

COVER SHEET

S.E.C. Registration Number

						1	4	7	8	2

Company Name

[illegible]

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

[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

08 27
Month Day
Of Annual Meeting

Secondary License (if Applicable)

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

File Number

LCU

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



August 27, 2026

SECURITIES AND EXCHANGE COMMISSION

The SEC Headquarters
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City 1209

THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City
Taguig City 1634

Re: Definitive Information Statement of Liberty Flour Mills, Inc.

Gentlemen:

In connection with the forthcoming 2026 Annual Stockholders' Meeting of Liberty Flour Mills, Inc. (the "Company"), we respectfully submit herewith the Company's Definitive Information Statement, together with the related supporting documents, for filing with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange, Inc.

The Corporation shall avail of the alternative mode of distributing the materials for, and providing notice of, the Annual Stockholders' Meeting, as provided under the SEC Notice dated March 11, 2026. In accordance therewith, the Corporation intends to cause the required notice to be published on August 31, 2026 and September 1, 2026, both in print and online format. The corresponding Affidavits of Publication shall be submitted to the Honorable Commission upon receipt thereof from the relevant publishers.

For your reference, the following documents are being submitted:

1. Notice of Annual Stockholders' Meeting;
2. Explanation of Agenda Items;
3. Solicited Proxy Form;
4. Unsolicited Proxy Form;
5. Definitive Information Statement, together with its relevant annexes
6. Management Report;
7. Certificates of Independence of the Independent Directors Philip S. Huang and Raul M. Leopando;
8. Annual Report (SEC Form 17-A), together with the attached Sustainability Report;
9. Consolidated Financial Statements, together with the Statement of Management's Responsibility for Financial Statements (SMR);
10. Parent Company Financial Statements, together with the SMR;
11. First Quarter Report (SEC Form 17-Q); and
12. Second Quarter Report (SEC Form 17-Q).

Should you require any additional information or documentation in connection with the foregoing submission, please do not hesitate to contact the undersigned.

Thank you.

Very truly yours,

LIBERTY FLOUR MILLS, INC.

By:

A handwritten signature in blue ink, appearing to read "Michael John A. Tantoco Jr.", is written over the printed name and title.

MICHAEL JOHN A. TANTOCO JR.
Company Information Officer



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 **September 23, 2026 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.

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 2025 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. Open Forum & Other Matters
9. Adjournment

Only stockholders as of August 26, 2026, 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 provided together with the Definitive Information Statement.

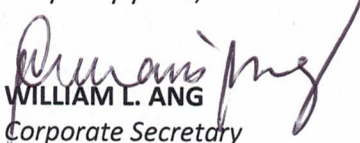
The annual stockholders' meeting will be held through remote communication. Stockholders who intend to participate by remote communication should notify the Company by email on or before **September 16, 2026 at 5:00 p.m.** Such requests may be sent to lfmcorporatesecretary@gmail.com.

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 August 27, 2025

The Corporation will seek stockholder approval of the minutes of the annual stockholders' meeting held on August 27, 2025. The approval of the minutes will constitute confirmation by the stockholders that the matters taken up, proceedings conducted, and resolutions approved during the 2025 annual stockholders' meeting have been accurately recorded.

Copies of the draft minutes have been posted on the website of the Corporation, disclosed through PSE EDGE, provided together with the Definitive Information Statement, and will be made available to stockholders upon request. Stockholders who wish to request 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 and President will present to the stockholders the Annual Report of Management, which will include a summary of the Corporation's business operations, financial performance, significant developments, material transactions, and general commercial standing for the fiscal year ended December 31, 2025.

The report will also include a discussion of the Corporation's audited financial statements for the year ended December 31, 2025, including the Corporation's financial condition, results of operations, and such other matters as may be relevant to the stockholders' assessment of the Corporation's performance during the preceding year. The audited financial statements are attached to the Definitive Information Statement and shall be made available on the Corporation's website at least fifteen (15) days prior to the 2026 annual stockholders' meeting.

The presentation is intended to inform stockholders of the Corporation's operating results, major business initiatives, significant events, and other developments during the prior fiscal year. The Board and Management may also discuss matters affecting the Corporation's business prospects, industry position, strategic direction, and overall performance.

Stockholders will be requested to approve, confirm, and adopt the Annual Report and the audited financial statements of the Corporation for the fiscal year ended December 31, 2025. Such approval will signify the stockholders' acknowledgment of Management's report and the Corporation's audited financial statements for the covered period.

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

Stockholder ratification shall be sought for all acts, resolutions, approvals, and proceedings of the Board of Directors, Board Committees, and corporate officers of the Corporation undertaken in the ordinary course of business or pursuant to the authority granted to them since the last annual stockholders' meeting.



The acts proposed for ratification cover the period from August 27, 2025 until June 24, 2026. These include, among others, approvals relating to corporate governance, appointment of officers and advisers, committee constitution, capital expenditures, asset sales and acquisitions, dividend declarations, legal and regulatory matters, professional engagements, restructuring initiatives, tax matters, stockholder information requests, labor matters, real property transactions, and other corporate actions taken to protect or advance the interests of the Corporation.

