined board composition allows for more focused discussions, quicker consensus-building, and improved accountability.

Amendment to the By-Laws: Article Seventh, Section 5

The proposed amendment to Article VII, Section 5 of the Corporation's By-Laws seeks to move the date of the annual stockholders meeting from the last Wednesday of May to the last Wednesday of July.

FROM	TO
"The regular meeting of the stockholders shall be held at its principal office or such other place in Makati, Metro Manila, as the Board may fix, not later than the last Wednesday of May of each calendar year..."	"The regular meeting of the stockholders shall be held at its principal office or such other place in Makati, Metro Manila, as the Board may fix, not later than the last Wednesday of July of each calendar year..."

The amendment is being made to lessen the administrative burden of the Company's employees. Historically, preparation for the Annual Stockholders' Meeting overlaps or is soon after the financial regulatory filings, causing significant administrative burden which may result to the postponement of the annual meeting. Hence, the meeting date is being amended to avoid postponements and to lessen administrative burden.

Item 18. **Other Proposed Action**

Ratification of the Acts of the Board of Directors and Corporate Officers

The acts of the Board of Directors and Corporate Officers include, among others:

1. Declaration of a cash dividend of Thirty Centavos (P0.30) per share;
2. Declaration of a property dividend consisting of shares of LFM Properties Corporation (“LPC”) with an entitlement of 97 LPC shares for every 1 LFM share;
3. Designation of authorized signatories for the corporate accounts with Metropolitan Bank & Trust Company;
4. Appointment of Ms. Maria Luisa L. Quizon as AVP Finance and Administration, and Donato S. Napo as AVP Manufacturing;
5. Designation of an authorized signatory for the contract of lease with Jesus is Lord Church Worldwide Missions Foundations, Inc.;
6. Updating of signatories for the retirement benefit plan of the Corporation;
7. Designation of an authorized representative to sign a *Petition for Reissuance of Title* for TCT No. 417054;
8. Ratification of disbursements made in June 2025;
9. Designation of an authorized representative to transact with the Bureau of Fire Protection;
10. Designation of Ms. Maria Luisa Quizon as the authorized representative to represent the corporation and decide issues in relation to the CBA.
11. Designation of Mr. Jenkins Dubio or Ms. Junaila Andaya as authorized representatives for the Provincial Treasurer of Rizal and Registry of Deeds.
12. Designation of Engr. Donato S. Napo as the authorized representative to file application with the PPA;
13. Designation of Engr. Donato S. Napo as the authorized representative for the submission of the Certificate of Non-Conformance (Renewal) at the Mandaluyong City Hall;
14. Entering into a Memorandum of Agreement with Haus Talk, Inc. for the sale of the properties consisting Maya Farms;
15. Designation of Ms. Wilhelmina Tobias as the company authorized representative to submit, process and sign the application for exemption clearance with Department of Agrarian Reform (DAR);
16. Approval of the SalaryPlus facility with China Banking Corporation;
17. Approval of the Licensing and Manufacturing Agreement between Parity Value Inc. (PVI) and the Corporation;
18. Approval of authorized representatives to transact with various government agencies;
19. Change of assignee for the Baguio Country Club share of the Corporation;
20. Declaration of a cash dividend of P2.00 per share;
21. Acceptance of the resignation of Maria Elisa G. Ledesma as the Corporate Secretary, and the election of William L. Ang as her replacement;
22. Designation of an authorized representative to sign the Deed of Absolute Sale for the Corporation’s sale of Liberty Building; and
23. Designation of an authorized representative to sign a Motion for Resolution for the following cases: (a) O.P. Case No. 20-B-030 (DAR ADM. Case No. A-9999-04-EXE-9); and (b) O.P. Case No. 20-I-201 (DARCO Order No. LUCC No. 1120-0457, Series of 2020).

Approval of the Minutes of the Previous Meeting

The summary of the minutes of the May 29, 2024 meeting is as follows:

The Annual Stockholders Meeting of Liberty Flour Mills, Inc. was held on May 29, 2024, at 4:00 P.M. at Liberty Bldg., A. Arnaiz Ave., Makati City, and virtually through remote communication. The meeting was chaired by Mr. John Carlos Uy, with Ms. Maria Elisa G. Ledesma serving as the Secretary.

The meeting commenced with a prayer, followed by the certification of notice and quorum by the Corporate Secretary, Ms. Ledesma. She confirmed that the stockholders had been duly notified in accordance with the By-Laws and the rules of the Securities and Exchange Commission. With 72.21% of the total outstanding shares represented, the Chairman declared the presence of a quorum, allowing the meeting to proceed.

Before the first matter on the agenda was discussed, the Chairman outlined the voting procedure for the stockholders, explaining that voting for all matters will be conducted after the presentation of the last agenda item. Shareholders will be provided with QR codes and links to a voting platform. Questions could be asked by addressing the body or typing in the chat box.

The first agenda item was the approval of the minutes from the previous year's meeting held on July 26, 2023. Copies of the minutes had been distributed via the Company's website and information packets. With no questions raised, the minutes were approved by the stockholders.

The Chairman then delivered the Annual Report, highlighting the Corporation's performance for 2023. The report included the Audited Financial Statements for the year ending 2023, which were discussed and noted.

Next, the Chairman presented proposed amendments to the Articles of Incorporation. These included streamlining the secondary and incidental purposes, updating the Corporation's address, and revising the corporate term to a perpetual term as per the Revised Corporation Code of the Philippines. The amendments were approved by the stockholders without any objections.

The meeting proceeded to the ratification of acts by the Board of Directors and management from July 26, 2023, to April 29, 2024. These acts were detailed in the Definitive Information Statement sent to all stockholders. The ratification was approved unanimously.

The election of directors followed, with ten nominees presented for the Board of Directors for the ensuing corporate year. Given that there were 10 nominees and 11 seats, a motion was made to cast votes equally among the nominees. This motion was approved, and the following directors were elected: Jose Ma. S. Lopez, John Carlos Uy, William Ang, Willy G. Ng, Lourdes J. Chan, Philip S. Huang, Sandra Judy Uy, Daniel R. Maramba, Jose A. Feria Jr., and Jose S. Jalandoni.

The final agenda item was the appointment of Sycip Gorres Velayo & Co. as the Corporation's External Auditor for the ensuing fiscal year. This appointment was also approved unanimously.

After the voting period, during which shareholders cast their votes via the provided QR codes and links, the meeting was adjourned, there being no other matter to discuss.

Election of the Members of the Board of Directors, including the Independent Directors.

The following persons, are the nominees for the upcoming election of the Board of Directors:

1. Jose Ma. S. Lopez
2. John Carlos Uy
3. William L. Ang
4. Daniel R. Maramba
5. Jose S. Jalandoni
6. Lourdes Elisa J. Chan
7. Willy G. Ng
8. Barnaby Barrett T. Ang
9. Valerie Ann C. Ang



10. Eldridge Marvin B. Acheron
11. Philip S. Huang*
12. Raul M. Leopando*

**Independent Directors*

Appointment of the External Auditor

The Shareholders will be asked to approve the engagement of SGV & Co. as the Company's external auditors for the ensuing fiscal year.

Approval of the Profit Sharing Incentive for the Board of Directors and Corporate Officers

Among the matters that will be brought for shareholder approval is the implementation of a 10% profit sharing incentive in favor of the Board of Directors and Officers. The basis of the 10% profit sharing incentive shall be on the net income of the Corporation from its flour milling operations.

Item 19. Voting Procedures

Vote required for approval

All matters subject to vote, except in cases where the law provides otherwise, shall be decided by the affirmative vote of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting. The representation of the stockholders during the meeting shall either be in person (through remote communication), through proxy, or voting *in absentia*.

For election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit.

Method by which votes will be cast and counted

A stockholder may vote through proxy, such must be in writing, signed by the stockholder concerned, and in the form provided for in this Information Statement. Such proxies may be sent electronically to lfmcorporatesecretary@gmail.com, or mailed to the office of the Company.

A stockholder may vote electronically *in absentia* using the online web address that will be provided to him/her upon the completion and successful verification. A stockholder that casts his vote *in absentia* shall be deemed present for the purpose of determining a quorum.

Opportunity to ask questions

Before a matter is put to vote by the Chairman of the Board, the Stockholders shall be given an opportunity to ask questions and raise concerns regarding the matters that are up for vote. Such questions shall be recorded and taken note of by the Corporate Secretary.

Participation of the Shareholders via Remote Communication and Voting *In Absentia*

Before a stockholder can participate via remote communication and/or vote in absentia, the stockholder must first register and be authenticated. The procedure for authentication, participation through remote communication and voting in absentia is attached as **ANNEX "A"**.

PART II.

INFORMATION REQUIRED IN A PROXY FORM

(This form shall be prepared in accordance with paragraph (5) of SRC Rule 20)

Item 1. **Identification**

The solicitation is being made by the Company for the purpose of obtaining the necessary quorum for the Annual Stockholders' Meeting and having the matters subject of said meeting approved and/or ratified by the stockholders, namely: (1) the minutes of the previous stockholders' meeting; (2) acts and proceedings of the Board of Directors and Corporate Officers; (3) the Financial Statements of the Company; (4) the appointment of external auditors; (5) election of the board of directors; and (6) other matters that may be taken up during said meeting.

The Chairman of the Company, Mr. John Carlos Uy will be constituted as the true and lawful attorney of a stockholder of record of the Company to vote in the name, place and stead of the said stockholder at the Annual Stockholders' Meeting on August 27, 2025.

Item 2. **Instruction**

The Proxy Form shall be accomplished in accordance with the instructions set out in the Proxy Form, by means of marking the appropriate box for an action in an item. In the case of election of directors of the Company, a stockholder may withhold authority to vote for any of the nominees by lining through or striking out the name/s of the nominee/s. In which case, the total votes of the stockholder shall be divided equally among the remaining nominees.

If this Proxy is returned without a choice having been made in any or all of the above items, the proxy is authorized to vote all the stockholder's shares at the proxy's discretion. In which case, the proxy shall vote for the approval of all the matters and for the election of all the nominees mentioned in the Proxy Form.

In addition, the proxy is granted discretionary powers as to other matters incidental to the conduct of the meeting.

The Proxy Form shall be submitted and validated further to the following:

Proxy Submission Period. There shall be a proxy submission period which shall commence upon the disclosure on the Philippine Stock Exchange EDGE and delivery of the Definitive Information Statement and shall conclude on August 14, 2025. As such the proxy submission period shall be from August 4 to 14, 2025.

Proxy Validation. All proxies intended for use at the 2025 Annual Stockholders' Meeting must be validated and confirmed by the Corporation at least seven (7) days prior to the meeting date. Accordingly, there shall be a proxy validation period will be from August 15 to August 20, 2025.

Documentary Requirements. The documentary requirements for proxy validation are provided in Section 4.2 of the Nominations and Proxy Validation Procedure.

The matters to be taken up in the meeting are as follows:

1. Approval of the Minutes of the 2024 Annual Stockholders' Meeting;
2. Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers;
3. Approval of Financial Statements;

4. Election of the following nominated persons as members of the Board of Directors of the Company:

Jose Ma. S. Lopez
John Carlos Uy
William L. Ang
Daniel R. Maramba
Jose S. Jalandoni
Lourdes Elisa J. Chan
Willy G. Ng
Barnaby Barrett T. Ang
Valerie Ann C. Ang
Eldridge Marvin B. Acheron
Philip S. Huang*
Raul M. Leopando*

A stockholder may withhold authority to vote for any of the nominees by lining through or striking out the name/s of the nominee/s. In which case, the total votes of the stockholder shall be divided equally among the remaining nominees.

5. Appointment of the External Auditors
6. Approval of 10% Profit Sharing for the Directors and Corporate Officers.
7. Approval of the Amendment to the Articles of Incorporation Decreasing the Directors from Eleven (11) to Seven (7)
8. Amendment of the By-Laws moving the Annual Stockholders' Meeting date from the last Wednesday of May to the last Wednesday of July.
9. Other Matters
10. Adjournment

Item 3. **Revocability of Proxy**

The person giving the proxy has the right to revoke the proxy by personal appearance or execution of a proxy at a later date, subject to the pertinent requirements of the law and SEC Circular Number 5, Series of 1996.

Item 4. **Persons Making the Solicitation**

The solicitation is being made by the Company for the purpose of obtaining the necessary quorum for the annual stockholders meeting and having the matters subject of said meeting approved and/or ratified by the stockholders, namely: (1) the minutes of the previous stockholders' meeting; (2) acts and proceedings of the Board of Directors and Corporate Officers; (3) the Financial Statements of the Company; (4) the appointment of external auditors; and (5) election of the board of directors; and (6) other matters that may be taken up during said meeting.

None of the Company's directors have manifested any intention of opposing any action intended to be taken by the Company during the scheduled Annual Stockholders' Meeting.

All costs of solicitation for proxies including the costs of engaging messengerial and courier services shall be borne by the Company. Except for the costs incidental to the preparation and sending out of notices and proxies, the Company has not paid nor engaged any other employee or solicitor to undertake the solicitation of proxies. The cost of solicitation, which is approximately PhP30,000.00 will be borne by the Company.



Item 5. Interest of Certain Persons in Matters to be Acted Upon

None of the members of the board of directors or senior management have any substantial interest in the matters to be acted upon by the stockholders in the Annual Stockholders Meeting.

As of June 30, 2025, the board of directors and senior management, as a group, own 1,310,740 common shares which is approximately 0.86% of the outstanding common stock.

PART III.

SIGNATURE PAGE

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on July 21, 2025.


WILLIAM L. ANG
Corporate Secretary

A copy of SEC Form 17-A may be provided free of charge
to any stockholder upon written request to the Company

ANNEX “A”

**PROCEDURE FOR PARTICIPATION IN THE 2025 ANNUAL STOCKHOLDERS’
MEETING OF LIBERTY FLOUR MILLS, INC. THROUGH REMOTE
COMMUNICATION AND VOTING IN ABSENTIA**

The 2025 Annual Stockholders’ Meeting shall be held through videoconferencing. Those who intend to participate in the meeting should send their intention as well as the registration requirements, provided below, to lfmcorporatesecretary@gmail.com. Upon receipt of a stockholder’s email, the corporate secretary shall verify the identity of the stockholders following the procedure below. If the registration and verification is successful, the corporate secretary shall send, via electronic mail, access to the website links for the broadcast of the Annual Meeting and the voting portal.

The 2025 Annual Meeting shall be broadcast via Zoom or MS Teams and voting shall done using Microsoft Forms or through a Polling Box of the online meeting platform. In the interest of information security, the link for the meeting shall not be made public and shall be sent privately to shareholders who have successfully registered.

Procedure for Participation via Remote Communication and Voting *In Absentia*

The following procedure shall be observed for the participation and voting for the 2025 Annual Stockholder’s Meeting of the Company:

1. Stockholders as of July 30, 2025 are entitled to participate and vote at the 2025 Annual Stockholder’s Meeting. If the stockholder intends to participate through such means, he/she **must register and submit the requirements for registration** via electronic mail on or before August 20, 2025 at 5:00 p.m. to the following email address: lfmcorporatesecretary@gmail.com.
2. The requirements for registration for individual stockholder are as follows:
 - a. A recent photo of the stockholder, with the face fully visible;
 - b. A scanned copy of the front and back portions of the Stockholder’s valid government issued ID;
 - c. Valid and active email address; and
 - d. Valid and active contact number.
3. The requirements for registration for stockholders with joint accounts is as follows:
 - a. The requirements contained in number 2 above; and
 - b. A scanned copy of an authorization letter signed by all the stockholders, identifying who among them is authorized to participate and cast a vote for their account.
4. The requirements for registration for stockholders under broker accounts is as follows:
 - a. The requirements contained in number 2 above; and
 - b. A broker’s certification on the Stockholder’s number of shareholdings.
5. The requirements for the registration of Corporate Stockholders is as follows:
 - a. Secretary’s certificate which shall provide the following: (a) name of the representative; and (b) that the representative is authorized to participate in the 2025 Annual Stockholders’ Meeting and vote for and on behalf of the corporation;
 - b. A recent photo of the authorized representative, with the face fully visible;
 - c. A scanned copy of the front and back portions of the authorized representative’s valid government issued ID;

- d. Valid and active e-mail address of the authorized representative; and
 - e. Valid and active contact details of the Stockholder's authorized representative.
- 6. Once a shareholder has successfully registered and verified, the Corporate Secretary shall send an email to a stockholder's indicated valid active email address containing the following on or before August 20, 2025:
 - a. The link which will be used to broadcast the meeting, and
 - b. The link where votes will be cast.
- 7. The meeting will be broadcast via Zoom, Google Meets, or Microsoft Teams, and the voting shall be conducted through the use of Microsoft Forms.
- 8. The *In Absentia* voting shall be open beginning August 20, 2025 at 9:00 a.m. and shall close on August 26, 2025 at 12:00 p.m.
- 9. Stockholders who have notified the company of their intention to participate in the annual meeting via remote communication and those that have voted *in absentia* shall be counted for purposes of determining a quorum.
- 10. To ensure the quality of the presentation of the Annual Report of the President and Chairman, all participants of the meeting should be on mute. Stockholders who are not on mute may be placed on mute by the meeting administrator. Once the open floor begins, the participants may unmute their devices to ask their questions. Alternatively, questions may be asked through the chat box of the video conferencing platform.
- 11. **The meeting shall be recorded.**



MANAGEMENT REPORT
OF
LIBERTY FLOUR MILLS, INC.

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

The Company's consolidated audited Financial Statements for the year ended December 31, 2024, follows this Management Report.

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 replaced its former external auditor, KPMG Manabat Sanagustin (formerly, Laya Mananghaya & Co.) with Sycip Gorres Velayo & Co. effective October 2007.

The Company paid in the aggregate amount of ₱1,747,000 net of VAT and OPE, for the audit services for the group.

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	107,200	(38,427)	(69,693)

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:

	Years Ended December 31		
	2024	2023	2022
RENTAL INCOME (Notes 9 and 13)	P269,334,697	P194,836,591	P230,739,119
DIRECT COSTS (Notes 9 and 15)	94,302,332	85,239,642	77,299,074

GROSS PROFIT	175,032,365	109,596,949	153,440,045
OPERATING EXPENSES			
(Notes 10, 16, 17, 18 and 20)	57,737,053	31,711,371	24,901,400
INCOME BEFORE OTHER INCOME (CHARGES) AND INCOME TAX	117,769,002	77,885,578	128,538,645
OTHER INCOME (CHARGES)			
Gain on sale of investment properties		88,637,478	–
Interest expense (Notes 9, 11 and 13)	(65,159,017)	(43,620,441)	(27,890,956)
Fair value changes of financial assets at FVTPL (Note 6)	(7,738,342)	(42,006,396)	(58,797,005)
Gain on sale of financial assets at FVTPL (Note 6)	6,916,515	728,239	502,046
Dividend income (Note 6)	165,140	394,390	1,068,560
Interest income (Notes 4 and 5)	20,219	19,309	29,711
Loss on pretermination of lease contract (Notes 13 and 24)	–	–	(85,402,721)
Other income (expense) – net (Note 11)	594,850	1,446,392	578,134
	(65,200,634)	5,598,971	(169,912,231)
INCOME (LOSS) BEFORE INCOME TAX FROM DISCONTINUED OPERATIONS	52,568,368	83,484,549	(41,373,586)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current	12,540,215	31,369,350	21,656,566
Deferred	2,351,202	(38,600)	(17,565,104)
	14,891,417	31,330,750	4,091,462
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	P37,676,951	P52,153,799	(P45,465,048)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATION (Note 14)			
Basic	P0.0014	P0.0021	(P0.0018)
Diluted	P0.0009	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

Assets of disposal group classified as held for distribution to owners **P1,291,484,658**

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
Liabilities of disposal group classified as held for distribution to owners	P1,193,440,039
Net assets classified as held for distribution to owners	P247,134,8480
Other components of equity of disposal group held for distribution to owners	(P149,090,229)

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 2023 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 2% 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.

Performance Indicators

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

1. 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 a basis for further study and development.

During the year ended December 31, 2024, 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. The lease rental income of the Company recorded a significant decrease of 66% due to sale of Liberty Building to its subsidiary.

2. 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.

For the year ended on December 31, 2024, 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.

3. 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.

For the year ended on December 31, 2024, the Company generated gross profit of 19.11% for bakery flour and mill feed. There was an increase compared to 14.35% in prior year gross profit. The increase is directly attributable due to gradual decrease in the cost of major raw materials coupled with better inventory management. Together with the gross profit contribution from lease rental, the Company generated 19.68% gross profit.

4. Operating margin

This shows the result after operating 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.

For the year ended on December 31, 2024, the amount of operating expenses increased by 2.40% compared from previous year. On the other hand, operating income realized this year is much higher than the previous year mainly due to significant decrease of cost of sales despite a decrease of rental income and its cost of services.

5. 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 properly equate and carefully assess the differences.

Plant capacity is at average of 75% utilization.

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.

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 net income in flour business coupled with gain on sale from some of its properties.

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.

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

On November 25, 2020, the Company BOD approved the declaration of property dividends in the form of 10,350 million 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. Accordingly, the Parent Company recognized dividends payable amounting to ₱88.0 million, equivalent to the proportionate carrying value of investment in LPC declared as property dividends representing 41.40% of LPC's outstanding capital stock. The declaration and distribution of the LPC shares to its shareholders as property dividends did not result in a loss of control as the Parent Company retains 58.60% of LPC's total shares outstanding.

In August 2021, the Parent Company secured the SEC's approval. In November 2021, the application for eCAR 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.

On May 29, 2024, the BOD approved the declaration of another 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.

On September 17, 2024 the Board of Directors of Liberty Flour Mills, Inc. passed a resolution designating its President and Chairman, John Carlos Uy, as the Corporation's authorized representative to sign a Memorandum of Agreement with Haus Talk, Inc. (HTI) in the event that the Parties come to an agreement involving the sale of eight (8) contiguous parcels of land in Rizal (the "*Property*"). On September 20, 2024, the Corporation and Haus Talk, Inc. signed a Memorandum of Agreement regarding the sale of the said properties, which will be sold for a selling price of PhP1,000,000,000.00 and subject to certain conditions precedent.

There is currently no bankruptcy, receivership or any other similar proceedings involving the Company or its subsidiary. Neither was there any material reclassification, merger, consolidation or purchase or sale of a significant amount of the assets of the Company or its subsidiaries.

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:

Name of Directors	Age[^]	Citizenship	Position
Sandra Judy Uy	48	Filipino	Director
John Carlos Uy	74	Filipino	Chairman
William L. Ang	74	Filipino	Director
Jose Ma. S. Lopez	81	Filipino	Director
Lourdes Elisa J. Chan	65	Filipino	Director
Jose S. Jalandoni	70	Filipino	Director
Daniel R. Maramba	52	Filipino	Director
Willy G. Ng	72	Filipino	Director
Jose A. Feria Jr.*	77	Filipino	Director
Philip S. Huang*	69	Filipino	Director

* Independent Director

The Officers and Senior Management of the Company are as follows:

Name	Age	Citizenship	Position
John Carlos Uy	74	Filipino	Chairman & President
William L. Ang	74	Filipino	Corporate Secretary
Jose Ma. Lopez	81	Filipino	Senior Vice President & Treasurer

The following persons, who constitute the final list of candidates presented and approved by the Nominations Committee have been nominated to the Board for the ensuing year, and the following have accepted their nomination:

1. Jose Ma. S. Lopez
2. John Carlos Uy
3. William L. Ang
4. Daniel R. Maramba
5. Jose S. Jalandoni
6. Lourdes Elisa J. Chan
7. Willy G. Ng
8. Philip S. Huang*
9. Barnaby Barrett T. Ang
10. Valerie Ann C. Ang
11. Eldridge Marvin B. Acheron
12. Raul M. Leopando*

**Independent Directors*

Following is a brief description of the respective backgrounds of the Company's current Directors, Senior Management, and non-incumbent nominees, and involvement in other businesses for the past five (5) years:

John Carlos Uy. He is the President and Chairman 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. He is a Director of the Company. He serves as Vice President and Treasurer starting March 1, 2022 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. 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. He is a Director of the Company and Audit Committee Member. He serves as the President of LFM Properties Corporation (LPC) starting April 19, 2021. He is 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. She is a Director of the Company and 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.

Daniel R. Maramba. 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. 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. He serves as the President for Upson Resources Corporation. He graduated from the De La Salle University in 1977 with a degree in Bachelor of Science in Commence, and holds a Masters in Business Management from the Asian Institute of Management.

Willy G. Ng. He is currently a Senior Vice President, Institutional Banking Group of Asia United Bank. He is a senior banking executive with almost 50 years of experience in banking and lending operations. He holds a degree from the De Lasalle University in Bachelors of Science in Industrial Engineering, and a Masters of Business Administration from the Ateneo De Manila University.

**Barnaby Barrett T. Ang.* He currently serves as the Executive Vice President and Certified Securities Representative at Astra Securities Corporation in Makati City, Philippines, a position he has held since 2007. Additionally, he has been the Corporate Secretary of Astra Securities Corporation since 2020. He is also a business partner at Cork Wine Bar and Shop in BGC, Philippines, since 2018. He holds a Master of Business Administration (M.B.A.) from Ateneo Graduate School of Business in Makati City, completed

between 2012 and 2014. He earned his Bachelor of Science in Business Administration, majoring in Computer Application, from De La Salle University - CSB in Manila, graduating in 2005. His academic journey began at Xavier School in Greenhills, San Juan, where he received his High School Academic Diploma.

**Valerie Ann C. Ang.* She has held various significant roles at JP Morgan Chase Bank, N.A., in Hong Kong and Singapore, where she provided application support, implemented front office trading systems, and managed high-impact changes related to market data and new portfolios. Valerie has also worked as an Assistant Manager at Value Partners Limited in Hong Kong, documenting business requirements on fund factsheets. Her career began at Hewlett Packard in the Philippines, where she developed tools to streamline financial reporting operations and provided SAP application support. She holds a Master of Commerce in Funds Management from the University of New South Wales, Australia, graduating with distinction, and a Bachelor of Science in Computer Science from De La Salle University, Manila, where she received honorable mention and model thesis presentation awards.

**Raul M. Leopando.* He currently serves as the president of Pacific Basin Capital Corporation and Pacific Basin Securities Corporation, and he is a member of the Board of Directors of Upson International. He is also an independent director of LT Group Inc. He holds certifications on seminars on Anti-Money Laundering, Cyber Security, and Corporate Governance. He has also been a guest lecturer for the Ateneo Graduate School of Business, a resource person for thesis defense of Asian Institute of Management graduating students, a resource person of the House of Representatives and the Senate in a public hearing on proposed bills regarding Capital and Financial Markets. He has also served as the Vice Chairman of RCBC Bankard Services Corporation, Senior Consultant or Rizal Commercial Banking Corporation, Adviser to the Board of Directors for RCBC Capital Corporation, Member of the Board of Directors of Investment Houses Association of the Philippines, Maibarara Geothermal Energy Corporation, and PetroGreen Energy Corporation.

**Eldridge Marvin B. Aceron.* He a partner in Acenron & Attorneys, who graduated with second honors from the Ateneo de Manila School of Law. He holds a degree in AB Philosophy from the Ateneo de Manila School of Arts and Sciences. He is the executive publisher of San Anselmo Publications, Inc, as well as the winner of the 2022 Gintong Aklat Award by the Book Development Association of the Philippines.

**Barnaby Barrett T. Ang, Valerie Ann C. Ang, Raul M. Leopando, and Eldridge Marvin B. Aceron are non incumbent nominees in the election of directors at the 2025 Annual Stockholders' Meeting.*

All the directors, nominees, 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.

Independent Directors

The Nominations Committee of the Company, which was constituted in accordance with the Company's Manual on Corporate Governance, pre-screens and shortlists all candidates in accordance with the Manual on Corporate Governance.

In a meeting of the Nominations Committee of the Company on April 21, 2025, Mr. Philip S. Huang and Atty. Raul M. Leopando were nominated to be the Company's independent directors for the ensuing corporate year.

Other than as stated above, no new persons were named and nominated to be the Company's independent directors for the ensuing corporate year.

The current members of the Company's Nomination Committee are: Mr. Jose A. Feria Jr., Mr. William L. Ang and Philip S. Huang, with Mr. Jose A. Feria Jr. as Chairman.

On the other hand, the members of the Company's Audit & Risk Committee are: Philip S. Huang as Chairman and Jose S. Jalandoni and Jose A. Feria, Jr. as members.

Attendance of the Directors at the Meetings of the Board of Directors held in 2024 to 2025:

In General

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Jose Ma. S. Lopez	22	22
John Carlos Uy	22	21
William L. Ang	22	22
Sandra Judy Uy	22	19
Daniel R. Maramba	22	22
Jose A. Feria Jr.	22	16
Jose S. Jalandoni	22	21
Lourdes Elisa J. Chan	22	21
Philip S. Huang	22	22
Willy G. Ng	22	22

Attendance Per Meeting

2024

	May 29	Jun 26	Jul 31	Aug 28	Sep 17	Sep 20	Sep 25	Oct 23	Nov 23	Nov 27	Dec 11	Dec 18
JMSL	O	O	O	O	O	O	O	O	O	O	O	O
JCU	O	X	O	O	O	O	O	O	O	O	O	O
JSJ	O	O	O	O	O	O	O	O	O	O	O	O
WLA	O	O	O	O	O	O	O	O	O	O	O	O
SJU	O	X	O	O	X	X	O	O	O	O	O	O
DRM	O	O	O	O	O	O	O	O	O	O	O	O
JAF	O	O	O	O	X	X	O	O	O	O	O	X
LJC	O	O	O	O	O	O	O	O	O	O	O	O
PSH	O	O	O	O	O	O	O	O	O	O	O	O
WGN	O	O	O	O	O	O	O	O	O	O	O	O

2025

	Jan 22	Feb 26	Mar 26	Apr 22	Apr 30	May 16	May 28	Jun 10	Jun 25	Jul 16
JMSL	O	O	O	O	O	O	O	O	O	O
JCU	O	O	O	O	O	O	O	O	O	O
JSJ	O	O	O	O	O	O	X	O	O	X
WLA	O	O	O	O	O	O	O	O	O	O
SJU	O	O	O	O	O	O	O	O	O	X
DRM	O	O	O	O	O	O	O	O	O	X
JAF	O	O	O	X	X	X	O	O	O	O
LJC	O	O	O	O	O	O	X	O	O	X

PSH	O	O	O	O	O	O	O	O	O	O
WGN	O	O	O	O	O	O	O	O	O	O

** Glossary:*

- O = Present
- X = Absent
- JCU = John Carlos Uy
- JSJ = Jose S. Jalandoni
- JMSL = Jose Ma. S. Lopez
- WLA = William L. Ang
- SJU = Sandra Judy Uy
- DRM = Daniel R. Maramba
- JAF = Jose A. Feria Jr.
- LJC = Lourdes J. Chan
- PSH = Philip S. Huang
- WGN = Willy G. Ng

Attendance in Committee Meetings

Audit and Risk Oversight Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Philip S. Huang	2	2
Jose A. Feria Jr.	2	2
Jose S. Jalandoni	2	2

Attendance in Meetings

	December 4, 2024	March 24, 2025
Philip S. Huang	O	O
Jose A. Feria Jr.	X	O
Jose S. Jalandoni	O	O

Nominations Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Jose A. Feria Jr.	1	0
William L. Ang*	1	1
Maria Elisa G. Ledesma*	0	0
John Carlos Uy*	0	0
Philip S. Huang	1	1

* At meetings of the Board of Directors held on July 31, 2024 and October 23, 2024, the Board, respectively, approved the replacement of Maria Elisa G. Ledesma with William L. Ang and John Carlos Uy with Philip S. Huang in the Nominations Committee

*The meeting of the Nomelec in 2024 – 2025 was on April 21, 2025.

Compensation and Remuneration Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
------	---------------------------------------------	--------------------------------

Philip S. Huang	0	0
Jose S. Jalandoni	0	0
Jose Ma. S. Lopez	0	0

Attendance in Stockholders' Meetings

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Jose Ma. S. Lopez	1	1
John Carlos Uy	1	1
William L. Ang	1	1
David Ng	1	1
Sandra Judy Uy	1	1
Daniel R. Maramba	1	1
Jose A. Feria Jr.	1	1
Jose S. Jalandoni	1	1
Lourdes Elisa J. Chan	1	1
Philip S. Huang	0	0
Willy G. Ng	0	0

*for 2024, the Company only had an Annual Stockholders' Meeting.

Significant Employees

Other than the persons named above, the Company does not expect any other person to make a significant contribution to the business of the Company.

Family Relationships

Jose S. Jalandoni and Lourdes Elisa J. Chan are siblings.

Jose S. Jalandoni, Lourdes Elisa J. Chan, and Jose Ma. S. Lopez are first cousins.

Sandra Judy Uy is the niece of John Carlos Uy.

William L. Ang is the father of Valerie Ann C. Ang and the uncle of Barnaby Barrett T. Ang.

**Valerie Ann C. Ang and Barnaby Barrett T. Ang are nominees to the Board in the upcoming 2025 Annual Stockholders' Meeting.*

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.

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 and above board.

These directors are as follows:

Directors	Related Distribution Companies
Jose Ma. S. Lopez	Liberty Commodities Corporation

John Carlos Uy	Parity Values, Inc. Trade Demands Corporation Liberty Commodities Corporation
William L. Ang	Parity Values, Inc. Trade Demands Corporation

The business purpose between the Company and the related parties mentioned above is that the above-mentioned corporations serve as distributors of the Company's flour and feed products. Transaction prices are determined by the Company and the above-mentioned related parties by actual costing of products plus a certain mark-up; likewise, price levels are dictated by market competition.

The transactions with related parties are always evaluated with fairness and are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

SECURITY HOLDERS

As of June 30, 2025, there are 451 holders of common shares of stocks of the Company.

The top 20 stockholders of the Company as of June 30, 2025 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)	49,284,311	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.)	Javellana, Maria Teresa V.	509,493	0.34%
18.)	Maramba III, Felix R.	487,934	0.33%
19.)	Quiros, Ma. Cristina V.	475,344	0.32%
20.)	Vargas, Vicente S.	472,353	0.31%

MARKET FOR COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Stock 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:

	High	Low	Close on Last Applicable Trading Day of the Quarter
2025			
First Quarter	16.50	16.40	16.50
Second Quarter	29.20	16.10	23.75
2024			
First Quarter	15.98	12.06	12.06
Second Quarter	19.36	12.00	15.10
Third Quarter	15.64	12.00	13.32
Fourth Quarter	19.48	13.06	17.92
2023			
First Quarter	19.00	16.00	16.70
Second Quarter	17.00	14.12	14.12
Third Quarter	16.38	10.58	14.88
Fourth Quarter	15.98	11.20	15.98

Market Information (Latest Practicable Trading Date)	
Date	August 1, 2025
Open	
High	
Low	
Close	
Volume	
% Change	

Note: The information will be provided in this table before the filing of the Definitive Information Statement. The date indicated above is an indicative date.

Dividends

Dividend Policy

The Company declares dividends in the form of cash, stock, or property dividends. Whether dividends will be declared is dependent on the performance of the Company, its cash position, presence of retained earnings, and whether such retained earnings are foreseen to be used for business purposes.

Cash dividends are subject to the approval of the Board of Directors, and shareholder approval is not required. However, for property dividends and stock dividends, these shall be subject to approval by both the Board of Directors and Stockholders; and further subjected to approvals from the Securities and Exchange Commission and the Philippine Stock Exchange.

Cash Dividends

The following table contains information regarding the dividend declaration 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	June 18, 2024 / July 12, 2024	3%	P 45,000,000.00
	Property	June 18, 2024/ TBA	1 LFM share:97 shares of LFM Properties Corporation.	P145,500,000.00
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 Dividend

At a regular meeting of the Board of Directors held on May 29, 2024 the Board passed and adopted a 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.

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.

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.

In addition to the Audit and Risk Oversight Committee composed of Philip S. Huang, Jose A. Feria Jr., Jose S. Jalandoni, the Company also constituted its Nomination Committee and appointed Jose A. Feria Jr. as its Chairman with William L. Ang and Philip S. Huang 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.

For the calendar year 2024 Philip S. Huang attended Corporate Governance Orientation Program conducted by the Institute of Corporate Directors, John Carlos Uy attended Effectively Cascading the Company Strategic Plan conducted by the Institute of Corporate Directors, William L. Ang attended 2019 Revised Corporation Code of the Philippines: Updates and Jurisprudence conducted by Center for Global Best Practices, Jose S. Jalandoni and Jose Ma. S. Lopez attended Who is Responsible for your Corporate Culture conducted by the Institute of Corporate Directors; Sandra Judy Uy, Willy G. Ng, and Loudes J. Chan attended Roles, Responsibilities & Liabilities of Board of Directors conducted by the Center for Global Best Practices.

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

Appraisals and Performance Report for the Board and the Criteria and Procedure for their Assessment

The Company acknowledges that a paramount concern for good corporate governance and an essential condition for the current and future success of the Company is the need to be governed by a competent Board of Directors and top management. One mechanism to ensure competent and responsible leadership is to create a mechanism where the performance of the Board and top management is assessed.

Under the Code of Corporate Governance of LFM, the various board committees of LFM evaluate and assess each individual director. This being the case the Executive, Audit, Nomination, Remuneration, or Risk Oversight Committee may evaluate and assess each individual director. Provided, that in the event

that a director is part of one committee, then another committee shall be tasked to perform his/her evaluation and assessment.

The assessment criteria includes, among others, the participation and engagement of a Board Member in the meeting of the Board of Directors, the amount of times such director is present, whether or not such member is habitually tardy or punctual, their contribution to the committees to which they belong, and other criteria that the committee conducting the assessment deems as appropriate.

Furthermore, at all meetings of the Board of directors, each director is free to voice out their suggestions to improve the manner of governance or express their concerns regarding matters that should be addressed.

2024 ANNUAL STOCKHOLDER'S MEETING

Quorum for the 2024 Annual Stockholders' Meeting

At the 2024 Annual Stockholders' Meeting of the Corporation, there were the stockholders present through person or proxy represented 108,310,950 shares which corresponds to 72.21% of the issued and outstanding capital stock entitled to vote.