The ratification by the stockholders is intended to confirm and approve the acts, resolutions, and proceedings of the Board of Directors, Board Committees, and corporate officers as valid corporate acts of the Corporation. Ratification does not preclude the Corporation from complying with any additional approval, disclosure, regulatory, contractual, or legal requirement that may be applicable to any particular transaction or matter.

The acts proposed for ratification include, among others:

1. Election of the Corporation's officers for the ensuing corporate year, namely: John Carlos Uy as Chairman/President, Jose Ma. S. Lopez as SVP/Treasurer, Kristiene Marionoel M. Jalandoni as Assistant Treasurer, William L. Ang as Corporate Secretary, and Maria Elisa G. Ledesma as Compliance Officer;
2. Constitution of the Audit and Risk Committee, Compensation and Remuneration Committee, and Nominations Committee, and appointment of their respective chairmen and members;
3. Appointment of Mr. Vicente Tang and Atty. Jose A. Feria Jr. as advisers to the Board of Directors;
4. Designation of Mr. Edwin Sulit as authorized representative to process the BIR e-CAR application in connection with the Corporation's property dividend consisting of shares of LFM Properties Corporation;
5. Approval of additional capital expenditures of approximately Forty-Five Million Five Hundred Thousand Pesos (PhP45,500,000.00) for the acquisition of an additional steel flour bin;
6. Approval of the reduction of the selling price for the Maya Farms lots located in Angono and Teresa, Rizal, from PhP2,398.00 per square meter to PhP2,197.00 per square meter, in consideration of Haus Talk, Inc.'s assumption of responsibility for addressing legal issues affecting the property;
7. Approval of the sale and disposition of certain company vehicles previously assigned to Ms. Sandra Judy Uy, Mr. William Carlos Uy, and Ms. Stella Marie Jill Uy to their respective designated users at the price of One Peso (PhP1.00) each;
8. Approval of an initial budget of One Million Pesos (PhP1,000,000.00) to cover SGV's billing charges for attending meetings requested by stockholders;
9. Approval of the revised Non-Disclosure Agreement for Divina Law and Ms. Sandra Judy Uy, and authority to engage legal counsel with a budget of Three Million Pesos (PhP3,000,000.00) to defend the Corporation in connection with potential stockholder demands, derivative actions, or related proceedings;
10. Approval of a budget of Eight Million Pesos (PhP8,000,000.00) for the Board Meeting in Tokyo, Japan, and authority for Management to implement the budget, execute necessary bookings and contracts, and submit a post-event liquidation and variance report;

11. Approval of the payment of consultancy fees through Haus Talk, Inc. in the amount of Thirty-One Million Five Hundred Thousand Pesos (PhP31,500,000.00) in connection with the resolution of claimants' issues affecting the Maya lots;
12. Approval of the payment of Twenty Million Pesos (PhP20,000,000.00) as disturbance compensation in compliance with the order of the Department of Agrarian Reform;
13. Approval of the partial release of Five Million Five Hundred Thousand Pesos (PhP5,500,000.00) to ARQ, represented by Mr. Ed Solilapsi, chargeable against the broker's fee for the sale of the Maya lots to Haus Talk, Inc.;
14. Approval of the settlement of the assessed real property tax deficiency in the amount of Seven Million Six Hundred Fifty-Three Thousand Seven Hundred Nineteen Pesos and 70/100 (PhP7,653,719.70);
15. Approval of the amendment of the Board Resolution dated September 20, 2024 to reflect the amended consideration for the Haus Talk, Inc. transaction from PhP1 Billion, VAT inclusive, to a range of PhP944 Million to PhP916 Million, VAT inclusive;
16. Declaration of a cash dividend of Two Pesos and Eighty Centavos (PhP2.80) per share, for a total of Four Hundred Twenty Million Pesos (PhP420,000,000.00), payable on November 19, 2025 to stockholders of record as of October 28, 2025;
17. Approval of the engagement of Atty. Ernesto B. Francisco to handle a potential defamation case arising from online news articles, with an acceptance fee of Five Hundred Thousand Pesos (PhP500,000.00), hourly rates of PhP5,000.00 for partners and PhP3,000.00 for associates, and a total budget allocation of Five Million Pesos (PhP5,000,000.00);
18. Appointment of Atty. Michael John A. Tantoco to file a court petition for the cancellation of the Philtrust Banking Corporation lease annotation on the transfer certificate of title of Liberty Building, and authorization for Mr. William L. Ang to sign all legal documents required for such matter;
19. Approval and adoption of the rules and procedures for the exercise of stockholder informational rights;
20. Approval for the Corporation to proceed with the inspection request of Ms. Stella Uy, subject to compliance with applicable procedures;
21. Approval of a budget of Two Million Pesos (PhP2,000,000.00) for the engagement of legal representatives to address stockholder information rights requests, particularly in the event that any case is filed;
22. Approval of the engagement of SGV to conduct a tax study on the restructuring of LFM, with professional fees of Eight Hundred Thousand Pesos (PhP800,000.00), exclusive of applicable taxes;
23. Approval of a Two Million Peso (PhP2,000,000.00) budget for Christmas gifts for directors, officers, and Board advisers;
24. Authorization for Magsalin Fernandez & Quirolgico Law Offices to file the Position Paper and appropriate pleadings or motions before the National Labor Relations Commission in the case entitled "Rodrigo Maur Sagat, Jr. vs. Liberty Flour Mills Inc./Powerminds of Asia Inc.," and authorization for John Carlos Uy to sign all documents necessary for such purpose;
25. Approval of the sale of the Corporation's Mitsubishi L300 with Plate Number WHS 993, and designation of John Carlos Uy as the Corporation's authorized representative to execute the Deed of Absolute Sale and other documents necessary to give effect to the sale;
26. Declaration of a cash dividend in the aggregate amount of Ninety Million Pesos (PhP90,000,000.00), at the rate of Sixty Centavos (PhP0.60) per share;