Voting and Vote Tabulation Procedures used in the Meeting

In the 2024 Regular Meeting voting was done during the meeting and was conducted in person (through remote communication), through proxy; and by voting in absentia.

Votes through Proxy

Stockholders had the option to vote through proxy where the proxy form included with the information statement would be filled up and sent to the LFM's principal office address or electronically to the Corporate Secretary at to lfmcorporatesecretary@gmail.com.

Voting in Absentia

Stockholders were given the option of using the online web address provided to the shareholders. This online web address led them to a Microsoft Form which contained the matters to be voted on, as well as a mechanism for stockholders to cast their votes. Stockholders who casted their votes *in absentia* were considered as present for the purposes of the quorum.

Voting at the Meeting

Prior to the first item to be acted upon by the assembly and after the determination of the quorum, the Chairman stated that voting for all matters will be done after the last matter on the agenda; with QR Codes and the voting link provided to voting platform to be provided during the voting period.

He further stated that the floor will be opened for questions after the presentation of a particular agenda matter. Shareholders may ask questions by addressing the body or typing the question in the chat box.

Finally, he asked the assembly whether there were any questions regarding this procedure.

No questions were raised from the assembly.

Tabulation and Counting of Results

The Assistant Corporate Secretary, Maria Elisa G. Ledesma, counted and tabulated all the votes cast during the meeting, which was done in accordance with the the provisions of the Revised Corporation Code.

Opportunity Given to Stockholders to Ask Questions and a Record of Questions Asked and Answers Given

After the presentation of each agenda item, the Stockholders shall be given an opportunity to ask questions and raise concerns regarding the matters that are up for vote. Such questions shall be recorded and taken note of by the Corporate Secretary.

For the 2024 Annual Stockholders' Meeting, after each matter on the agenda, the stockholders were given an opportunity to ask their questions or give their comments relevant to the matter being presented. However, despite being given such opportunities, no questions were raised to the Board of Directors and Management.

Matters Discussed and Resolutions Reached and the Record and Voting Results for Each Agenda Item

Approval of the Minutes of the 2023 Annual Stockholder's Meeting

The first matter on the agenda was the approval of the minutes of the previous meeting. Copies of the minutes of the Stockholders' meeting held on 26 July 2023 were distributed to the shareholders via the Company's website as well as in the information packet for the 2024 Annual Stockholders' Meeting.

He asked the shareholders if there were any questions or comments regarding the minutes of the 2023 Annual Stockholders' Meeting. No questions were raised from the assembly. Given the absence of any question, the Chairman proceeded to the next matter on the agenda.

The stockholders voted to approve the minutes of the 2023 Annual Stockholders' Meeting. The tabulation of voting is as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Amendment to the Articles of Incorporation of the Corporation

The next matter on the agenda is the amendment of the Articles of Incorporation. The Chairman presented the proposed amendment to the Articles of Incorporation as well as the rationale for amendment, as follows:

- a. Amendment of Article Second containing the Secondary and Incidental Purposes – the purpose of this amendment is to streamline the secondary and incidental purposes of the Corporation.
- b. Amendment to Article Third – this is to reflect the current address of the Corporation in the Articles of Incorporation.
- c. Amendment of Article Fourth – this is to revise the corporate term indicated in the Articles to the perpetual term afforded to corporations under the Revised Corporation Code of the Philippines.

After the presentation of the proposed amendments to the Articles of Incorporation and the rationale for its amendment, the Chairman asked the stockholders if anyone had any questions or concerns regarding the proposed amendments.

The stockholders voted to approve the amendment of the Articles of Incorporation. The tabulation of voting is as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Ratification of the Acts of the Board of Directors and Management

The next matter on the agenda was the Ratification of All acts of the Board of Directors and management covering the period of July 26, 2023 to April 29, 2024. The Chairman stated that a detailed description of the matters resolved by the Board is contained in the Definitive Information Statement sent to all stockholders of record.

The Chairman asked the assembly if there were any questions or concerns that any stockholder wishes to raise.

No questions were raised from the assembly. Given the absence of any question, the Chairman proceeded to the next matter on the agenda.

The stockholders voted to ratify the Acts of the Board of Directors and Management from the amendment of the Articles of Incorporation. The tabulation of voting is as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Election of Directors

The next matter on the agenda was the election of directors. The Assistant Corporate Secretary presented the following as the nominees for the Corporation's Board of Directors for the ensuing corporate year:

JOSE MA. S. LOPEZ
JOHN CARLOS UY
WILLIAM L. ANG
WILLY G. NG
LOURDES J. CHAN
PHILIP S. HUANG
SANDRA JUDY UY
DANIEL R. MARAMBA
JOSE A. FERIA JR.
JOSE S. JALANDONI

Given that there were 10 nominees and 11 seats for the Board of Directors, there was a motion that was made to instruct the corporate secretary to cast the votes of those present in person and/or through proxy, and/or voting through remote communication equally among the nominees.

This motion was duly seconded, and affirmed, approved, and ratified by the stockholders with the following vote:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Appointment of an External Auditor

For the fiscal year of 2024 the Chairman Proposed the SyCip Gorres & Velayo serve as the external auditor of the Company.

For the Agenda matter concerning the appointment of SyCip Gorres & Velayo as the external auditor, such appointment was affirmed, approved and ratified by the affirmative vote of the stockholders present in person and/or through proxy, and/or voting through remote communication, as follows:

Approve	108,303,968
Disapprove	0
Abstain	6,982

Directors Present During the Meeting and their Voting Rights

The following Directors were present during the meeting.

1. Jose Ma. S. Lopez;
2. John Carlos Uy;
3. William L. Ang;
4. Jose S. Jalandoni;
5. Sandra Judy Uy;
6. Daniel R. Maramba;
7. Lourdes Elisa J. Chan; and
8. Jose A. Feria Jr. (Independent Director).

Stockholders Present and their Voting Rights

The voting rights of Shareholders shall be reckoned per share of stock and not per capita.

In the 2024 Annual Stockholders' Meeting stockholders representing 108,310,950 were present in person and by proxy. This constitutes 72.21% of the Corporation's issued and outstanding capital stock. Appraisals and Performance Report for the Board and the Criteria and Procedure for their Assessment

The Company acknowledges that a paramount concern for good corporate governance and an essential condition for the current and future success of the Company is the need to be governed by a competent Board of Directors and top management. One mechanism to ensure competent and responsible leadership is to create a mechanism where the performance of the Board and top management is assessed.

Under the Code of Corporate Governance of LFM, the various board committees of LFM evaluate and assess each individual director. This being the case the Executive, Audit, Nomination, Remuneration, or Risk Oversight Committee may evaluate and assess each individual director. Provided, that in the event that a director is part of one committee, then another committee shall be tasked to perform his/her evaluation and assessment.

The assessment criteria includes, among others, the participation and engagement of a Board Member in the meeting of the Board of Directors, the amount of times such director is present, whether or not such member is habitually tardy or punctual, their contribution to the committees to which they belong, and other criteria that the committee conducting the assessment deems as appropriate.

Furthermore, at all meetings of the Board of directors, each director is free to voice out their suggestions to improve the manner of governance or express their concerns regarding matters that should be addressed.

Directors Disclosures on Self-Dealing and Related Party Transactions

There are Directors of the Company that are also directors and stockholders of various companies that distribute the products of the Company. These Directors and the related distribution companies are as follows:

Directors	Related Distribution Companies
Jose Ma. S. Lopez	Liberty Commodities Corporation
John Carlos Uy	Parity Values, Inc. Trade Demands Corporation Liberty Commodities Corporation
William L. Ang	Parity Values, Inc. Trade Demands Corporation

Disagreement of Directors and Executive Officers

There has been no substantial and/or material disagreement between the Board of Directors and the Executive Officers that relate to the Company's operations, management, policies, or practices.

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A FREE OF CHARGE. SUCH WRITTEN REQUEST SHOULD BE DIRECTED TO MICHAEL JOHN A. TANTOCO JR., 8TH FLOOR, DPC PLACE, 2322 CHINO ROCES AVENUE, MAKATI CITY.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **PHILIP S. HUANG.**, Filipino, of legal age, and a resident of 15 Zalameda Street, Bgy. Ugong Norte, Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Liberty Flour Mills, Inc. (LFM);
2. I am currently affiliated with the following companies or organizations:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Upson Resources Corporation	President	1990-Present
TKC Metals Corporation	Independent Director	2024-Present

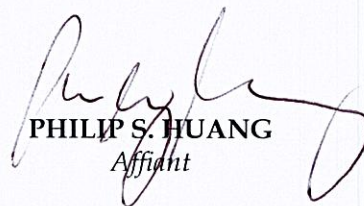
3. I possess all the qualifications and none of the disqualifications to serve as an independent director for LFM, as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations;
4. I am related to the following director/officer/ substantial shareholder of LFM other than the relationship provided for under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.
7. I shall inform the Corporate Secretary of LFM of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature and notarial page follow]


Done this 18 JUL 2025 day of _____, at Makati City.


PHILIP S. HUANG
Affiant

SUBSCRIBED AND SWORN to before me this 18 JUL 2025 day of Makati City,
affiant personally appeared before me and exhibited to me his DL No. 009-76-014340 issued at
CTD Valdunh 2033/06/13 as competent evidence of his identity.

Doc. No. 391 ;
Page No. 80 ;
Book No. IV ;
Series of 2025.




MICHAEL J. TANTOCO, JR.
Notary Public for Makati City
Appointment No. M-159
Until December 31, 2026
Roll Number: 71560
JBP No. 4941-S-1.02.2025 - PFLM
PTR No. 10467019-1.02.2025 - Makati
MCL Compliance No. VII-0023071-7.19.2022
8th Floor DPC Place
2322 Chino Roces Avenue, Makati City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RAUL M. LEOPANDO**, Filipino, of legal age, and a resident of 11 Piña Street Valle Verde 1, Pasig City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Liberty Flour Mills, Inc. (LFM);
2. I am currently affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
UPSON International	Member of the Board of Directors	2022 to Present
LT Group Inc.	Independent Director	Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director for LFM, as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations;
4. I am related to the following director/officer/ substantial shareholder of LFM other than the relationship provided for under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.
7. I shall inform the Corporate Secretary of LFM of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature and notarial page follow]

JUL 21 2025

Done this ____ day of _____, at Makati City.



RAUL M. LEOPANDO

Affiant

JUL 21 2025

SUBSCRIBED AND SWORN to before me this ____ day of _____ at Makati City,
affiant personally appeared before me and exhibited to me his/her _____
issued at _____ on _____ as competent evidence of
his/her identity.

Doc. No.

Page No.

Book No.

Series of 2025.

354
; 72
; XXXI



ATTY. 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

IBP Lifetime No. 013595; 12-27-2013; I.C.

Roll No. 37226

MCLE Compliance No. VIII-0012754; 08-27-2024

Ground Floor, Makati Terrace Condominium

3855 MARIKINA ST., MAKATI, METRO MANILA

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	4	7	8	2					
---	---	---	---	---	--	--	--	--	--

COMPANY NAME

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

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

7	F		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

A	A	F	S
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

mlquizon@libertygroup.com.ph

Company's Telephone Number

(02) 8892-5011

Mobile Number

09178294869

No. of Stockholders

451

Annual Meeting (Month / Day)

May 29

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. Lopez

Email Address

jmslopez29@gmail.com

Telephone Number/s

(02) 8892-5011

Mobile Number

—

CONTACT PERSON'S ADDRESS

7F Liberty Building, 835 A. Arnaiz Avenue, Makati City

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

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



INDEPENDENT AUDITOR'S REPORT

The Stockholders and Board of Directors
Liberty Flour Mills, Inc.
7F Liberty Building
835 A. Arnaiz Avenue
Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Liberty Flour Mills, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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



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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



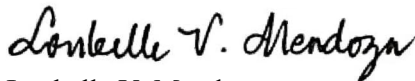
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 30 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Liberty Flour Mills, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025



LIBERTY FLOUR MILLS, INC.**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱73,169,174	₱60,216,310
Receivables (Note 5)	1,160,454,698	1,139,316,338
Due from a related party (Notes 11 and 24)	568,400,000	851,200,000
Inventories (Note 6)	159,215,849	259,783,074
Financial assets at fair value through profit or loss (FVTPL) (Note 7)	13,124,130	14,406,657
Prepaid expenses and other current assets (Note 8)	68,775,553	119,700,628
	2,043,139,404	2,444,623,007
Noncurrent asset held for distribution to owners (Note 9)	123,711,767	–
Total Current Assets	2,166,851,171	2,444,623,007
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 10)	425,409,223	530,673,665
Investment properties (Note 11)	704,491,234	714,526,112
Investment in subsidiaries (Note 9)	30,470,803	154,182,570
Property, plant and equipment (Note 12)	352,563,544	323,101,507
Deferred tax asset - net (Note 23)	2,550,268	–
Other noncurrent assets (Note 11)	10,070,375	1,467,687
Total Noncurrent Assets	1,525,555,447	1,723,951,541
TOTAL ASSETS	₱3,692,406,618	₱4,168,574,548
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 13)	₱699,636,358	₱807,186,546
Notes payable (Note 14)	131,500,000	172,500,000
Income tax payable (Note 23)	86,151,678	–
Total Current Liabilities	917,288,036	979,686,546
Noncurrent Liability		
Net retirement plan liability (Note 21)	3,101,310	11,197,824
Deferred tax liabilities (Note 23)	–	186,703,309
Total Noncurrent Liabilities	3,101,310	197,901,133
Total Liabilities	920,389,346	1,177,587,679
Equity		
Capital stock (Note 15)	1,500,000,000	1,500,000,000
Other components of equity:		
Fair value changes on financial assets at FVOCI (Note 10)	19,227,551	5,461,993
Accumulated remeasurement losses on retirement benefits (Note 21)	(5,334,084)	(13,590,448)
Retained earnings (Note 15)	1,258,123,805	1,499,115,324
Total Equity	2,772,017,272	2,990,986,869
TOTAL LIABILITIES AND EQUITY	₱3,692,406,618	₱4,168,574,548

See accompanying Notes to Parent Company Financial Statements.



LIBERTY FLOUR MILLS, INC.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 16)	₱1,214,279,902	₱1,501,182,287
COST OF SALES (Note 17)	982,202,739	1,429,763,511
GROSS PROFIT	232,077,163	71,418,776
OPERATING EXPENSES (Note 18)		
General and administrative expenses	(99,478,549)	(88,792,501)
Selling expenses	(20,584,545)	(25,654,938)
OTHER INCOME (CHARGES)		
Gain on sale of investment properties (Note 11)	—	975,487,580
Interest expense (Note 18)	(32,708,533)	(45,211,682)
Rental income - net (Notes 11, 24 and 25)	9,788,697	33,129,811
Interest income (Notes 4 and 10)	8,313,557	10,330,389
Dividend income (Notes 7 and 10)	22,596,993	11,541,381
Other income (charges) - net (Notes 6, 10 and 20)	4,981,203	(4,160,170)
INCOME BEFORE INCOME TAX	124,985,986	938,088,646
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 23)		
Current	212,983,203	4,266,120
Deferred	(192,005,698)	187,853,484
	20,977,505	192,119,604
NET INCOME	104,008,481	745,969,042
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Fair value gain on debt instruments at FVOCI (Note 10)	3,335,894	1,748,093
Fair value loss on financial assets at FVOCI realized through sale (Note 10)	—	71,435
	3,335,894	1,819,528
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:		
Fair value gain on equity investments at FVOCI (Note 10)	10,429,664	3,913,802
Remeasurement gain (loss) on retirement benefits (Note 21)	11,008,485	(9,307,297)
Income tax effect	(2,752,121)	2,326,824
	18,686,028	(3,066,671)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	22,021,922	(1,247,143)
TOTAL COMPREHENSIVE INCOME	₱126,030,403	₱744,721,899
BASIC/DILUTED INCOME PER SHARE (Note 15)	₱0.69	₱4.97

See accompanying Notes to Parent Company Financial Statements.



LIBERTY FLOUR MILLS, INC.

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	Capital Stock (Note 15)	Other Components of Equity		Retained Earnings (Note 15)	Total
		Fair Value Changes on Financial Assets at FVOCI (Note 10)	Accumulated Remeasurement Losses on Retirement Benefits (Note 21)		
BALANCES AT JANUARY 1, 2024	₱1,500,000,000	₱5,461,993	(₱13,590,448)	₱1,499,115,324	₱2,990,986,869
Net income	—	—	—	104,008,481	104,008,481
Other comprehensive income	—	13,765,558	8,256,364	—	22,021,922
Total comprehensive income	—	13,765,558	8,256,364	104,008,481	126,030,403
Cash dividends declared (Note 15)	—	—	—	(345,000,000)	(345,000,000)
BALANCES AT DECEMBER 31, 2024	₱1,500,000,000	₱19,227,551	(₱5,334,084)	₱1,258,123,805	₱2,772,017,272
BALANCES AT JANUARY 1, 2023	₱1,500,000,000	(₱271,337)	(₱6,609,975)	₱858,146,282	₱2,351,264,970
Net income	—	—	—	745,969,042	745,969,042
Other comprehensive income (loss)	—	5,733,330	(6,980,473)	—	(1,247,143)
Total comprehensive income (loss)	—	5,733,330	(6,980,473)	745,969,042	744,721,899
Cash dividends declared (Note 15)	—	—	—	(105,000,000)	(105,000,000)
BALANCES AT DECEMBER 31, 2023	₱1,500,000,000	₱5,461,993	(₱13,590,448)	₱1,499,115,324	₱2,990,986,869

See accompanying Notes to Parent Company Financial Statements.



LIBERTY FLOUR MILLS, INC.

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱124,985,986	₱938,088,646
Adjustments to reconcile profit before income tax to net cash flows:		
Depreciation and amortization (Notes 11 and 12)	36,269,748	27,179,140
Interest expense (Note 18)	32,708,533	45,211,682
Change in net retirement liability (Note 21)	2,911,971	1,994,044
Fair value loss (gain) on financial assets at FVTPL (Notes 7 and 20)	1,282,527	825,403
Unrealized foreign currency exchange gain	55,761	(736,275)
Interest income (Notes 4 and 10)	(8,313,557)	(10,330,389)
Dividend income (Notes 7 and 10)	(22,596,993)	(11,541,381)
Gain on sale of an investment properties (Note 11)	—	(975,487,580)
Gain on sale of property, plant and equipment	—	(2,575,595)
Loss on pretermination of lease contract (Note 25)	—	1,997,784
Loss on sale of debt securities at FVOCI (Note 10)	—	71,435
Operating income (loss) before working capital changes	167,303,976	14,696,914
Decrease (increase) in:		
Inventories	100,567,225	346,471,260
Receivables	(21,138,360)	86,560,287
Prepaid expenses and other current assets	50,925,075	(18,406,735)
Increase (decrease) in accounts payables and other current liabilities	(407,918,378)	19,794,582
Cash generated from (used for) operations	(110,260,462)	449,116,308
Interest received	8,313,557	10,330,389
Income taxes paid, including creditable withholding taxes	(126,831,525)	(4,266,120)
Net cash provided by (used in) operating activities	(228,778,430)	455,180,577
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Financial assets at FVOCI (Note 10)	119,030,000	44,000,000
Investment property	—	90,000,000
Property, plant and equipment	—	3,107,142
Acquisition of:		
Property, plant and equipment (Note 12)	(54,733,407)	(19,866,745)
Investment properties (Note 11)	(963,500)	(53,100)
Financial assets at FVOCI (Note 10)	—	(225,002,500)
Financial assets at FVTPL (Note 7)	—	(181,049)
Dividends received (Notes 7 and 10)	22,596,993	11,541,381
Decrease in due from a related party (Notes 11 and 24)	282,800,000	—
Increase in other noncurrent assets	(8,602,688)	752,911
Net cash provided by (used in) investing activities	360,127,398	(95,701,960)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of loans	(41,000,000)	(205,500,000)
Dividends paid (Notes 15 and 28)	(44,631,810)	(99,934,945)
Interest paid (Note 18)	(32,708,533)	(45,211,682)
Net cash used in financing activities	(118,340,343)	(350,646,627)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(55,761)	736,275
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,952,864	9,568,265
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	60,216,310	50,648,045
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱73,169,174	₱60,216,310

See accompanying Notes to Parent Company Financial Statements.



LIBERTY FLOUR MILLS, INC.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Liberty Flour Mills, Inc. (the Company) was 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 Company is engaged primarily in the manufacture of flour, utilization of its by-products and the distribution and sales of its produce. The common shares of the Company were listed beginning January 24, 1966 and have been traded in the Philippine Stock Exchange (PSE) since then. The Company's registered office is at 7F Liberty Building, 835 A. Arnaiz Avenue, Makati City.

Business Operations

The Company has been operating under the authorization of a Certificate of Non-Conformance (CNC) issued by the Mandaluyong City Government in accordance with applicable Mandaluyong City ordinances which include the Zoning Ordinance. Under the Zoning Ordinance and the Comprehensive Land Use Plan guidebook published by the Housing and Land Use Regulatory Board (HLURB), a CNC is issued to owners of non-conforming uses existing at the time of the adoption of the Zoning Ordinance. The CNC legally permits the Company's flour mill operations in an area now designated and zoned for high-density mixed development use. The CNC is issued in accordance with the zoning ordinances of Mandaluyong City, as well compliance with the conditions for the lawful use or operation of the subject area. Failure to comply with the conditions stipulated in the CNC shall render the certificate null and void and shall constitute a violation of the Zoning Ordinance subject to criminal and/or administrative action. In October 2024, the Company is able to meet the conditions indicated therein. The CNC is secured every two years, with the Company's latest renewal in 2024 valid until November 2026.

Management assessed that the Company can continue its business operations and secure the renewal of the CNC every two years on the basis of the following:

- The Company has been in existence since 1958, preceding the enactment of the relevant zoning ordinances of Mandaluyong City, and able to secure the CNC for the past 2 decades since its effectivity;
- The HLURB acknowledges the continuity of non-confirming activities existing prior to the approval of zoning ordinances for local governments at the city/municipal levels through the issuance of a CNC;
- The Mandaluyong City zoning ordinance provides that vested rights upon the effectivity of such ordinance shall not be impaired;
- There has been no indication, nor notice from the Mandaluyong City local government of its intention to revise the land use plan which would create an obstacle to the continued operations of the flour mill in the area; and
- The peaceful state of operations has been continued to the current date without any indication that would prompt a change in the circumstances.

Management is undertaking a review of the operations and intends to conduct study of the strategic plans for the Company.

Authorization for Issuance of the Parent Company Financial Statements

The accompanying parent company financial statements were authorized and approved for issue by the Board of Directors (BOD) on March 26, 2025.



2. Material Accounting Policy Information

Basis of Preparation

The parent company financial statements that are prepared for submission to the Philippine SEC and the Bureau of Internal Revenue (BIR) have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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

The Company also prepares and issues consolidated financial statements for the same period as the parent company financial statements and in accordance with PFRS Accounting Standards. The consolidated financial statements may be obtained at the Company's registered office address (see Note 1).

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 effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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

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

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

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.



Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2025

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

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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*

Fair Value Measurement

The Company measures financial instruments, such as financial assets at FVTPL and financial assets at FVOCI at fair value at the end of reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as quoted financial assets, and for non-recurring measurement.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and the fair value (a “Day 1” difference) in the parent company statements of comprehensive income. In cases where data which is not observable is used, the difference between the transaction price and model value is only recognized in the parent company statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference amount.

Financial Instruments

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



a. Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVTPL

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- *Financial assets at amortized cost (debt instruments).* This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:
 - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's cash and cash equivalents, receivables and refundable deposits recorded under "Other noncurrent assets" are included in this category as at December 31, 2024 and 2023.

- *Financial assets at FVOCI (debt instruments).* The Company measures debt instruments at FVOCI if both of the following conditions are met:
 - The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss in the parent company statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company's debt instruments at FVOCI includes government and corporate bonds as at December 31, 2024 and 2023.

- *Financial assets designated at FVOCI (equity instruments).* Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss in the parent company statement of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company's financial asset designated at FVOCI includes quoted and unquoted equity investments as at December 31, 2024 and 2023.

- *Financial assets at FVTPL.* Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the parent company statement of financial position at fair value with net changes in fair value recognized in the parent company statement of comprehensive income.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as other income in the parent company statement of comprehensive income when the right of payment has been established.



A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristic and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded with a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

The Company has no derivative asset as at December 31, 2024 and 2023.

Impairment of financial assets. The Company recognizes an ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For cash, the Company applies a general approach in calculating ECLs. The Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash since initial recognition.

For receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90-180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities consist only of loans and borrowings. As at December 31, 2024 and 2023, the Company's loans and borrowings consist of accounts payable, notes payable and other current liabilities. The Company has no financial liabilities at FVTPL or derivatives designated as hedging instruments in an effective hedge and no freestanding embedded derivatives as at December 31, 2024 and 2023.

Subsequent Measurement. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium or acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is recognized in profit or loss.

Derecognition of Financial Assets and Financial Liabilities

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

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

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a "pass-through" arrangement and has neither transferred nor retained substantially all the risk and rewards of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in profit or loss.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is extinguished, i.e., when discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Inventories

Inventories are valued at the lower of cost (computed using the first-in, first-out method for raw materials and moving-average for finished goods) and net realizable value (NRV). Cost of finished goods such as flour and mill feeds and work in process represents the costs of direct materials, direct labor and a proportion of production overhead. Cost of raw materials such as wheat grains represents the cost of purchase and other costs directly attributable to its acquisition. NRV is the selling price in



the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Prepaid Expenses and Other Current Assets

Store supplies. Store supplies under “Prepaid expenses and other current assets” are incidental items necessary for maintenance activities that are expected to be consumed within the 12 months or within the normal operating cycle.

Creditable withholding taxes (“CWT”). CWT represents the amount of tax withheld by counterparties from the Company. These are recognized upon collection and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWT is presented under the “Prepayments and other current assets” account in the parent company statement of financial position.

Value-added Tax. Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable included as part of “Accounts payable and other current liabilities” in the parent company statement of financial position.

When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset included as part of “Prepaid expenses and other current assets” in the parent company statement of financial position to the extent of the recoverable amount.

Prepayments. Prepayments are expenses paid in advance are recorded as asset before they are utilized. This account comprises insurance premiums, and other prepaid items. The insurance premiums and other prepaid items are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred. Prepayments that are expected to be realized within 12 months from the balance sheet date are classified as current assets, otherwise these are classified as other noncurrent assets.

Advances to suppliers. Advances to suppliers represents deposits on order placement to suppliers.

Investment in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiaries is carried in the parent company statement of financial position at cost, less any impairment in value. The Company recognizes income from the investment only to the extent that it receives distributions from accumulated income of the subsidiary arising after the date of acquisition. Distributions received in excess of the accumulated income of the subsidiary are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Noncurrent Asset Held for Distribution to Owners

The Company classifies a noncurrent asset as held for distribution to owners if its carrying amounts will be recovered principally through distribution to owners. Such noncurrent asset held for distribution to owners is measured at the lower of its carrying amount and fair value less costs to distribute (i.e., the incremental costs directly attributable to the distribution, excluding finance costs and income taxes).



The Company regards the criteria for held for distribution to owners classification as met only when:

- the Company is committed to the plan to distribute the asset to the owners, which should be available for immediate distribution in its present condition;
- the distribution is highly probable (i.e, expected to happen within one year from the date of the classification); and
- actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Noncurrent asset held for distribution to owners is presented separately as part of current assets in the statement of financial position.

Investment Properties

Investment properties consist of properties (land or a building or part of a building or a combination) held to earn rentals or for capital appreciation or both, rather than for:

- a. use in the production or supply of goods or services or for administrative purposes; or
- b. sale in the ordinary course of business.

These assets, except for land, are measured at cost, including transaction costs less accumulated depreciation and accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Land is carried at cost (initial purchase price and other cost directly attributable to such property) less any impairment in value.

Depreciation is computed on a straight-line basis over the estimated useful lives of building and building improvements ranging from 10 to 20 years.

Investment properties are derecognized either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the parent company statement of comprehensive income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Construction in progress is stated at cost. Such cost includes cost of constructive and other direct costs, cost of replacing part of the investment property and borrowing costs for long-term construction projects if the recognition criteria are met. Construction in progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value.



The initial cost of property, plant and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged in profit or loss in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of the property, plant and equipment.

Depreciation commences once the assets are available for use. Depreciation is computed using the straight-line method over the estimated useful lives of the assets:

	Number of Years
Land improvements	20
Mill machinery and equipment	10
Building and building equipment	10–20
Transportation equipment	3–5
Other equipment	2–5

Impairment of Nonfinancial Assets

The carrying values of nonfinancial assets (investment in subsidiaries, investment properties, property, plant and equipment and others nonfinancial assets) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The estimated recoverable amount of an asset is the higher of an asset's fair value less costs to sell and value-in-use. The fair value is the amount obtainable from the sale of an asset in an arm's length transaction less costs of disposal while value-in-use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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.

Capital Stock

Capital stock is measured at par value for all shares issued and outstanding. When the Company purchases its own capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive income (loss) includes gains and losses on changes in fair value of financial assets at FVOCI and remeasurement gains or losses on retirement benefits.



Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, dividend distributions, prior period adjustments, effects of the changes in accounting policy and other capital adjustments.

Dividend Distribution

Dividends on common shares are deducted from unappropriated retained earnings when approved by the shareholders of the Parent Company, except for stock dividends, which also require the approval for issuance of shares by the SEC. Cash dividends are recognized as a liability while stock dividends are recognized as additional issued shares. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Distribution of Non-cash Assets to Owners

Philippine Interpretation IFRIC 17, *Distributions of Non-cash Assets to Owners*, provides that the liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity, which is the date: (a) when declaration of the dividend, e.g. by management or the board of directors, is approved by the relevant authority, e.g. the shareholders, if the jurisdiction requires such approval, (b) when the dividend is declared, e.g. by management or the board of directors, if the jurisdiction does not require further approval. Further, it requires that an entity shall measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. IFRIC 17, however, does not apply when the non-cash asset is ultimately controlled by the same party or parties before and after the distribution. In such cases, the Company measures the liability to distribute non-cash assets as a dividend to its owners at the carrying amount of the assets to be distributed.

Stock Issuance Costs

Stock issuance costs are incremental external costs directly attributable to an equity transaction. The transaction costs of an equity transaction are accounted for as a deduction from additional paid-in capital, or from retained earnings when there is no available additional paid-in capital, net of any related income tax benefit.

Basic/Diluted Earnings (Loss) per Share

Basic earnings (loss) per share are computed by dividing net income (loss) for the year by the weighted average number of common shares, excluding treasury stock, outstanding during the year.

Diluted earnings per share is calculated by dividing the income for the year attributable to common stockholders by the weighted average number of shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potentially dilutive common shares, if any. The Parent Company has no dilutive shares.

In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retroactively.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. Revenue is recognized when the Company satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.



The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent and concluded that it is acting as a principal in all arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

Sales

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Bill-and-hold arrangement

The following criteria must be met for a customer to have obtained control of a product:

- the reason for the bill-and-hold arrangement must be substantive (for example, the customer has requested the arrangement);
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer.

Rental Income

Rental income from operating is recognized on a straight-line basis over the lease term. Initial direct costs incurred specifically to earn revenue from an operating lease are recognized as an expense in profit or loss in the period in which they are incurred.

Interest Income

Interest income is recognized as the interest accrues.

Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established.

Costs and Expenses

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

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

Costs of Services. Cost of services, netted against rental income in the parent company statement of comprehensive income, includes expenses incurred for the generation of revenue from rental income. Cost of services is expensed as incurred.

General, Administrative and Selling Expenses. General and administrative expenses constitute costs of administering the business. Selling expenses are costs incurred to sell or distribute the merchandise. These expenses are expensed as incurred.

Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.



Company as a Lessor. Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Retirement Benefit Costs

The Company operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The retirement benefits cost comprises of service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets (excluding amounts included in the net interest on the defined benefit liability), are recognized immediately in the parent company statement of financial position with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under “General and Administrative expenses” in the parent company statement of comprehensive income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Income Taxes

Current Income Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Current income tax for the current and prior periods shall, to the extent unpaid, be recognized as a liability under “Income tax payable” account in the parent company statement of financial position.

If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset under “Prepaid expenses and other current assets” account in the parent company statement of financial position.

Deferred Tax. Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date.



Deferred tax liabilities are recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in profit or loss, net of reimbursement.

Contingencies

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

Segment Reporting

The Company's operating business is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segment is presented in Note 29 to the parent company financial statements. The Company's revenue producing segments are located in the Philippines (i.e. geographical location). Therefore, geographical segment information is no longer presented.



Events after the Reporting Period

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

3. Significant Accounting Judgments and Estimates

The preparation of the parent company financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and amounts reported in the parent company financial statements.

In the opinion of management, the parent company financial statements reflect all adjustments necessary to present fairly the results for the periods presented. Actual results could differ from these estimates, and such estimates will be adjusted accordingly when the effects become determinable.

Judgments

Classification of Financial Instruments. The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the parent company statements of financial position.

Classification of Investment in a Subsidiary as Noncurrent Asset held for Distribution to Owners. As of December 31, 2024, the Company assessed that its investment in LPC declared as property dividends met the criteria to be classified as held for distribution to owners for the following reasons:

- Investment in LPC is available for immediate distribution in its present condition.
- The BOD is committed to distribute the Company's ownership interest in LPC as property dividends and is expected to be completed in 2025 upon securing SEC's approval.

The asset classified as held for distribution to owners was measured at the lower of the carrying amount and fair value less costs to distribute.

Classification of Leases- Company as Lessor. The Company has entered into the property leases where it has determined that the risk and rewards related to those properties are retained by the Company. As such, these lease agreements are accounted for as operating leases.

Estimates

Definition of Default and Credit-Impaired Financial Assets. The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria.* The borrower is more than 90-180 days past due on its contractual payments, which is consistent with the Company's definition of default, except for trade receivables from related parties which is 180 days past due on its contractual payments.
- *Qualitative Criteria.* The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
 - a. The borrower is experiencing financial difficulty or is insolvent;
 - b. The borrower is in breach of financial covenant(s);



- c. Concessions have been granted by the Company, for economic or contractual reasons relating to the borrower's financial difficulty; or
- d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes, unless otherwise stated. The default definition has been applied consistently model the probability of default, loss given default and exposure at default throughout the Company's expected credit loss (ECL) calculation.

Simplified Approach for Trade Receivables. The Company uses a provision matrix to calculate ECLs for trade receivables from related parties. The provision rates are based on days past due. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Grouping of Instruments for Losses Measured on Collective Basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. Since the Company has only three customers, the Company does not model their expected credit loss provisions on a collective basis.

Macro-economic Forecasts and Forward-looking Information. Macro-economic forecasts is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company takes into consideration using different macro-economic variables to ensure linear relationship between internal rates and outside factors. Regression analysis was used to objectively determine which variables to use.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 4 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The allowance for expected credit losses amounted to ₱1.92 million and ₱6.79 million as at December 31, 2024 and 2023, respectively. The carrying value of receivables amounted to ₱1,160.45 million and ₱1,139.32 million as at December 31, 2024 and 2023, respectively (see Note 5).

Evaluation of Net Realizable Value of Inventories. The Company writes down the cost of inventories whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, change in price levels or other causes. The lower of cost and net realizable value of inventories is reviewed on a periodic basis. Inventory items identified to be obsolete or unusable are written off and charged as expense in the parent statement of comprehensive income.

The Company has no allowance for inventory obsolescence as at December 31, 2024 and 2023. The carrying value of inventories amounted to ₱159.22 million and ₱259.78 million as at December 31, 2024 and 2023, respectively (see Note 6).



Impairment of financial assets at FVOCI (debt instruments). The Company recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For debt instruments at FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

In 2024, management assessed that a debt instrument classified as financial assets at FVOCI is impaired. Provision for impairment loss on financial assets at FVOCI amounted to nil as at December 31, 2024 and 2023, respectively. The carrying value of investment in debt instruments classified as financial assets at FVOCI amounted to ₱107.20 million and ₱183.86 million as at December 31, 2024 and 2023, respectively (see Note 10).

Estimation of Fair Value of Investments in Unquoted Equity Securities. The fair values of the unquoted equity securities have been estimated using the adjusted net asset method which involves deriving the fair value of the investee's equity instruments by reference to the fair value of its assets and liabilities and assumes certain discount rates. The determination of discount factors for unquoted equity investments requires significant estimation. In valuing the Company's unquoted equity instruments at fair value, management applied judgment in selecting the valuation technique and used assumptions in estimating the fair value of assets and liabilities. The assets subject to adjustments are property, plant and equipment, retirement benefit assets, financial assets at FVPL and intangible assets.

As at December 31, 2024 and 2023, the carrying value of unquoted equity securities amounted to ₱10.99 million and ₱12.68 million, respectively, approximate their fair values (see Notes 10 and 26).

Recognition of Deferred Tax Assets. The Company reviews the carrying amounts at each balance sheet date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

As at December 31, 2024 and 2023, the Company recognized deferred tax assets on deductible temporary differences amounting to nil (see Note 23).

As at December 31, 2024 and 2023, the Company did not recognize deferred tax assets amounting to ₱12.62 million and ₱18.33 million, respectively, as management assessed that there will be no sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized (see Note 23).



Provisions and Contingencies. The Company is involved in certain tax assessments and claims. The estimation of the potential liability resulting from these tax assessments and claims requires significant judgment and estimate by management. The inherent uncertainty over the outcome of these tax examinations is brought about by the differences in the interpretation and implementation of the laws and tax rulings. The Company currently does not believe these tax assessments and claims could materially reduce its profitability. It is possible, however, that future financial performance could be materially affected by the changes in judgement and estimate or in the effectiveness of strategies relating to these tax assessments and claims (see Note 22).

4. Cash and Cash Equivalents

	2024	2023
Cash on hand	₱428,265	₱198,081
Cash in banks	42,740,909	60,018,229
Cash equivalents	30,000,000	—
	₱73,169,174	₱60,216,310

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Interest income earned on cash in banks and cash equivalents amounted to ₱0.09 million and ₱0.10 million in 2024 and 2023, respectively.

5. Receivables

	2024	2023
Trade receivables from:		
Related parties (see Notes 16 and 24)	₱1,133,303,060	₱1,049,673,230
Third parties (see Note 16)	2,130,130	68,239,502
Rent receivables from:		
Third parties	1,558,404	2,788,874
Related parties (see Note 24)	169,371	391,385
Advances to officers and employees	426,298	231,560
Others	24,784,820	24,783,419
	1,162,372,083	1,146,107,970
Less allowance for expected credit losses	1,917,385	6,791,632
	₱1,160,454,698	₱1,139,316,338

Trade receivables arise from sale of flour and mill feeds. These are noninterest-bearing with average credit terms of 180 days and 90 days for related parties and third parties, respectively.

Rent receivables arise from leasing the Company's investment properties. These include interest-bearing receivables with average credit terms of 30 days. In 2024 and 2023, no interests have been charged to tenants as the Company's rent receivables were normally collected within the credit term.

Advances to officers and employees are noninterest-bearing and are normally settled through salary deductions within one month from availment date.



Movement in allowance for ECL follows:

	2024	2023
Beginning balance	₱6,791,632	₱2,118,058
Provision (reversal) (see Note 18)	(4,874,247)	4,673,574
	₱1,917,385	₱6,791,632

6. Inventories

	2024	2023
At cost:		
Wheat grains	₱122,069,739	₱228,965,530
Flour	16,940,583	19,581,961
Supplies	11,531,261	5,454,003
Mill feeds	8,674,266	5,781,580
	₱159,215,849	₱259,783,074

The cost of inventories recognized under “Cost of sales” in the parent company statements of comprehensive income amounted to ₱982.20 million in 2024 and ₱1,429.76 million in 2023 (see Note 17).

Under the terms of agreements covering trust receipts, certain inventories have been released to the Company during the year in trust for the banks. The outstanding liabilities under such trust receipts amounted to ₱190.65 million and ₱570.41 as at December 31, 2024 and 2023, respectively (see Note 13). Interest expense recognized on liabilities under trust receipts amounted to ₱22.98 million in 2024 (based on annual interest of 6.00% to 6.85%) and ₱23.45 million in 2023 (based on annual interest of 6.20% to 7.10%).

The Company has no allowance for inventory obsolescence as at December 31, 2024 and 2023.

7. Financial Assets at Fair Value through Profit or Loss

Financial assets at FVTPL pertain to quoted equity securities held for trading purposes as follows:

	2024	2023
Balance at beginning of year	₱14,406,657	₱15,051,011
Fair value loss recognized in profit or loss (see Note 20)	(1,282,527)	(825,403)
Acquisitions	—	181,049
	₱13,124,130	₱14,406,657

Dividend income earned on financial assets at FVTPL amounted to ₱0.64 million in 2024 and ₱0.69 million in 2023.



8. Prepaid Expenses and Other Current Assets

	2024	2023
Advances to suppliers	₱19,261,467	₱7,484,779
Store supplies	18,539,231	17,306,744
Advance VAT on importation	9,646,010	34,050,774
Prepaid importation cost	9,062,022	—
Prepaid expenses	5,536,576	—
Prepaid taxes	2,904,866	2,953,990
Creditable withholding taxes	—	53,676,436
Others	3,825,381	4,227,905
	₱68,775,553	₱119,700,628

9. Investments in Subsidiaries

This account represents the Company's 58.60% ownership in LFM Properties Corporation (LPC) and 100% ownership in Liberty Engineering Corporation (LEC) as at December 31, 2024 and 2023.

LPC is primarily engaged in the business of leasing out real estate properties such as office spaces and condominium units. LEC is primarily engaged in the business of selling, leasing and distribution of cars, trucks, machineries, furniture and appliances. The principal place of business of LPC and LEC is in the Philippines.

On November 25, 2020, the BOD approved the declaration of property dividends in the form of 10,350 million 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 Company, to eligible stockholders of the Parent Company as of record date of December 18, 2020. Accordingly, the Company recognized dividends payable amounting to ₱88.0 million, equivalent to the proportionate carrying value of investment in LPC declared as property dividends representing 41.40% of LPC's outstanding capital stock. The declaration and distribution of the LPC shares to its shareholders as property dividends did not result in a loss of control as the Company retains 58.60% of LPC's total outstanding shares.

In August 2021, the Company secured the SEC's approval. In November 2021, the application for eCAR 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.

On October 13, 2022 and November 3, 2022, the SEC and Philippine Stock Exchange, Inc. (PSE), respectively, approved LPC's application for listing by way of introduction of up to 24,802,384,828 common shares on the Main Board of the PSE. On November 9, 2022, LPC completed its listing process with the PSE under the stock symbol "LPC".

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 SEC's approval for the issuance of such property dividends is still pending. This regulatory approval is considered customary for similar transaction. As a result, the investment in LPC shares declared as property dividends meets the criteria for classification as



“Noncurrent asset held for distribution to owners” as of December 31, 2024 and is presented separately in the 2024 statement of financial position. The carrying amount of the Company’s investment in LPC declared as property dividends of ₱123.71 million is lower than its fair value less costs to distribute as of December 31, 2024.

The cost of investments in subsidiaries as at December 31, 2024 and 2023 follows:

	2024	2023
LEC	₱29,620,550	₱29,620,550
LPC (see Note 15)	850,253	124,562,020
	₱30,470,803	₱154,182,570

10. Financial Assets at Fair Value through Other Comprehensive Income

	2024	2023
Debt securities	₱107,197,164	₱183,861,270
Equity securities:		
Quoted	307,218,056	334,127,928
Unquoted	10,994,003	12,684,467
	₱425,409,223	₱530,673,665

The Company purchased equity securities amounting to ₱225.00 million in 2023 (nil in 2024).

The Company has redeemed certain debt securities upon maturity with a carrying amount of ₱80.00 million and ₱10.00 million in 2024 and 2023, respectively. The Company also sold quoted equity securities with a carrying amount of ₱39.03 million and ₱34.00 million in 2024 and 2023, respectively.

Fair value changes on financial assets at FVOCI follow:

	2024	2023
Balance at beginning of year	₱5,461,993	(₱271,337)
Fair value gain recognized in other comprehensive income	13,765,558	5,661,895
Fair value loss realized through sale (see Note 20)	–	71,435
Balance at end of year	₱19,227,551	₱5,461,993

Interest income earned on debt securities amounted to ₱8.21 million in 2024 and ₱10.23 million in 2023. Dividend income earned on investments in equity securities amounted to ₱21.95 million in 2024 and ₱10.85 million in 2023.

The Company’s debt securities includes Russian debt securities. In February 2022, a number of countries (including Australia, EU, Japan, Singapore, UK, the US and others) imposed new sanctions against Russian government entities, state-owned enterprises or sanctioned entities and individuals linked to Russia anywhere in the world and announcements of potential additional sanctions following the conflict in Ukraine initiated on February 24, 2022. Subsequently, new sanctions have been imposed. Sanctions have also been imposed on Belarus.



Due to ongoing war between Russia and Ukraine and continuous decline in market value, the Company retained its allowance for impairment loss on debt securities amounting to ₱11.25 million as at December 31, 2024 and 2023, which was recognized in 2022.

11. Investment Properties

	2024		
	Land	Building and Building Improvements	Total
Cost			
Beginning balances	₱689,799,603	₱53,969,426	₱743,769,029
Additions	—	963,500	963,500
Ending balances	689,799,603	54,932,926	744,732,529
Accumulated Depreciation			
Beginning balances	—	29,242,917	29,242,917
Depreciation	—	10,998,378	10,998,378
Ending balances	—	40,241,295	40,241,295
Net book values	₱689,799,603	₱14,691,631	₱704,491,234

	2023		
	Land	Building and Building Improvements	Total
Cost			
Beginning balances	₱690,153,250	₱71,385,161	₱761,538,411
Additions	53,100	—	53,100
Disposals	(406,747)	(17,415,735)	(17,822,482)
Ending balances	689,799,603	53,969,426	743,769,029
Accumulated Depreciation			
Beginning balances	—	40,661,802	40,661,802
Depreciation	—	1,891,177	1,891,177
Disposal	—	(13,310,062)	(13,310,062)
Ending balances	—	29,242,917	29,242,917
Net book values	₱689,799,603	₱24,726,509	₱714,526,112

On November 28, 2022, Memorandum of Understanding and Deed of Conditional Sale have been executed with LPC, for the potential sale of land and building to the Company. The consummation and determination of final terms and conditions of the sale shall be conditioned on the issuance of the fairness opinion from an independent third-party financial adviser. Accordingly, the initial amount tendered by the Company amounting to ₱130.00 million is recognized as deposit subject to terms indicated in the aforementioned agreements. The issuance of the fairness opinion was concluded on May 3, 2023.

On November 9, 2023, the Company entered into a Contract to Sell for the purchase of land and building with LPC for a consideration of ₱980.00 million (exclusive of VAT) payable on installment basis. Total payments made as at December 31, 2023 amounting to ₱220.00 million (exclusive of VAT) includes the aforementioned deposit in 2022 amounting to ₱130.00 million (exclusive of VAT). Accordingly, the Company recognized gain on sale of investment properties amounting to ₱975.49 million separately shown in the 2023 parent company statement of comprehensive income. Pursuant to the terms of the Contract to Sell, the unpaid consideration amounting to ₱760.00 million (exclusive of VAT) shall be paid on before November 30, 2024 in such manner and proportion to be agreed by the contracting parties, by way of cash payment and/or through the Company's issuance of



unlisted preferred shares in favor of the Company. Outstanding receivable amounting to ₱851.20 million (inclusive of VAT) as at December 31, 2023 (nil as at December 31, 2024) is presented as “Due from a related party” in the parent company statements of financial position (see Note 24).

The related deferred output VAT amounting to ₱91.20 million as at December 31, 2023 is recognized as part of “Accounts payable and other current liabilities” account in the 2023 parent company statement of financial position (see Note 13). This deferred output VAT will be recognized and remitted as output VAT upon collection of the related receivable.

On January 12, 2024, the Company entered into a Memorandum of Agreement amending the payment schedule (per request of the Seller) of the September 2022 contract of Conditional Sale entered into by the Company for the purchase of land for a consideration of ₱18.69 million (exclusive of VAT) payable on installment basis where earnest money amounting to ₱2.80 million has been paid at that time.

Advance payment made in 2024 amounted to ₱4.00 million (exclusive of VAT), which was recognized as deposit under “Other noncurrent assets” in the 2024 parent company statement of financial position. The unpaid consideration shall be paid upon the fulfillment of certain conditions under the Agreement.

Rental income and the related expenses recognized in profit or loss from various operating leases in the office spaces of its building are as follows:

	2024	2023
Rental income (see Notes 24 and 25)	₱14,543,155	₱43,009,375
Direct operating expenses:		
Security services	1,309,138	3,843,434
Depreciation	1,864,457	2,618,800
Utilities	835,520	1,118,518
Janitorial services	450,297	825,879
Salaries and wages	94,165	273,815
Insurance	62,335	34,291
Repairs and maintenance	—	180,670
Others	138,546	984,157
	4,754,458	9,879,564
	₱9,788,697	₱33,129,811

Direct operating expenses incurred for non-income generating investment properties amounted to ₱5.91 million in 2024 and ₱4.91 million in 2023.

The Company has refundable deposits for utilities installation on its investment properties, recognized as part of “Other noncurrent assets”, amounting to ₱0.45 million as at December 31, 2024 and 2023.

The aggregate fair value of investment properties amounted to ₱4.26 billion and ₱3.43 billion as at December 31, 2024 and 2023, respectively. These have been determined based on valuation performed by a qualified and independent appraiser in 2024 and 2023. The valuation undertaken considered the highest and best use and established estimated value by processes involving comparison (Level 3). Management assessed that the fair value of certain investment properties as at December 31, 2023 approximates the fair value as at December 31, 2024 as no significant changes on



the properties have taken place since the latest appraisal, or will take place in the near future, in the market, economic or legal environment in which the Company operates or in the market to which the investment property is dedicated.

The following describes the valuation techniques used and key inputs to valuation of investment properties:

	Valuation technique	Significant unobservable input
Land and building	Market Approach	Adjusted sales price of comparable properties
Building	Cost Approach	Current market prices of similar materials, labor, contractors' overhead and manufactured equipment

Significant increases (decreases) in estimated inputs above would result in a significantly higher (lower) fair value of the properties.

The highest and best use of land and building is as commercial utility, which is their current use. The highest and best use of land held for capital appreciation at measurement date would be for residential utility or development. For strategic reasons, the land is not being used in this manner.

12. Property, Plant and Equipment

2024							
	Mill Machinery and Equipment	Building and Building Equipment	Transportation Equipment	Land and Land Improvements	Other Equipment	Construction In progress	Total
Cost							
Beginning balances	₱458,207,206	₱202,253,925	₱50,616,974	₱25,335,572	₱40,769,843	₱1,847,488	₱779,031,008
Additions	15,538,367	3,232,143	307,382	—	979,274	34,676,241	54,733,407
Ending balances	473,745,573	205,486,068	50,924,356	25,335,572	41,749,117	36,523,729	833,764,415
Accumulated Depreciation and Amortization							
Beginning balances	244,640,182	108,695,887	47,656,652	19,382,293	35,554,487	—	455,929,501
Depreciation and amortization (see Notes 17 and 18)	14,504,179	7,156,327	1,437,319	978,535	1,195,010	—	25,271,370
Ending balances	259,144,361	115,852,214	49,093,971	20,360,828	36,749,497	—	481,200,871
Net Book Values	₱214,601,211	₱89,633,854	₱1,830,386	₱4,974,744	₱4,999,620	₱36,523,729	₱352,563,544

2023							
	Mill Machinery and Equipment	Building and Building Equipment	Transportation Equipment	Land and Land Improvements	Other Equipment	Construction In progress	Total
Cost							
Beginning balances	₱448,949,796	₱194,918,239	₱50,937,378	₱25,335,572	₱39,862,564	₱—	₱760,003,549
Additions	9,257,410	7,335,686	518,882	—	907,279	1,847,488	19,866,745
Disposals	—	—	(839,286)	—	—	—	(839,286)
Ending balances	458,207,206	202,253,925	50,616,974	25,335,572	40,769,843	1,847,488	779,031,008
Accumulated Depreciation and Amortization							
Beginning balances	230,272,624	101,835,148	46,564,318	18,403,758	33,873,429	—	430,949,277
Depreciation and amortization (see Notes 17 and 18)	14,367,558	6,860,739	1,400,073	978,535	1,681,058	—	25,287,963
Disposals	—	—	(307,739)	—	—	—	(307,739)
Ending balances	244,640,182	108,695,887	47,656,652	19,382,293	35,554,487	—	455,929,501
Net Book Values	₱213,567,024	₱93,558,038	₱2,960,322	₱5,953,279	₱5,215,356	₱1,847,488	₱323,101,507



The Company has fully depreciated property, plant and equipment still in use with the total cost of ₱336.6 million and ₱325.5 million as of December 31, 2024 and 2023, respectively.

13. Accounts Payable and Other Current Liabilities

	2024	2023
Dividends payable (see Note 15)	₱331,813,201	₱31,445,011
Liabilities under trust receipts (see Note 6)	190,649,253	570,410,522
Output VAT - net	88,784,102	57,907,538
Trade payables	53,033,451	28,079,620
Customers and tenants' deposits	9,699,396	14,864,750
Accrued selling, freight and outside services	5,368,388	4,469,390
Withholding tax, HDMF and SSS payable	2,608,712	2,730,982
Deferred output VAT (see Note 11)	—	91,200,000
Others	17,679,855	6,078,733
	₱699,636,358	₱807,186,546

Dividends payable consist of dividends declared but not yet claimed.

Liabilities under trust receipts are short-term loan with the banks for importation of wheat grains, with terms of 180 days at 6.00% to 6.85% interest per annum for 2024 and 6.20% to 7.10% interest per annum for 2023 (see Note 6).

Trade payables are noninterest-bearing and normally with payment terms of 30 to 60 days.

Customers and tenants' deposits represent advances and deposits that are applied against subsequent deliveries and rentals, thus, are generally outstanding for less than 30 days from receipt of payment. The deposit shall not be applied to the monthly rentals but shall be refunded within 15 days after the tenant vacates the leased premises, less deductions, if any.

Accrued selling and freight expenses represents unbilled freight cost incurred for deliveries made by third party service providers.

Others primarily include accruals for unbilled services that will be settled within the next financial year and earnest money of ₱10.0 million received in 2024 in relation to the Company's Memorandum of Agreement with Haus Talk, Inc. (HTI) involving the sale of parcels of land in Rizal Province.

14. Notes Payable

On various dates during 2024, the Company rolled over the ₱131.50 million short-term loans availed in 2023 with terms of 180-360 days at 6.5% to 6.80% interest per annum for 2024. On various dates during 2023, the Company rolled over the ₱172.50 million short-term loans availed in 2022.

Total interest expense on notes payable amounted to ₱9.73 million and ₱21.77 million in 2024 and 2023, respectively.



15. Equity

Capital Stock

The Company's capital stock as at December 31, 2024 and 2023 follows:

	No. of Shares	Amount
Authorized capital stock - ₱10 par value	200,000,000	₱2.00 billion
Issued and outstanding:	150,000,000	₱1.50 billion

Issued and outstanding shares as at December 31, 2024 and 2023 are held by 451 and 437 equity holders, respectively.

The Company's incorporation papers were filed with the SEC on December 18, 1958. The Company was capitalized at ₱4.00 million divided into 240,000 common shares with par value at ₱10.00 each and 160,000 preferred shares also with a par value of ₱10.00 each.

The BOD has placed in the market the total share of stock provided in the incorporation, and made the following calls:

	Original Stockholders	New Subscription	Amount Due
December 31, 1958	25% common shares		₱600,000
November 30, 1959	4% common shares		100,000
December 31, 1959		17% common shares	400,000
February 29, 1960		25% preferred shares	400,000
April 30, 1960		25% preferred shares	400,000
June 30, 1960		25% preferred shares	400,000
August 31, 1960	4% common shares	25% preferred shares	500,000
October 31, 1960		25% common shares	600,000
December 31, 1960		25% common shares	600,000
			<u>₱4,000,000</u>

In 1962, the Company issued 20% common stock dividend. Consequently, the Company increased the authorized capital stock with the approval of the SEC to ₱4.40 million of common shares and ₱2.00 million of preferred shares.

On September 24, 1965, the stockholders authorized the increase in the common stock of the corporation from ₱4.40 million divided into 440,000 common shares with par value of ₱10.00 per share to ₱7.6 million divided into 760,000 common shares with par value of ₱10.00 each. In the same meeting, the stockholders resolved to declare and issue a 20% stock dividend to common stockholders of record as at September 1, 1965. This stock dividend declaration involved the issuance of 83,951 common shares, with a total par value of ₱839,510, under the following terms:

- that the 19,951 shares with a par value of ₱199,510 are to be issued out of the remaining unissued common stock presently authorized; and
- that 64,000 shares with a par value of ₱640,000 are to be issued out of the increase in the common stock of 320,000 common shares.

In April 1966, the Company paid out 20% stock dividends and in November 1966, the Company paid out again 10% stock dividends.

On March 17, 1966, the SEC approved the increase in the common stock to ₱9.6 million divided in 960,000 common shares from ₱9.6 million divided into 760,000 common shares as authorized by the stockholders last September 24, 1965.



On March 19, 1968, the stockholders approved the increase of authorized capital stock from ₱9.6 million to ₱12.00 million to be divided into 1.20 million shares with a par value of ₱10.00 each to wit:

	No. of shares	Amount
Common stock	1,000,000 shares	₱10,000,000
Preferred stock	200,000 shares	2,000,000

The application for the proposed increase in the Company's capitalization was approved by the SEC in November 1968.

In 1970, the Company declared 17.64% stock dividends on common shares amounting to ₱1.50 million (149,833 shares and ₱1,290 in cash for fractional shares).

In 1971, the Company redeemed the outstanding preferred shares represented by 160,049 preferred shares.

On May 4, 1972, the stockholders approved to eliminate and retire all the 200,000 preferred shares with a par value of ₱10.00 each, thereby, decreasing its capital stock from ₱12.00 million to ₱10.00 million and to create 1,000,000 more common shares at a par value of ₱10.00 each thereby increasing the capital stock of the corporation from ₱10.00 million to ₱20.00 million to be divided into 2.00 million common shares at a par value of ₱10.00 per share. In relation to such an increase, the stockholders declared stock dividend of 20% on the issued and outstanding shares of ₱10.00 million. On October 6, 1972, the SEC approved the application for the retirement of its preferred shares and the increase of its common shares.

On May 6, 1977, the stockholders approved a resolution to increase the capital stock from ₱20.00 million (2.00 million shares at ₱10.00 par value) to ₱30.00 million (3.00 million shares at ₱10.00 par value) and that subscription to the capital stock increase in the amount of ₱2.00 million shall be paid through stock dividend. In December 1977, the SEC approved the registration of the capital stock increase and stock dividend declaration.

On February 9, 1981, the SEC approved the Company's application for the registration of its increase in authorized capital stock from ₱30.00 million (3.00 million shares at ₱10.00 par value) to ₱50.00 million (5.00 million shares at ₱10.00 par value). Capital base went up from ₱30.00 million to ₱40.25 million due to the ₱10.25 million given as stock dividend.

In 1982, the Company distributed ₱9.75 million stock dividend to complete the outstanding capital stock to the full ₱50.00 million which is also the authorized capitalization.

On November 9, 1983, the stockholders approved the increase in authorized capital stock from ₱50.00 million (5.00 million shares at ₱10.00 par value) to ₱100.00 million (10.00 million shares at ₱10.00 par value) and the declaration of a 25% stock dividend or an equivalent sum of ₱12.50 million on such increase to stockholders of record as at November 9, 1983. The increase in authorized capital stock and stock dividend declaration was approved by the SEC on May 4, 1984.

On June 10, 1985, a 10% stock dividend was declared to stockholders of record as at May 10, 1985. The weighted average shares outstanding and all per share amounts included in the parent company financial statements are based on the increased number of shares giving retroactive effect to these stock dividends.



On February 21, 1985, the Makati Stock Exchange approved the listing of 10.00 million common shares of the Company's capital stock which are duly registered with the SEC.

On May 9, 1986, a stock dividend of 21.212% was declared to stockholders of record as at May 28, 1986. The weighted average shares outstanding and all per share amounts included in the parent company financial statements are based on the increased number of shares giving retroactive effect to these stock dividend.

On January 12, 1987, the stockholders approved to increase the authorized capital stock from ₱100.00 million to ₱200.00 million; and the declaration of 25% stock dividend to stockholders of record as at February 11, 1987 to cover subscription to the said capital stock increase. On June 30, 1987, the SEC approved the application for such increase.

In February 1988, the SEC, for registration and licensing purposes with the Philippine Stock Exchange (PSE), issued to the Company a Certificate of permit to sell securities which authorizes the sale of the said capital stock increase of 10.00 million common shares worth ₱100.00 million to the public.

On April 12, 1988, a stock dividend of 40% was declared to stockholders of record as at May 26, 1988.

On May 10, 1989, the stockholders declared a stock dividend of 14.2857% to stockholders of record as at May 29, 1989. On the same date, the stockholders subsequently approved to increase the authorized capital stock from ₱200.00 million to ₱500.00 million which was approved by the SEC on September 4, 1989.

On May 10, 1991, a 10% stock dividend was declared to stockholders of record as at July 26, 1991.

On May 14, 1993, a 20% stock dividend was declared to stockholders of record as at June 12, 1993.

On May 9, 1997, the BOD approved the declaration of stock dividends of 3.70 million common shares equivalent to 10.1928% to stockholders of record as at June 6, 1997. Consequently, the number of common shares outstanding was increased from 36.30 million shares to 40.00 million common shares.

On July 27, 2011, the BOD declared a 25% stock dividend equivalent to 10.00 million shares amounting to ₱100.00 million with ₱10.00 par value to stockholders of record as at September 15, 2011. The stock certificates were issued and distributed on February 20, 2012.

On January 13, 2015, the SEC approved the issuance of the stock dividend to stockholders of record as at January 30, 2015. The stock certificates were issued and distributed to the stockholders on February 23, 2015. Accordingly, stock dividends distributable amounting to ₱375.00 million recognized as at December 31, 2014 was derecognized in 2015.

On November 16, 2015, the BOD declared 71.42% stock dividend or 62.50 million shares to be taken from the reversal of ₱1.82 billion appropriated retained earnings as at December 31, 2014. On December 15, 2015, the SEC approved the issuance of the stock dividend. The stock certificates were issued and distributed to the stockholders on December 21, 2015.



Retained Earnings

Cash Dividends

Below is the summary of cash dividends declared in 2024 and 2023:

Date of Declaration	Date of Record	Date of Payment	Dividend per Share	Total Amount
December 18, 2024	January 10, 2025	February 04, 2025	₱2.00	₱300,000,000
May 29, 2024	June 19, 2024	July 12, 2024	₱0.30	₱45,000,000
October 23, 2023	November 15, 2023	December 6, 2023	₱0.20	₱30,000,000
March 29, 2023	April 19, 2023	May 12, 2023	₱0.50	₱75,000,000

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.

Basic/Diluted Earnings Per Share

The computation of basic/diluted earnings per share is as follows:

	2024	2023
Net income	₱104,008,481	₱745,969,042
Divided by weighted average number of shares	150,000,000	150,000,000
Basic/diluted earnings per share	₱0.69	₱4.97

The Company does not have potentially dilutive common shares as in 2024 and 2023.

16. Revenue from Contracts with Customers

Disaggregated Revenue Information

Below is the disaggregation of the Company's revenue from contracts with customers by major sources:

	2024	2023
Sales of bakery flour	₱1,088,706,191	₱1,319,690,666
Sales of mill feeds	125,573,711	181,491,621
	₱1,214,279,902	₱1,501,182,287

Performance Obligations

Revenues from sale of bakery flour and mill feeds are recognized when the goods are sold at a point in time upon delivery or transfer of control of goods.

The Company's trade receivables from related and third parties amounting to ₱1,135.43 million and ₱1,117.91 million at December 31, 2024 and 2023, respectively, arise from sale of flour and mill feeds. These are noninterest-bearing with average credit terms of 180 days and 90 days for related parties and third parties, respectively (see Note 5).



The Company has no contract assets and contract liabilities as at December 31, 2024 and 2023.

17. Cost of Sales

	2024	2023
Materials used	₱876,193,372	₱1,331,922,779
Direct labor (see Note 19)	34,332,907	35,996,211
Overhead:		
Utilities	37,448,986	32,295,545
Depreciation (see Note 12)	19,282,055	18,874,036
Repairs and maintenance	3,927,238	2,595,778
Other factory overhead	11,018,181	8,079,162
	₱982,202,739	₱1,429,763,511

18. Operating Expenses

General and Administrative Expenses

	2024	2023
Outside services	₱30,326,040	₱31,176,766
Employee benefits and bonuses (see Notes 19, 21 and 24)	23,083,958	12,506,027
Salaries and wages (see Notes 19 and 24)	16,055,237	15,334,222
Depreciation and amortization (see Notes 11 and 12)	13,697,583	4,257,824
Taxes and licenses	5,789,233	9,099,194
Membership and subscription	3,237,371	2,522,976
Rent expense	2,508,793	—
Insurance	1,358,559	1,165,989
Communication, light and water	1,307,989	1,305,141
Per diem	825,000	775,000
Repairs and maintenance	605,414	478,879
Office supplies	584,311	254,598
Travel and representation	228,749	623,502
Provision for (reversal of) allowance for expected credit losses (see Note 5)	(4,874,247)	4,673,574
Others	4,744,559	4,618,809
	₱99,478,549	₱88,792,501

Selling Expenses

	2024	2023
Promotional and marketing expenses (see Note 24)	₱17,506,027	₱17,656,295
Freight and handling fees	1,652,865	6,570,164
Depreciation and amortization (see Note 12)	1,425,653	1,428,479
	₱20,584,545	₱25,654,938



Interest Expense

	2024	2023
Liabilities under trust receipts (see Note 6)	₱22,978,708	₱23,446,127
Notes payable (see Note 14)	9,729,825	21,765,555
	₱32,708,533	₱45,211,682

19. Personnel Costs

	2024	2023
Direct labor (see Note 17)	₱34,332,907	₱35,996,211
Salaries and wages (see Notes 18 and 24)	16,055,237	15,334,222
Bonus and allowances (see Note 18)	15,181,080	7,195,292
Retirement benefits costs (see Notes 18, 21 and 24)	2,911,971	1,994,044
Other employee benefits (see Notes 18 and 24)	4,990,907	3,316,691
	₱73,472,102	₱63,836,460

20. Other Income (Charges) - Net

	2024	2023
Fair value loss on financial assets at FVTPL (see Note 7)	(₱1,282,527)	(₱825,403)
Foreign exchange gain (loss) - net	(55,761)	736,275
Gain on disposal of property, plant and equipment	—	2,575,595
Loss on sale on financial assets at FVOCI (see Note 10)	—	(71,435)
Loss on pretermination of lease contract (see Note 25)	—	(1,997,784)
Other income (charges) - net (see Note 24)	6,319,491	(4,577,418)
	₱4,981,203	(₱4,160,170)



21. Retirement Benefits Costs

The Company has a non-contributory defined benefit retirement plan covering its regular employees.

Under the terms of Liberty Flour Mills, Inc. Retirement Plan, the Company is required to pay its regular employees retirement benefits equivalent to 30 days for every year of credited service upon reaching the compulsory retirement age of 65. Optional retirement is allowed for an employee who reaches the age of 50 and who has completed 20 years of credited service to the Company.

The Retirement Plan is administered by a Trustee appointed by the Company and is responsible for the general administration of the Retirement Plan and the management of the retirement fund. The Trustee may seek the advice of legal or investment counsel and may appoint an investment manager or managers to manage the Fund, an independent accountant to audit the fund and an Actuarial Advisor to value the fund.

The Company's appointed Retirement Committee will coordinate closely with the Trustee in the implementation of the Retirement Plan.

The following tables summarize the components of the net benefit expense recognized in the statements of comprehensive income and the funded status and amounts recognized in the statements of financial position for the plan. Changes in net retirement plan liability as at December 31, 2024 and 2023 follows:

	Net Retirement Cost in Profit or Loss in the Parent Company Statements of Comprehensive Income					Remeasurements in Other Comprehensive Income									
	Balance at Beginning of Year	Current Service Cost	Settlement loss	Net Interest	Subtotal	Benefits Directly Paid by the Company	Benefits Paid from Plan Assets	Contributions to the Plan Asset	Actuarial Loss (Gain) Excluding Amount included in Net Interest	Actuarial Changes Arising from Financial Assumptions	Actuarial Changes Arising from Experience	Actuarial Changes Arising from Demographic Assumptions	Effect of Asset Ceiling	Subtotal	Balance at End of Year
December 31, 2024															
Present value of defined benefit obligation	P44,928,816	P1,810,250	P-	P2,758,629	P4,568,879	P-	(P13,491,055)	P-	P-	P46,944	(P2,136,040)	(P2,191,373)	P-	(P4,280,469)	P31,726,171
Fair value of plan assets	(33,730,992)	-	-	(1,656,908)	(1,656,908)	-	13,491,055	-	(6,728,016)	-	-	-	-	(6,728,016)	(28,624,861)
Net defined benefit liability	P11,197,824	P1,810,250	P-	P1,101,721	P2,911,971	P-	P-	P-	(P6,728,016)	P46,944	(P2,136,040)	(P2,191,373)	P-	(P11,008,485)	P3,101,310
December 31, 2023															
Present value of defined benefit obligation	P42,342,231	P1,742,395	P-	P3,086,749	P4,829,144	P-	(P7,110,983)	P-	P-	P3,553,874	P1,314,550	P-	P-	P4,868,424	P44,928,816
Fair value of plan assets	(42,445,748)	-	-	(2,835,100)	(2,835,100)	-	7,110,983	-	4,446,969	-	-	-	(8,096)	4,438,873	(33,730,992)
Net defined benefit liability (asset)	(P103,517)	P1,742,395	P-	P251,649	P1,994,044	P-	P-	P-	P4,446,969	P3,553,874	P1,314,550	P-	(P8,096)	P9,307,297	P11,197,824



The Company is expected to contribute ₱15.00 million to its defined benefit pension plan in 2025.

The overall expected rate of return used to determine present value of defined benefit obligation and fair value of plan assets is based on the prevailing rate of return on government securities applicable to the period over which the obligation is to be settled.

The composition of the plan assets follows:

	2024	2023
Cash in banks	₱16,922,033	₱15,996,272
Money market placements	10,937	252,056
Investments in equity securities:		
Industrial	4,702,793	3,387,638
Services	1,878,000	2,490,000
Financials	528,564	391,344
Mining and oil	1,767,344	2,775,350
Others	914,323	1,233,620
BPI Philippine Equity Index Fund	930,002	977,568
Investment in bonds	18,063,592	23,473,953
Liabilities	(17,092,727)	(17,246,809)
	₱28,624,861	₱33,730,992

The carrying amount of the Company's plan assets represents their fair value as at December 31, 2024 and 2023.

Investments in equity securities can be transacted through the PSE. The plan assets include shares of stock of the Company with fair value of ₱4.26 million and ₱2.88 million as at December 31, 2024 and 2023, respectively. Fair value changes recognized by the retirement plan assets for the changes in market values of the shares of stock of the Company amounted to gain of ₱1.38 million in 2024 and loss of ₱1.74 million in 2023. With respect to the plan's investment in the Company's shares of stock:

- There are no restrictions or limitations on the shares provided in the plan,
- The Board of Trustees of the plan exercises voting rights over the shares, and
- There was no material gain or loss over the shares in 2024.

BPI Philippine Equity Index Fund is an index tracker Unit Investment Trust Fund that mimics the performance of the PSE index (PSEi). It buys all the stocks that compromise the PSEi in the same weight as the index.

The latest actuarial valuation of the Company's plan is as at December 31, 2024. The principal actuarial assumptions used to determine retirement benefits costs as at January 1 are as follows:

	2024	2023
Discount rate	6.11%	6.14%
Future salary increases	5.00%	5.00%

The Retirement Plan Committee has no specific matching strategies between the plan assets and the plan liabilities.



Movements in the principal actuarial assumptions may result in an increase or decrease in the year-end defined benefit obligation (DBO). As such, the following sensitivity analysis shows the effects of movement in the discount and salary increase rates as at December 31:

	2024	
	Increase (Decrease) in Rate	Increase (Decrease) in DBO
Discount rate	5.30% (4.60%)	₱1,678,502 (1,469,724)
Salary increase rate	5.30% (4.70%)	1,680,360 (1,497,611)
2023		
	Increase (Decrease) in Rate	Increase (Decrease) in DBO
Discount rate	8.30% (7.00%)	₱3,748,628 (3,129,927)
Salary increase rate	8.40% (7.10%)	3,754,064 (3,188,744)

The average duration of the defined benefit obligation at the end of the period is 5.0 years in 2024 and is 7.7 years in 2023.

The table below shows the payments that are to be made in the future years out of the defined benefit obligation as at December 31:

Year	2024	2023
Year 1	₱15,755,849	₱17,755,556
Year 2	530,958	3,642,833
Year 3	657,036	535,122
Year 4	695,748	526,899
Year 5	785,616	613,427
Year 6 – 10	15,152,136	12,136,267

Other Comprehensive Income (Loss)

Movements in remeasurement gains (losses) on retirement benefits recognized in “other components of equity” under the equity section of the parent company statements of financial position follows:

	2024	2023
Beginning balance	(₱13,590,448)	(₱6,609,975)
Remeasurement gains (losses) in other comprehensive income:		
Actuarial gain (loss) on defined benefit obligation	4,280,469	(4,868,424)
Remeasurement gain (loss) on plan assets	6,728,016	(4,438,873)
Total	11,008,485	(9,307,297)
Income tax effect	(2,752,121)	2,326,824
	8,256,364	(6,980,473)
Ending balance	(₱5,334,084)	(₱13,590,448)



22. Provisions and Contingencies

a. Application for Exemption of Properties from Republic Act (R.A.) 6657

In 2015, the Company submitted with the Department of Agrarian Reform (DAR) its Application for Exemption from Comprehensive Agrarian Reform Program (CARP), also known as R.A. 6657, for its land property. The Application for Exemption was partially granted in 2016. In August 2016, the Company filed a Motion for Partial Reconsideration on the remaining hectares of the said land property with a carrying value of ₱1.03 million.

On June 29, 2020, The Land Use Cases Committee (LUCC) rendered an Order favorably finding that the Teresa Landholdings are within the Lungsod Silangan Townsite. On November 20, 2020, the LUCC affirmed its Order and denied Kapisan ng Magsasaka ng Teresa, Angono, Inc. (KMTAI) Motion for Reconsideration. Barring a possible appeal, the Order will attain finality, exempting the Teresa Landholdings from CARP Coverage.

As of March 24, 2021, KMTAI has since appealed the denial of its Motion for Reconsideration to the Office of the President, in which LFMI has been ordered to comment on the same. Consequently, the Company filed a corresponding comment/opposition to the KMTAI appeal.

As of March 26, 2025 and December 31, 2024, the Company has not yet received any resolution of the Motion for Execution. The case is still pending in the Office of the President.

b. Tax Assessments

As discussed in Note 3, the Company is currently involved in certain tax assessments occurring in the ordinary course of business.

In consultation with the Company's legal counsels, management believes that the ultimate disposition of the above matters will not have any material adverse effect on the Company's operations or its financial condition.

No further details were provided as allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, because these may prejudice the Company's position in relation to this ongoing claim and assessments.

23. Income Taxes

The Company's provision for current income tax represents RCIT in 2024 and 2023.

For income tax purposes, full revenue recognition is applied when greater than 25% of the selling price has been collected in the year of sale, otherwise, the installment method is applied.