27. Authorization for Management to proceed with the sale of the Corporation's property located in Tago, Tagaytay City, at a price not lower than the appraised value of Nineteen Million Five Hundred Thirteen Thousand Pesos (PhP19,513,000.00), and authorization for John Carlos Uy to execute the necessary sale documentation and related instruments;
28. Approval of the payment of professional fees and charges of Feria Tantoco Daos Law Offices in the amount of Two Million Seven Hundred Ninety-Two Thousand Nine Pesos and 61/100 (PhP2,792,009.61);
29. Approval of the engagement of ARQCapital Partners Inc. as financial adviser in connection with the Corporation's contemplated restructuring;
30. Approval of the engagement of Atty. Ernesto B. Francisco to conduct a fact-finding investigation in connection with the April 28, 2022 incident at the plant site;
31. Approval of the execution of the Retainership Agreement between the Corporation and M.M. Lazaro and Associates Law Offices;
32. Approval of the execution of the Retainership Agreement between the Corporation and Feria Tantoco Daos Law Offices;
33. Election of Ms. Jamie Marie C. Ang as Director of the Corporation to serve the unexpired portion of the term of Mr. Daniel R. Maramba;
34. Approval of the purchase of three properties located in Lemery, Batangas, with an aggregate area of Three Thousand Three Hundred One Square Meters (3,301 sq m), from Ian Andal Pesigan and Princess Lileth D. Pesigan; authorization for John Carlos Uy to negotiate, sign, and execute the documents necessary for the purchase; and appointment of Michael D. Manere as authorized representative to process the transfer of the properties to the Corporation;
35. Authorization for William L. Ang, for and on behalf of the Corporation, to cause the preparation and filing of a Criminal Complaint for Libel under the Cybercrime Prevention Act of 2012 and the Revised Penal Code against all persons responsible for and/or involved in the publication of certain allegedly defamatory news articles, and appointment of Atty. Ernesto B. Francisco Jr. or the Ernesto B. Francisco Jr. Law Office as the Corporation's legal counsel for the case;
36. Approval of the opening of a securities brokerage account with China Bank Securities Corporation, and designation of authorized signatories and representatives of the Corporation for the account;
37. Authorization for the sale and disposition of the Corporation's properties located in Lemery, Batangas, and designation of John Carlos Uy, William L. Ang, Jose Ma. S. Lopez, Kristiene Marionel M. Jalandoni, and Jose S. Jalandoni as individually authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
38. Authorization for the sale and disposition of the Corporation's property located in Silang, Tagaytay, covered by TCT No. T-45277, and designation of authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
39. Authorization for the sale and disposition of the Corporation's unit in PSE Tower, Fort Bonifacio, Taguig City, covered by Condominium Certificate of Title No. 164-2019015741, and designation of authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
40. Authorization for the sale and disposition of the Corporation's property located in Arca South, Taguig City, covered by TCT No. 164-2019000282, and designation of authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
41. Authorization for the sale and disposition of the Corporation's properties located in P. Cruz, Mandaluyong, covered by TCT Nos. 2961, 2962, 2963, and 2964, and designation of

- authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
42. Designation of William L. Ang and John Carlos Uy as authorized representatives to sign the Non-Disclosure Agreement with Wilmar;
 43. Ratification of the engagement of Atty. Ernesto B. Francisco in connection with SEC CMRD Case No. 26-3476 filed by Ms. Stella Marie Jill Uy concerning the inspection of corporate records;
 44. Approval and authorization of the sale of the Corporation's flour mill business, subject to such further approvals as may be required by the Board and applicable law; appointment of ARQ Capital as broker in connection with the sale, with a commission equivalent to two percent (2%) of the transaction value, subject to the restrictions approved by the Board; and authorization for Management to engage in discussions, negotiations, and related acts necessary or appropriate to implement the foregoing authority; and
 45. Approval of the Corporation's 2025 Audited Financial Statements, and authorization for the disclosure of such approval to the Philippine Stock Exchange, Inc. and the Securities and Exchange Commission.