The reconciliation of the provision for income tax computed at the statutory income tax rate with the provision for income tax as shown in the parent company statements of comprehensive income is as follows:

	2024	2023
Income before tax at 25%	₱31,246,497	₱234,522,162
Additions to (reductions in) income tax resulting from:		
Dividend income	(5,649,248)	(2,885,345)
Interest income subjected to final tax	(2,078,389)	(2,582,597)
Movement in unrecognized deferred tax assets	(5,709,775)	(2,347,813)
Nondeductible expenses	2,847,789	2,335,973
Fair value changes of financial assets at FVTPL	320,631	206,351
Application of NOLCO	–	(34,402,997)
Application of MCIT	–	(2,726,130)
Provision for income tax	₱20,977,505	₱192,119,604

The Company's net deferred tax asset (liability) as at December 31 follow:

	2024	2023
Deferred tax asset -		
Unamortized past service cost	₱2,550,268	₱2,799,456
Deferred tax liabilities:		
Unrealized gain on sale of investment property	–	(189,318,696)
Unrealized foreign exchange gain	–	(184,069)
	–	(189,502,765)
Net deferred tax assets (liability)	₱2,550,268	(₱186,703,309)

Deferred tax assets for the following deductible temporary differences, unused NOLCO and MCIT have not been recognized as management assessed that no sufficient future taxable profits will be available to allow all or part of these deferred tax assets to be utilized:

	2024	2023
Unamortized past service cost	₱42,285,818	₱52,209,919
Net retirement plan liability	3,101,310	11,197,825
Provision for:		
Probable losses	3,134,053	3,134,053
Expected credit loss	1,917,385	6,791,632
Unrealized foreign exchange gain	55,761	–
	₱50,494,327	₱73,333,429

Revenue Memorandum Circular (RMC) No. 69-2023

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.



24. Related Party Transactions

Related party relationship exists when the party has the ability to control directly or indirectly, through one or more intermediaries or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

Related party receivables and payables are generally settled in cash.

Transactions with related parties for each of the years and their account balance as at December 31 follow:

	Amount/Volume Income (Expense)		Outstanding Balance Receivable (Payable)		Terms and Conditions
	2024	2023	2024	2023	
Stockholder					
Parity Values, Inc.					
Sale	₱692,675,553	₱647,843,183	₱804,715,595	₱742,141,765	120 days; Unsecured, with impairment of ₱1,577,644 and ₱6,674,765 as at December 31, 2024 and 2023, respectively.
Rent income	—	2,339,525	—	—	30 days; Unsecured, not impaired
Promotional and marketing expenses	(14,875,000)	(14,875,000)	—	—	On demand
Under Common Control					
Liberty Commodities Corp.					
Sale	336,970,962	356,042,702	225,121,977	184,413,966	120 days; Unsecured, not impaired
Rent income	—	3,270,072	169,371	332,325	30 days; Unsecured, not impaired
Promotional and marketing expenses	(2,625,000)	(2,625,000)	—	—	On demand
Trade Demands Corp.					
Sale	183,346,419	197,432,106	103,465,488	123,117,499	120 days; Unsecured, with impairment of ₱339,741 ₱116,867 as at December 31, 2024 and 2023, respectively.
Subsidiary					
LFM Properties Corporation					
Sale of land and building	—	980,000,000	—	851,200,000	On demand; Unsecured
Rental income	—	526,684	—	59,060	30 days; Unsecured, not impaired
Receivable for working capital support	568,400,000	—	568,400,000	—	On demand; Unsecured
Trade receivables from related parties (see Note 5)			₱1,133,303,060	₱1,049,673,230	
Due from a related party (see Note 11)			₱568,400,000	₱851,200,000	
Rent receivables from related parties (see Note 5)			₱169,371	₱391,385	



Promotional and marketing expenses

Promotional and marketing expenses are amounts paid outright in cash to the related party distributors as the Company's support for their marketing and promotional activities.

Outstanding intercompany receivables at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees received for any related party receivables. Allowance for expected credit losses on receivables from related parties has been recognized as at December 31, 2024 and 2023.

Retirement Fund

In 2023, the Company has written off its receivable from its retirement plan amounting to ₱7.23 million, recognized as part of "Other income (charges) - net" in the 2023 parent company statement of comprehensive income (see Note 20).

Key Management Personnel

The key management personnel compensation are as follows:

	2024	2023
Short-term employee benefits	₱13,726,407	₱10,177,059
Post-employment benefits and others	3,074,779	6,510,061
	₱16,801,186	₱16,687,120

Short-term employee benefits include management bonus given to the Company's directors and officers (see Notes 18 and 19).

25. Leases

The Company leases out office spaces principally to third parties under various operating lease arrangements. The leases are for a term of one to five years and may be renewed upon mutual agreement of the parties. Rental income amounted to ₱14.54 million in 2024 and ₱43.01 million in 2023 (see Note 11).

Accrued rent, which represents the excess of rental income recognized using the straight-line method over the rental income based on the terms of the lease agreements, amounted to ₱0.36 million as at December 31, 2023 (nil as at December 31, 2024).

As a result of sale of land and building, the Company recognized loss on pre-termination of lease contract amounting to ₱2.00 million presented under "Other income (charges) - net" in the 2023 statement of comprehensive income (see Note 20).

The future minimum lease receivables under non-cancellable leases are as follows:

	2024	2023
Year 1	₱901,535	₱4,020,899
Year 2	946,614	—
Year 3	533,701	—
Year 4	560,388	—
	₱2,942,238	₱4,020,899



26. Financial Instruments and Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, trade receivables, financial assets at FVTPL and financial assets at FVOCI. The main purpose of these financial instruments is to fund the Company'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, trade payable and accrued expenses.

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

Credit Risk

Credit risk represents the loss that the Company would incur if counterparty failed to perform under its contractual obligations. The Company has established controls and procedures in its credit policy to determine and monitor the credit worthiness of customers and counterparties. The Company 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 Company is potentially subject to concentrations of credit risk in its accounts receivable. Majority of the Company's entire trade receivables and revenues are concentrated with its four distributors as at December 31, 2024 and 2023. The Company has been transacting business with these distributors for a long time and has not encountered any credit issue with them. While there is delay in collection of some trade receivables (those classified under "Past due but not impaired"), the Company is in close coordination with the distributor to bring their accounts to current. With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI, the Company'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 enhancements held over these assets.

Credit Risk Exposures. The table below shows the gross maximum exposure to on- and off-balance sheet credit risk exposures of the Company, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques as at December 31:

	2024	2023
Financial assets at amortized cost:		
Cash and cash equivalents*	₱72,742,609	₱60,019,929
Trade and other receivables**	1,161,945,785	1,145,876,410
Other noncurrent assets***	1,806,258	1,467,687
Debt securities at FVOCI	107,197,164	183,861,270
	₱1,343,351,545	₱1,391,223,596

*excluding cash on hand amounting to ₱0.43 million and ₱0.20 million as at December 31, 2024 and 2023, respectively.

** excluding advances to officers and employees amounting to ₱0.43 and ₱0.23 million as at December 31, 2024 and 2023, respectively; before considering provision for expected credit loss amounting to ₱1.92 million and ₱6.79 million as at December 31, 2024 and 2023, respectively.

***excluding advances to suppliers amounting to nil as at December 31, 2024 and 2023.



The following table summarizes the credit quality of the Company's financial assets per category as at December 31:

2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Low	₱205,011,569	₱330,315,240	₱—	₱535,326,809
Moderate	—	806,845,725	—	806,845,725
High	—	—	—	—
Gross carrying amount	₱205,011,569	₱1,137,160,965	—	1,342,172,534
ECL	—	1,917,385	—	1,917,385
Carrying amount	₱205,011,569	₱1,135,243,580	₱—	₱1,340,255,149

2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Low	₱270,130,605	₱378,951,226	₱—	₱649,081,831
Moderate	—	742,141,765	—	742,141,765
High	—	—	—	—
Gross carrying amount	₱270,130,605	₱1,121,092,991	—	1,391,223,596
ECL	—	6,791,632	—	6,791,632
Carrying amount	₱270,130,605	₱1,114,301,359	₱—	₱1,384,431,964

The credit quality of the financial assets was determined as follows:

Low Risk - This includes cash and cash equivalents to counterparties with good credit or bank standing, thus credit risk is minimal. This normally includes large prime financial institutions, companies and government agencies. For receivables, this consists of counterparties with no history of default on the agreed contract terms. This includes receivable from credit-worthy customers and lessees.

Moderate Risk - This includes financial assets at FVOCI that are not classified as "High Grade". For receivables, this consists of counterparties with little history of default on the agreed contract terms.

High Risk - This includes receivables that consist of counterparties with history of default on the agreed contract terms.

As at December 31, 2024 and 2023, the COVID-19 outbreak has no significant impact to the Company's credit risk.

Set out below is the information about the credit risk exposure on the Company's trade receivables and rent receivables using a provision matrix:

		2024								
		Current	1-30 days	31 - 60 days	61-90 days	91-120 days	121-150 days	151-180 days	More than 180 days	Total
Trade receivables - PVI										
Expected credit loss rate		0.04%	0.15%	0.16%	0.17%	0.18%	0.24%	0.38%	0.27%	
Estimated total gross carrying amount at default		₱270,428,840	₱59,647,525	₱66,006,495	₱63,352,110	₱65,548,255	₱64,944,815	₱55,983,615	₱158,803,940	₱804,715,595
Expected credit loss		99,547	91,757	105,564	105,093	120,868	155,775	211,352	434,536	1,324,493
TDC										
Expected credit loss rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default		₱75,716,172	₱19,021,237	₱8,728,079	₱—	₱—	₱—	₱—	₱—	₱103,465,488
Expected credit loss		462	454	215	—	—	—	—	—	1,131



2023									
	Current	1-30 days	31 - 60 days	61-90 days	91-120 days	121-150 days	151-180 days	More than 180 days	Total
Trade receivables - PVI									
Expected credit loss rate	0.09%	0.39%	0.41%	0.43%	0.54%	0.89%	2.01%	2.43%	
Estimated total gross carrying amount at default	₱239,708,685	₱58,802,895	₱52,481,760	₱57,783,615	₱60,610,360	₱58,443,570	₱69,606,770	₱144,704,110	₱742,141,765
Expected credit loss	217,211	226,878	213,733	249,158	326,723	519,619	1,401,430	3,520,013	6,674,765
TDC									
Expected credit loss rate	0.05%	0.19%	0.19%	0.21%	0.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default	₱82,497,139	₱17,424,168	₱14,629,116	₱8,567,076	₱-	₱-	₱-	₱-	₱123,117,499
Expected credit loss	38,651	32,742	27,569	17,905	-	-	-	-	116,867

As at December 31, 2024 and 2023, allowance for expected credit losses are recognized for trade receivables from Parity Values, Inc. and Trade Demands Corporation, both third parties, and rent receivables subjected to impairment.

As at December 31, 2024 and 2023, the COVID-19 outbreak has no significant impact to the Company's credit risk.

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to equity price risk because of investments in quoted equity securities, which are classified in the Company's statement of financial position as financial assets at FVTPL and financial assets at FVOCI.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on its financial position. The change in market prices used in the sensitivity analysis is determined based on the highest and lowest stock prices of a financial instrument during the period. The Company has determined that for financial assets at FVOCI, a decrease or increase on the stock prices would only impact equity and would not have an effect on profit or loss. The Company has determined that for financial assets at FVTPL, a decrease and increase on the stock prices could have an impact on the profit or loss.

The effect on profit or loss and equity as a result of an increase (decrease) in fair value of equity securities at FVTPL and fair value of quoted financial assets at FVOCI as at December 31, 2024 and 2023 are as follows:

2024		
	Increase (decrease) in market price	Increase (decrease) in profit or loss/equity
Financial assets at FVTPL	1% (1%)	131,241 (131,241)
Financial assets at FVOCI	7% (7%)	21,507,274 (21,507,274)
2023		
	Increase (decrease) in market price	Increase (decrease) in profit or loss/equity
Financial assets at FVTPL	1% (1%)	144,067 (144,067)
Financial assets at FVOCI	13% (13%)	43,436,631 (43,436,631)



Liquidity Risk

Liquidity risk is the risk that the Company will be unable to pay its obligations when they fall due under normal and stress circumstances. The Company manages liquidity 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 Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The tables below summarize the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments as at December 31:

	2024			Total
	Less than 3 Months	3 to 12 Months	More than 12 months	
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents:	₱72,740,909	₱—	₱—	₱72,740,909
Trade receivables	442,757,637	692,675,553	—	1,135,433,190
Rent receivables:				
Third parties	1,727,775	—	—	1,727,775
Related parties	—	—	—	—
Other receivables	25,211,118	—	—	25,211,118
Other noncurrent assets	—	—	1,806,258	1,806,258
Financial assets at FVTPL	13,124,131	—	—	13,124,131
Financial assets at FVOCI:				
Equity securities	—	—	307,218,056	307,218,056
Debt securities	—	20,000,000	87,197,164	107,197,164
Total financial assets	₱555,561,570	₱742,675,553	₱366,221,478	₱1,664,458,601
Financial Liabilities				
Notes payable, inc. interest	₱—	₱—	₱131,500,000	₱131,500,000
Liabilities under trust receipts	190,649,253	—	—	190,649,253
Trade payables	53,033,451	—	—	53,033,451
Dividends payable	331,813,201	—	—	331,813,201
Customers and tenants' deposits	9,699,396	—	—	9,699,396
Accrued selling, freight expense and outside services	5,368,388	—	—	5,368,388
Accrued other expenses	17,679,855	—	—	17,679,855
Total financial liabilities	608,243,544	—	131,500,000	739,743,544
Net financial asset (liabilities)	(₱52,681,974)	₱742,675,553	₱234,721,478	₱924,715,057

	2023			Total
	Less than 3 Months	3 to 12 Months	More than 12 months	
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents:	₱60,216,310	₱—	₱—	₱60,216,310
Trade receivables	375,770,967	742,141,765	—	1,117,912,732
Rent receivables:				
Third parties	2,788,874	—	—	2,788,874
Related parties	391,385	—	—	391,385
Other receivables	24,783,419	—	—	24,783,419
Other noncurrent assets	—	—	1,467,687	1,467,687
Financial assets at FVTPL	14,406,657	—	—	14,406,657
Financial assets at FVOCI:				
Equity securities	—	—	346,812,395	346,812,395
Debt securities	—	50,000,000	133,861,270	183,861,270
Total financial assets	₱478,357,612	₱792,141,765	₱482,141,352	₱1,752,640,729
Financial Liabilities				
Notes payable, inc. interest	₱—	₱—	₱172,500,000	₱172,500,000
Liabilities under trust receipts	570,410,522	—	—	570,410,522
Trade payables	28,079,620	—	—	28,079,620
Dividends payable	31,445,011	—	—	31,445,011
Customers and tenants' deposits	14,864,750	—	—	14,864,750
Accrued selling, freight expense and outside services	4,469,390	—	—	4,469,390
Accrued other expenses	6,078,733	—	—	6,078,733
Total financial liabilities	655,348,026	—	172,500,000	827,848,026
Net financial asset (liabilities)	(₱176,990,414)	₱792,141,765	₱309,641,352	₱924,792,703



Fair Value

The carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities approximate their fair values due to their short-term nature. The carrying value of unquoted equity securities approximate their fair values based on the adjusted net asset method.

Below are the Company's financial assets measured and carried at fair value as at December 31:

	2024	2023
Financial assets at FVTPL	₱13,124,130	₱14,406,657
Financial assets at FVOCI	425,409,223	530,673,665

Financial assets at FVTPL and quoted financial assets at FVOCI are carried at their fair values based on quoted market prices.

Fair Value Hierarchy

Below table presents the fair value measurement hierarchy of the Company's financial assets carried at fair value and nonfinancial assets whose fair values are disclosed as at December 31:

	2024			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Financial assets at FVTPL	₱13,124,130	₱13,124,130	₱—	₱—
Financial assets at FVOCI				
Quoted debt securities	107,197,164	107,197,164	—	—
Quoted equity securities	307,218,056	307,218,056	—	—
Unquoted equity securities	10,994,003	—	—	10,994,003
Nonfinancial assets for which fair values are disclosed				
Investment properties	4,264,285,141	—	—	4,264,285,141
	2023			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Financial assets at FVTPL	₱14,406,657	₱14,406,657	₱—	₱—
Financial assets at FVOCI				
Quoted debt securities	183,861,270	183,861,270	—	—
Quoted equity securities	334,127,928	334,127,928	—	—
Unquoted equity securities	12,684,467	—	—	12,684,467
Nonfinancial assets for which fair values are disclosed				
Investment properties	3,427,502,271	—	—	3,427,502,271

The disclosures on the fair value of investment properties carried at cost are included in Note 11.

In 2024 and 2023, there were no transfers among the fair value measurement hierarchy levels.

27. Capital Management Policies

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.



The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Company monitors capital by having a daily monitoring of receipts and collections, regular release of disbursements to suppliers, monthly cash flow report preparation and monthly review of capital expenditure requirements. The Company at this point, with its healthy cash flow, is not looking for any bank loans to finance its operations and renovations. The Company strives to earn a minimum return double the annual inflation rate.

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

	2024	2023
Capital stock	₱1,500,000,000	₱1,500,000,000
Retained earnings	1,258,123,805	1,499,115,324
	₱3,758,123,805	₱2,999,115,324

28. Note to Parent Company Statements of Cash Flows

- In 2023, noncash investing activity pertains to sale of land and building to a subsidiary amounting to ₱890,000,000 which consists of the unpaid consideration amounting to ₱760,000,000 and ₱130,000,000 deposit received in 2022.
- The changes in the Company's liability arising from financing activities in 2024 and 2023 follows:

	2024			
	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱172,500,000	(₱41,000,000)	₱—	₱131,500,000
Dividends payable	31,445,011	(44,631,810)	345,000,000	331,813,201
Interest payable	—	(32,708,533)	32,708,533	—
	₱203,945,011	(₱118,340,343)	₱377,708,533	₱463,313,201

	2023			
	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱378,000,000	(₱205,500,000)	₱—	₱172,500,000
Dividends payable	26,379,956	(99,934,945)	105,000,000	31,445,011
Interest payable	—	(45,211,682)	45,211,682	—
	₱404,379,956	(₱350,646,627)	₱150,211,682	₱203,945,011

*Noncash charges pertain to declaration of dividends and accrual of interests on note payable.

29. Segment Information

The Company's operating business are organized and managed separately according to industry. The industry segments where the Company operates are as follows:

- Bakery flour - manufacturing of flour and distribution/sales of its produce.
- Mill feed - utilization of its by-products and distribution/sales of its produce; and
- Real estate and investment - leasing of office and commercial units and investment in securities.



The Company has only one geographical segment as its operations are solely located in the Philippines.

The Executive Committee, the Company's chief operating decision maker, monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross margin and net income and is measured consistently with gross margin and net income in the parent company financial statements.

The following tables on business segments present the segment assets as at December 31, 2024 and 2023 and the revenue and profit information for the period then ended.

2024				
	Bakery Flour	Mill Feed	Real Estate and Investment	Total
Revenue				
Sales - related and third parties	₱1,088,706,191	₱125,573,711	₱—	₱1,214,279,902
Dividend income	—	—	22,596,993	22,596,993
Rental income	—	—	14,543,155	14,543,155
Interest income	—	—	8,313,557	8,313,557
	1,088,706,191	125,573,711	45,453,705	1,259,733,607
Cost of sales/services	880,629,088	101,573,651	4,754,458	986,957,197
Gross profit on sales/income	208,077,103	24,000,060	40,699,247	272,776,410
Selling and administrative expenses	(107,646,872)	(12,416,222)	—	(120,063,094)
Interest expense	—	—	(32,708,533)	(32,708,533)
Other income (charges) - net	3,799,721	438,268	743,214	4,981,203
Provision for income tax	—	—	—	(20,977,505)
Net income	₱104,229,952	₱12,022,106	₱8,733,928	₱104,008,481
Property, plant and equipment	₱331,954,081	₱20,609,463	₱—	₱352,563,544
Investment properties	—	—	₱704,491,234	₱704,491,234
Depreciation and amortization	₱23,794,106	₱1,477,264	₱10,998,378	₱36,269,748
Additions to property, plant and equipment and investment properties	₱51,533,910	₱3,199,497	₱963,500	₱55,696,907

2023				
	Bakery Flour	Mill Feed	Real Estate and Investment	Total
Revenue				
Sales - related and third parties	₱1,319,690,666	₱181,491,621	₱—	₱1,501,182,287
Rental income	—	—	43,009,375	43,009,375
Interest income	—	—	10,330,389	10,330,389
Dividend income	—	—	11,541,381	11,541,381
	1,319,690,666	181,491,621	64,881,145	1,566,063,432
Cost of sales/services	1,256,906,357	172,857,154	9,879,564	1,439,643,075
Gross profit on sales/income	62,784,309	8,634,467	55,001,581	126,420,357
Selling and administrative expenses	(100,610,844)	(13,836,595)	—	(114,447,439)
Interest expense	—	—	(45,211,682)	(45,211,682)
Other income (charges) - net	(5,676,096)	(780,610)	977,784,116	971,327,410
Provision for income tax	—	—	—	(192,119,604)
Net income	(₱43,502,631)	(₱5,982,738)	₱987,574,015	₱745,969,042
Property, plant and equipment	₱304,214,278	₱18,887,229	₱—	₱323,101,507
Investment properties	—	—	₱714,526,112	₱714,526,112
Depreciation and amortization	₱23,809,729	₱1,478,234	₱1,891,177	₱27,179,140
Additions to property, plant and equipment and investment properties	₱18,705,414	₱1,161,331	₱53,100	₱19,919,845



30. Supplementary Information Required Under Revenue Regulations 15-2010

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on VAT, duties, taxes and licenses, documentary stamp taxes and withholding taxes paid or accrued during the taxable year.

a. Net Sales/Receipts and Output VAT

The Company is a VAT registered entity with sales and gross receipts subject to and exempt from VAT summarized as follows:

	Net Sales/ Receipt	Output VAT
Goods:		
Sale of goods	₱1,088,698,155	₱130,643,778
VAT-exempt sales	125,581,747	—
Scrap sales	1,222,924	146,751
Real estate	760,000,000	91,200,000
Services:		
Rental income	14,802,493	1,776,299
Common utilities service area income	6,697,577	803,709
	₱1,997,002,896	₱224,570,537

The output VAT on the Company's rental and common utilities service area income are based on actual collections.

The output VAT from sales of goods and from gross receipts on rentals and common utilities service area income is recorded under output VAT.

Exempt sales consist of sales of mill feeds, the by-product of the manufactured flour pursuant to Revenue Regulation No.16-05.

b. Input VAT

Balance at January 1	₱—
Current year's domestic purchases/payments of importations for:	
Purchase of services	19,355,443
Capital goods subject to amortization	1,875,678
Goods for resale/manufacture or further processing	3,908,213
Goods other than for resale or manufacture	—
Importation	3,081,059
	28,220,393
Application against output VAT	28,220,393
Balance at December 31	₱—

c. Landed Costs and Customs Duties

Landed costs paid in 2024 amounted to ₱774,077,174.



d. Other Taxes and Licenses

Real property taxes	₱6,761,839
License and permits fees	4,097,026
	<u>₱10,858,865*</u>

*₱6.1 million capitalized as part of inventories

e. Documentary Stamp Taxes

Documentary stamp taxes paid in 2024 cover charges from the banks for importation and form part of inventory costs amounting to ₱3,347,674; and for short-term loans amounting to ₱1,009,726.

f. Excise Tax

The Company has no transactions subject to excise tax in 2024.

g. Withholding Taxes

	Tax on Compensation and Benefits	Expanded Withholding Taxes	Final Withholding Taxes on Royalties and Dividends
Balances at January 1	₱292,097	₱969,192	₱1,100,310
Additions	4,162,313	6,122,586	1,650,535
Applications/Remittances	(3,453,048)	(5,902,936)	(2,750,845)
Balances at December 31	<u>₱1,001,362</u>	<u>₱1,188,842</u>	<u>₱—</u>

h. Tax Assessments/Cases

As at December 31, 2024, the Company has the following outstanding tax assessments/cases:

The Company received a "Formal Letter of Demand ("FLD") from the BIR on December 23, 2019 for alleged deficiency income tax, value-added tax, expanded withholding tax, withholding tax on compensation, fringe benefit tax and documentary stamp tax for the taxable year 2012 in the aggregate amount of ₱117,793,915.24. The Company filed its protest letter on January 16, 2020.

On April 22, 2021, the Company received a Final Decision on Disputed Assessment from BIR dated April 14, 2021, which denied the Company's protest letter on the FLD. The Company is liable for alleged deficiency taxes in the total amount of ₱101,649,612.57 for the TY 2012.

On May 24, 2021, the Company filed an appeal, Petition for Review before the Court of Tax Appeals (CTA Case No. 10532) praying for the cancellation of the deficiency tax assessments on income tax, value-added tax, expanded withholding tax and withholding tax on compensation in the aggregate amount of ₱98,294,548.84, inclusive of increments, for taxable year ended December 31, 2012. The Company no longer contests the BIR's findings with respects to the fringe benefits and documentary stamp tax.

On November 25, 2022, the Company has already filed its Formal Offer of Evidence (FOE).

On October 26, 2023, the Company filed Supplemental FOE dated October 25, 2023.



As of November 30, 2023 and per records of the CTA, BIR counsel failed to file a comment on the Company's Supplemental FOE filed on October 26, 2023.

On February 15, 2024, the CTA resolved Company's Supplemental FOE and the initial presentation of evidence for the testimony of RO Francis Elvin Ordonez is set on April 4, 2024.

On April 4, 2024, respondent presented RO Francis Elvin Ordonez who testified on direct examination by way of his Judicial Affidavit. His testimony was completed and terminated after the cross examination.

On April 11, 2024, the FOE dated April 8, 2024, filed by BIR was received by the Court.

On August 15, 2024, the Court resolved BIR's FOE. Both parties are given a period of 30 days from receipt hereof within which to file their memoranda.

On September 30, 2024, manifestation dated September 30, 2024 thru registered mail filed by the BIR. Manifestation via email was filed by the BIR on October 01, 2024.

On October 18, 2024, memorandum dated October 17, 2024 was filed by the petitioner. The memorandum was filed by the petitioner via email on November 04, 2024.

As of November 30, 2024, manifestation filed by BIR is noted. The case is submitted for decision, which is still pending as of March 26, 2025.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Liberty Flour Mills, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


JOHN CARLOS UY
Chairman of the Board


JOHN CARLOS UY
President


JOSE MA. S. LOPEZ
Chief Financial Officer

Signed this 26th day of March 2025

REPUBLIC OF THE PHILIPPINES)
CITY OF Makati City) S.S.

SUBSCRIBED AND SWORN TO before me this APR 11 2025, in
Makati City affiants exhibiting to me their competent evidence of identity as
follows:

Name	Identification Document Presented	Issue/Expiry Date
JOHN CARLOS UY	SSS ID No. 03-2402495-3	
JOSE MA. S. LOPEZ	SC ID No. 2253477	May 2004

Doc. No. 290
Page No. 39
Book No. XVI
Series of 2025.

ATTY. 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
IBP Lifetime No. 013595; 12-27-2013; I.C.
Roll No. 37226
MCLE Compliance No. VIII-0012754; 08-27-2024
Ground Floor, Makati Terraces Condominium
1230 Devito St., Teleros, Makati City



Junaila Mendoza <jrmendoza@libertygroup.com.ph>

Fwd: Your BIR AFS eSubmission uploads were received

1 message

Maria Luisa Quizon <mlquizon@libertygroup.com.ph>
To: Junaila Mendoza <jrmendoza@libertygroup.com.ph>

Tue, Apr 15, 2025 at 10:57 AM

----- Forwarded message -----

From: <eafs@bir.gov.ph>

Date: Tue, Apr 15, 2025 at 10:56 AM

Subject: Your BIR AFS eSubmission uploads were received

To: <MLQUIZON@libertygroup.com.ph>

Cc: <MLQUIZON@libertygroup.com.ph>

Hi LIBERTY FLOUR MILLS, INC.,

Valid files

- EAFS000128846ITRTY122024.pdf
- EAFS000128846AFSTY122024.pdf
- EAFS000128846TCRTY122024-01.pdf
- EAFS000128846RPTTY122024.pdf
- EAFS000128846OTHTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-88DLAKBK08FK9997LMRPVZYRY09KEALGH8**

Submission Date/Time: **Apr 15, 2025 10:56 AM**

Company TIN: **000-128-846**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	4	7	8	2					
---	---	---	---	---	--	--	--	--	--

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)

7	F		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

A	C	F	S
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A	
---	---	---	--

COMPANY INFORMATION

Company's Email Address

mlquizon@libertygroup.com.ph

Company's Telephone Number

(02) 8892-5011

Mobile Number

09178294869

No. of Stockholders

451

Annual Meeting (Month / Day)

May 29

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. Lopez

Email Address

jmslopez29@gmail.com

Telephone Number/s

(02) 8892-5011

Mobile Number

—

CONTACT PERSON'S ADDRESS

7F Liberty Building, 835 A. Arnaiz Avenue, Makati City

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

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



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Liberty Flour Mills, Inc.
7F Liberty Building\
835 A. Arnaiz Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Liberty Flour Mills, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 Consolidated 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 audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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 separate opinion on these matters. For the matter in the following section, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Classification and Presentation of Subsidiary's Assets and Liabilities as Held for Distribution to Owners and Discontinued Operations

On May 29, 2024, the Board of Directors of Liberty Flour Mills, Inc. (the Parent Company) approved the declaration of property dividend in the form of 14.55 billion common shares of its subsidiary, LFM Properties Corporation (LPC), with an entitlement ratio of ninety-seven (97) shares of LPC for every one (1) share of the Parent Company, to eligible stockholders of the Company as of record date of June 19, 2024. The eventual distribution of the Parent Company's ownership interest in LPC shares as property dividends will result to dilution of the Parent Company's ownership % from 58.6% to 0.40%, hence, losing control over LPC.

As of December 31, 2024, the Group is still waiting for the approval of the Securities and Exchange Commission (SEC) for the distribution of the said property dividend. This regulatory approval is considered customary for a similar transaction. Accordingly, the Group classified the assets and liabilities of LPC as disposal group held for distribution to owners, and measured the same at the lower of its carrying amount and fair value less costs to distribute in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*.

We consider the classification and presentation of assets and liabilities classified as held for distribution to owners and discontinued operations as a key audit matter due to the specific PFRS Accounting Standards requirements which have to be met for this classification and the impact of the presentation on the consolidated statements of financial position and the consolidated statements of comprehensive income.

The Group's disclosures about the assets and liabilities of a disposal group and discontinued operations are included in Notes 3 and 9 to the consolidated financial statements.

Audit response

We obtained an understanding of the transaction and confirmed the details of the dividend declaration through inspection of the minutes of the BOD meeting. We assessed whether the requirements of PFRS 5 were met considering the loss of control of the Parent Company subsequent to the property dividend distribution, as well as the probability and effective completion timeframe for the distribution. Furthermore, we have examined the correct identification and valuation of the assets and liabilities classified as held for distribution to owners as of December 31, 2024 in the consolidated statement of financial position and the presentation of the results of operations of the disposal group as "Net income (loss) from discontinued operations" in the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2024.



Provisions and Contingencies

The Group is involved in legal proceedings and assessments for local and national taxes. This matter is significant to our audit because the determination of whether any provision should be recognized and the estimation of the potential liability resulting from these tax assessments require significant judgment and estimate by management. The inherent uncertainty over the outcome of these tax matters is brought about by the differences in the interpretation and implementation of the relevant laws and tax rulings.

The Group's disclosures about provisions and contingencies are included in Notes 3 and 23 to the consolidated financial statements.

Audit response

We involved our internal specialist in the evaluation of management's assessment on whether any provision for tax contingencies should be recognized, and the estimation of such amount. We discussed with management the status of the tax assessments and obtained correspondences with the relevant tax authorities and opinions of the Group's external legal/tax counsels. We evaluated the tax position of the Group by considering the tax laws, rulings and jurisprudence.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

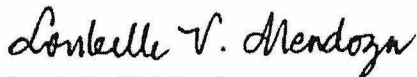
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

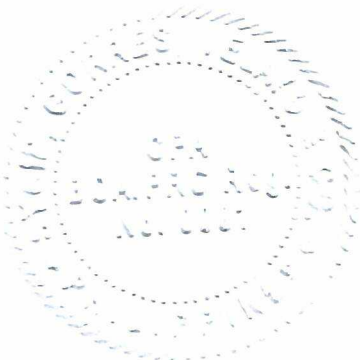
Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024 (Note 9)	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱77,765,585	₱98,400,616
Receivables (Note 5)	1,161,058,402	1,152,545,394
Financial assets at fair value through profit or loss (FVTPL) (Note 6)	13,124,130	41,472,499
Inventories (Note 7)	159,215,849	259,783,074
Accrued rent - current portion (Note 27)	–	1,880,088
Prepaid expenses and other current assets (Note 8)	173,723,203	142,387,552
	1,584,887,169	1,696,469,223
Assets of disposal group classified as held for distribution to owners (Note 9)	1,291,484,658	–
Total Current Assets	2,876,371,827	1,696,469,223
Noncurrent Assets		
Investment properties (Notes 11, 13 and 26)	704,925,722	1,506,719,852
Financial assets at fair value through other comprehensive income (FVOCI) (Note 10)	449,381,223	681,192,064
Property, plant and equipment (Note 12)	352,563,544	324,047,319
Accrued rent - net of current portion (Note 27)	–	8,199,396
Net retirement plan asset (Note 22)	–	3,024,514
Deferred tax assets - net (Note 24)	2,550,268	2,615,387
Other noncurrent assets (Notes 11 and 13)	10,070,375	18,579,117
Total Noncurrent Assets	1,519,491,132	2,544,377,649
TOTAL ASSETS	₱4,395,862,959	₱4,240,846,872
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 15)	₱699,530,299	₱756,266,096
Current portion of:		
Notes payable (Notes 11 and 14)	131,500,000	762,695,077
Deposits on long-term leases (Note 27)	–	25,999,964
Unearned rental income (Note 27)	–	6,474,814
Income tax payable	–	7,493,599
	831,030,299	1,558,929,550
Liabilities of disposal group classified as held for distribution to owners (Note 9)	1,193,440,039	–
Total Current Liabilities	2,024,470,338	1,558,929,550
Noncurrent Liabilities		
Net retirement plan liability (Note 22)	3,101,310	11,197,824
Deposits on long-term leases - net of current portion (Note 27)	–	17,354,188
Unearned rental income - net of current portion (Note 27)	–	1,338,485
Deferred tax liabilities - net (Note 24)	–	1,769,678
Other noncurrent liability (Note 11)	–	116,115,824
Total Noncurrent Liabilities	3,101,310	147,775,999
Total Liabilities	2,027,571,648	1,706,705,549

(Forward)



	December 31	
	2024	2023
Equity		
Capital stock (Note 16)	₱1,500,000,000	₱1,500,000,000
Other components of equity:		
Fair value changes on financial assets at FVOCI (Note 10)	12,308,248	(164,223,449)
Accumulated remeasurement losses on retirement benefits (Note 22)	(5,334,084)	(7,113,421)
Other components of equity of disposal group classified as held for distribution to owners (Notes 9, 10 and 22)	(149,090,229)	—
Retained earnings (Note 16)	806,229,896	1,021,170,623
Total Equity Attributable to Equity Holders of the Parent Company	2,164,113,831	2,349,833,753
Non-controlling interests (Note 9)	204,177,480	184,307,570
Total Equity	2,368,291,311	2,534,141,323
TOTAL LIABILITIES AND EQUITY	₱4,395,862,959	₱4,240,846,872

See accompanying Notes to Consolidated Financial Statements.



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023 (As restated - Note 9)	2022 (As restated - Note 9)
REVENUES			
Sales (Notes 17 and 26)	₱1,214,279,902	₱1,501,182,287	₱1,490,265,676
Rental income (Notes 11 and 26)	14,543,155	42,482,691	34,485,045
	1,228,823,057	1,543,664,978	1,524,750,721
COST OF SALES AND SERVICES			
Cost of sales (Note 18)	982,202,739	1,429,763,511	1,433,741,808
Cost of services (Note 11)	4,754,458	9,879,564	8,663,109
	986,957,197	1,439,643,075	1,442,404,917
GROSS PROFIT	241,865,860	104,021,903	82,345,804
OPERATING EXPENSES (Note 19)			
General and Administrative expenses	(98,652,006)	(90,782,200)	(99,685,716)
Selling expenses	(20,584,545)	(25,654,938)	(23,302,673)
INCOME (LOSS) BEFORE OTHER INCOME (CHARGES)	122,629,309	(12,415,235)	(40,642,585)
OTHER INCOME (CHARGES)			
Interest expense (Notes 7, 14 and 19)	(32,708,533)	(45,211,682)	(32,972,900)
Dividend income (Notes 6 and 10)	24,946,621	13,754,534	11,910,619
Interest income (Notes 4, 5 and 10)	8,329,148	10,336,657	11,733,255
Loss on pretermination of lease contract (Notes 27 and 30)	—	(1,997,784)	—
Other income (charges) - net (Notes 6, 9 and 21)	4,981,203	(2,162,386)	(18,890,560)
INCOME (LOSS) BEFORE INCOME TAX	128,177,748	(37,695,896)	(68,862,171)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	212,983,203	2,196,323	905,107
Deferred	(192,005,698)	(1,465,212)	(75,244)
	20,977,505	731,111	829,863
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	107,200,243	(38,427,007)	(69,692,034)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	37,676,951	52,153,799	(45,465,048)
NET INCOME (LOSS)	144,877,194	13,726,792	(115,157,082)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Fair value gain (loss) on debt instruments at FVOCI (Note 10)	3,335,894	1,748,093	(19,022,185)
Fair value loss on financial assets at FVOCI realized through sale (Note 10)	—	71,435	494,880
	3,335,894	1,819,528	(18,527,305)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Fair value gain (loss) on equity investments at FVOCI (Note 10)	23,567,453	12,244,660	(54,591,173)
Remeasurement gain (loss) on retirement benefits (Note 22)	9,825,929	(12,931,847)	2,145,303
Income tax effect	(2,456,482)	3,232,961	(536,326)
	30,936,900	2,545,774	(52,982,196)

(Forward)



Years Ended December 31			
	2024	2023 (As restated - Note 9)	2022 (As restated - Note 9)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	₱34,272,794	₱4,365,302	(₱71,509,501)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱179,149,988	₱18,092,094	(₱186,666,583)
Total Net Income (Loss) Attributable To			
Equity of holders of the Parent Company	₱130,059,273	(₱7,646,834)	(₱111,984,347)
Non-controlling interest	14,817,921	21,373,626	(3,172,735)
	₱144,877,194	₱13,726,792	(₱115,157,082)
Total Comprehensive Income (Loss) Attributable To			
Equity of holders of the Parent Company	₱159,280,078	(₱6,164,812)	(₱180,408,809)
Non-controlling interest	19,869,910	24,256,906	(6,257,774)
	₱179,149,988	₱18,092,094	(₱186,666,583)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (Note 25)	₱0.87	(₱0.05)	(₱0.75)

See accompanying Notes to Consolidated Financial Statements.