Stockholders will be requested to approve, confirm, ratify, and adopt all acts, resolutions, approvals, and proceedings of the Board of Directors, Board Committees, and corporate officers for the period from the 2025 annual stockholders' meeting until the 2026 annual stockholders' meeting.

IV. Election of Directors

The election of directors will be conducted in accordance with the Corporation's By-Laws, Manual on Corporate Governance, Nominations and Proxy Validation Procedure, and applicable rules and regulations of the Securities and Exchange Commission, the Philippine Stock Exchange, Inc., and other relevant regulatory authorities.

The stockholders will vote for the members of the Board of Directors for the ensuing corporate year. Voting shall be conducted in accordance with the Corporation's voting procedures, including the rules on cumulative voting, if applicable. Each stockholder shall be entitled to vote in proportion to the number of shares held and recorded in his, her, or its name as of the record date fixed for the meeting.

After the votes are counted and validated, the eleven (11) nominees receiving the highest number of votes shall be declared elected as members of the Board of Directors. The elected directors shall serve beginning July 29, 2026 and shall hold for a term of one year, and until their successors are duly elected and qualified.

V. Appointment of the External Auditor

The Audit Committee will recommend to the stockholders the appointment or reappointment of SGV & Co. as the external auditor of the Corporation for the 2026 fiscal year.

The external auditor is responsible for conducting an independent audit of the Corporation's financial statements in accordance with applicable auditing standards and for expressing an opinion on whether the financial statements fairly present, in all material respects, the financial position and financial performance of the Corporation. The appointment of an independent external auditor is



intended to promote transparency, reliability of financial reporting, and compliance with applicable legal and regulatory requirements.

Stockholders will be requested to approve the appointment or reappointment of SGV & Co. as the external auditor of the Corporation for the 2026 fiscal year and to authorize the Board of Directors and/or Management to fix and approve the external auditor's remuneration and terms of engagement, subject to applicable law and regulations.

VI. Open Forum

After the items in the agenda have been taken up, the Corporation will hold an open forum during which stockholders may raise questions, comments, or concerns relating to the Corporation's operations, financial performance, governance, business prospects, agenda items, or other matters relevant to their interests as stockholders.

The Board of Directors and Management will be available to respond to questions from stockholders, subject to applicable laws, regulations, disclosure rules, confidentiality obligations, and the need to protect the Corporation's legitimate business interests. Questions may be submitted in the manner and within the period provided in the Definitive Information Statement or as otherwise announced by the Corporation.

The open forum is intended to provide stockholders with an opportunity to engage with the Board and Management and to obtain clarifications on matters concerning the Corporation.

VII. Other Matters

The Chairman will open the floor for such other matters as may properly be brought before the meeting. Stockholders may raise matters, business, or concerns for the consideration of the Board, Management, and the stockholders present, subject to the agenda, the rules of order, the Corporation's By-Laws, applicable law, and relevant regulatory requirements.

Only matters that are proper for consideration at the meeting and within the competence of the stockholders may be acted upon. Matters requiring prior notice, additional disclosure, regulatory approval, or further Board action may be referred to the Board of Directors or Management for appropriate evaluation and action.

After all matters in the agenda have been taken up and there is no further business to consider, the Chairman shall entertain a 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 2026 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 September 23, 2026 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 2025 Annual Stockholders' Meeting			
Ratification of all Acts and Proceedings of the Board of Directors and Corporate Officers			
Appointment of External Auditor			

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	
John Carlos Uy	William L. Ang
Eldrige Marvin B. Acheron	Raul M. Leopando
Jose Ma. S. Lopez	Valerie Ann C. Ang
Jose S. Jalandoni	Lourdes Elisa J. Chan
Barnaby Barrett T. Ang	Danica Gail C. Ang
Jamie Marie C. Ang	Philip S. Huang
Willy G. Ng	-

**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 _____, 2026 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 September 23, 2026 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 _____, 2026 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:

23 September 2026

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 27, 2026

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 2026 Annual Stockholders' Meeting

**Via Videoconferencing and at Liberty Building, 835 A.
Arnaiz Avenue, Makati City
September 23, 2026
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	September 23, 2026
Time of Meeting	4:00 o'clock in the Afternoon
Place of Meeting	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 2025 Annual Report sometime on August 27, 2026.

The Corporation shall use the alternative mode of distributing and providing notice of the Meeting as provided for in Securities and Exchange Commission Notice dated March 11, 2026.

Compliance with Section 49 of the Revised Corporation Code and SEC Memorandum Circular No. 3, Series of 2020

In compliance with Section 49 of the Revised Corporation Code and SEC MC No. 3-2020, the meeting materials of the Annual Stockholders' Meeting will be distributed to stockholders on August 27, 2026, which is at least 21 days before the Annual Stockholders Meeting.

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**

Apart from the re-election of incumbent directors, 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.

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 August 24, 2026, 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 August 26, 2026 ("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 Corporation further to the Nominations Procedure and Proxy Validation Procedure passed by the Corporation on May 20, 2026, and as amended and modified on July 3, 2026 by the Board, and disclosed on the Philippine Stock Exchange, Inc.

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 September 16, 2026. As such the proxy submission period shall be from September 2 to 16, 2026.

Proxy Validation. All proxies intended for use at the 2026 Annual Stockholders' Meeting must be validated and confirmed by the Corporation prior to the meeting date. Accordingly, there shall be a proxy validation period commencing on September 17, 2026 till before the meeting.

Voting Trust Holders of 5% or more

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

Manner of Voting

For purposes of the election of directors at the Annual Stockholders' Meeting, each stockholder shall be entitled to cumulative voting in accordance with Section 23 of the Revised Corporation Code.

Accordingly, each stockholder may vote such number of shares standing in his, her, or its name in the books of the Corporation as of the Record Date, multiplied by the total number of directors to be elected. A stockholder may cast all such votes in favor of one nominee or distribute the votes among two or more nominees, as he, she, or it may see fit; provided, that the total number of votes cast shall not exceed the number of shares owned by such stockholder as of the Record Date multiplied by the total number of directors to be elected.

For the election of directors, the total number of votes that may be cast by a stockholder shall be computed as follows:

Number of shares held as of the Record Date × 11 directors

For all other matters submitted for approval at the Annual Stockholders' Meeting, each outstanding share of stock shall be entitled to one vote.

Changes in Control

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

Item 5. Directors and Executive Officers

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

The Current Directors of the Corporation are as follows:

Name of Directors	Age [^]	Citizenship	Position
John Carlos Uy	75	Filipino	Chairman
William L. Ang	75	Filipino	Director
Jose Ma. S. Lopez	82	Filipino	Director
Lourdes Elisa J. Chan	66	Filipino	Director
Jose S. Jalandoni	71	Filipino	Director
Willy G. Ng	73	Filipino	Director

Eldrige Marvin B. Acheron	55	Filipino	Director
Valerie Ann C. Ang	45	Filipino	Director
Jamie Marie C. Ang	44	Filipino	Director
Raul M. Leopando.*	75	Filipino	Director
Philip S. Huang*	71	Filipino	Director

* Independent Director

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. John Carlos Uy;
2. William L. Ang;
3. Jose Ma. S. Lopez;
4. Jose S. Jalandoni;
5. Lourdes Elisa J. Chan;
6. Jamie Marie C. Ang;
7. Philip S. Huang;
8. Willy G. Ng;
9. Eldrige Marvin B. Acheron;
10. Raul M. Leopando;
11. Valerie Ann C. Ang;
12. Barnaby Barrett T. Ang; and
13. Danica Gail C. Ang.

*Independent Directors

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

Name	Age	Citizenship	Position
John Carlos Uy	75	Filipino	Chairman & President
William L. Ang	75	Filipino	Corporate Secretary
Jose Ma. Lopez	82	Filipino	Senior Vice President & Treasurer

Attendance of the Directors at the Meetings of the Board of Directors held in 2025 to 2026:

In General

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
John Carlos Uy	17	17
William L. Ang	17	17
Jose Ma. S. Lopez	17	16
Lourdes Elisa J. Chan	17	17
Jose S. Jalandoni	17	17
Willy G. Ng	17	16
Eldrige Marvin B. Acheron	17	15
Valerie Ann C. Ang	17	16
Jamie Marie C. Ang^	10	10
Daniel R. Maramba^	7	6
Raul M. Leopando.*	17	16
Philip S. Huang*	17	17

* Independent Directors

^ Daniel R. Maramba resigned as a Director effective January 28, 2026; Jamie Maire C. Ang was elected as his replacement on the at a meeting of the Board of Directors held on the same date.

Attendance Per Meeting for the 2026 Corporate Year

	8/27	9/8	9/24	10/8	10/29	11/25	12/17	1/28	2/25	3/26	4/26	5/20	6/24	7/3	7/29	8/7	8/26
JCU	O	O	O	O	O	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	O	O	O	O	O
JMSL	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	X	O
JSJ	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
DRM*	O	X	O	O	O	O	O	-	-	-	-	-	-	-	-	-	-
LJC	O	O	O	O	O	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	O	O	O	O	O
EBA	O	O	O	X	O	O	O	X	O	O	O	O	O	O	O	O	O
JCA*	-	-	-	-	-	-	-	-	O	O	O	O	O	O	O	O	O
VCA	X	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
WGN	O	X	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
RML	X	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O

* Daniel R. Maramba resigned as a Director effective January 28, 2026; Jamie Maire C. Ang was elected as his replacement on the at a meeting of the Board of Directors held on the same date.