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Equity Attributable to Equity Holders of the Parent Company				Retained Earnings (Note 16)	Total	Non-controlling Interests	Total
	Other Components of Equity			Other Components of Equity of Disposal Group Classified as Held for Distribution to Owners				
	Capital Stock (Note 16)	Fair Value Changes on Financial Assets at FVOCI (Note 9)	Accumulated Remeasurement Gains (Losses) on Retirement Benefits (Note 22)					
BALANCES AT JANUARY 1, 2024	₱1,500,000,000	(₱164,223,449)	(₱7,113,421)	–	₱1,021,170,623	₱2,349,833,753	₱184,307,570	₱2,534,141,323
Net income	–	–	–	–	130,059,273	130,059,273	14,817,921	144,877,194
Other comprehensive income	–	21,484,174	7,736,631	–	–	29,220,805	5,051,989	34,272,794
Total comprehensive income	–	21,484,174	7,736,631	–	130,059,273	159,280,078	19,869,910	179,149,988
Cash dividends declared (Note 16)	–	–	–	–	(345,000,000)	(345,000,000)	–	(345,000,000)
Discontinued operation (Note 9)	–	155,047,523	(5,957,294)	(149,090,229)	–	–	–	–
BALANCES AT DECEMBER 31, 2024	₱1,500,000,000	₱12,308,248	(₱5,334,084)	(₱149,090,229)	₱806,229,896	₱2,164,113,831	₱204,177,480	₱2,368,291,311
BALANCES AT JANUARY 1, 2023	₱1,500,000,000	(₱174,278,934)	₱1,460,042	–	₱1,195,917,457	₱2,523,098,565	₱97,950,664	₱2,621,049,229
Net loss	–	–	–	–	(7,646,834)	(7,646,834)	21,373,626	13,726,792
Other comprehensive income (loss)	–	10,055,485	(8,573,463)	–	–	1,482,022	2,883,280	4,365,302
Total comprehensive income (loss)	–	10,055,485	(8,573,463)	–	(7,646,834)	(6,164,812)	24,256,906	18,092,094
Cash dividends declared (Note 16)	–	–	–	–	(105,000,000)	(105,000,000)	–	(105,000,000)
Subsidiary's stock dividend declaration to non-controlling interest (Note 16)	–	–	–	–	(62,100,000)	(62,100,000)	62,100,000	–
BALANCES AT DECEMBER 31, 2023	₱1,500,000,000	(₱164,223,449)	(₱7,113,421)	–	₱1,021,170,623	₱2,349,833,753	₱184,307,570	₱2,534,141,323
BALANCES AT JANUARY 1, 2022	₱1,500,000,000	(₱110,631,636)	₱449,165	–	₱1,462,898,283	₱2,852,715,812	₱–	₱2,852,715,812
Net loss	–	–	–	–	(111,984,347)	(111,984,347)	(3,172,735)	(115,157,082)
Other comprehensive income (loss)	–	(70,371,774)	1,947,312	–	–	(68,424,462)	(3,085,039)	(71,509,501)
Total comprehensive income (loss)	–	(70,371,774)	1,947,312	–	(111,984,347)	(180,408,809)	(6,257,774)	(186,666,583)
Property dividend declaration (Note 16)	–	6,724,476	(936,435)	–	(109,996,479)	(104,208,438)	104,208,438	–
Cash dividends declared (Note 16)	–	–	–	–	(45,000,000)	(45,000,000)	–	(45,000,000)
BALANCES AT DECEMBER 31, 2022	₱1,500,000,000	(₱174,278,934)	₱1,460,042	–	₱1,195,917,457	₱2,523,098,565	₱97,950,664	₱2,621,049,229

See accompanying Notes to Consolidated Financial Statements.



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱128,177,748	(₱37,695,896)	(₱68,862,171)
Income (loss) before income tax from discontinued operations (Note 9)	52,568,368	83,484,549	(41,363,521)
Adjustments to reconcile profit before income tax to net cash flows:			
Interest expense (Notes 7, 14, 19 and 27)	97,867,550	88,832,123	60,863,856
Depreciation and amortization (Notes 11, 12, 13, 18 and 19)	82,476,133	71,547,860	64,762,121
Dividend income (Notes 6 and 10)	(25,111,761)	(14,148,924)	(12,979,179)
Interest income (Notes 4, 5 and 10)	(8,359,108)	(10,355,966)	(11,762,966)
Change in net retirement liability (Note 22)	2,911,971	—	—
Fair value loss on financial assets at FVTPL (Notes 6 and 21)	1,784,275	42,831,799	57,469,760
Gain on sale of financial assets at FVTPL (Notes 6)	320,079	(728,239)	(499,541)
Change in net retirement asset (Note 22)	297,875	1,932,027	2,681,419
Unrealized foreign currency exchange loss (gain)	55,761	(736,275)	(2,276,049)
Provision for input tax	53,214	250,785	—
Gain on sale of investment property	—	(88,637,478)	—
Gain on sale of property, plant and equipment	—	(2,575,595)	—
Loss on pretermination of lease contract	—	1,997,784	85,402,721
Gain (loss) on sale of debt securities at FVOCI (Note 9)	—	71,435	494,880
Provision for impairment loss (Note 10)	—	—	11,245,608
Working capital changes:			
Decrease (increase) in:			
Receivables	(20,103,747)	103,038,130	(145,429,762)
Inventories	100,567,225	346,471,260	(415,916,319)
Accrued rent	(7,298,945)	(435,699)	(15,723,884)
Prepaid expenses and other current assets	57,034,482	(34,711,974)	(22,413,753)
Increase (decrease) in:			
Accounts payable and other current liabilities	(405,726,339)	18,350,841	257,104,095
Deposits on long-term leases	10,536,972	(167,764)	10,100,297
Unearned rental income	(1,793,753)	2,304,702	(8,216,358)
Cash generated from (used for) operations	66,258,000	570,919,485	(195,328,811)
Income taxes paid	(146,865,339)	(33,338,151)	(18,528,894)
Interest received	8,359,108	10,355,966	11,762,966
Net cash provided by (used in) operating activities	(72,248,231)	547,937,300	(202,094,739)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of:			
Investment properties (Note 11 and 30)	(9,115,579)	(16,963,133)	(208,047,910)
Property, plant and equipment (Note 12)	(55,141,588)	(19,922,988)	(50,945,152)
Financial assets at FVTPL (Note 6)	—	(9,497,644)	(8,342,836)
Financial assets at FVOCI (Note 10)	—	(225,002,500)	(650,000)
Proceeds from:			
Redemption of financial assets at FVOCI (Note 10)	119,030,000	44,000,000	61,000,000
Sale of financial assets at FVTPL (Note 6)	17,627,220	62,686,239	8,936,573
Sale of investment property	—	89,285,714	—
Sale of property and equipment	—	3,107,142	—
Dividends received	25,111,761	14,148,924	12,979,179
Decrease (increase) in other noncurrent assets	(215,090,510)	752,911	1,299,526
Net cash used in investing activities	(117,578,696)	(57,405,335)	(183,770,620)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of bank loans (Note 14)	606,000,000	₱113,000,000	₱565,000,000
Loan payments (Note 14)	(242,470,588)	(358,970,588)	(136,470,588)
Dividends paid (Note 16)	(44,631,810)	(99,934,945)	(63,452,735)
Interest paid	(92,298,101)	(87,914,945)	(60,082,539)
Payable of other noncurrent liabilities	(26,219,677)	(18,381,857)	(18,381,857)
Payable to a related party	—	(37,730,000)	—
Net cash provided by (used in) financing activities	200,379,824	(489,932,335)	286,612,281
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(55,761)	736,275	2,276,049
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,497,136	1,335,905	(96,977,029)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	98,400,616	97,064,711	194,041,740
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱108,897,752	₱98,400,616	₱97,064,711

See accompanying Notes to Consolidated Financial Statements.



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Liberty Flour Mills, Inc. (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 26, 1958. On December 28, 2008, the Parent Company extended its corporate life for another 50 years. The Parent Company is engaged primarily in the manufacture of 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. Following are the Parent Company's subsidiaries and the respective ownership as at December 31, 2024 and 2023:

	Country of Incorporation	Principal Activities	Percentage of Ownership
LFM Properties Corporation (LPC) ^(a)	Philippines	Leasing out office spaces and condominium units	58.60
Liberty Engineering Corporation (LEC) ^(b)	Philippines	Sale, lease and purchase of equipment and machinery	100.00

(a) Registered with the SEC on December 18, 1995.

(b) Registered with the SEC on December 10, 1965. Extended its corporate life for another 50 years from December 31, 2015.

The Parent Company and its subsidiaries are collectively referred to in the consolidated financial statements as "the Group". The Parent Company's registered office is 7F Liberty Building, 835 A. Arnaiz Avenue, Makati City.

On May 29, 2024, the Parent Company's Board of Directors (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 Parent Company, to eligible stockholders of the Parent Company as of record date of June 19, 2024. As of March 26, 2025 and December 31, 2024, no approval yet from SEC (see Notes 9 and 16).

Business Operations of the Parent Company

The Parent Company has been operating under the authorization of a Certificate of Non-Conformance (CNC) issued by the Mandaluyong City Government in accordance with applicable Mandaluyong City ordinances which include the Zoning Ordinance. Under the Zoning Ordinance and the Comprehensive Land Use Plan guidebook published by the Housing and Land Use Regulatory Board (HLURB), a CNC is issued to owners of non-conforming uses existing at the time of the adoption of the Zoning Ordinance. The CNC legally permits the Parent Company's flour mill operations in an area now designated and zoned for high-density mixed development use. The CNC is issued in accordance with the zoning ordinances of Mandaluyong City, as well compliance with the conditions for the lawful use or operation of the subject area. Failure to comply with the conditions stipulated in the CNC shall render the certificate null and void and shall constitute a violation of the Zoning Ordinance subject to criminal and/or administrative action. As at April 26, 2024, the Parent Company is able to meet the conditions indicated therein. The CNC is secured every two years, with the Parent Company's latest renewal in 2024 valid until November 2026.



Management assessed that the Parent Company can continue its business operations and secure the renewal of the CNC every two years on the basis of the following:

- The Parent Company has been in existence since 1958, preceding the enactment of the relevant zoning ordinances of Mandaluyong City, and able to secure the CNC for the past 2 decades since its effectivity;
- The HLURB acknowledges the continuity of non-confirming activities existing prior to the approval of zoning ordinances for local governments at the city/municipal levels through the issuance of a CNC;
- The Mandaluyong City zoning ordinance provides that vested rights upon the effectivity of such ordinance shall not be impaired;
- There has been no indication, nor notice from the Mandaluyong City local government of its intention to revise the land use plan which would create an obstacle to the continued operations of the flour mill in the area; and
- The peaceful state of operations has been continued to the current date without any indication that would prompt a change in the circumstances.

Management is undertaking a review of the operations and intends to conduct study of the strategic plans for the Parent Company.

Authorization for Issuance of the Financial Statements

The accompanying consolidated financial statements were authorized for issue by the BOD on March 26, 2025.

2. Material Accounting Policy Information

Basis of Preparation

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

The consolidated financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) which have been 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.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31 of each year.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the following criteria are met:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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 reassesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, and income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, and non-controlling interest and other components of equity, while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Disposal Group Held for Distribution to Owners and Discontinued Operations

The Group classifies noncurrent assets and disposal group as held for distribution to owners if their carrying amounts will be recovered principally through distribution to owners. As such, noncurrent assets and disposal groups are measured at the lower of their carrying amounts and fair value less costs to distribute (i.e., the incremental costs directly attributable to the distribution, excluding finance costs and income taxes).

The Group regards the criteria for held for distribution to owners classification as met only when:

- the Group is committed to the plan to distribute the asset or disposal group to the owners, which should be available for immediate distribution in its present condition;
- the distribution is highly probable (i.e, expected to happen within one year from the date of the classification); and
- actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

The Group presents separately the assets and liabilities of disposal group classified as held for distribution to owners in the consolidated statement of financial position.



The Group classifies a disposal group as discontinued operation if it is a component of the Group that either has been disposed of, or is classified as held for distribution to owners, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The Group excludes discontinued operations from the results of continuing operations and presents them as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of comprehensive income. The Group re-present the prior periods results of discontinued operations in the statements of comprehensive income so that the disclosures relate to all operations that have been discontinued by the end of the reporting period.

If the above criteria are no longer met, the Group ceases to classify the asset or disposal group as held for distribution to owners. In such cases, the Group measures such asset or disposal group at the lower of its: carrying amount before it was classified as held for distribution to owners, adjusted for any depreciation, amortization or revaluations that would have been recognized had it not been classified as such; and recoverable amount at the date of the subsequent decision not to distribute. The Group also amends the financial statements for the periods since classification as held for distribution to owners if the asset or disposal group that ceases to be classified as held for distribution to owners is a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate. Accordingly, for all periods presented, the Group reclassifies and includes in income from continuing operations the results of operations of the asset or disposal group previously presented in discontinued operations.

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 effective in 2024. 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 consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.



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, 2025

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

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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*

Fair Value Measurement

The Group measures financial instruments, such as financial assets at FVTPL and financial assets at FVOCI at fair value at the end of reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

"Day 1" Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and the fair value (a "Day 1" difference) in the consolidated statement of comprehensive income. In cases where data which is not observable is used, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Financial Instruments

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

a. Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss,



transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- *Financial assets at amortized cost (debt instruments).* This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:
 - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, receivables and refundable deposits recorded under "Other noncurrent assets" are included in this category as at December 31, 2024 and 2023.

- *Financial assets at FVOCI (debt instruments).* The Group measures debt instruments at fair value through OCI if both of the following conditions are met:
 - The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group's debt instruments at FVOCI includes government and corporate bonds as at December 31, 2024 and 2023.



- *Financial assets designated at FVOCI (equity instruments).* Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial asset designated at FVOCI includes quoted and unquoted equity investments as at December 31, 2024 and 2023.

- *Financial assets at FVTPL.* Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristic and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded with a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

The Group has no derivative asset as at December 31, 2024 and 2023.



Impairment of financial assets. The Group recognizes an expected credit loss (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For cash, the Group applies a general approach in calculating ECLs. The Group recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash since initial recognition.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90-180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities consist only of loans and borrowings. As at December 31, 2024 and 2023, the Group's loans and borrowings consist of notes payable, accounts payable and other current liabilities and deposits on long-term leases. The Group has no financial liabilities at FVTPL or derivatives designated as hedging instruments in an effective hedge and no freestanding or embedded derivatives as at December 31, 2024 and 2023.

Subsequent Measurement. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium or acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is recognized in profit or loss.



Classification of Financial Instruments Between Liability and Equity

A financial instrument is classified as a liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity; or
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Derecognition of Financial Assets and Financial Liabilities

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

- The contractual right to receive cash flows from the financial asset has expired; or
- the Group retains the right to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a “pass-through” arrangement and has neither transferred nor retained substantially all the risk and rewards of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in profit or loss.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is extinguished, i.e., when discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Exchange or Modification of Financial Liabilities

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances,



modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss in the statement of comprehensive income.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Offsetting of Financial Instruments

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

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

Inventories

Inventories are valued at the lower of cost (computed using the first-in, first-out method for raw materials and using moving-average for finished goods) and net realizable value (NRV). Cost of finished goods such as flour and mill feeds represents the costs of direct materials, direct labor and a proportion of production overhead. Cost of raw materials such as wheat grains represents the cost of purchase and other costs directly attributable to its acquisition. NRV is the selling price in the ordinary course of business less the costs of completion and the estimated costs necessary to make the sale.

Prepaid Expenses and Other Current Assets

Value-added Tax. Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable included as part of “Accounts payable and other current liabilities” in the consolidated statement of financial position.



When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset included as part of “Prepaid expenses and other current assets” in the consolidated statement of financial position to the extent of the recoverable amount.

Store supplies. Store supplies under “Prepaid expenses and other current assets” are incidental items necessary for maintenance activities that are expected to be consumed within the 12 months or within the normal operating cycle.

Prepayments. Prepayments are expenses paid in advance are recorded as asset before they are utilized. This account comprises insurance premiums, and other prepaid items. The insurance premiums and other prepaid items are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred. Prepayments that are expected to be realized within 12 months from the balance sheet date are classified as current assets, otherwise these are classified as other noncurrent assets.

Advances to suppliers. Advances to suppliers represents deposits on order placement to suppliers.

Investment Properties

Investment properties consist of properties (land or a building or part of a building or a combination) held to earn rentals or for capital appreciation or both, rather than for:

- a. use in the production or supply of goods or services or for administrative purposes; or
- b. sale in the ordinary course of business.

These assets, except for land, are measured at cost, including transaction costs less accumulated depreciation and accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Land is carried at cost (initial purchase price and other cost directly attributable to such property) less any impairment in value.

Depreciation is computed on a straight-line basis over the estimated lives of the properties:

	Number of Years
Condominium units	10-25
Building and building improvements	10

Investment properties are derecognized either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of comprehensive income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.



Construction in progress is stated at cost. Such cost includes cost of constructive and other direct costs, cost of replacing part of the investment property and borrowing costs for long-term construction projects if the recognition criteria are met. Construction in progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged in profit or loss in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional costs of the property, plant and equipment.

Depreciation commences once the assets are available for use. Depreciation is computed using the straight-line method over the estimated useful lives of the assets:

	Number of Years
Land improvements	20
Mill machinery and equipment	10
Building and building equipment	10–20
Transportation equipment	3–5
Other equipment	2–5
Leasehold improvements	Straight-line method based on the estimated useful life of the leased asset or the term of the lease, whichever is shorter

Impairment of Nonfinancial Assets

The carrying values of nonfinancial assets (investment properties, property, plant and equipment and other nonfinancial assets) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The estimated recoverable amount of an asset is the higher of an asset's fair value less costs to sell and value-in-use. The fair value is the amount obtainable from the sale of an asset in an arm's length transaction less costs of disposal while value-in-use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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.



Capital Stock

Capital stock is measured at par value for all shares issued and outstanding. When the Parent Company purchases its own capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects is included in equity.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. Other comprehensive income (loss) includes gains and losses on changes in fair value of financial assets at FVOCI in 2024 and 2023, and remeasurement gains or losses on retirement benefits.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, dividend distributions, prior period adjustments, effects of the changes in accounting policy and other capital adjustments.

Dividend Distribution

Dividends on common shares are deducted from unappropriated retained earnings when approved by the shareholders of the Parent Company, except for stock dividends, which also require the approval for issuance of shares by the SEC. Cash and property dividends are recognized as a liability while stock dividends are recognized as additional issued shares. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Distribution of Non-cash Assets to Owners

Philippine Interpretation IFRIC 17, *Distributions of Non-cash Assets to Owners*, provides that the liability to pay a dividend shall be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity, which is the date: (a) when declaration of the dividend, e.g. by management or the board of directors, is approved by the relevant authority, e.g. the shareholders, if the jurisdiction requires such approval, (b) when the dividend is declared, e.g. by management or the board of directors, if the jurisdiction does not require further approval. Further, it requires that an entity shall measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. IFRIC 17, however, does not apply when the non-cash asset is ultimately controlled by the same party or parties before and after the distribution. In such cases, the Parent Company measures the liability to distribute non-cash assets as a dividend to its owners at the carrying amount of the assets to be distributed.

Stock Issuance Costs

Stock issuance costs are incremental external costs directly attributable to an equity transaction. The transaction costs of an equity transaction are accounted for as a deduction from additional paid-in capital, or from retained earnings when there is no available additional paid-in capital, net of any related income tax benefit.

Basic/Diluted Earnings per Share

Basic earnings per share are computed by dividing net income for the year by the weighted average number of common shares, excluding treasury stock, outstanding during the year.

Diluted earnings per share is calculated by dividing the income for the year attributable to common stockholders by the weighted average number of shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potentially dilutive common shares, if any. The Parent Company has no dilutive shares.



In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retroactively.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. Revenue is recognized when the Group satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent and concluded that it is acting as a principal in all arrangements.

The following specific recognition criteria must be met before revenue is recognized:

Sales. Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Bill-and-hold arrangement. The following criteria must be met for a customer to have obtained control of a product:

- the reason for the bill-and-hold arrangement must be substantive (for example, the customer has requested the arrangement);
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer.

Rental Income

Rental income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred specifically to earn revenue from an operating lease are recognized as an expense in profit or loss in the period in which they are incurred.

Interest Income

Interest income is recognized as the interest on cash in banks, loans receivable and investment in debt securities accrues.

Dividend Income

Dividend income is recognized from investments in equity securities when the Group's right to receive the payment is established.

Other Income

Other income includes income from projects from which revenue is recognized when the performance of contractually agreed tasks has been rendered.



Costs and Expenses

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

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

Costs of Services. Cost of services includes expenses incurred for the generation of revenue from rental income. Cost of services is expensed as incurred.

Administrative and Selling Expenses. Administrative expenses constitute costs of administering the business. Selling expenses are costs incurred to sell or distribute the merchandise. Administrative and selling expenses are expensed as incurred.

Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Company as a Lessor. Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Borrowing costs include interest charges, foreign exchange differentials that qualify for capitalization and other costs incurred in connection with the borrowing of funds. All other borrowing costs are expensed as incurred.

Retirement Benefit Costs

The Group operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The retirement benefits cost comprises of service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets (excluding amounts included in the net interest on the defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.



Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under “Administrative expenses” in the consolidated statement of comprehensive income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Income Taxes

Current Income Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Current income tax for the current and prior periods shall, to the extent unpaid, be recognized as a liability under “Income tax payable” account in the consolidated statement of financial position.

If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset under “Prepaid expenses and other current assets” account in the consolidated statement of financial position.

Deferred Tax. Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date.

Deferred tax liabilities are recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

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



Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the money and, where appropriate, the risks specific to the liability where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Group expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is recognized in profit or loss, net of reimbursement.

Contingencies

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

Segment Reporting

The Group's operating business is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segment is presented in Note 30 to the consolidated financial statements. The Group revenue producing segments are located in the Philippines (i.e. geographical location). Therefore, geographical segment information is no longer presented.

Events After the Reporting Period

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

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and amounts reported in the consolidated financial statements.

In the opinion of management, the consolidated financial statements reflect all adjustments necessary to present fairly the results for the periods presented. Actual results could differ from these estimates, and such estimates will be adjusted accordingly when the effects become determinable.

Judgments

Classification of Financial Instruments. The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.



Classification of Assets and Liabilities of a Subsidiary as Held for Distribution to Owners and Results of Operations as Discontinued Operations. With the declaration of LPC shares as property dividends, as of December 31, 2024, the Group assessed that the related assets and liabilities of LPC met the criteria to be classified as held for distribution to owners and the results of operations as discontinued operations for the following reasons:

- LPC represents a separate major line of business within the Group and its revenue, costs, expenses and cash flows can be separately measured.
- The investment in LPC is available for immediate distribution in its present condition.
- The Parent Company's BOD approved the declaration of the Parent Company's ownership interest in LPC as property dividends and approval of the SEC is expected in 2025.

The asset classified as held for distribution to owners was measured at the lower of the carrying amount and fair value less costs to distribute

Classification of Leases- Group as Lessor. The Group has entered into the property leases where it has determined that the risk and rewards related to those properties are retained by the Group. As such, these lease agreements are accounted for as operating leases.

Estimates

Definition of Default and Credit-Impaired Financial Assets. Upon adoption of PFRS 9, the Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria.* The borrower is more than 90-180 days past due on its contractual payments, which is consistent with the Group's definition of default, except for trade receivables from related parties which is 180 days past due on its contractual payments.
- *Qualitative Criteria.* The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
 - a. The borrower is experiencing financial difficulty or is insolvent;
 - b. The borrower is in breach of financial covenant(s);
 - c. Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower's financial difficulty; or
 - d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes, unless otherwise stated. The default definition has been applied consistently to model the probability of default, loss given default and expected actual default throughout the Group's ECL calculation.

Simplified Approach for Trade Receivables. The Group uses a provision matrix to calculate ECLs for trade receivables from related parties. The provision rates are based on days past due. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.



Grouping of Instruments for Losses Measured on Collective Basis. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. Since the Group has only three customers, the Group does not model their expected credit loss provisions on a collective basis.

Macro-economic Forecasts and Forward-looking Information. Macro-economic forecasts is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group takes into consideration using different macro-economic variables to ensure linear relationship between internal rates and outside factors. Regression analysis was used to objectively determine which variables to use. Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 4 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The allowance for expected credit losses amounted to ₱1.92 million and ₱7.84 million as at December 31, 2024 and 2023, respectively. The carrying value of receivables amounted to ₱1,161.06 million and ₱1,152.55 million as at December 31, 2024 and 2023, respectively (see Note 5).

Evaluation of Net Realizable Value of Inventories. The Group writes down the cost of inventories whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, change in price levels or other causes. The lower of cost and net realizable value of inventories is reviewed on a periodic basis. Inventory items identified to be obsolete or unusable are written off and charged as expense in the parent statement of comprehensive income.

The Group has no allowance for inventory obsolescence as at December 31, 2024 and 2023. The carrying value of inventories amounted to ₱159.22 million and ₱259.78 million as at December 31, 2024 and 2023, respectively (see Note 7).

Impairment of financial assets at FVOCI (debt instruments). The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In



addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Management assessed that debt instruments classified as financial assets at FVOCI are impaired as of December 31, 2024 and 2023 respectively, resulting to recognition of impairment loss amounted to nil in 2024 and 2023, respectively. The carrying value of investment in debt instruments classified as financial assets at FVOCI amounted to ₱107.20 million and ₱183.86 million as at December 31, 2024 and 2023, respectively (see Notes 10 and 28).

Estimation of Fair Value of Investments in Unquoted Equity Securities. The fair values of the unquoted equity securities have been estimated using the adjusted net asset method which involves deriving the fair value of the investee's equity instruments by reference to the fair value of its assets and liabilities and assumes certain discount rates. The determination of discount factors for unquoted equity investments requires significant estimation. In valuing the Group's unquoted equity instruments at fair value, management applied judgment in selecting the valuation technique and used assumptions in estimating the fair value of assets and liabilities. The assets subject to adjustments are property, plant and equipment, retirement benefit assets, financial assets at FVPL and intangible assets.

As at December 31, 2024 and 2023, the carrying value of unquoted financial instruments amounting to ₱10.99 million and ₱12.68 million, approximate their fair values (see Notes 10 and 28).

Fair value of investment properties. The Group is required to disclose for each class of investment properties the fair value of that class of assets in a way that permits it to be compared with the corresponding carrying amount in the consolidated statements of financial position, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these investment properties would affect the disclosures made by management. The fair values of the Group's investment properties are set out in Note 28.

Impairment of investment properties. The Group determines whether there are indications of impairment of the Group's investment properties. Indications of impairment include significant change in usage, decline in the asset's fair value or underperformance relative to expected historical or projected future results.

Determining the fair value of these nonfinancial assets requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. It requires the Group to make estimates and assumptions that can materially affect the financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

As at December 31, 2024 and 2023, no other impairment indicators were identified for the Group's investment properties.

The aggregate carrying value of these assets amounted to ₱704.93 million and ₱1,506.72 million, respectively (see Note 11).



Estimation of Retirement Benefits Liability and Costs. The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. All assumptions are reviewed at each reporting date.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement liabilities. In determining the appropriate discount rate, the Group considers the interest rates in government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related defined benefit obligation. Further details about defined benefit obligation are presented in Note 22.

While the Group believes that the assumptions are reasonable and appropriate, significant differences between actual experience and assumptions may materially affect the cost of employee benefits and related obligation.

The carrying value of the Group's net retirement liability amounted to ₱3.10 million as at December 31, 2024; and the Group's net retirement plan asset and net retirement liability amounted to ₱3.02 million and ₱11.20 million as at December 31, 2023, respectively (see Note 22).

Recognition of Deferred Tax Assets. The Group reviews the carrying amounts of deferred income tax assets at each reporting date and adjusts the balance to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

As at December 31, 2024 and 2023, the Group recognized deferred tax assets on deductible temporary differences amounting to ₱3.46 million and ₱4.31 million, respectively (see Note 24).

As at December 31, 2024 and 2023, the Group did not recognize deferred tax assets on deductible temporary differences, unused NOLCO and MCIT, and net retirement plan amounting to ₱13.37 million and ₱18.84 million, respectively, as management assessed that there will be no sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized (see Note 24). The Group did not also recognize deferred tax asset amounting to ₱6.09 million on fair value loss on financial assets at FVOCI as management believes that that there is no expected sufficient capital gain against which the fair value loss can be offset to realize the benefit of such deferred tax asset (see Note 24).

Provisions and Contingencies. The Group is involved in legal proceedings and tax assessments. The determination of whether any provision should be recognized and the estimation of the potential liability resulting from these assessments require significant judgment and estimate by management. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and implementation of the laws and regulations. The Group currently does not believe these tax assessments and claims could materially reduce its profitability. It is possible, however, that future financial performance could be materially affected by the changes in judgment and estimate or in the effectiveness of strategies relating to these tax assessments and claims (see Note 23).



4. Cash and Cash Equivalents

	2024	2023
Cash on hand	₱428,265	₱211,581
Cash in banks	44,329,320	98,189,035
Cash in equivalents	33,008,000	—
	₱77,765,585	98,400,616

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Interest income earned on cash in banks and cash equivalents amounted to ₱0.10 million in 2024, ₱0.13 million in 2023 and ₱0.14 million in 2022.

5. Receivables

	2024	2023
Trade receivables from:		
Related parties (see Notes 17 and 26)	₱1,133,303,060	₱1,049,673,230
Third parties (see Notes 17)	2,130,130	68,239,502
Rent receivables from:		
Third parties	1,558,404	10,875,559
Related parties (see Note 26)	169,371	332,325
Receivable from a broker	—	5,619,569
Advances to officers and employees	426,298	250,260
Others	25,388,524	25,396,262
	1,162,975,787	1,160,386,707
Less allowance for expected credit losses (ECL)	1,917,385	7,841,313
	₱1,161,058,402	₱1,152,545,394

Trade receivables arise from sale of flour and mill feeds. These are noninterest-bearing with average credit terms of 180 days and 90 days for related parties and third parties, respectively.

Rent receivables arise from leasing the Group's investment properties. These include interest-bearing receivables with average credit terms of 30 days. Interest income earned amounted to ₱0.02 million in 2022 (nil in 2024 and 2023).

Receivable from a broker represents the Group's deposit to its agent of marketable securities, including unremitted proceeds from disposal of investments, which are liquidated through acquisition of additional investments in financial instruments for the Group.

Advances to officers and employees are noninterest-bearing and are normally settled through salary deductions within one month from availment date.



Movement in allowance for ECL follows:

	2024	2023
Beginning balance	₱7,841,313	₱3,167,739
Provision (reversal) from continuing operations (see Note 19)	(4,874,247)	4,673,574
Written off receivables from discontinued operation	(1,049,681)	—
	₱1,917,385	₱7,841,313

6. Financial Assets at Fair Value through Profit or Loss

Financial assets at FVTPL represents the Group's investment in quoted equity securities held for trading purposes as follows:

	2024	2023
Balance at beginning of year	₱41,472,499	₱136,764,654
Changes in fair value from:		
Continued operation (see Note 21)	(1,282,527)	(825,403)
Discontinued operation	(501,748)	(42,006,396)
Acquisitions	—	9,497,644
Disposals from continued operation	(17,947,299)	(61,958,000)
Reclassification to assets classified as held for distribution to owners (see Note 10)	(8,616,795)	—
	₱13,124,130	₱41,472,499

Realized gain on sale of financial assets at FVTPL amounted to ₱0.73 million and ₱0.50 million in 2023 and 2022, respectively (nil in 2024).

Dividend income earned on financial assets at FVTPL amounted to ₱0.64 million in 2024, ₱0.69 million in 2023 and ₱0.77 million in 2022.

7. Inventories

	2024	2023
At cost:		
Wheat grains	₱122,069,739	₱228,965,530
Flour	16,940,583	19,581,961
Supplies	11,531,261	5,454,003
Mill feeds	8,674,266	5,781,580
	₱159,215,849	₱259,783,074

The cost of inventories recognized under "Cost of sales" in the consolidated statements of comprehensive income amounted to ₱982.20 million in 2024, ₱1,429.76 million in 2023 and ₱1,433.74 million in 2022 (see Note 18).



Under the terms of agreements covering trust receipts, certain inventories have been released to the Parent Company during the year in trust for the banks. The outstanding liabilities under such trust receipts amounted to ₱190.65 million and ₱570.41 million as at December 31, 2024 and 2023, respectively (see Note 15). Interest expense recognized on liabilities under trust receipts amounted to ₱22.98 million in 2024 (based on annual interest of 6.00% to 6.85%), ₱23.45 million in 2023 (based on annual interest of 6.20% to 7.10%) and ₱24.11 million in 2022 (based on annual interest of 3.00% to 6.20%).

The Group has no allowance for inventory obsolescence as at December 31, 2024 and 2023.

8. Prepaid Expenses and Other Current Assets

	2024	2023
Creditable withholding taxes	₱105,236,815	₱55,746,233
Advances to suppliers	19,548,074	7,522,779
Store supplies	18,539,231	17,306,744
Advance VAT on importation	9,646,010	34,050,774
Prepaid importation cost	9,062,022	231,431
Prepaid taxes	5,536,576	2,986,990
Prepaid insurance	2,904,866	824,641
Input VAT	—	15,752,345
Deferred input VAT (see Note 11)	—	3,179,099
Others	3,249,609	4,786,516
	₱173,723,203	₱142,387,552

9. Assets and Liabilities of Disposal Group Classified as Held for Distribution to Owners and Discontinued Operations

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 results 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 with the 2023 presentation. As of March 26, 2025, the Group is still awaiting SEC approval of the property dividend declaration.



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

	Years Ended December 31		
	2024	2023	2022
RENTAL INCOME (Notes 9 and 13)	₱269,334,697	₱194,836,591	₱230,739,119
DIRECT COSTS (Notes 9 and 15)	94,302,332	85,239,642	77,299,074
GROSS PROFIT	175,032,365	109,596,949	153,440,045
OPERATING EXPENSES (Notes 10, 16, 17, 18 and 20)	57,737,053	31,711,371	24,901,400
INCOME BEFORE OTHER INCOME (CHARGES) AND INCOME TAX	117,769,002	77,885,578	128,538,645
OTHER INCOME (CHARGES)			
Gain on sale of investment properties		88,637,478	–
Interest expense (Notes 9, 11 and 13)	(65,159,017)	(43,620,441)	(27,890,956)
Fair value changes of financial assets at FVTPL (Note 6)	(7,738,342)	(42,006,396)	(58,797,005)
Gain on sale of financial assets at FVTPL (Note 6)	6,916,515	728,239	502,046
Dividend income (Note 6)	165,140	394,390	1,068,560
Interest income (Notes 4 and 5)	20,219	19,309	29,711
Loss on pretermination of lease contract (Notes 13 and 24)	–	–	(85,402,721)
Other income (expense) – net (Note 11)	594,850	1,446,392	578,134
	(65,200,634)	5,598,971	(169,912,231)
INCOME (LOSS) BEFORE INCOME TAX FROM DISCONTINUED OPERATIONS	52,568,368	83,484,549	(41,373,586)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current	12,540,215	31,369,350	21,656,566
Deferred	2,351,202	(38,600)	(17,565,104)
	14,891,417	31,330,750	4,091,462
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	₱37,676,951	₱52,153,799	(₱45,465,048)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATION (Note 14)			
Basic	₱0.0014	₱0.0021	(₱0.0018)
Diluted	₱0.0009	₱0.0013	(₱0.0011)

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

ASSETS	
Cash	₱31,132,167
Receivables	11,711,495
Financial assets at FVTPL	8,616,795
Accrued rent	17,378,429
Prepaid expenses and other current assets	46,160,676
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	280,197,886
Assets of disposal group classified as held for distribution to owners	₱1,291,484,658
(Forward)	



LIABILITIES

Notes payable	₱994,724,489
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
Liabilities of disposal group classified as held for distribution to owners	₱1,193,440,039
Net assets classified as held for distribution to owners	₱247,134,8480
Other components of equity of disposal group held for distribution to owners	(₱149,090,229)

The net cash flows directly associated with LPC for the years ended December 31 follow:

	2024	2023	2022
Operating activities	₱159,376,491	₱95,141,954	₱95,129,703
Investing activities	(197,255,722)	36,083,472	(129,608,256)
Financing activities	318,720,167	(139,285,708)	5,037,916
NET CASH INFLOW (OUTFLOW)	₱280,840,936	(₱8,060,282)	(₱29,440,637)

Non-controlling Interest

On November 25, 2020, the BOD approved the declaration of property dividends in the form 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. Accordingly, the Parent Company recognized dividends payable amounting to ₱88.0 million, equivalent to the proportionate carrying value of investment in LPC declared as property dividends representing 41.40% of LPC's outstanding capital stock. The declaration and distribution of the LPC shares to its shareholders as property dividends did not result in a loss of control as the Parent Company retains 58.60% of LPC's total shares outstanding.

In August 2021, the Parent Company secured the SEC's approval. In November 2021, the application for eCAR 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.