* Glossary:

- O = Present
- X = Absent
- JCU = John Carlos Uy
- JSJ = Jose S. Jalandoni
- JMSL = Jose Ma. S. Lopez
- WLA = William L. Ang
- DRM = Daniel R. Maramba
- LJC = Lourdes J. Chan
- PSH = Philip S. Huang
- EBA = Eldrige Marvin B. Acheron
- JCA = Jamie Marie C. Ang
- VCA = Valerie Ann C. Ang
- RML = Raul M. Leopando
- WGN = Willy G. N

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
Raul M. Leopando	2	2
Jose S. Jalandoni	2	2
Eldrige Marvin B. Acheron	2	2

Nominations Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Philip S. Huang	1	1
William L. Ang	1	1
Raul M. Leopando	1	1

Compensation and Remuneration Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
John Carlos Uy	0	0
Philip S. Huang	0	0
Jose S. Jalandoni	0	0

Attendance in Stockholders' Meetings

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
John Carlos Uy	1	1
William L. Ang	1	1
Jose Ma. S. Lopez	1	1
Lourdes Elisa J. Chan	1	1
Jose S. Jalandoni	1	1
Willy G. Ng	1	1
Eldrige Marvin B. Acheron	0	0
Valerie Ann C. Ang	1	0
Jamie Marie C. Ang	0	0
Daniel R. Maramba	1	1
Raul M. Leopando	0	0
Philip S. Huang	1	1

*for 2025, the Corporation 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 Corporation's current Directors, Senior Management, and non-incumbent nominees, and involvement in other businesses for the past five (5) years:

John Carlos Uy. 75 years old. He serves as the Chairman of the Board of Directors and President of the Corporation. He also serves as a director and the general manager of Parity Values, Inc., one of the stockholders of the Corporation.

William L. Ang, 75 years old. He is a director and Corporate Secretary of the Corporation. 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.

Jose Ma. S. Lopez. 82 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. 71 years old. He is a director of the Company and Audit Committee Member. He serves as the President of LFM Properties Corporation (LPC). He is a currently the Chairman of Valueline Realty Development Corp and Unicom Ingredients Phils Inc., Chairperson of Kanlaon Farms, Inc., Vice Chairman of Enterprise Car Lease Phils Inc, President of Beechwood Corp and Percom OPC., He also serves as Corporate Secretary of Kanlaon Development Corporation, Piliwood Bacolod Corp, Jayjay Realty



Corporation JM & Company, Inc., Assistant Treasurer of JM Profreeze, Assistant Corporate Secretary of JM Brenton, and Director and Officer in Charge in Agchem Manufacturing Corporation.

Lourdes Elisa J. Chan, 66 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.

Philip S. Huang, 71 years old. He serves as the Company's Independent Director. He serves as the President for Upson Resources Corporation.

Willy G. Ng, 73 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.

Eldrige Marvin B. Acheron, 55 years old. He is a partner in Acheron & 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.

Raul M. Leopando, 75 years old. 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.

Valerie Ann C. Ang, 45 years old. 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.

Jamie Marie C. Ang, 44 years old. She currently serves as President of DNG Food Supply Corporation starting October 2024. She is also a Director of Batra Capital Inc., a position she has held since March 2019. Ms. Ang was previously an Associated Person at RCBC Securities, Inc., and has work experience with American Express Bank Phils., Inc., Sony Life Insurance (Phils.) Corp., and The Mandarin Oriental. She holds a Bachelor of Science degree in Hotel, Restaurant and Institution Management from De La Salle-College of St. Benilde, and has completed the SEC Associated Person Certification Examination.

**Barnaby Barrett T. Ang*. He currently serves as a Director in LFM Properties Corporation, 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.

**Danica Gail C. Ang.* She most recently served as Group Merchandising Manager for Fresh, Frozen, Rice and Eggs at Sarisuki Stores Inc. from November 2023 to August 2024. Prior thereto, she served as Category Manager of SukigrocerMNL, under Sarisuki Stores Inc., from August 2022 to October 2023, where she handled the Lazada, Shopee and TikTok Shop platforms, and as Category Manager of Sarisuki Stores Inc. from April 2021 to August 2022. She earned her Bachelor of Science in Commerce, major in Business Management, from De La Salle University Manila in 2007. She also completed a Short-term Intensive Chinese Language Course at Beijing Language and Culture University in China in 2007 and a Social Media Marketing Specialist program covering Digital Marketing Planning, Online Community Management and Social Media Marketing at the International Institute of Digital Marketing, E-learning Edge, in 2013. She is fluent in English and Tagalog and has basic conversational proficiency in Mandarin and Hokkien.

Barnaby Barrett T. Ang and Danica Gail C. Ang are nominees for directorship in the 2026 Annual Stockholders' Meeting.

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.

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 August 24, 2026 Raul M. Leopando Philip S. Huang 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 2025

Audit and Risk Committee	Philip S. Huang	Chairman
	Raul M. Leopando	Member
	Jose S. Jalandoni	Member
	Eldrige Marvin B. Acheron	Member
Compensation and Remuneration Committee	John Carlos Uy	Chairman
	Philip S. Huang	Member
	Jose S. Jalandoni	Member
Nominations Committee	Philip S. Huang	Chairman
	William L. Ang	Member

	Raul M. Leopando	Member

Family Relationships

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

William L. Ang, Valerie Ann C. Ang, Jamie Marie C. Ang, and *Danica Gail C. Ang** have a father–daughter relationship.

**Danica Gail C. Ang is a nominee for directorship in the 2026 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 August 24, 2026, 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	49,654,408	33.10%

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	0.00%
Common	William L. Ang	373	Sole Voting	Filipino	Negligible
Common	Lourdes J. Chan	1	Sole Voting	Filipino	Negligible
Common	Raul M. Leopando*	100	Sole Voting	Filipino	Negligible

Common	Philip S. Huang*	10	Sole Voting	Filipino	Negligible
Common	John Carlos Uy	374	Sole Voting	Filipino	Negligible
Common	Jamie Marie C. Ang^	100	Sole Voting	Filipino	Negligible
Common	Valerie Ann C. Ang	100	Sole Voting	Filipino	Negligible
Common	Eldrige Marvin B. Aceron	1	Sole Voting	Filipino	Negligible
Common	Willy G. Ng	100	Sole Voting	Filipino	Negligible

*Independent Director

^ Daniel R. Maramba resigned as a Director effective January 28, 2026; Jamie Marie C. Ang was elected as his replacement on the at a meeting of the Board of Directors held on the same date.

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	877,407	Sole Voting	0.58%

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

Certain directors of the Company are also directors and/or stockholders of certain companies that distribute the Company's flour and feed products. These related-party transactions are undertaken in the ordinary course of business and are conducted on an arm's-length basis.

The directors and their corresponding related 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

The business relationship between the Company and the above-mentioned related parties consists of the distribution of the Company's flour and feed products. Transaction prices are determined based on product cost plus an appropriate mark-up, subject to prevailing market conditions and competitive pricing considerations.

All related-party transactions are evaluated to ensure fairness, transparency, and consistency with the Company's policies on related-party transactions. These transactions are accounted for at arm's-length prices and on terms that are substantially comparable to those offered to non-related parties in economically comparable markets.

Involvement in Certain Legal Proceedings

None of the directors or officers of the Company has been declared bankrupt, nor has any petition for bankruptcy, insolvency, receivership, or similar proceeding been filed by or against any of them, or against any business of which any of them was a general partner, executive officer, director, or person occupying a similar position.

None of the directors or officers has been convicted by final judgment of any criminal offense, whether domestic or foreign, and there are no pending or threatened criminal proceedings, material litigation, or legal proceedings involving any of them, their respective properties, or the Company, which would be material to an evaluation of the ability or integrity of any director or officer of the Company, as contemplated under Part II, Paragraph (c) of SRC Rule 12.

None of the directors or officers of the Company has been the subject of any order, judgment, decree, sanction, suspension, disqualification, or other proceeding that temporarily or permanently bars, suspends, or otherwise limits his or her involvement in any type of business, securities, commodities, banking, insurance, or other regulated activity.

The Company is not presently involved in any material legal proceeding affecting 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 ₱13.73 Million in 2024 and ₱13.24 Million in 2025. The projected total annual compensation for the current year is ₱13.65 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 2026

Name	Position	Year	Total Compensation	Compensation	Bonus & Others
John Carlos Uy	President & Chairman	2026	₱13.65 million	₱11.05 million	₱2.60 million
Jose Ma. S. Lopez	SVP-Treasurer				
Maria Luisa L. Quizon	AVP – Finance and Admin				
Donato S. Napo	AVP – Manufacturing				

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

Actual Compensation for 2025

Name	Position	Year	Total Compensation	Compensation	Bonus & Others
John Carlos Uy	President & Chairman	2025	₱13.24 million	₱10.72 million	₱2.52 million
Jose Ma. S. Lopez	SVP-Treasurer				
Maria Luisa L. Quizon	AVP – Finance and Admin				
Donato S. Napo	AVP – Manufacturing				

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				

* 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	2026*	P11.05 mil	P2.60 mil		P13.65 mil
	2025	P10.72 mil	P2.52 mil		P13.24 mil
	2024	P9.18 mil	P4.55 mil		P13.73 mil
	2026*	-	-	₱985,000.00	₱985,000.00

All other directors as a group	2025	-	-	₱825,000.00	₱825,000.00
	2024	-	-	₱580,000.00	₱580,000.00

* The 2026 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 2025 the Directors of the Corporation received the following per diems and bonuses

NAME	Per Diem		Bonus	Total
	Board Meetings	Committee Meetings		
John Carlos Uy		N/A		
William L. Ang				
Jose Ma. S. Lopez				
Lourdes Elisa J. Chan				
Jose S. Jalandoni				
Willy G. Ng				
Eldrige Marvin B. Acheron				
Valerie Ann C. Ang				
Jamie Marie C. Ang^				
Raul M. Leopando.*				
Philip S. Huang*				
Daniel R. Maramba^				
Total	₱985,000.00	₱-	₱-	₱985,000.00

* Independent Directors.