On October 13, 2022 and November 3, 2022, the SEC and Philippine Stock Exchange, Inc. (PSE), respectively approved the application of LPC for the listing by way of introduction of up to 24,802,384,828 common shares on the Main Board of the PSE. On November 9, 2022, LPC completed its IPO and was listed in the PSE under the stock symbol "LPC". On December 20, 2022, additional 137,438,271 common shares was approved by PSE for listing on the Main Board of the PSE. Total listed shares of LPC amounted to 24,939,823,099 common shares.

Financial information of subsidiary that has non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interests owning 41.40% follows:

	2024	2023
Accumulated balances of non-controlling interest	₱204,177,480	₱184,307,570
Total comprehensive income allocated to non-controlling interest	19,869,910	24,256,906



10. Financial Assets at Fair Value through Other Comprehensive Income

	2024	2023
Debt securities	₱107,197,164	₱183,861,270
Equity securities:		
Quoted	331,190,056	484,646,327
Unquoted	10,994,003	12,684,467
	₱449,381,223	₱681,192,064

The Group purchased equity securities amounting to ₱225.00 million in 2023 (nil in 2024).

The Group has redeemed the debt securities upon maturity with a carrying value amounting to ₱80.00 million and ₱10.00 million in 2024 and 2023, respectively. The Group also sold quoted equity securities with a carrying amount of ₱39.03 million and ₱34.00 million in 2024 and 2023, respectively.

Fair value changes on financial assets at FVOCI follow:

	2024	2023
Balance at beginning of year	(₱169,685,926)	(₱183,750,114)
Fair value gain recognized in other comprehensive income from:		
Continuing operation	13,813,558	4,309,895
Discontinued operation	13,089,789	9,682,858
Fair value gain realized through sale (see Note 21)		71,435
Reclassification to other component of equity of disposal group classified as held for distribution to owners (including noncontrolling interest of ₱0.04 million)	(155,090,827)	—
Balance at end of year	₱12,308,248	(₱169,685,926)

	2024	2023
Attributable to:		
Equity of holder of the Parent Company	₱12,308,248	(₱164,223,449)
Non-controlling interest	—	(5,462,477)
	₱12,308,248	(₱169,685,926)

Interest income earned on debt securities amounted to ₱8.21 million in 2024, ₱10.23 million in 2023 and ₱11.61 million in 2022. Dividend income earned on equity securities amounted to ₱24.30 million in 2024, ₱13.06 million in 2023 and ₱11.14 million in 2022.

The Group debt securities includes Russian debt securities. In February 2022, a number of countries (including Australia, EU, Japan, Singapore, UK, the US and others) imposed new sanctions against Russian government entities, state-owned enterprises or sanctioned entities and individuals linked to Russia anywhere in the world and announcements of potential additional sanctions following the conflict in Ukraine initiated on February 24, 2022. Subsequently, new sanctions have been imposed. Sanctions have also been imposed on Belarus. Due to ongoing war between Russia and Ukraine and continuous decline in market value, the Group retained its allowance for impairment loss on debt securities amounting to ₱11.25 million, which was recognized in 2022 (see Note 21).



11. Investment Properties

2024				
	Land (see Note 14)	Building and Improvements (see Note 14)	Condominium Unit	Total
Cost				
Balance at beginning of year	₱992,517,963	₱1,021,562,699	₱–	₱2,014,080,662
Additions	–	9,115,579	–	9,115,579
Transfer to a disposal group (see Note 9)	(301,809,288)	(976,219,939)	–	(1,278,029,227)
Balance at end of year	690,708,675	54,458,339	–	745,167,014
Accumulated Depreciation				
Balance at beginning of year	–	507,360,810	–	507,360,810
Depreciation	–	56,201,321	–	56,201,321
Transfer to a disposal group (see Note 9)	–	(523,320,839)	–	(523,320,839)
Balance at end of year	–	40,241,292	–	40,241,292
Net book values	₱694,708,675	₱14,217,047	₱–	₱704,925,722

2023				
	Land (see Note 14)	Building and Improvements (see Note 14)	Condominium Unit	Total
Cost				
Balance at beginning of year	₱992,464,863	₱1,004,652,666	₱11,419,656	₱2,008,537,185
Additions	53,100	16,910,033	–	16,963,133
Disposals	–	–	(11,419,656)	(11,419,656)
Balance at end of year	992,517,963	1,021,562,699	–	2,014,080,662
Accumulated Depreciation				
Balance at beginning of year	–	462,335,446	10,708,056	473,043,502
Depreciation	–	45,025,364	63,364	45,088,728
Disposals	–	–	(10,771,420)	(10,771,420)
Balance at end of year	–	507,360,810	–	507,360,810
Net book values	₱992,517,963	₱514,201,889	₱–	₱1,506,719,852

The Group leases out spaces in its building and condominium units under various operating leases (see Note 27).

Rental income and the related expenses recognized on the office spaces of the Group's building and condominium units are as follows:

	2024	2023	2022
Rental income	₱14,543,155	₱42,482,691	₱34,485,045
Direct operating expenses:			
Depreciation and amortization	1,864,457	2,618,800	2,021,848
Outside services	1,759,434	4,669,313	4,613,445
Communication, light and water	835,521	1,118,518	1,057,323
Repairs and maintenance	–	180,670	184,064
Insurance and others	295,046	1,292,263	786,429
	4,754,458	9,879,564	8,663,109
	₱9,788,697	₱32,603,127	₱25,821,936

Direct operating expenses incurred for non-income generating properties amounted to ₱5.91 million in 2024, ₱4.91 million in 2023 and ₱4.43 million in 2022.



Depreciation expense charged to operation is as follows:

	2024	2023	2022
Continuing operations	₱10,998,378	₱1,891,177	₱2,021,848
Discontinued operation	45,202,943	43,197,551	42,384,069
	₱56,201,321	₱45,088,728	₱44,405,917

The Group has refundable deposits for utilities installation on its investment properties amounting to ₱3.15 million as at December 31, 2024 and 2023, presented as part of “Other noncurrent assets” in the consolidated statements of financial position (see Note 13).

The aggregate fair value of investment properties amounted to ₱5.30 billion and ₱3.94 billion as at December 31, 2024 and 2023, respectively. These have been determined based on valuations performed by a qualified and independent appraiser in 2024 and 2023. The key assumptions used for valuation reports include growth rate and discount rate of 5% and 10.8-11%, respectively. The valuation undertaken considered the highest and best use and established estimated value by processes involving comparison (Level 3). Management assessed that the fair value of certain investment properties as at December 31, 2023 approximates the fair value as at December 31, 2024 as no significant changes on the properties have taken place since the latest appraisal, or will take place in the near future, in the market, economic or legal environment in which the Group operates or in the market to which the investment property is dedicated.

The following describes the valuation techniques used and key inputs to valuation of investment properties:

2024 and 2023			
	Current use	Valuation technique	Significant unobservable input
Land	Commercial	Market Approach	Adjusted sales price of comparable properties
	Parking space		
	Capital appreciation	Income Approach	Future free cashflow projections discounted using a rate based on the level of risk of the business and opportunity cost of capital
Building and building improvements	Commercial	Income Approach	Future free cashflow projections discounted using a rate based on the level of risk of the business and opportunity cost of capital
		Market Approach	Adjusted sales price of comparable properties
		Cost Approach	Current market prices of similar materials, labor, contractors' overhead and manufactured equipment
Condominium units	Residential	Income Approach	Future free cashflow projections discounted using a rate based on the level of risk of the business and opportunity cost of capital
		Sales Comparison Approach	Adjusted sales price of comparable properties



Significant increases (decreases) in estimated inputs above would result in a significantly higher (lower) fair value of the properties.

LPC's investment properties are held for residential, commercial and parking space. The appraisers determined that the highest and best use of condominium unit is for residential use which is its current use. The highest and best use of land used as parking space at measurement date would be for multi-storey residential/office condominium development, while the highest and best use of buildings, including the improvements and equipment, used as commercial space at measurement date, would be to convert the properties for residential use. For strategic reasons, the properties are not being used in this manner.

The highest and best use of the Parent Company's land and building is as commercial utility, which is their current use. The highest and best use of land held for capital appreciation at measurement date would be for residential utility or development. For strategic reasons, the land is not being used in this manner.

Land and building and building improvements owned by the Group (classified under "Assets of disposal group held for distribution to owners as of December 31, 2024) with an aggregate carrying value of ₱394.3 million and ₱427.55 million as at December 31, 2024 and 2023 served as collateral to secure the loans obtain from a bank (see Note 14).

Land Acquisitions

In 2022, the Parent Company purchased several lots in Lemery, Batangas.

On January 12, 2024, the Parent Company entered into a Memorandum of Agreement amending the payment schedule (per request of the Seller) of the September 2022 contract of Conditional Sale entered into by the Parent Company for the purchase of land for a consideration of ₱18.69 million (exclusive of VAT) payable on installment basis where earnest money amounting to ₱2.80 million has been paid at that time.

Advance payment made in 2024 amounted to ₱4.00 million (exclusive of VAT), which was recognized as deposit under "Other noncurrent assets" in the 2024 consolidated statement of financial position. The unpaid consideration shall be paid upon the fulfillment of certain conditions under the Agreement.

In December 2021, LPC entered into a Contract to Sell for the purchase of land for a consideration of ₱214.46 million (exclusive of VAT) payable on monthly installment basis until year 2026. Payments made in 2024 and 2023 amounted to ₱26.22 million and ₱18.38 million (exclusive of VAT), respectively. As at December 31, 2024 and 2023, the corresponding unpaid purchase price, net of VAT, were recorded at present value using the discount rate of 4.25% amounting to ₱101.73 million and ₱125.19 million, respectively. Current and noncurrent portion of the liability amounting to ₱64.36 million and ₱51.82 million, respectively, inclusive of VAT, are presented as part of "Liabilities of disposal group classified as held for distribution to owners" in the 2024 consolidated statement of financial position (see Note 9), while current and noncurrent portion of the liability amounting to ₱26.61 million and ₱116.12 million, respectively, inclusive of VAT, are presented as part of Accounts payable" under "Accounts payable and other current liabilities" and "Other noncurrent liability" accounts, respectively, in the 2023 consolidated statement of financial position (see Note 15). Total discount of liability amounted to ₱18.19 million and ₱20.94 million as at December 31, 2024 and 2023, respectively. Accretion of interest expense amounted to ₱2.75 million in 2024 and ₱1.41 million in 2023 (see Note 9).



The related deferred input VAT amounting to ₱6.54 million and ₱14.39 million (net of current portion of ₱7.85 million and ₱3.15 million, as at December 31, 2024 and 2023, respectively) is recognized as part of “Assets of disposal group classified as held for distribution to owners” in the 2024 consolidated statement of financial position (see Note 9) and “Other noncurrent assets” account in the 2023 consolidated statement of financial position (see Notes 8 and 13). This deferred input VAT will be claimed against output VAT upon payment of the related liability.

Schedule of payments of the remaining payable based on undiscounted amounts (exclusive of VAT) as at December:

Year	2024	2023
2024	₱—	₱26,219,677
2025	65,408,775	65,408,775
2026	54,507,313	54,507,313
	₱119,916,088	₱146,135,765

12. Property, Plant and Equipment

	2024							Total
	Land and Land Improvements	Mill Machinery and Equipment	Building and Building Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction In Progress	
Cost								
Beginning balances	₱25,335,572	₱458,207,206	₱202,253,925	₱50,816,974	₱839,842	₱47,290,936	₱1,847,488	₱786,591,943
Additions	—	15,538,367	3,232,143	307,382	—	1,387,455	34,676,241	55,141,588
Transfer to a disposal group (see Note 9)	—	—	—	(200,000)	(839,842)	(6,929,274)	—	(7,969,116)
Ending balances	25,335,572	473,745,573	205,486,068	50,924,356	—	41,749,117	36,523,729	833,764,415
Accumulated Depreciation								
Beginning balances	19,382,293	244,640,182	108,695,887	47,856,652	839,842	41,129,768	—	462,544,624
Depreciation and amortization (see Notes 18 and 19)	978,535	14,504,179	7,156,327	1,437,319	—	2,198,452	—	26,274,812
Transfer to a disposal group (see Note 9)	—	—	—	(200,000)	(839,842)	(6,578,723)	—	(7,618,565)
Ending balances	20,360,828	259,144,361	115,852,214	49,093,971	—	36,749,497	—	481,200,871
Net Book Values	₱4,974,744	₱214,601,212	₱89,633,853	₱1,830,385	₱—	₱4,999,620	₱36,523,729	₱352,563,544

	2023							Total
	Land and Land Improvements	Mill Machinery and Equipment	Building and Building Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction In Progress	
Cost								
Beginning balances	₱25,335,572	₱448,949,796	₱194,918,239	₱51,137,378	₱839,842	₱46,327,414	₱—	₱767,508,241
Additions	—	9,257,410	7,335,686	518,882	—	963,522	1,847,488	19,922,988
Disposals	—	—	—	(839,286)	—	—	—	(839,286)
Ending balances	25,335,572	458,207,206	202,253,925	50,816,974	839,842	47,290,936	1,847,488	786,591,943
Accumulated Depreciation								
Beginning balances	18,403,758	230,272,624	101,835,148	46,764,318	839,842	38,277,541	—	436,393,231
Depreciation and amortization (see Notes 18 and 19)	978,535	14,367,558	6,860,739	1,400,073	—	2,852,227	—	26,459,132
Disposal	—	—	—	(307,739)	—	—	—	(307,739)
Ending balances	19,382,293	244,640,182	108,695,887	47,856,652	839,842	41,129,768	—	462,544,624
Net Book Values	₱5,953,279	₱213,567,024	₱93,558,038	₱2,960,322	₱—	₱6,161,168	₱1,847,488	₱324,047,319

Depreciation expense charged to operation is as follows:

	2024	2023	2022
Depreciation expense from continuing operations	₱25,271,370	₱25,287,963	₱19,077,202
Depreciation expense from discontinued operations	1,003,442	1,171,169	1,279,002
	₱26,274,812	₱26,459,132	₱20,356,204



The Group has fully depreciated property, plant and equipment still in use with the total cost of ₱336.6 million and ₱325.5 million as of December 31, 2024 and 2023, respectively.

13. Other Noncurrent Assets

	2024	2023
Advances to suppliers	₱8,602,688	₱20,480
Refundable deposits (see Note 10)	445,687	3,146,706
Deferred input VAT - net of current portion (see Note 11)	—	14,389,931
Others	1,022,000	1,022,000
	₱10,070,375	₱18,579,117

Advances to suppliers primarily pertain to advance payments to supplier for the renovation and improvements of the facilities and for future purchase of land (see Note 11).

14. Notes Payable

Notes payable consists of:

	2024	2023
Principal	₱131,500,000	₱762,558,824
Add: unamortized premium, net of debt issue cost	—	136,253
	₱131,500,000	₱762,695,077

On various dates during 2024, the Parent Company rolled over the ₱131.50 million short-term loans availed in 2023 with terms of 180-360 days at 6.5% to 6.80% interest per annum for 2024.

On various dates, the Group availed short-term loans in 2023 and 2022 (with interest ranging from 6.2% to 6.75%) totaling ₱113.00 million and (with interest ranging from 4.7% to 5.95%) totaling ₱187.00 million, respectively, for land acquisitions, and for payment of trust receipts for the importation of wheat grains, with terms of 360 days at 3.00% to 7.00% and 3.00% to 7.00% interest per annum for 2022. On various dates during 2023, the Group rolled over the ₱342.50 million short-term loans availed in 2022.

On February 18, 2021, LPC converted its ₱580.00 million short-term promissory note to term loans with maturity of 5 years, payable in equal quarterly installments starting on February 19, 2022. As at December 31, 2024 and 2023, total payments of notes payable amounted to ₱201.74 million and ₱153.47 million, respectively

The Group's long-term loan is secured by a real estate mortgage on certain land and building and building improvements owned by LPC (see Note 11).



The details of the term loans follow:

Term Loan	Availment Date	Maturity Date	Interest rate	Condition	Amount
1	February 19, 2021	February 19, 2026	4.25% per annum fixed for 89 days, variable onwards; quarterly	Secured	₱290,000,000
2	February 19, 2021	February 19, 2026	4.875% per annum, fixed up to maturity; quarterly	Secured	290,000,000

Term Loan promissory note (PN) 1 is subject to a variable interest rate based on a three (3)-month BVAL plus a margin of one hundred twenty points (1.20%) divided by the Applicable Premium Factor (0.95) and 4.25% per annum, whichever is higher. Term Loan PN 2 is subject to a fixed interest rate based on a five (5)-year BVAL plus a margin of one hundred twenty points (1.20%) divided by the Applicable Premium Factor (0.95) and 4.875% per annum, whichever is higher.

LPC paid and capitalized documentary stamp tax amounting to ₱4.35 million as debt issue cost to be amortized over the term of the notes payable.

Based on the Group's assessment, the modifications in the contractual cash flows of the loan are not substantial and therefore did not result in the derecognition of the affected financial liabilities.

Debt Covenants

The 2021 term loan agreement contains, among others, covenants that require LPC to comply with specified financial ratios which are current ratio (minimum of 1.0), debt-to-equity ratio (maximum of 2.33) and debt service coverage ratio (minimum of 1.25). Based on the 2023 amended loan agreement, LPC is required to comply with covenants such as debt-to-equity ratio (maximum of 2.33) and debt service coverage ratio (minimum of 1.25) in 2023. On December 15, 2023, LPC was able to secure a waiver from the bank for debt service coverage ratio. As at December 31, 2023, LPC did not meet the required debt to equity ratio. Consequently, the total outstanding balance of long-term loan was classified as current liabilities in the 2023 consolidated statement of financial position. On April 5, 2024, LPC secured from the bank a one-time waiver of debt-to-equity financial covenant for the year ended December 31, 2023.

In November 2024, LPC was able to secure a waiver from the bank for current ratio and debt service coverage ratio. Outstanding balance of LPC's long-term loan payable was presented as part of "Liabilities of disposal group classified as held for distribution to owners" as of December 31, 2024.

The future expected principal settlements of the Group's notes payable follow:

	2024	2023
Within one year	₱131,500,000	₱591,970,588
Beyond one year but less than five years	—	170,588,236
	₱131,500,000	₱762,558,824



Interest expense on notes charged to operations follows:

	2024	2023	2022
Continued operations (see Note 19)	₱9,729,825	₱21,765,555	₱8,866,375
Discontinued operation*	61,530,178	41,725,676	26,552,647
	₱71,260,003	₱63,491,231	₱35,419,022

*Including loan premium amortization, net of debt issue cost amortization, amounting to nil, ₱0.14 million and ₱0.19 million in 2024, 2023 and 2022, respectively.

15. Accounts Payable and Other Current Liabilities

	2024	2023
Dividends payable	₱331,813,201	₱31,445,011
Liabilities under trust receipts (see Note 7)	190,649,253	570,410,522
Output VAT – net	88,784,102	57,907,538
Trade payables	53,077,655	57,560,155
Customers and tenants' deposits	9,699,396	14,864,750
Accrued selling, freight and outside services	5,368,388	4,469,390
Withholding tax, HDMF and SSS payable	2,610,712	3,097,724
Construction bond	–	7,040,369
Others	17,527,592	9,470,637
	₱699,530,299	₱756,266,096

Dividends payable consist of dividends declared but not yet claimed.

Liabilities under trust receipts are short-term loan with the banks for importation of wheat grains, with terms of 180 days at 6.00% to 6.85% interest per annum for 2024 and 6.20% to 7.10% interest per annum for 2023 (see Note 7).

Trade payables are noninterest-bearing and normally with payment terms of 30 to 60 days. Trade payables include the current portion of the unpaid purchase price of the land acquired in 2021 (see Note 11).

Customers and tenants' deposits represent advances and deposits that will be applied against subsequent deliveries and rentals and are generally outstanding within 30 days from receipt of payment. The deposit shall not be applied to the monthly rentals but shall be refunded within 15 days after the tenant vacates the leased premises, less deductions, if any.

Accrued selling and freight expenses represents unbilled freight cost incurred for deliveries made by third party service providers.

Others primarily include accruals for unbilled services that will be settled within the next financial year and earnest money of ₱10.0 million received in 2024 in relation to the Company's Memorandum of Agreement with Haus Talk, Inc. (HTI) involving the sale of parcels of land in Rizal Province.



16. Equity

Capital Stock

The Parent Company's capital stock as at December 31, 2024 and 2023 follows:

	No. of Shares	Amount
Authorized capital stock - ₱10 par value	200,000,000	₱2.00 billion
Issued and outstanding	150,000,000	₱1.50 billion

Issued and outstanding shares as at December 31, 2024 and 2023 are held by 451 and 447 equity holders, respectively.

The Parent Company's incorporation papers were filed with the SEC on December 18, 1958. The corporation was capitalized at ₱4.00 million divided into 240,000 common shares with par value at ₱10.00 each and 160,000 preferred shares also with a par value of ₱10.00 each.

The BOD has placed in the market the total share of stock provided in the incorporation, and made the following calls:

	Original Stockholders	New Subscription	Amount Due
December 31, 1958	25% common shares		₱600,000
November 30, 1959	4% common shares		100,000
December 31, 1959		17% common shares	400,000
February 29, 1960		25% preferred shares	400,000
April 30, 1960		25% preferred shares	400,000
June 30, 1960		25% preferred shares	400,000
August 31, 1960	4% common shares	25% preferred shares	500,000
October 31, 1960		25% common shares	600,000
December 31, 1960		25% common shares	600,000
			₱4,000,000

In 1962, the Parent Company issued 20% common stock dividend. Consequently, the Parent Company increased the authorized capital stock with the approval of the SEC to ₱4.40 million of common shares and ₱2.00 million of preferred shares.

On September 24, 1965, the stockholders authorized the increase in the common stock of the corporation from ₱4.40 million divided into 440,000 common shares with par value of ₱10.00 per share to ₱7.6 million divided into 760,000 common shares with par value of ₱10.00 each. In the same meeting, the stockholders resolved to declare and issue a 20% stock dividend to common stockholders of record as at September 1, 1965. This stock dividend declaration involved the issuance of 83,951 common shares, with a total par value of ₱839,510, under the following terms:

- that the 19,951 shares with a par value of ₱199,510 are to be issued out of the remaining unissued common stock presently authorized; and
- that 64,000 shares with a par value of ₱640,000 are to be issued out of the increase in the common stock of 320,000 common shares.

In April 1966, the Parent Company paid out 20% stock dividends and in November 1966, the Parent Company paid out again 10% stock dividends.



On March 17, 1966, the SEC approved the increase in the common stock to ₱9.6 million divided in 960,000 common shares from ₱9.6 million divided into 760,000 common shares as authorized by the stockholders last September 24, 1965.

On March 19, 1968, the stockholders approved the increase of authorized capital stock from ₱9.6 million to ₱12.00 million to be divided into 1.20 million shares with a par value of ₱10.00 each to wit:

	No. of shares	Amount
Common stock	1,000,000 shares	₱10,000,000
Preferred stock	200,000 shares	2,000,000

The application for the proposed increase in the Parent Company's capitalization was approved by the SEC in November 1968.

In 1970, the Parent Company declared 17.64% stock dividends on common shares amounting to ₱1,499,620 (149,833 shares and ₱1,290 in cash for fractional shares).

In 1971, the Parent Company redeemed the outstanding preferred shares represented by 160,049 preferred shares.

On May 4, 1972, the stockholders approved to eliminate and retire all the 200,000 preferred shares with a par value of ₱10.00 each, thereby, decreasing its capital stock from ₱12.00 million to ₱10.00 million and to create 1,000,000 more common shares at a par value of ₱10.00 each thereby increasing the capital stock of the corporation from ₱10.00 million to ₱20.00 million to be divided into 2.00 million common shares at a par value of ₱10.00 per share. In relation to such an increase, the stockholders declared stock dividend of 20% on the issued and outstanding shares of ₱10.00 million. On October 6, 1972, the SEC approved the application for the retirement of its preferred shares and the increase of its common shares.

On May 6, 1977, the stockholders approved a resolution to increase the capital stock from ₱20.00 million (2.00 million shares at ₱10.00 par value) to ₱30.00 million (3.00 million shares at ₱10.00 par value) and that subscription to the capital stock increase in the amount of ₱2.00 million shall be paid through stock dividend. In December 1977, the SEC approved the registration of the capital stock increase and stock dividend declaration.

On February 9, 1981, the SEC approved the Parent Company's application for the registration of its increase in authorized capital stock from ₱30.00 million (3.00 million shares at ₱10.00 par value) to ₱50.00 million (5.00 million shares at ₱10.00 par value). Capital base went up from ₱30.00 million to ₱40.25 million due to the ₱10.25 million given as stock dividend.

In 1982, the Parent Company distributed ₱9.75 million stock dividend to complete the outstanding capital stock to the full ₱50.00 million which is also the authorized capitalization.

On November 9, 1983, the stockholders approved the increase in authorized capital stock from ₱50.00 million (5.00 million shares at ₱10.00 par value) to ₱100.00 million (10.00 million shares at ₱10.00 par value) and the declaration of a 25% stock dividend or an equivalent sum of ₱12.50 million on such increase to stockholders of record as at November 9, 1983. The increase in authorized capital stock and stock dividend declaration was approved by the SEC on May 4, 1984.



On June 10, 1985, a 10% stock dividend was declared to stockholders of record as at May 10, 1985. The weighted average shares outstanding and all per share amounts included in the financial statements are based on the increased number of shares giving retroactive effect to these stock dividends.

On February 21, 1985, the Makati Stock Exchange approved the listing of 10.00 million common shares of the Parent Company's capital stock which are duly registered with the SEC.

On May 9, 1986, a stock dividend of 21.212% was declared to stockholders of record as at May 28, 1986. The weighted average shares outstanding and all per share amounts included in the financial statements are based on the increased number of shares giving retroactive effect to these stocks dividend.

On January 12, 1987, the stockholders approved to increase the authorized capital stock from ₱100.00 million to ₱200.00 million; and the declaration of 25% stock dividend to stockholders of record as at February 11, 1987 to cover subscription to the said capital stock increase. On June 30, 1987, the SEC approved the application for such increase.

In February 1988, the SEC, for registration and licensing purposes with the PSE, issued to the Parent Company a Certificate of permit to sell securities which authorizes the sale of the said capital stock increase of 10.00 million common shares worth ₱100.00 million to the public.

On April 12, 1988, a stock dividend of 40% was declared to stockholders of record as at May 26, 1988.

On May 10, 1989, the stockholders declared a stock dividend of 14.2857% to stockholders of record as at May 29, 1989. On the same date, the stockholders subsequently approved to increase the authorized capital stock from ₱200.00 million to ₱500.00 million which was approved by the SEC on September 4, 1989.

On May 10, 1991, a 10% stock dividend was declared to stockholders of record as at July 26, 1991.

On May 14, 1993, a 20% stock dividend was declared to stockholders of record as at June 12, 1993.

On May 9, 1997, the BOD approved the declaration of stock dividends of 3.70 million common shares equivalent to 10.1928% to stockholders of record as at June 6, 1997. Consequently, the number of common shares outstanding was increased from 36.30 million shares to 40.00 million common shares.

On July 27, 2011, the BOD declared a 25% stock dividend equivalent to 10.00 million shares amounting to ₱100.00 million with ₱10.00 par value to stockholders of record as at September 15, 2011. The stock certificates were issued and distributed on February 20, 2012.

On January 13, 2015, the SEC approved the issuance of the stock dividend to stockholders of record as at January 30, 2015. The stock certificates were issued and distributed to the stockholders on February 23, 2015. Accordingly, stock dividends distributable amounting to ₱375.00 million recognized as at December 31, 2014 was derecognized in 2015.

On November 16, 2015, the BOD declared 71.42% stock dividend or 62.50 million shares to be taken from the reversal of ₱1.82 billion appropriated retained earnings as at December 31, 2014. On December 15, 2015, the SEC approved the issuance of the stock dividend. The stock certificates were issued and distributed to the stockholders on December 21, 2015.



Retained Earnings

As at December 31, 2024 and 2023, the consolidated retained earnings include undistributed net accumulated earnings of subsidiaries amounting to ₱519.67 million and ₱306.15 million, respectively. Such undistributed net earnings are not currently available for dividend distribution unless declared by the BOD of the subsidiaries.

Cash Dividends

Below is the summary of cash dividends declared for the years ended 2024, 2023 and 2022:

Date of Declaration	Date of Record	Date of payment	Dividend per share	Total amount
December 18, 2024	January 10, 2025	February 04, 2025	₱2.00	300.0 million
May 29, 2024	June 19, 2024	July 12, 2024	₱0.30	45.0 million
October 23, 2023	November 15, 2023	December 6, 2023	₱0.20	30.0 million
March 29, 2023	April 19, 2023	May 12, 2023	₱0.50	75.0 million
November 28, 2022	December 16, 2022	December 28, 2022	₱0.30	45.0 million

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 BOD approved the declaration of property dividends in the form 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 Company as of record date of December 18, 2020. Accordingly, the Parent Company recognized dividends payable amounting to ₱88.0 million, equivalent to the proportionate carrying value of investment in LPC declared as property dividends representing 41.40% of LPC's outstanding capital stock. The declaration and distribution of the LPC shares to its shareholders as property dividends did not result in a loss of control as the Company retains 58.60% of LPC's total shares outstanding.

In August 2021, the Parent Company secured the SEC's approval. In November 2021, the application for eCAR 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. As a result, noncontrolling interest amounting to ₱104.2 million was recognized in 2022.

LPC's listing by way of introduction has been concluded on November 9, 2022 (see Note 9).

Subsidiary's Declaration of Stock Dividends

On March 27, 2023, the BOD of LPC has approved the declaration of stock dividends in the total amount of ₱150,000,000 corresponding to 15,000,000,000 common shares and the amendment of the Articles of Incorporation (AOI) increasing authorized capital stock to seven hundred million pesos (₱700,000,000) which will increase the common shares to seventy billion (70,000,000,000) with a par value of ₱0.01 per share. The stock dividend declaration was ratified during the Annual Stockholders' Meeting held last July 26, 2023. LPC's stock dividend declaration resulted in recognition of noncontrolling interest amounting to ₱62.1 million. As of March 26, 2025, SEC approval is still pending.



17. Revenue from Contracts with Customers

Disaggregated Revenue Information

Below is the disaggregation of the Parent Company's revenue from contracts with customers by major sources:

	2024	2023	2022
Sales of bakery flour	₱1,088,706,191	₱1,319,690,666	₱1,308,868,276
Sales of mill feeds	125,573,711	181,491,621	181,397,400
	₱1,214,279,902	₱1,501,182,287	₱1,490,265,676

Obligations

Revenues from sale of bakery flour and mill feeds are recognized when the goods are sold at a point in time upon delivery or transfer of control of goods.

The Group's trade receivables from related parties and third parties amounting to ₱1,135.43 million and ₱1,117.91 million as at December 31, 2024 and 2023, respectively, arise from sale of flour and mill feeds with its related parties and third parties. These are noninterest-bearing with average credit terms of 180 days and 90 days for related parties and third parties, respectively (see Note 5).

The Group has no contract assets and contract liabilities as at December 31, 2024 and 2023.

18. Cost of Sales

	2024	2023	2022
Materials used	₱876,193,372	₱1,331,922,779	₱1,329,305,118
Direct labor (see Note 20)	34,332,907	35,996,211	47,433,320
Overhead:			
Utilities	37,448,986	32,295,545	33,993,884
Depreciation (see Note 12)	19,282,055	18,874,036	12,426,697
Repairs and maintenance	3,927,238	2,595,778	3,162,338
Other factory overhead	11,018,181	8,079,162	7,420,451
	₱982,202,739	₱1,429,763,511	₱1,433,741,808

19. Expenses

Administrative Expenses

	2024	2023	2022
Outside services	₱31,346,623	₱32,783,066	₱34,441,180
Employee benefits and bonuses (see Notes 20, 22 and 26)	23,083,958	12,506,027	22,048,443
Salaries and wages (see Notes 20 and 26)	16,055,237	15,334,222	17,169,897
Depreciation and amortization (see Notes 11 and 12)	13,697,583	4,257,824	5,305,179

(Forward)



	2024	2023	2022
Taxes and licenses	₱5,887,728	₱9,198,099	₱7,553,999
Provision for (reversal of) expected credit losses (see Note 5)	(4,874,247)	4,673,574	525,432
Membership and subscription	3,237,371	2,522,976	2,600,177
Insurance	1,359,681	1,165,989	1,721,900
Communication, light and water	1,307,989	1,305,141	1,311,679
Per diem	825,000	775,000	830,000
Repairs and maintenance	605,414	478,879	486,404
Office supplies	584,311	403,738	280,371
Representation	228,749	623,502	542,524
Provision for input VAT	53,214	250,785	—
Donations and contribution	—	—	6,000
Others	5,253,395	4,503,378	4,862,531
	₱98,652,006	₱90,782,200	₱99,685,716

Selling Expenses

	2024	2023	2022
Promotional and marketing expenses (see Note 26)	₱17,506,027	₱17,656,295	₱17,514,598
Freight and handling fees	1,652,865	6,570,164	4,442,748
Depreciation and amortization (see Note 12)	1,425,653	1,428,479	1,345,327
	₱20,584,545	₱25,654,938	₱23,302,673

Interest Expense

	2024	2023	2022
Liabilities under trust receipts (see Note 7)	₱22,978,708	₱23,446,127	₱24,106,525
Notes payable (see Note 14)	9,729,825	21,765,555	8,866,375
	₱32,708,533	₱45,211,682	₱32,972,900

20. Personnel Costs

	2024	2023	2022
Direct labor (see Note 18)	₱34,332,907	₱35,996,211	₱47,433,320
Salaries and wages (see Notes 19 and 26)	16,055,237	15,334,222	17,169,897
Bonus and allowances (see Note 19)	15,181,080	7,195,292	10,732,945
Retirement benefit costs (see Notes 19, 22 and 26)	2,911,971	1,994,044	6,853,473
Other employee benefits (see Notes 19 and 26)	4,990,907	3,316,691	4,462,025
	₱73,472,102	₱63,836,460	₱86,651,660



21. Other Income (Charges) - Net

	2024	2023	2022
Fair value loss on financial assets at FVTPL (see Note 6)	(P1,282,527)	(P825,403)	P1,324,740
Gain on sale of property, plant and equipment	71,429	2,575,595	—
Unrealized foreign exchange gain (loss)	(55,761)	736,275	2,276,049
Loss on sale of debt securities at FVOCI (see Note 9)	—	(71,435)	(494,880)
Provision for impairment loss on financial assets at FVOCI (see Note 10)	—	—	(11,245,608)
Loss on sale of financial assets at FVTPL (see Note 6)	—	—	(2,505)
Other income (charges) - net	6,248,062	(4,577,418)	(10,748,356)
	P4,981,203	(P2,162,386)	(P18,890,560)

In 2023, other income (charges) - net mainly includes loss on receivable write-off. In 2024 and 2022, it mainly includes provision for losses and realized foreign exchange losses and taxes.



22. Retirement Benefits Costs

The Group has a non-contributory defined benefit retirement plan covering its regular employees.

Under the terms of Liberty Flour Mills, Inc. Retirement Plan, the Parent Company is required to pay its regular employees retirement benefits equivalent to 30 days for every year of credited service upon reaching the compulsory retirement age of 65. Optional retirement is allowed for an employee who reaches the age of 50 and who has completed 20 years of credited service to the Parent Company.

The Retirement Plan is administered by a Trustee appointed by the Parent Company and is responsible for the general administration of the Retirement Plan and the management of the retirement fund. The Trustee may seek the advice of legal or investment counsel and may appoint an investment manager or managers to manage the Fund, an independent accountant to audit the fund and an Actuarial Advisor to value the fund.

The Parent Company's appointed Retirement Committee will coordinate closely with the Trustee in the implementation of the Retirement Plan.

LPC also has a non-contributory defined benefit retirement plan covering its regular employees. LPC is required to pay its regular employees retirement benefits equivalent to 22.5 days for every year of credited service upon reaching the compulsory retirement age of 65. Optional retirement is allowed for an employee who reaches the age of 50 and who has completed 15 years of credited service to LPC.

Changes in net retirement asset as at December 31, 2024 and 2023 follow:

	Net Retirement Cost in Profit or Loss in the Parent Company Statements of Comprehensive Income					Remeasurements in Other Comprehensive Income									Subtotal	Balance at End of Year
	Balance at Beginning of Year	Current Service Cost	Settlement loss	Net Interest	Subtotal	Benefits Directly Paid by the Company	Benefits Paid from Plan Assets	Contributions to the Plan Asset	Actuarial Loss Excluding Amount included in Net Interest	Actuarial Changes Arising from Financial Assumptions	Actuarial Changes Arising from Experience	Actuarial Changes Arising from Demographic Assumptions	Effect of Asset Ceiling			
December 31, 2024																
Present value of defined benefit obligation	P44,928,816	P1,810,250	P –	P2,758,629	P4,568,879	P–	(P13,491,055)	P–	P–	P46,944	(P2,136,040)	(P2,191,373)	P–	(P4,280,469)	P31,726,171	
Fair value of plan assets	(33,730,992)	–	–	(1,656,908)	(1,656,908)	–	13,491,055	–	(6,728,016)	–	–	–	–	(6,728,016)	(28,624,861)	
Net defined benefit liability (asset)	P11,197,824	P1,810,250	P –	P1,101,721	P2,911,971	P–	P–	P–	(P6,728,016)	P46,944	(P2,136,040)	(P2,191,373)	P–	(P11,008,485)	P3,101,310	
December 31, 2023																
Present value of defined benefit obligation	P7,940,238	P412,250	P –	P571,697	P983,947	P–	P–	P–	P–	P644,930	(P112,227)	P–	P–	P532,703	P9,456,888	
Fair value of plan assets	(14,527,285)	–	–	(1,045,964)	(1,045,964)	–	–	–	11,015,385	–	–	–	(7,923,538)	3,091,847	(12,481,402)	
Net defined benefit liability (asset)	(P6,587,047)	P412,250	P –	(P474,267)	(P62,017)	P–	P–	P–	P11,015,385	P644,930	(P112,227)	P–	(P)	P3,624,550	(P3,024,514)	
December 31, 2022																
Present value of defined benefit obligation	P42,342,231	P1,742,395	P –	P3,086,749	P4,829,144	P–	(P7,110,983)	P–	P–	P3,553,874	P1,314,550	P–	P–	P4,868,424	P44,928,816	
Fair value of plan assets	(42,445,748)	–	–	(2,835,100)	(2,835,100)	–	7,110,983	–	4,446,969	–	–	–	(8,096)	4,438,873	(33,730,992)	
Net defined benefit liability (asset)	(P103,517)	P1,742,395	P –	P251,649	P1,994,044	P–	P–	P–	P4,446,969	P3,553,874	P1,314,550	P–	(P8,096)	P9,307,297	P11,197,824	



The Parent Company is expected to contribute ₱15.00 million to its defined benefit pension plan in 2025 while LPC has no expected contribution in the next financial period.

The overall expected rate of return used to determine present value of defined benefit obligation and fair value of plan assets is based on the prevailing rate of return on government securities applicable to the period over which the obligation is to be settled.

The composition of the plan assets follows:

	2024	2023
Cash in banks	₱16,922,033	₱16,437,565
Receivables	—	—
Money market placements	10,937	252,056
Investments in equity securities:		
Industrial	4,702,793	16,098,026
Services	1,878,000	2,490,000
Financials	528,564	391,344
Mining and oil	1,767,344	2,775,350
Others	914,323	1,233,620
BPI Philippine Equity Index Fund	930,002	977,568
Investment in bonds	18,063,592	23,473,953
Liabilities	(17,092,727)	(17,246,809)
Effect of asset ceiling	—	(670,279)
	₱28,624,861	₱46,212,394

Investments in equity securities can be transacted through the PSE. The plan assets include shares of stock of the Parent Company with fair value of ₱4.26 million and ₱2.88 million as at December 31, 2024 and 2023, respectively. Fair value changes recognized by the retirement plan assets for the changes in market values of the shares of stock of the Parent Company amounted to ₱1.38 million gain in 2024 and ₱1.74 million loss in 2023. With respect to the plan's investment in the Parent Company's shares of stock:

- There are no restrictions or limitations on the shares provided in the plan,
- The Board of Trustees of the plan exercises voting rights over the shares, and
- There was no material gain or loss over the shares in 2024.

BPI Philippine Equity Index Fund is an index tracker Unit Investment Trust Fund that mimics the performance of the PSE index (PSEi). It buys all the stocks that comprise the PSEi in the same weight as the index.

The carrying amount of the Group's plan assets represents their fair values as at December 31, 2024 and 2023.

The latest actuarial valuation of the Group's plan is as at December 31, 2023. The principal actuarial assumptions used to determine retirement benefits costs as at January 1 are as follows:

	2024	2023
Discount rate	6.11%	6.14%
Future salary increases	5.00%	5.00%

The Retirement Plan Committee has no specific matching strategy between the plan assets and the plan liabilities.



Movements in the principal actuarial assumptions may result in an increase or decrease in the year-end defined benefit obligation (DBO). As such, the following sensitivity analysis shows the effects of 100 basis points (bps) movement in the discount and salary increase rates as at December 31:

		2024		2023	
		Increase (decrease) in DBO	Increase (decrease) in DBO	Increase (decrease) in DBO	Increase (decrease) in DBO
Discount rate	+100 bps	5.30%	₱1,678,502	8.30%	₱3,748,628
	- 100 bps	(4.60%)	(1,469,724)	(7.00%)	(3,129,927)
Salary increase rate	+100 bps	5.30%	1,680,360	8.40%	3,754,064
	-100 bps	(4.70%)	(1,497,611)	(7.10%)	(3,188,744)

In 2024, the average duration of the defined benefit obligation at the end of the period is 5.0 years for the Parent Company and 6.1 years for LPC. In 2023, the average duration of the defined benefit obligation at the end of the period is 7.7 years for the Parent Company and 6.8 years for LPC.

The table below shows the payments that are to be made in the future years out of the defined benefit obligation as at December 31:

	2024	2023
Year 1	₱15,755,849	₱19,368,436
Year 2	530,958	6,774,213
Year 3	657,036	1,306,631
Year 4	695,748	585,872
Year 5	785,616	685,000
Year 6- 10	15,152,136	14,437,188

Other Comprehensive Income

Movements in remeasurement gains (losses) on retirement benefits recognized in “other components of equity” under the equity section of the consolidated statements of financial position follows:

	2024	2023
Beginning balance	(₱7,640,744)	₱2,058,142
Remeasurement gains (losses) on retirement benefits in other comprehensive income from:		
Continuing operation	11,008,485	(9,307,297)
Discontinued operation	(1,182,556)	(3,624,550)
Reclassification to other components of equity associated with asset held for distribution to owners (including noncontrolling interest of ₱0.89 million)	(5,062,787)	—
Total	4,763,142	(12,931,847)
Income tax effect from:		
Continued operation	(2,752,121)	2,326,824
Discontinued operation	295,639	906,137
	2,306,660	(9,698,886)
Ending balance	(₱5,334,084)	(₱7,640,744)



	2024	2023
Attributable to:		
Equity Holders of the Parent Company	(P5,334,084)	(P7,113,421)
Non-controlling interest	–	(527,323)
Ending balance	(P5,334,084)	(P7,640,744)

23. Provisions and Contingencies

a. Application for Exemption of Properties from Republic Act (R.A.) 6657

In 2015, the Parent Company submitted with the Department of Agrarian Reform (DAR) its Application for Exemption from Comprehensive Agrarian Reform Program (CARP), also known as R.A. 6657, for its land property. The Application for Exemption was partially granted in 2016. In August 2016, the Parent Company filed a Motion for Partial Reconsideration on the remaining hectares of the said land property with a carrying value of P1.03 million.

On June 29, 2020, The Land Use Cases Committee (LUCC) rendered an Order favorably finding that the Teresa Landholdings are within the Lungsod Silangan Townsite. On November 20, 2020, the LUCC affirmed its Order and denied Kapisan ng Magsasaka ng Teresa, Angono, Inc. (KMTAI) Motion for Reconsideration. Barring a possible appeal, the Order will attain finality, exempting the Teresa Landholdings from CARP Coverage.

As at March 24, 2021, KMTAI has since appealed the denial of its Motion for Reconsideration to the Office of the President, in which LFMI has been ordered to comment on the same. Consequently, the Parent Company filed a corresponding comment/opposition to the KMTAI appeal.

As of March 26, 2025 and December 31, 2024, the Parent Company has not yet received any resolution of the Motion for Execution. The case is still pending in the Office of the President.

b. Tax Assessments

As discussed in Note 3, the Group is currently involved in certain 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.

No further details were provided as allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, because these may prejudice the Group's position in relation to these ongoing claims and assessments.

24. Income Taxes

Provision for current income tax represents RCIT, except for the Parent Company's provision which represents MCIT in 2022.



The reconciliation of the provision for (benefit from) income tax computed at the statutory income tax rate with the provision for income tax as shown in the consolidated statements of comprehensive income follows:

	2024	2023	2022
Income tax at statutory income tax rate	₱31,477,829	₱43,179,613	(₱17,119,828)
Additions to (reductions in) income tax resulting from:			
Dividend income exempt from tax	(6,119,174)	(3,327,975)	(2,888,621)
Movement in unrecognized deferred tax assets	(5,468,063)	(2,174,873)	17,775,500
Nondeductible expenses	2,847,789	2,560,973	5,868,814
Interest income subjected to final tax	(2,081,507)	(2,583,851)	(2,933,016)
Loss on sale and fair value changes on financial assets at FVTPL	320,631	206,351	(331,185)
Applied NOLCO	—	(34,402,997)	—
MCIT	—	(2,726,130)	—
Expired NOLCO	—	—	458,199
	₱20,977,505	₱731,111	₱829,863

The Group's net deferred tax assets (liabilities) as at December 31 follow:

	2024	2023
Deferred tax asset -		
Unamortized past service cost	₱2,550,268	₱2,799,456
Deferred tax liabilities -		
Unrealized foreign exchange gain	—	(184,069)
Net deferred tax assets	2,550,268	2,615,387
Deferred tax liabilities:		
Accrued rent	—	(2,519,871)
Net retirement plan asset	—	(756,129)
Deferred tax assets:		
Advance rental	—	1,243,902
Provision for expected credit losses and others	—	262,420
Net deferred tax liabilities	₱—	(₱1,769,678)

Deferred tax assets for the following deductible temporary differences, unused NOLCO and MCIT have not been recognized as management assessed that no sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized:

	2024	2023
Unamortized past service cost	₱42,285,818	₱52,209,919
Net retirement liability	3,101,310	11,197,825
Provision for:		
Expected credit losses	1,917,385	6,791,632
Probable losses	3,134,053	3,134,053
Unrealized foreign exchange loss	55,761	—
NOLCO	3,336,513	2,517,953
	₱53,830,841	₱75,851,382



As at December 31, 2024 and 2023, the Group did not recognize deferred tax asset on fair value loss on financial assets at FVOCI amounting to ₱40.60 million as management believes that there is no sufficient capital gain against which the fair value loss can be offset to realize the benefit of such deferred tax asset.

Revenue Regulations No. 25-2020

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which state that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as deduction from taxable income for the next five (5) consecutive taxable years immediately following the year of such loss.

As at December 31, 2024, the Group’s NOLCO and MCIT that can be claimed as deduction against taxable income and regular income tax due, respectively, are as follows:

Year Incurred	Expiry Year	NOLCO
2020	2025	₱438,547
2021	2026	486,919
2022	2025	727,788
2023	2026	864,699
2024	2027	1,208,560
		₱3,726,513

Revenue Memorandum Circular (RMC) No. 69-2023

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021. Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

25. Basic/Diluted Earnings Per Share

The computation of basic/diluted earnings per share is as follows:

	2024	2023	2022
Net income (loss) attributable to equity holders of the Parent Company	₱130,059,273	(₱7,646,834)	(₱111,984,347)
Divided by weighted average number of shares (see Note 16)	150,000,000	150,000,000	150,000,000
Basic/diluted earnings (loss) per share	₱0.87	(₱0.05)	(₱0.75)

The Group does not have potentially dilutive common shares in 2024, 2023 and 2022. Therefore, the basic and diluted earnings per share are the same.



26. Related Party Transactions

Related party relationship exists when the party has the ability to control directly or indirectly, through one or more intermediaries or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

Related party receivables are generally settled in cash.

The transactions with its related parties for each of the years and their account balances as at December 31 follow:

	2024	2023	Amount/Volume Income (Expense) 2022	2024	Outstanding Receivable Balance 2023	Terms	Conditions
Stockholder							
Parity Values, Inc. (PVI)							
Sales	₱692,675,553	₱647,843,183	₱651,824,553	₱804,715,595	₱742,141,765	120 days	Unsecured, with impairment of ₱1,577,644 and ₱6,674,765 as at December 31, 2024 and 2023, respectively.
Developmental Rights	—	37,730,000	—	—	—	5 years; 5.25% interest per annum	Unsecured, not impaired
Rent income	—	2,339,525	2,377,584	—	—	30 days	Unsecured, not impaired
Promotional and marketing expenses	(14,875,000)	(14,875,000)	(14,875,000)	—	—	On demand	Unsecured, not impaired
Others	—	—	—	—	—	30 days	Unsecured, not impaired
Under Common Control							
Liberty Commodities Corporation							
Sales	336,970,962	356,042,702	339,402,189	225,121,977	184,413,966	120 days	Unsecured, not impaired
Rent income	—	3,270,072	3,218,815	169,371	332,325	30 days	Unsecured, not impaired
Promotional and marketing expenses	(2,625,000)	(2,625,000)	(2,625,000)	—	—	On demand	—
Trade Demands Corporation (TDC)							
Sales	183,346,419	197,432,106	200,330,721	103,465,488	123,117,499	120 days	Unsecured; with impairment of ₱339,741 and ₱116,867 as at December 31, 2024 and 2023, respectively.
Trade receivables from related parties (see Note 5)				₱1,133,303,060	₱1,049,673,230		
Rent receivables from related parties (see Note 5)				₱169,371	₱332,325		

- a. Promotional and marketing expenses are amounts paid outright in cash to related party distributors for the Group's support in their marketing and promotional activities.

Outstanding balances of the intercompany receivables at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees received for any related party receivables. Allowance for expected credit losses on receivables from related parties has been recognized as at December 31, 2024 and 2023.

- b. In 2023, the Parent Company has written off the receivable from its retirement plan amounting to ₱7.23 million and recognized under "Other income (charges) – net" in the consolidated statement of comprehensive income (see Note 21).



c. The key management personnel compensation is as follows:

	2024	2023	2022
Short-term employee benefits	₱13,726,407	₱12,879,955	₱13,065,859
Post-employment benefits and others	3,074,779	7,122,593	396,360
	₱16,801,186	₱20,002,548	₱13,462,219

Short-term employee benefits include management bonus given to the Group's directors and officers (see Notes 18 and 19).

27. Leases

The disposal group leases out office spaces on its investment properties under various operating leases. The leases are for a term of one to ten years and may be renewed upon mutual agreement of the parties.

Under the lease contracts, the lessees are required to pay security deposits and advance rental. These are shown under "Deposits on long-term leases" account in the consolidated statements of financial position and are recorded at their accreted values which amounted to ₱43.35 million as at December 31, 2023 ₱54.77 million as at December 31, 2024 classified as part of "Assets of disposal group classified as held for distribution to owners). Accretion of interest, included in interest expense as part of "Net income (loss) from discontinued operations" in profit or loss, amounted to ₱0.88 million in 2024, ₱0.75 million in 2023 and ₱1.34 million in 2022.

Unearned rental income, which includes advance rental and excess of the principal amount of the long-term deposits over its present value and will be amortized on a straight-line basis over the lease term, amounted to ₱7.81 million as at December 31, 2023 (₱6.02 million as at December 31, 2024 classified as part of "Assets of disposal group classified as held for distribution to owners).

Accrued rent, which represents the excess of rental income recognized using the straight-line method over the rental income based on the terms of the lease agreements, amounted to ₱10.08 million as at 2023 (₱17.38 million as at December 31, 2024 classified as part of "Assets of disposal group classified as held for distribution to owners).

As a result of the pretermination of lease contract with a lessee in 2022, pretermination loss of ₱85.40 million was recognized as part of "Net income (loss) from discontinued operations" in the 2022 consolidated statement of comprehensive income.

28. Financial Instruments and Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, trade receivables, financial assets at FVTPL, financial assets at FVOCI, and notes payable. 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 Group's exposure to interest rate risk is minimal as the interest of notes payable are stated at fixed rate. The BOD reviews and approves policies for managing each of these risks.

Credit Risk

Credit risk represents the loss that the Group would incur if the 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 is also potentially subject to concentrations of credit risk in its accounts receivable. Majority of the Group's entire trade receivables and revenues are concentrated with its four distributors as at December 31, 2024 and 2023. The Group has been transacting business with these distributors for a long time and has not encountered any credit issue with them. While there is delay in collection of some trade receivables (those classified under "Past due but not impaired") the Group is in close coordination with the distributor to bring their accounts to current. With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, financial assets at FVTPL, 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 enhancements held over these assets.

Credit Risk Exposures. The table below shows the gross maximum exposure to on- and off-balance sheet credit risk exposures of the Group, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques as at December 31:

	2024	2023
Financial assets at amortized cost		
Cash and cash equivalents*	₱77,337,320	₱98,189,035
Trade and other receivables**	1,162,549,489	1,160,136,447
Other noncurrent assets***	1,467,687	4,168,706
Debt securities at FVOCI	107,197,164	183,861,270
	₱1,348,551,660	₱1,446,355,458

*excluding cash on hand, amounting to ₱0.43 million and ₱0.21 million as at December 31, 2024 and 2023, respectively.

**excluding advances to officers and employees amounting to ₱0.43 million and ₱0.25 million as at December 31, 2024 and 2023, respectively; before considering provision for expected credit losses ₱1.92 million and ₱7.84 million for past due and impaired accounts as at December 31, 2024 and 2023, respectively.

***pertains to refundable deposits and others in 2024 and 2023

The following table summarizes the credit quality of the Group's financial assets per category as at December 31:

	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Low	₱211,390,695	₱330,315,240	₱-	₱541,705,935
Moderate	-	806,845,725	-	806,845,725
High	-	-	-	-
Gross carrying amount	211,390,695	1,137,160,965	-	1,348,551,660
ECL	-	1,917,385	-	1,917,385
Carrying amount	₱211,390,695	₱1,135,243,580	₱-	₱1,346,634,275



	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Low	₱317,175,781	₱385,988,231	₱—	₱703,164,012
Moderate	—	743,191,446	—	743,191,446
High	—	—	—	—
Gross carrying amount	317,175,781	1,129,179,677	—	1,446,355,458
ECL	—	7,841,313	—	7,841,313
Carrying amount	₱317,175,781	₱1,121,338,364	₱—	₱1,438,514,145

The credit quality of the financial assets was determined as follows:

Low Risk - This includes cash and cash equivalents and financial assets at FVOCI with recycling with counterparties with good credit or bank standing, thus credit risk is minimal. This normally includes large prime financial institutions, companies and government agencies. For receivables, this consists of accounts with counterparties with no history of default on the agreed contract terms.

Moderate Risk - This includes receivables with counterparties with little history of default on the agreed contract terms.

High Risk - This includes receivables that consist of accounts with counterparties with history of default on the agreed contract terms.

As at December 31, 2024 and 2023, the COVID-19 outbreak has no significant impact to the Group's credit risk.

Set out below is the information about the credit risk exposure on the Group's trade receivables and rent receivables using a provision matrix:

	2024								
	Current	1-30 days	31 - 60 days	61-90 days	91-120 days	121-150 days	151-180 days	More than 180 days	Total
Trade receivables -									
PVI									
Expected credit loss rate	0.04%	0.15%	0.16%	0.17%	0.18%	0.24%	0.38%	0.27%	
Estimated total gross carrying amount at default	₱270,428,840	₱59,647,525	₱66,006,495	₱63,352,110	₱65,548,255	₱64,944,815	₱55,983,615	₱158,803,940	₱804,715,595
Expected credit loss	99,547	91,757	105,564	105,093	120,868	155,775	211,352	434,536	1,324,493
TDC									
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default	₱75,716,172	₱19,021,237	₱8,728,079	₱—	₱—	₱—	₱—	₱—	₱103,465,488
Expected credit loss	462	454	215	—	—	—	—	—	₱1,131



2023									
	Current	1-30 days	31 - 60 days	61-90 days	91-120 days	121-150 days	151-180 days	More than 180 days	Total
Trade receivables - PVI									
Expected credit loss rate	0.09%	0.39%	0.41%	0.43%	0.54%	0.89%	2.01%	2.43%	
Estimated total gross carrying amount at default	P239,708,685	P58,802,895	P52,481,760	P57,783,615	P60,610,360	P58,443,570	P69,606,770	P144,704,110	P742,141,765
Expected credit loss	217,211	226,878	213,733	249,158	326,723	519,619	1,401,430	3,520,013	6,674,765
Third parties									
Expected credit loss rate	0.05%	0.19%	0.19%	0.21%	—	—	—	—	
Estimated total gross carrying amount at default	P82,497,139	P17,424,168	P14,629,116	P8,567,076	P—	P—	P—	P—	P123,117,499
Expected credit loss	38,651	32,742	27,569	17,905	—	—	—	—	116,867
Rent receivables from third parties									
Expected credit loss rate	—	—	0%	0%	91%	—	—	—	
Estimated total gross carrying amount at default	P3,487,538	P6,122,943	—	P108,538	P1,156,541	P—	P—	P—	P10,875,560
Expected credit loss	—	—	—	—	1,049,681	—	—	—	1,049,681

As at December 31, 2024 and 2023, allowance for expected credit losses are recognized for trade receivables from Parity Values, Inc. and Trade Demands Corporation, both third parties, and rent receivables subjected to impairment.

As at December 31, 2024 and 2023, the COVID-19 outbreak has no significant impact to the Company's credit risk.

Equity Price Risk

Equity price risk is the risk that the 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, which are classified in the consolidated statements of financial position as financial assets at FVTPL and at FVOCI investments.

The Group's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on its financial position. The change in market prices used in the sensitivity analysis is determined based on the highest and lowest stock prices of a financial instrument during the period. The Group has determined that for financial assets at FVOCI, a decrease or increase on the stock prices would only impact equity and would not have an effect on profit or loss. The Group has determined that for financial assets at FVTPL, a decrease and increase on the stock prices could have an impact on the profit or loss.



As at December 31, 2024 and 2023, the effect on profit or loss and equity as a result of an increase (decrease) in fair value of equity securities classified as financial assets at FVTPL and in fair value of financial assets classified at FVOCI follows:

	2024	
	Increase (decrease) in rate	Increase (decrease) in profit or loss/equity
Financial assets at FVTPL	1%	131,241
	1%	(131,241)
Financial assets at FVOCI	7%	21,507,274
	(7%)	(21,507,274)
2023		
	2023	
	Increase (decrease) in rate	Increase (decrease) in profit or loss/equity
Financial assets at FVTPL	1%	144,067
	(1%)	(144,067)
Financial assets at FVOCI	13%	43,436,631
	(13%)	(43,436,631)

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 liquidity 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 tables below summarize the maturity profile of financial assets that can be used by the Group to manage its liquidity risks and the maturity profile of the Group's other financial liabilities as at December 31:

	2024			Total
	Less than 3 Months	3 to 12 Months	More than 12 months	
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱77,765,585	₱—	₱—	₱77,765,585
Trade receivables from related parties and third parties	330,717,595	804,715,595	—	1,135,433,190
Rent receivables:				
Third parties	1,558,404	—	—	1,558,404
Related parties	169,371	—	—	169,371
Other receivables	25,388,524	—	—	25,388,524
Other noncurrent assets	—	—	1,467,687	1,467,687
Financial assets at FVTPL	13,124,130	—	—	13,124,130
Financial assets at FVOCI:				
Equity securities	—	—	343,651,746	343,651,746
Debt securities	—	20,000,000	87,197,164	107,197,164
Total financial assets	₱448,723,609	₱824,715,595	₱432,316,597	₱1,705,755,801

(Forward)



	2024			Total
	Less than 3 Months	3 to 12 Months	More than 12 months	
Financial Liabilities				
Notes payable, including interest	P–	P–	P131,500,000	P131,500,000
Accounts payable and other current liabilities:				
Dividends payable	331,813,201	–	–	331,813,201
Liabilities under trust receipts	190,649,253	–	–	190,649,253
Trade payables	53,079,655	–	–	53,079,655
Customers and tenants' deposits	9,699,396	–	–	9,699,396
Accrued selling, freight, outside services and other expenses	5,368,388	–	–	5,368,388
Total financial liabilities	590,609,893	–	131,500,000	722,109,893
Net financial asset (liabilities)	(P141,886,284)	P824,715,595	P300,816,597	P983,645,908

	2023			Total
	Less than 3 Months	3 to 12 Months	More than 12 months	
Financial Assets				
Loans and receivables:				
Cash and cash equivalents:	P98,400,616	P–	P–	P98,400,616
Trade receivables from related parties and third parties	375,770,967	742,141,765	–	1,117,912,732
Rent receivables:				
Third parties	9,240,640	1,634,919	–	10,875,559
Related parties	332,325	–	–	332,325
Other receivables	25,396,262	–	–	25,396,262
Other noncurrent assets	–	–	4,168,706	4,168,706
Financial assets at FVTPL	41,472,499	–	–	41,472,499
Financial assets at FVOCI:				
Equity securities	–	–	497,330,794	497,330,794
Debt securities	–	50,000,000	133,861,270	183,861,270
Total financial assets	550,613,309	793,776,684	635,360,770	1,979,750,763
Financial Liabilities				
Notes payable, including interest	–	593,801,270	170,588,236	764,389,506
Accounts payable and other current liabilities:				
Liabilities under trust receipts	570,410,522	–	–	570,410,522
Dividends payable	31,445,011	–	–	31,445,011
Trade payables	38,287,722	22,024,529	–	60,312,251
Customers and tenants' deposits	14,864,750	–	–	14,864,750
Construction bond	7,040,369	–	–	7,040,369
Accrued selling, freight, outside services and other expenses	12,109,345	–	–	12,109,345
Payable to a related party	–	–	–	–
Deposits on long-term leases	–	26,824,888	20,162,073	46,986,961
Other noncurrent liability	–	–	134,306,019	134,306,019
Total financial liabilities	674,157,719	642,650,687	325,056,328	1,641,864,734
Net financial asset (liabilities)	(P123,544,410)	P151,125,997	P310,304,442	P337,886,029

Fair Value

The carrying values of cash and cash equivalents, receivables, notes payable, accounts payable and other current liabilities approximate their fair values due to their short-term nature. The carrying value of unquoted equity securities approximate their fair values based on the adjusted net asset method. 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.



The following are the Group's financial instruments whose carrying amounts are measured at fair value:

	Carrying Value		Fair Value	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Financial Assets				
Financial assets at FVTPL	₱13,124,130	₱41,472,499	₱13,124,130	₱41,472,499
Financial assets at FVOCI	449,381,223	681,192,064	449,381,223	681,192,064

Financial assets at FVTPL and financial assets at FVOCI are carried at their fair values based on quoted market prices.

Fair Value Hierarchy

Below table presents the fair value measurement hierarchy of the Group's financial assets carried at fair value and nonfinancial assets whose fair values are disclosed as at December 31:

	2024			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Financial assets at FVTPL	₱13,124,130	₱13,124,130	₱—	₱—
Financial assets at FVOCI:				
Quoted debt securities	107,197,164	107,197,164	—	—
Quoted equity securities	331,190,056	331,190,056	—	—
Unquoted equity securities	10,994,003	—	—	10,994,003
Nonfinancial assets for which fair values are disclosed				
Investment properties	5,304,717,141	—	—	5,304,717,141
	2023			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Financial assets at FVTPL	₱41,472,499	₱41,472,499	₱—	₱—
Financial assets at FVOCI:				
Quoted debt securities	183,861,270	192,113,177	—	—
Quoted equity securities	484,646,327	484,646,327	—	—
Unquoted equity securities	12,684,467	—	—	12,684,467
Nonfinancial assets for which fair values are disclosed				
Investment properties	9,307,852,521	—	—	9,307,852,521

The disclosures on the fair value of investment properties carried at cost are included in Note 11.

In 2024 and 2023, there were no transfers between the fair value measurement hierarchy levels.

29. Capital Management Policies

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.



The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Group monitors capital by having a daily monitoring of receipts and collections, regular release of disbursements to suppliers, monthly cash flow report preparation and monthly review of capital expenditure requirements. The Group at this point, with its healthy cash flow, is not looking for any bank loans to finance its operations and renovations. The Group strives to earn a minimum return double the annual inflation rate.

The following table summarizes the total capital considered by the Group as at December 31:

	2024	2023
Capital stock	₱1,500,000,000	₱1,500,000,000
Retained earnings	806,229,896	1,021,170,623
	₱2,306,229,896	₱2,521,170,623

The Group is not subject to any externally imposed capital requirements.

30. Supplemental Disclosure of Cash Flow Information

- In 2022, LPC has noncash investing activity pertains to interest accretion amounting to ₱408,495 capitalized as part of cost of land.
- Changes in liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities follow:

	2024			
	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱762,695,077	₱363,529,412	(₱994,724,489)	₱131,500,000
Other noncurrent liability	127,735,908	(26,219,677)	(101,516,231)	—
Interest payable	1,830,682	(92,298,101)	90,467,419	—
Dividends payable (see Note 14)	31,445,011	(44,631,810)	345,000,000	331,813,201
Total liabilities	₱923,706,678	₱200,379,824	(₱660,773,301)	₱463,313,201

*Noncash charges pertain to declaration of dividends and accrual of interests on note payable and reclassification of notes payable, other noncurrent liability and interest payable attributable to liabilities of disposal group classified as held for distribution to owners.

	2023			
	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱1,008,800,782	₱245,970,588)	(₱135,117)	₱762,695,077
Other noncurrent liability	146,135,765	(18,381,857)	—	127,735,908
Payable to related party	37,730,000	(37,730,000)	—	—
Interest payable	2,673,152	(87,914,945)	87,072,475	1,830,682
Dividends payable (see Note 14)	26,379,956	(99,934,945)	105,000,000	31,445,011
Total liabilities	₱1,221,719,655	(₱489,932,335)	₱191,937,358	₱923,706,678

*Noncash charges pertain to declaration of dividends and accrual of interests on note payable.



	2022			
	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱580,456,514	₱428,529,412	(₱185,144)	₱1,008,800,782
Other noncurrent liability	164,517,622	(18,381,857)	—	146,135,765
Payable to related party	37,730,000	—	—	37,730,000
Interest payable	3,045,000	(60,082,539)	59,710,691	2,673,152
Dividends payable (see Note 14)	44,832,691	(63,452,735)	45,000,000	26,379,956
Total liabilities	₱666,064,205	₱ 286,612,281	₱71,552,647	₱1,221,719,655

*Noncash charges pertain to declaration of dividends and accrual of interests on note payable.

31. Segment Information

The Group's operating business are organized and managed separately according to industry. The industry segments where the Group operates are as follows:

- Bakery flour - manufacturing of flour and distribution/sales of its produce.
- Mill feed - utilization of its by-products and distribution/sales of its produce; and
- Real estate and investment - leasing of office and commercial units and investment in securities.

The Group has only one geographical segment as its operations are solely based in the Philippines.

The Executive Committee, the Group's chief operating decision maker, monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross margin and net income and is measured consistently with gross margin and net income in the consolidated financial statements.

On a consolidated basis, the Group's performance is evaluated based on revenue, income before tax and net income for the year.

The following tables on business segments present the revenue and profit information for each of the three years in the period ended December 31, 2024 and the segment assets as at December 31:

	2024			
	Bakery Flour	Mill Feed	Real Estate and Investment	Consolidated
Revenue				
Sales – related parties	₱1,088,698,155	₱125,581,747	₱—	₱1,214,279,902
Rental income	—	—	14,543,155	14,543,155
Interest income	—	—	8,329,148	8,329,148
Dividend income	—	—	24,946,621	24,946,621
Total	1,088,698,155	125,581,747	45,453,705	1,259,733,607
Cost of sales/services	895,268,032	86,934,707	4,754,458	986,957,197
Gross profit on sales/income	193,430,123	38,647,040	40,699,247	272,776,410
Selling and administrative expenses	(106,820,329)	(12,416,222)	—	(119,236,551)
Interest expense	—	—	(32,708,533)	(32,708,533)
Other charges – net	3,799,721	438,268	743,214	4,981,203
Provision for income tax	—	—	—	(20,977,505)
Net income	₱91,919,390	₱26,937,738	₱6,128,858	₱104,008,481
Property, plant and equipment	₱331,954,081	₱20,609,463	₱—	₱352,563,544
Investment properties	₱—	₱—	₱704,925,722	₱704,925,722
Depreciation and amortization	₱23,794,106	₱1,477,264	₱10,998,378	₱36,269,748
Additions to property, plant and equipment and investment properties	₱51,918,230	₱3,223,358	₱9,115,579	₱64,257,167



2023				
	Bakery Flour	Mill Feed	Real Estate and Investment	Consolidated
Revenue				
Sales – related parties	₱1,319,690,666	₱181,491,621	₱–	₱1,501,182,287
Rental income	–	–	42,482,691	42,482,691
Interest income	–	–	10,336,657	10,336,657
Dividend income	–	–	13,754,534	13,754,534
Total	1,319,690,666	181,491,621	66,573,882	1,567,756,169
Cost of sales/services	1,256,906,357	172,857,154	9,879,564	1,439,643,075
Gross profit on sales/income	62,784,309	8,634,467	56,694,318	128,113,094
Selling and administrative expenses	(100,610,844)	(13,836,595)	(1,989,699)	(116,437,138)
Interest expense	–	–	–	–
Other charges – net	(5,676,096)	(780,610)	4,294,320	46,643,327
Provision for income tax	–	–	–	731,111
Net income	(₱43,502,631)	(₱5,982,738)	₱58,998,939	₱10,244,681
Property, plant and equipment	₱304,214,278	₱18,887,229	₱486,071	₱324,047,319
Investment properties	₱–	₱–	₱704,925,722	₱704,925,722
Depreciation and amortization	₱23,809,729	₱1,478,234	₱1,891,177	₱27,179,140
Additions to property, plant and equipment and investment properties	₱18,705,414	₱1,161,331	₱16,963,133	₱36,829,878

2022				
	Bakery Flour	Mill Feed	Real Estate and Investment	Consolidated
Revenue				
Sales – related parties	₱1,308,868,276	₱181,397,400	₱–	₱1,490,265,676
Rental income	–	–	34,485,045	34,485,045
Interest income	–	–	11,733,255	11,733,255
Dividend income	–	–	11,910,619	11,910,619
Total	1,308,868,276	181,397,400	58,128,919	1,548,394,595
Cost of sales/services	1,308,228,306	125,513,502	8,663,109	1,442,404,917
Gross profit on sales/income	639,970	55,883,898	49,465,810	105,989,678
Selling and administrative expenses	(107,036,326)	(14,834,275)	(1,117,788)	(122,988,389)
Interest expense	–	–	(32,972,900)	(32,972,900)
Other charges – net	(7,586,245)	(1,051,386)	(10,252,929)	(18,890,560)
Provision for income tax	–	–	–	(829,863)
Net income	(₱113,982,601)	₱39,998,237	₱5,122,193	(₱69,692,034)
Property, plant and equipment	₱309,819,068	₱19,235,204	₱–	₱329,054,272
Investment properties	₱–	₱–	₱720,876,609	₱720,876,609
Depreciation and amortization	₱17,962,024	₱1,115,177	₱2,021,849	₱21,099,050
Additions to property, plant and equipment and investment properties	₱46,811,187	₱2,906,286	₱2,021,848	₱51,739,321



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Liberty Flour Mills, Inc.
7F Liberty Building
835 A. Arnaiz Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Liberty Flour Mills, Inc. and its subsidiaries (the Group), as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

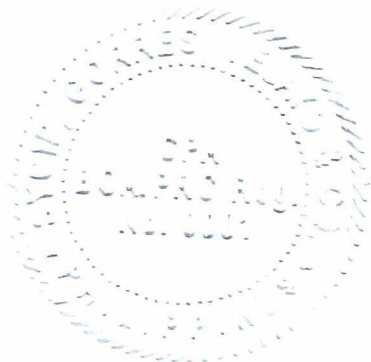
Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Liberty Flour Mills, Inc.
7F Liberty Building
835 A. Arnaiz Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Liberty Flour Mills, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

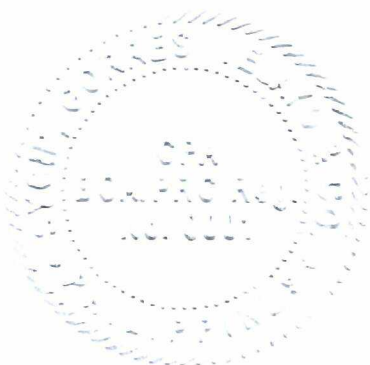
Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

INDEX TO SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2024

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C : Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

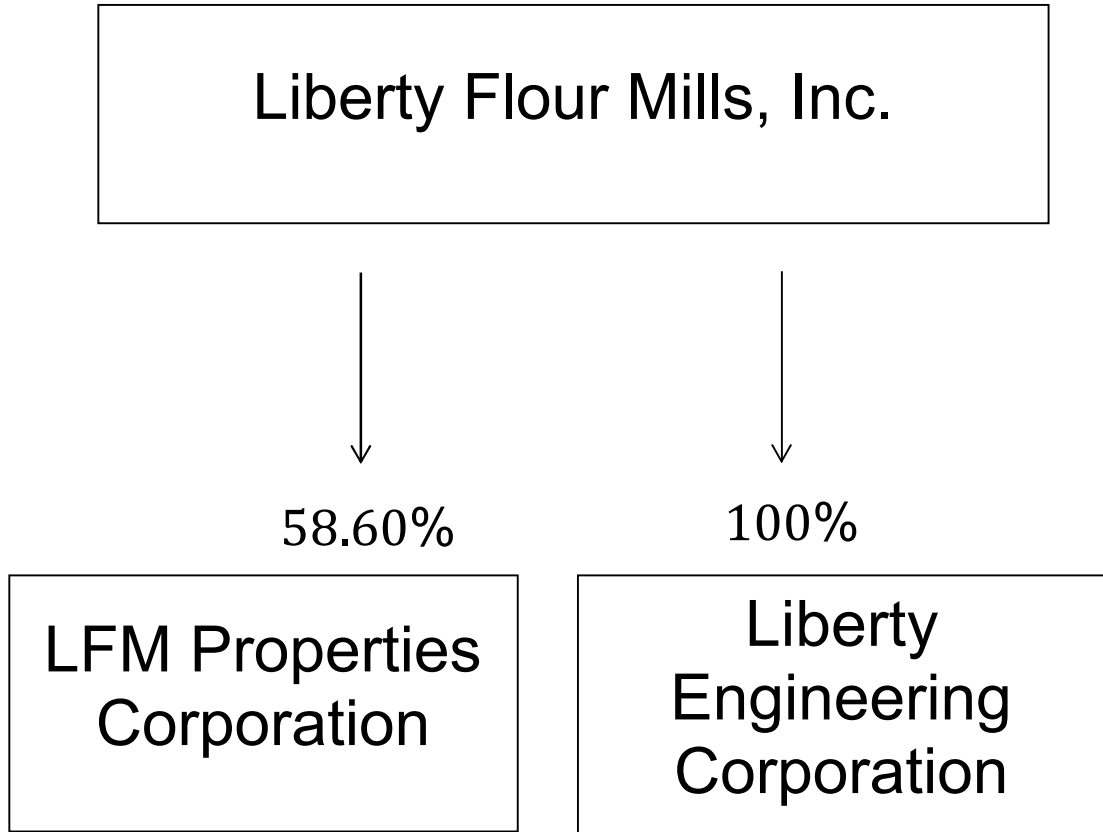
LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX A: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR****DIVIDEND DECLARATION****DECEMBER 31, 2024**

	Amount
Unappropriated retained earnings, beginning	₱1,681,767,138
Add: Category A: Items that are directly credited to unappropriated retained earnings	—
Less: Category B: Items that are directly debited to unappropriated retained earnings	—
Cash dividends declared during the reporting period	345,000,000
Unappropriated retained earnings, as adjusted	<u>1,336,767,138</u>
Add: Net income for the current year	104,008,481
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	—
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)	—
Add. Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting (net of tax):	
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
Sub-total	<u>1,282,527</u>
Adjusted Net Income	<u>105,291,008</u>
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	—
Add: Category E: Adjustments related to relief granted by the SEC and BSP	—
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution:	
Net movement in deferred tax asset not considered in the reconciling items under the previous categories	249,188
Sub-total	<u>249,188</u>
Total retained earnings, end of the reporting period available for dividend	<u>₱1,442,307,334</u>

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

**ANNEX B: MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN
THE GROUP**

DECEMBER 31, 2024



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

ANNEX C: SCHEDULE A. FINANCIAL ASSETS

DECEMBER 31, 2024

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	Value based on Market Quotation at End of Reporting Period	Income and Received and Accrued
N/A		N/A	N/A	₱—	₱—

The aggregate cost or aggregate market value of the Group's FVPL as at December 31, 2024 does not constitute 5% or more of total current assets.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES,
AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2024**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
N/A	P—	P—	P—	P—	P—	P—	P—

The Group does not have receivables from individual directors, officers, employees and principal stockholders aggregating above one million pesos (₱1.0 million) or 1% of total consolidated assets, whichever is less, as at December 31, 2024.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-Current	Balance at End of Period
			Amounts Collected	Amounts Written off			
LFM Properties Corporation	₱851,259,060	–	(₱282,859,060)	–	₱568,400,000	–	₱568,400,000

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE D. LONG - TERM DEBT****DECEMBER 31, 2024**

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption “Current portion of notes payable” in related Statement of Financial Position	Amount shown under Caption “Notes payable – net of current portion” in related Statement of Financial Position
		P—	P—
N/A	P—	P—	P—
	—	—	—
Total	P—	P—	P—

The Group has no long-term debt as at December 31, 2024.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

ANNEX C: SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written off	Current	Non-Current	Balance at End of Period
N/A	P—	P—	P—	P—	P—	P—	P—

The Group does not have noncurrent indebtedness to related parties at December 31, 2024.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE F. GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024**

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	Amounts Owned by Person for which Statement is Filed	Nature of Guarantee
N/A	N/A	P-	P-	N/A

The Group does not have guarantees of securities of other issuing entities as at December 31, 2024.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE G. CAPITAL STOCK****DECEMBER 31, 2024**

Title of Issue	Number of shares Authorized	Number of Shares Outstanding	Number of Shares Reserved	Number of Shares held by Related Parties	Number of Shares held by Directors and Officers	Number of Shares held by Others
Common	200,000,000	150,000,000			13,872,297	136,127,703
	200,000,000	150,000,000			13,872,297	136,127,703

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS (Annex 68-E)****DECEMBER 31, 2024**

		December 31	
	Formula	2024	2023
Current Ratio	Total current assets/Total current liabilities	1.42	1.09
Acid Test Ratio	(Cash and cash equivalents + Receivable) / Total current liabilities	0.61	0.80
Solvency Ratio	(Net income + Depreciation)/Total liabilities	0.01	0.01
Debt-to-Equity Ratio	Total liabilities/Total equity	0.86	0.67
Asset-to-Equity Ratio	Total assets/Total equity	1.86	1.67
Interest Rate Coverage Ratio	Earnings before interest and tax/Interest expense	4.92	1.52
Return on Equity	Net income/Total equity	0.05	0.01
Return on Assets	Net income/Total assets	0.02	0.00
Net Profit Margin	Net income/Revenue	0.09	0.01
Debt Service Coverage Ratio	Income before interest expense, tax, depreciation and amortization/Total debt service (interest expense + principal payments)	1.06	1.54

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION****DECEMBER 31, 2024**

	December 31	
	2024	2023
Audit Services		
Liberty Flour Mills, Inc.	₱900,000	₱850,000
LFM Properties Corporation	750,000	700,000
Liberty Engineering Corporation	97,000	95,000
	1,747,000	1,645,000
Non-audit Services		
Tax services	200,000	—
Total Audit and Non-audit Fees	₱1,947,000	₱1,645,000

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

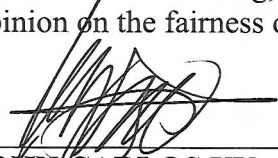
The management of Liberty Flour Mills, Inc. (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 to do so.

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

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

Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



JOHN CARLOS UY
Chairman of the Board



JOHN CARLOS UY
President



JOSE MA. S. LOPEZ
Chief Financial Officer

Signed this 26th day of March 2025

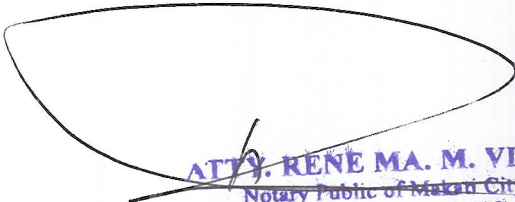
REPUBLIC OF THE PHILIPPINES)
CITY OF Makati City) S.S.

APR 11 2025

SUBSCRIBED AND SWORN TO before me this ____ day of _____, in
Makati City affiants exhibiting to me their competent evidence of identity as
follows:

Name	Identification Document Presented	Issue/Expiry Date
JOHN CARLOS UY JOSE MA. S. LOPEZ	SSS ID No. 03-2402495-3 SC ID No. 2253477	May 2004

Doc. No. 289
Page No. 59
Book No. XII
Series of 2025.


ATTY. 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
IBP Lifetime No. 013595; 12-27-2013; I.C
Roll No. 37226
MCLE Compliance No. VIII-0012754; 08-27-2024
Ground Floor, Makati Terraces Condominium
1620 Devilla St., Tejeron, Makati City

COVER SHEET

SEC Registration Number

1	4	7	8	2					
---	---	---	---	---	--	--	--	--	--

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
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

info@libertygroup.com.ph

Company's Telephone Number/s

(02) 8892-5011

Mobile Number

--

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
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:

2024	High	Low
First Quarter	14.02	14.02
Second Quarter	15.10	15.10
Third Quarter	13.32	13.32
Fourth Quarter	18.00	17.50
2023	High	Low
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:

	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%

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	107,200	(38,427)	(69,693)

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:

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

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

Assets of disposal group classified as held for distribution to owners	P1,291,484,658
-------------------------------------------------------------------------------	-----------------------

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

Liabilities of disposal group classified as held for distribution to owners	P1,193,440,039
------------------------------------------------------------------------------------	-----------------------

Net assets classified as held for distribution to owners	P247,134,8480
-----------------------------------------------------------------	----------------------

Other components of equity of disposal group held for distribution to owners	(P149,090,229)
-------------------------------------------------------------------------------------	-----------------------

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:

Name of Directors	Age	Citizenship	Position
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:

Name	Age	Citizenship	Position
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 Unicomm 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

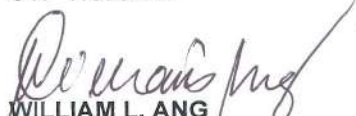
SIGNATURES

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 11th 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

Doc No. 291
Page No. 16
Book No. XVI
Series of 2025.


ATTY. 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

1st Quarter Quarterly Report

COVER SHEET

SEC Registration Number

1	4	7	8	2					
---	---	---	---	---	--	--	--	--	--

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	-	Q
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

info@libertygroup.com.ph

Company's Telephone Number/s

(02) 8892-5011

Mobile Number

--	--	--	--	--	--	--	--	--	--

No. of Stockholders

449

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

-

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: **March 31, 2025**
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, 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

The Parent Company and its subsidiaries are collectively referred to in the consolidated financial statements as “the Group”.

Please refer to the unaudited interim consolidated financial statements of the Liberty Flour Mills, Inc. (the “Company”) and its subsidiaries for the three (3) months ended March 31, 2025 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 Group Statement of Changes in Stockholder’s Equity for the three (3) months ended March 31, 2025 and as compared to same period for the year 2024, and the Company’s basis for the computation of Basic Earnings per share.

The interim consolidated 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 feeds posted a minimal decline of .82% for three-month period ended 31 March 2025 as compared from previous year’s same period. In terms of Sales Value, the Company delivered P267.83 million vs. P294.39 million same quarter of previous year for a decrease in sales revenue of 9.02% mainly due to reduction in selling prices. Fortunately, Cost of Sales had also decreased by 7.25% primarily due to lower US\$ cost of wheat coupled with lower direct operating costs resulted to a GP% of 15.15% versus same period last year of 16.76%. The lease rental income of the Company amounting to P3.77 million for three-month period this year compared to P3.72 million last year delivered an increase of 1.44% as there were increase of renewed contracts.

For the quarter ended 31 March 2025, total gross income amounted to P51.65 million, which is much lower from the previous year’s same period operation which made gross profit amounting to P59.51 million. Significant decrease on gross income was due primarily to lower sales revenue as stated above. 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 three-month period of 2025 amounted P31.40 million, 23.70% lower than the previous year’s same period operating expense of Php41.15 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 three-month period of 2025 amounted to (P8.08 million) due to one off transaction, which is much higher than last year’s same period amounting to net charges (P.58 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 P298.68 million as compared to last year’s same period of P336.57 million which is lower by 11.26%.

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 March 31, 2025, 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.

The Group classifies noncurrent assets and disposal group as held for distribution to owners if their carrying amounts will be recovered principally through distribution to owners. As such, noncurrent assets and disposal groups are measured at the lower of their carrying amounts and fair value less costs to distribute. The Group presents separately the assets and liabilities of disposal group classified as held for distribution to owners in the consolidated statement of financial position.

The total combined assets amounted to PhP4.23 billion as of 31 March 2025 which is lower by 3.74% while total liabilities amounted to P1.96 billion lower by 3.09%, from balances as of 31 December 2024.

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 increase in account is due to additional importation of raw materials for the period.

Prepaid expenses and other current assets – The decrease is due to realized creditable taxes by the Parent Company.

Accounts payable – The decrease is due to payment of Trust Receipts payable during the first quarter of 2025.

Income tax payable – The increase is due to higher recognition of income tax payable by the Parent Company during the first quarter of 2025.

Accrued retirement benefit costs - The increase is because of the additional recognition of retirement costs during the first quarter of 2025.

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 three-month period ended 31 March 2025, there was 9.02% decrease in revenue as compared to previous year's same period performance. There is a significant decrease both in sales volume and selling price of Company's products. However, there was an increase in the Company's rental income by 1.44%.

- 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 three-month ended 31 March 2025, there was a decrease of 7.25% 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 three-month ended 31 March 2025, the Company generated gross profit of 16.12%. There was a minimal decrease in gross profit as compared in the prior year's same period performance. The decrease is directly attributable to the lower sales revenue.

- 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 three-month ended 31 March 2025, there was a sharp decrease in operating expenses by 18.06% over the previous year's same period performance. Operating income was earned this quarter as a result of combined decrease in cost of sales and in operating expenses despite of the decrease in sales.

- 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 properly equate and carefully assess the differences.

Plant capacity is at average of 75% utilization.

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.

MARKET PRICE

The market price of the Company's common shares closed at PhP16.50 on 31 March 2025. For the Company's high and low prices for the first quarter of 2025, please see table below:

Stock	Quarter	High	Low
LFM	1	16.50	16.40

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 trade receivables is concentrated with its three distributors which account for 99% of the total trade receivables as of March 31, 2025. 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, which are classified in the consolidated statements of financial position as financial assets at FVTPL and at FVOCI investments. 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 March 31, follows:

	2025	2024
Cash in bank	\$ 73,345	\$126,694
Foreign Securities – Gazprom	\$298,500	\$298,500
Total US dollar-denominated assets	\$371,845	\$425,194

The exchange rate per \$1.00 to Philippine peso is P57.21 and P56.24 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.

e. Fair Value

The carrying values of cash and cash equivalents, receivables, notes payable, accounts payable and other current liabilities approximate their fair values due to their short-term nature. The carrying value of unquoted equity securities approximate their fair values based on the adjusted net asset method. 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. Financial assets at FVTPL and financial assets at FVOCI are carried at their fair values based on quoted market prices.

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 there unto duly authorized.

LIBERTY FLOUR MILLS, INC.

By:



JOHN CARLOS UY
Chairman of the Board



JOHN CARLOS UY
Chief Executive Officer



JOSE MA. S. LOPEZ
Chief Financial Officer

ANNEX "A"

LIBERTY FLOUR MILLS, INC.

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

UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2025

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2025
(With comparative figures for year ended Dec. 31, 2024 and three months ended March 31, 2024)

<u>Assets</u>		March 31, 2025		December 31, 2024 <u>Audited</u>		March 31, 2024
Current Assets						
Cash and cash equivalents	P	27,800,033		P 77,765,585	P	74,258,103
Receivables		1,137,605,080		1,161,058,402		1,135,906,580
Financial assets at fair value through profit or loss		12,993,871		13,124,130		21,848,075
Inventories:						
Finished goods	P	34,811,923	P	25,614,849	P	33,045,178
Raw materials		160,147,359		133,601,000		249,153,813
Inventories-in Transit		-		-		-
Total Inventories		194,959,282		159,215,849		282,198,991
Prepaid expenses & other current assets		76,389,533		173,723,203		206,714,873
		1,449,747,799		1,584,887,169		1,720,926,622
Assets classified as held for contribution to owners		1,279,005,229		1,291,484,658		-
Total current assets	P	2,728,753,028	P	2,876,371,827	P	1,720,926,622
Financial assets at fair value through OCI		429,247,826		449,381,223		658,063,505
Investment properties		704,592,180		704,925,722		1,505,301,102
Plant, Property & Equipment, net		356,246,078		352,563,544		320,941,230
Deferred Charges & Other Assets		12,620,643		12,620,643		374,346,024
Total Assets	P	4,231,459,755	P	4,395,862,959	P	4,579,578,483
<u>Liabilities & Stockholders' Equity</u>						
Current Liabilities						
Accounts Payable	P	439,173,873	P	699,530,299	P	611,516,324
Notes Payable - current portion		131,500,000		131,500,000		1,062,974,357
Income Tax Payable		6,942,156		-		20,215,604
Other Liabilities		-		-		5,217,145
		577,616,029		831,030,299		1,699,923,430
Liabilities classified as held for contribution to owners		1,381,791,962		1,193,440,039		-
Total Current Liabilities	P	1,959,407,991	P	2,024,470,338	P	1,699,923,430
Notes Payable - noncurrent portion		-		-		136,603,073
Deposit on long-term lease		-		-		51,613,754
Net retirement plan liability		5,501,310		3,101,310		13,597,824
Deferred Income Tax Liability		-		-		1,769,678
Other Non-current Liabilities		-		-		121,474,960
Total Liabilities	P	1,964,909,301	P	2,027,571,648	P	2,024,982,719
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		12,086,832		12,308,248		(162,814,486)
Remeasurement gain (loss) on defined benefit		(5,334,084)		(5,334,084)		(7,640,742)
Other components of equity of disposal group classified as held for Retained earnings		(137,951,269)		(149,090,229)		-
Appropriated	P	-	P	-		-
Unappropriated		705,793,148		806,229,896		1,036,033,305
Total Retained Earnings		705,793,148		806,229,896		1,036,033,305
Total Equity Attributable to Equity Holders of Parent Company		2,074,594,627		2,164,113,831		2,365,578,077
Non-controlling interests		191,955,827		204,177,480		189,017,687
Total Stockholders' Equity	P	2,266,550,454	P	2,368,291,311	P	2,554,595,764
Total Liabilities & Stockholders' Equity	P	4,231,459,755	P	4,395,862,959	P	4,579,578,483

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
For quarter ended March 31, 2025
(With comparative figures for the quarter ended March 31, 2024)

		<u>March 31, 2025</u>		<u>March 31, 2024</u>
Net Sales	P	267,832,003	P	294,392,455
Rental Income		<u>3,773,579</u>		<u>3,720,079</u>
Total Revenue		271,605,582		298,112,534
Cost of Sales		227,268,742		245,043,829
Cost of Services		<u>1,164,572</u>		<u>963,473</u>
Total Cost of sales and services		228,433,314 ①		246,007,302
Gross Profit	P	43,172,268	P	52,105,232
Operating expenses				
General and administrative expenses		19,034,053		24,512,258
Selling and marketing expenses		<u>5,332,391</u>		<u>5,223,691</u>
		24,366,444 ①		29,735,949
Other Income (Charges)				
Interest Income		2,934,297 ②		3,407,564
Dividend Income		5,541,679 ②		3,999,642
Interest expense		(7,036,174) ③		(11,418,342)
Other Income (charges), net		<u>(8,082,136) ②③</u>		<u>(557,369)</u>
		(6,642,334)		(4,568,505)
Income (loss) before Income Tax	P	12,163,490	P	17,800,778
Provision for Income Tax, current		<u>(6,942,156)</u>		<u>(10,885,998)</u>
Provision for Income Tax, Deferred				
Net Income (loss) for the period from Continuing Operations	P	<u>5,221,334</u>	P	<u>6,914,780</u>
Net Income (loss) for the period from Discontinued Operations		<u>(954,482)</u>		<u>11,377,095</u>
Net Income Attributable To:				
Equity holders of the Parent Company		4,141,653		6,666,978
Non-controlling interests		(395,156)		4,710,117
Earnings (loss) per share	P	<u>0.03</u>	P	<u>0.05</u>

Legend:

① Gross Expense

② Non-operating income

③ Non-operating expense

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For quarter ended March 31,2025
(With comparative figures for the quarter ended March 31,2024)

		January 1 to March 31, 2025		January 1 to March 31, 2024
CASHFLOWS FROM OPERATING ACTIVITIES:				
Income (loss) before tax	P	12,163,490	P	17,800,778
Income (loss) before tax from discontinued operations		(870,784)		15,566,915
Adjustment for:				
Depreciation		19,344,730		19,033,774
Fair Value changes of financial assets at FVPL		(3,608,653)		10,128,410
Retirement Benefit Cost		2,400,000		2,400,000
Interest income		(2,937,194)		(3,412,481)
Dividend Income		(5,561,679)		(4,019,642)
Interest expense		25,452,724		23,516,687
Loss (Gain) on the sale of AFS investments		-		-
Loss (Gain) on sale of FVPL investments		-		(7,302,646)
Operating Income before working capital change		46,382,634		73,711,795
Decrease (Increase) in:				
Receivables		221,285,846		16,735,877
Inventories		(35,743,433)		(22,415,917)
Prepayments and other assets		(23,297,617)		(37,644,789)
Increase (Decrease) in:				
Trade Payables and other current liabilities		(595,542,626)		4,845,729
Deposit on long term lease		10,649,589		5,239,884
Unearned Rental Income		4,218,110		(1,257,669)
Cash generated (used) from operations		(372,047,497)		39,214,910
Income tax paid		(609,516)		(2,353,814)
Interest Received		2,937,194		3,412,481
Net cash provided by (used in) operating activ		(369,719,819)		40,273,577
CASHFLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of FVPL		-		16,798,660
Dividends received		5,561,679		4,019,642
Proceeds from redemption of FVOCI		20,000,000		30,000,000
Acquisition of plant, property and equipment		(10,387,968)		(3,177,289)
Acquisition of investment properties		(63,955)		(11,331,643)
Acquisition of Investments-FVPL		-		-
Acquisition of Investments-FVOCI		-		-
Decrease(increase) in other non-current assets		-		(280,253,238)
Net cash used in investing activities		15,109,756		(243,943,868)
CASHFLOW FROM FINANCING ACTIVITIES				
Availment of Loans		38,000,000		(504,126,349)
Loan Payments		(34,117,647)		707,170,814
Interest paid		(25,452,724)		(23,516,687)
Payments of cash dividends		308,030,169		-
Net cash generated from financing activities		286,459,798		179,527,778
NET INCREASE/(DECREASE) IN CASH AND				
CASH EQUIVALENTS		(68,150,265)		(24,142,513)
Add: Cash and cash equivalents:				
January 1		108,897,752		98,400,616
CASH AND CASH EQUIVALENTS, END	P	40,747,487	P	74,258,103

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2025

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 March 31, 2025.

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 2024. 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, *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*

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, 2025

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

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- *Annual Improvements to PFRS Accounting Standards – Volume 11*
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a “De Facto Agent”*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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 March 31, 2025 as compared with the audited financial statements as of December 31, 2024.
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
MARCH 31, 2025

LIBERTY FLOUR MILLS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For three months ended March 31, 2025 and 2024

	2025	2024
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	12,086,832	(161,533,562)
Accumulated Remeasurement on Retirement Benefits	(5,334,084)	(7,640,742)
Discontinued Operations	(242,529,670)	-
RETAINED EARNINGS		
January `1	806,229,896	1,021,170,623
Net income for the period	4,141,653	13,581,758
Cash dividends declared and paid	-	-
	810,371,549	1,034,752,381
Non-Controlling Interest	191,955,827	189,017,687
	2,266,550,454	2,554,595,764

BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE

		2025	2024
NUMERATOR:			
Net income (loss) for the first quarter	P	5,221,334 P	6,914,780
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 March 31, 2025

Type of Accounts Receivable	Total	Current	1 Month	2-3 Months	Over 3 Mos.
a) Trade Receivables					
Flour and Millfeed custome P	1,110,912,909 P	413,687,392 P	103,806,378 P	208,398,831 P	385,020,307
Building Tenants	1,596,543	-	1,596,543	-	-
b) Non-Trade Receivables:					
Others	25,095,628	-	-	-	25,095,628
Total P	1,137,605,080 P	413,687,392 P	105,402,921 P	208,398,831 P	410,115,936

2nd Quarter Quarterly Report

COVER SHEET

SEC Registration Number

1	4	7	8	2						
---	---	---	---	---	--	--	--	--	--	--

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	-	Q
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

info@libertygroup.com.ph

Company's Telephone Number/s

(02) 8892-5011

Mobile Number

--

No. of Stockholders

460

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

-

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, 2025**
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, 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

The Parent Company and its subsidiaries are collectively referred to in the consolidated financial statements as “the Group”.

Please refer to the unaudited interim consolidated financial statements of the Liberty Flour Mills, Inc. (the “Company”) and its subsidiaries for the six (6) months ended June 30, 2025 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 Group Statement of Changes in Stockholder’s Equity for the six (6) months ended June 30, 2025 and as compared to same period for the year 2024, and the Company’s basis for the computation of Basic Earnings per share.

The interim consolidated 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 feeds posted a minimal decline of 0.52% for six-month period ended 30 June 2025 as compared from previous year’s same period. In terms of Sales Value, the Company delivered P527.98 million vs. P595.54 million same quarter of previous year for a decrease in sales revenue of 11.34% mainly due to reduction in selling prices. Fortunately, Cost of Sales had also decreased by 8.99% primarily due to lower US\$ cost of wheat coupled with lower direct operating costs resulted to a GP% of 15.56% versus same period last year of 17.68%. The lease rental income of the Company amounting to P7.60 million for six-month period this year compared to P7.29 million last year delivered an increase of 4.18% as there were increase of renewed contracts.

For the quarter ended 30 June 2025, total gross income amounted to P100.64 million, which is much lower from the previous year’s same period operation which made gross profit amounting to P122.83 million. Significant decrease on gross income was due primarily to lower sales revenue as stated above. 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 2025 amounted P61.56 million, 20.03% lower than the previous year’s same period operating expense of PhP76.97 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 2025 amounted to (P10.91 million) due to one off transaction, which is much higher than last year’s same period amounting to net other income P0.49 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 P213.67 million as compared to last year’s same period of P316.74 million which is lower by 32.54%.

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 June 30, 2025, 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.

The Group classifies noncurrent assets and disposal group as held for distribution to owners if their carrying amounts will be recovered principally through distribution to owners. As such, noncurrent assets and disposal groups are measured at the lower of their carrying amounts and fair value less costs to distribute. The Group presents separately the assets and liabilities of disposal group classified as held for distribution to owners in the consolidated statement of financial position.

The total combined assets amounted to PhP4.09 billion as of 30 June 2025 which is lower by 7.00% while total liabilities amounted to P2.19 billion higher by 7.94%, from balances as of 31 December 2024.

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 increase in account is due to additional importation of raw materials for the period.

Prepaid expenses and other current assets – The decrease is due to realized creditable taxes by the Parent Company.

Accounts payable – The decrease is due to the payment of Trust Receipts payable during the first quarter of 2025.

Income tax payable – The increase is due to higher recognition of income tax payable by the Parent Company during the second quarter of 2025.

Accrued retirement benefit costs - The increase is because of the additional recognition of retirement costs during the second quarter of 2025.

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 months ended 30 June 2025, there was 11.16% decrease in revenue as compared to previous year's same period performance. There is a significant decrease both in sales volume and selling price of Company's products. However, there was an increase in the Company's rental income by 4.18%.

- 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 months ended 30 June 2025, there was a decrease of 8.99% 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 months ended 30 June 2025, the Company generated gross profit of 15.56%. There was a minimal decrease in gross profit as compared in the prior year's same period performance. The decrease is directly attributable to the lower sales revenue.

- 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 months ended 30 June 2025, there was a sharp decrease in operating expenses by 16.28% over the previous year's same period performance. Operating income was earned this quarter as a result of combined decrease in cost of sales and in operating expenses despite of the decrease in sales.

- 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.

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.

MARKET PRICE

The market price of the Company's common shares closed at PhP23.75 on 30 June 2025. For the Company's high and low prices for the second quarter of 2025, please see table below:

Stock	Quarter	High	Low
LFM	1	23.80	23.75

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 trade receivables is concentrated with its three distributors which account for 99% of the total trade receivables as of June 30, 2025. 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, which are classified in the consolidated statements of financial position as financial assets at FVTPL and at FVOCI investments. 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:

	2025	2024
Cash in bank	\$ 29,565	\$115,709
Foreign Securities – Gazprom	\$298,500	\$298,500
Total US dollar-denominated assets	\$328,065	\$414,209

The exchange rate per \$1.00 to Philippine peso is P56.33 and P58.61 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.

e. Fair Value

The carrying values of cash and cash equivalents, receivables, notes payable, accounts payable and other current liabilities approximate their fair values due to their short-term nature. The carrying value of unquoted equity securities approximate their fair values based on the adjusted net asset method. 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. Financial assets at FVTPL and financial assets at FVOCI are carried at their fair values based on quoted market prices.

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 there unto duly authorized.

LIBERTY FLOUR MILLS, INC.

By:

JOHN CARLOS UY

Chairman of the Board

JOHN CARLOS UY

Chief Executive Officer

JOSE MA. S. LOPEZ

Chief Financial Officer

ANNEX “A”

LIBERTY FLOUR MILLS, INC.

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

**UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2025**

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
BALANCE SHEET
AS OF JUNE 30, 2025
(With comparative figures for year ended Dec. 31, 2024 and six months ended June 30, 2024)

<u>Assets</u>		June 30, 2025		December 31, 2024 <u>Audited</u>		June 30, 2024
Current Assets						
Cash and cash equivalents	P	198,218,970		P 77,765,585	P	80,704,193
Receivables		957,895,606		1,161,058,402		1,121,701,796
Financial assets at fair value through profit or loss		13,646,612		13,124,130		21,020,248
Inventories:						
Finished goods	P	47,450,593	P	25,614,849	P	30,172,361
Raw materials		167,562,916		133,601,000		214,534,510
Inventories-in Transit		-		-		-
Total Inventories		215,013,509		159,215,849		244,706,871
Prepaid expenses & other current assets		102,519,350		173,723,203		178,604,289
		1,487,294,047		1,584,887,169		1,646,737,397
Assets classified as held for contribution to owners		1,093,017,210		1,291,484,658		-
Total current assets	P	2,580,311,257	P	2,876,371,827	P	1,646,737,397
Financial assets at fair value through OCI		427,323,952		449,381,223		635,158,804
Investment properties		704,258,638		704,925,722		1,493,693,812
Plant, Property & Equipment, net		363,564,746		352,563,544		315,166,854
Deferred Charges & Other Assets		12,620,643		12,620,643		320,209,105
Total Assets	P	4,088,079,235	P	4,395,862,959	P	4,410,965,972
<u>Liabilities & Stockholders' Equity</u>						
Current Liabilities						
Accounts Payable	P	821,759,599	P	699,530,299	P	590,294,363
Notes Payable - current portion		-		131,500,000		1,002,974,357
Income Tax Payable		6,619,273		-		7,542,531
Other Liabilities		-		-		10,140,986
		828,378,872		831,030,299		1,610,952,237
Liabilities classified as held for contribution to owners		1,352,315,844		1,193,440,039		-
Total Current Liabilities	P	2,180,694,716	P	2,024,470,338	P	1,610,952,237
Notes Payable - noncurrent portion		-		-		102,485,426
Deposit on long-term lease		-		-		54,366,499
Net retirement plan liability		7,901,310		3,101,310		15,997,824
Deferred Income Tax Liability		-		-		1,769,678
Other Non-current Liabilities		-		-		117,033,722
Total Liabilities	P	2,188,596,026	P	2,027,571,648	P	1,902,605,386
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		10,162,957		12,308,248		(160,719,186)
Remeasurement gain (loss) on defined benefit		256,027		(5,334,084)		(7,640,742)
Other components of equity of disposal group classified as held for		(132,055,756)		(149,090,229)		
Retained earnings						
Appropriated	P	-	P	-	-	
Unappropriated		330,554,636		806,229,896		1,026,339,296
Total Retained Earnings		330,554,636		806,229,896		1,026,339,296
Total Equity Attributable to Equity Holders of Parent Company		1,708,917,864		2,164,113,831		2,357,979,368
Non-controlling interests		190,565,344		204,177,480		150,381,218
Total Stockholders' Equity	P	1,899,483,208	P	2,368,291,311	P	2,508,360,586
Total Liabilities & Stockholders' Equity	P	4,088,079,235	P	4,395,862,959	P	4,410,965,972

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
STATEMENT OF INCOME AND EXPENSES
For quarter ended June 30, 2025
(With comparative figures for the quarter ended June 30, 2024)

	April 1 to June 30, 2025	January 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2024
Net Sales	F 260,150,187	P 527,982,190	P 301,142,794	P 595,535,249
Rental Income	3,825,828	7,599,407	3,574,613	7,294,692
Total Revenue	<u>263,976,015</u>	<u>535,581,597</u>	<u>304,717,407</u>	<u>602,829,941</u>
Cost of sales	222,713,896	449,982,638	249,367,635	494,411,464
Cost of services	1,112,879	2,277,451	884,777	1,848,250
Total Cost of sales and services	<u>223,826,775</u>	<u>452,260,089</u> ①	<u>250,252,412</u>	<u>496,259,714</u>
Gross Profit	F 40,149,240	P 83,321,508	P 54,464,995	P 106,570,227
Operating expenses				
General and administrative expenses	18,715,139	37,749,192	23,072,728	47,584,986
Selling and marketing expenses	5,543,997	10,876,388	5,270,127	10,493,818
	<u>24,259,136</u>	<u>48,625,580</u> ①	<u>28,342,855</u>	<u>58,078,804</u>
Other Income (Charges)				
Interest Income	1,657,454	4,591,751 ②	1,347,676	4,755,240
Dividend Income	7,182,237	12,723,916 ②	7,502,033	11,501,675
Interest expense	(5,895,020)	(12,931,194) ③	(7,476,385)	(18,894,727)
Other Income (charges), net	<u>(2,831,770)</u>	<u>(10,913,906)</u> ② ③	<u>1,045,595</u>	<u>488,226</u>
	112,901	(6,529,433)	2,418,919	(2,149,586)
Income (loss) before Income Tax	F 16,003,005	P 28,166,495	P 28,541,059	P 46,341,837
Provision for Income Tax, current	<u>(6,398,561)</u>	<u>(13,340,717)</u>	<u>(2,010,332)</u>	<u>(12,896,330)</u>
Provision for Income Tax, Deferred				
Net Income (loss) for the period from Continuing Operations	F 9,604,444	P 14,825,778	P 26,530,727	P 33,445,507
Net Income (loss) for the period from Discontinued Operations	<u>(2,144,886)</u>	<u>(3,099,368)</u>	<u>8,775,263</u>	<u>20,152,358</u>
Net Income Attributable To:				
Equity holders of the Parent Company	7,931,640.0	12,593,648	27,629,892	45,254,789
Non-controlling interests	(472,082.0)	(867,238)	7,676,098	8,343,076
Earnings (loss) per share	F 0.06	P 0.10	F 0.18	P 0.22

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
For quarter ended June 30, 2025
(With comparative figures for the quarter ended June 30, 2024)

		April 1 to June 30, 2025		January 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2024
CASHFLOWS FROM OPERATING ACTIVITIES:								
Income (loss) before tax	P	16,003,005	P	28,166,495	P	(5,201,198)	P	28,166,495
Income (loss) before tax from discontinued operations		(977,580)		(1,848,364)				
Adjustment for:								
Depreciation		19,537,045		38,881,775		19,206,105		38,239,879
Fair Value changes of financial assets at FVPL		158,062		(3,450,591)		827,827		10,956,237
Retirement Benefit Cost		2,400,000		4,800,000		2,400,000		4,800,000
Interest income		(1,661,724)		(4,598,918)		(1,353,939)		(4,766,420)
Dividend Income		(6,691,328)		(12,253,007)		(7,594,673)		(11,614,315)
Interest expense		25,683,742		51,136,466		25,299,350		48,816,037
Realized loss (gain) of FA at FVOCI		-		-		-		-
Loss on sale of FVPL investments		-		-		-		(7,302,646)
Operating Income before working capital changes		54,451,222		100,833,856		33,583,472		107,295,267
Decrease (Increase) in:								
Receivables		322,750,609		544,036,455		18,797,479		35,533,356
Inventories		(20,054,227)		(55,797,660)		37,492,120		15,076,203
Prepayments and other assets		(14,594,091)		(37,891,708)		28,110,584		(9,534,205)
Increase (Decrease) in:								
Trade Payables and other current liabilities		140,141,903		119,912,128		(1,977,793)		2,867,936
Deposit on long term lease		(16,808,188)		(6,158,599)		(1,688,495)		3,551,389
Unearned Rental Income		3,252,713		7,470,823		4,923,841		3,666,172
Due to related party		-		-		(224,000,000)		(224,000,000)
Cash generated (used) from operations		469,139,941		672,405,295		(104,758,792)		(65,543,882)
Income tax paid		(641,488)		(1,251,004)		(56,487,935)		(58,841,749)
Interest Received		1,661,724		4,598,918		1,353,939		4,766,420
Net cash provided by (used in) operating activities:		470,160,177		675,753,209		(159,892,788)		(119,619,211)
CASHFLOWS FROM INVESTING ACTIVITIES:								
Proceeds from sale of FVPL		-		-		-		16,798,660
Dividends received		6,691,328		12,253,007		7,594,673		11,614,315
Proceeds from redemption of FVOCI		-		20,000,000		25,000,000		55,000,000
Proceeds from disposal of poperty		-		-		-		-
Acquisition of plant, property and equipment		(14,167,516)		(24,555,484)		(860,936)		(4,038,225)
Acquisition of investment properties		(403,594)		(467,549)		(963,500)		(12,295,143)
Acquisition of Investments-FVPL		-		-		-		-
Acquisition of Investments-FVOCI		-		-		-		-
Decrease(increase) in other non-current assets		-		-		274,136,920		(6,116,318)
Net cash used in investing activities		(7,879,782)		7,229,974		304,907,157		60,963,289
CASHFLOW FROM FINANCING ACTIVITIES								
Availment of Loans		226,000,000		264,000,000		1,406,362,118		902,235,769
Loan Payments		(165,617,647)		(199,735,294)		(1,520,316,630)		(813,145,816)
Interest paid		(25,683,742)		(51,136,466)		(25,299,350)		(48,816,037)
Payments of cash dividends		(298,760,036)		(606,790,205)		(45,000,000)		(45,000,000)
Net cash generated from financing activities		(264,061,425)		(593,661,965)		(184,253,862)		(4,726,084)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS								
CASH AND CASH EQUIVALENTS, END	P	198,218,970	P	198,218,970		35,018,610	P	35,018,610
Add: Cash and cash equivalents:								
January 1				108,897,752				98,400,616
April 1		-		-		74,258,103		-

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2025

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, 2025.

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 2024. 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, *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*

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, 2025

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

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- *Annual Improvements to PFRS Accounting Standards – Volume 11*
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a “De Facto Agent”*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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, 2025 as compared with the audited financial statements as of December 31, 2024.
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, 2025**

LIBERTY FLOUR MILLS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For six months ended June 30, 2025 and 2024

	2025	2024
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	10,162,957	(159,438,262)
Accumulated Remeasurement on Retirement Benefits	(5,334,084)	(7,640,742)
Discontinued Operations	(314,734,553)	
RETAINED EARNINGS		
January `1	806,229,896	1,021,170,623
Net income for the period	12,593,648	45,254,789
Cash dividends declared and paid	(300,000,000)	(45,000,000)
	518,823,544	1,021,425,412
Non-Controlling Interest	190,565,344	154,014,178
	1,899,483,208	2,508,360,586

BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE

	2025	2024
NUMERATOR:		
Net income (loss) for the second quarter P	14,825,778 P	53,597,865
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, 2025

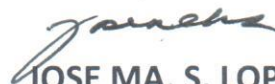
Type of Accounts Receivable		Total		Current		1 Month		2-3 Months		Over 3 Mos.
a) Trade Receivables										
Flour and Millfeed customers	P	933,313,260	P	390,612,605	P	98,327,284	P	290,542,568	P	153,830,804
Building Tenants		1,439,541		1,439,541						
b) Non-Trade Receivables:										
Others		23,142,805		-		-		-		23,142,805
Total	P	957,895,606	P	392,052,146	P	98,327,284	P	290,542,568	P	176,973,609

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 there unto duly authorized.

LIBERTY FLOUR MILLS, INC.

By:


JOHN CARLOS UY
Chairman of the Board
JOHN CARLOS UY
Chief Executive Officer
JOSE MA. S. LOPEZ
Chief Financial Officer