^ Daniel R. Maramba resigned as a Director effective January 28, 2026; Jamie Maire C. Ang was elected as his replacement on the at a meeting of the Board of Directors held on the same date.

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

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 rendered by SGV for the fiscal year ended December 31, 2025 included the examination of the Company’s financial statements, assistance in the preparation of the Company’s final income tax returns, and other services related to the filing of reports with the Securities and Exchange Commission.



Other than services relating to the preparation and filing of the Company's income tax returns, the Company has not engaged SGV to provide other tax advisory or tax-related services.

There have been no changes in the Company's independent external auditor, and there have been no disagreements with SGV on any matter relating to accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

In compliance with the Code of Corporate Governance and SEC Memorandum Circular No. 8, Series of 2003, the Corporation has appointed SGV as its external auditor. The appointment of the external auditor is subject to review and recommendation by the Audit Committee and approval by the Board of Directors and stockholders, as may be required under applicable law, regulations, and the Company's governance policies.

At the start of the calendar year, the Audit Committee discusses, evaluates, and reviews the nature and scope of the audit, including the appointment or reappointment of the external auditor, the proposed audit fees, and any matter relating to the resignation, replacement, or dismissal of the external auditor.

The Audit Committee also reviews the Company's quarterly, semi-annual, and annual financial statements before their submission to the Board of Directors, with particular focus on changes in accounting policies and practices, significant accounting judgments and estimates, major judgmental areas, material adjustments resulting from the audit, the going concern assumption, compliance with applicable accounting standards, and compliance with tax, legal, regulatory, and stock exchange requirements.

Representatives of SGV are expected to be present at the 2026 Annual Stockholders' Meeting. They will be given the opportunity to make a statement, if they so desire, and are expected to be available to respond to appropriate questions from stockholders.

Item 8. Compensation Plans

In the 2025 Annual Stockholders' Meeting the stockholders approved 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

The Annual Report and the audited financial statements of the Corporation are provided together with this Information Statement. Stockholders may refer to these documents for the Corporation's financial statements, results of operations, financial condition, and other relevant corporate information.

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**

(a) General Character and Location of the Property

Liberty Flour Mills, Inc. (the “Company” or “LFM”) entered into a transaction involving the disposition to Haus Talk, Inc. (“HTI”) of eight (8) contiguous parcels of land comprising an aggregate area of approximately 372,201 square meters and situated in Angono and Teresa, Province of Rizal (collectively, the “Maya Farms Property”).

(b) Nature and Amount of Consideration

On September 20, 2024, LFM and HTI executed a Memorandum of Agreement (the “MOA”) covering the proposed sale of the eight (8) parcels comprising the Maya Farms Property.

Under the MOA, the total purchase price for the Maya Farms Property was indicatively set to be One Billion Pesos (₱1,000,000,000.00). HTI was also required to pay earnest money in the amount of Ten Million Pesos (₱10,000,000.00) upon execution thereof, with the balance of the purchase price to be paid through installment payments, and subject to conditions precedent. Each installment payment corresponds to the sale and transfer of specified parcels comprising the Maya Farms Property, with the relevant closing to occur upon satisfaction of the applicable conditions precedent.

(c) Identity of Transferee and Relationship with the Company

The transferee is Haus Talk, Inc., with principal office at Unit 701, Orient Square Building, F. Ortigas Jr. Road, Ortigas Center, Pasig City 1605. HTI is a corporation whose common shares are listed and traded on the Philippine Stock Exchange and is engaged principally in real estate development.

HTI has no material relationship with LFM, its directors or officers, or any affiliate of LFM, other than the contractual relationship arising from the MOA and the transactions contemplated thereunder. The disposition was accordingly negotiated between the parties as an arm’s-length commercial transaction.

Item 14. **Restatement of Accounts**

There were no restatement of accounts in 2025.

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 2025 Annual Stockholders Meeting; and
2. The Financial Statements for the fiscal year ended December 31, 2025.

The Minutes of the last Annual Stockholders' Meeting and resolutions of the Board of Directors will be made available to stockholders upon request. Furthermore, a copy of the draft minutes of the 2025 Annual Stockholders' Meeting is attached as **ANNEX “A”**.

Summary of 2025 Annual Stockholders' Meeting



Quorum for the 2025 Annual Stockholders' Meeting

At the 2025 Annual Stockholders' Meeting of the Corporation, there were the stockholders present through person or proxy represented 91,263,913 shares which corresponds to 60.84% of the issued and outstanding capital stock entitled to vote.

Voting and Vote Tabulation Procedures used in the Meeting

In the 2025 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 2025 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 2024 Annual Stockholders' 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 May 29, 2024 were made available to the shareholders.

The Chairman asked the shareholders if there were any questions or comments regarding the minutes of the 2024 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 2024 Annual Stockholders' Meeting. The tabulation of voting is as follows:

Approve	90,653,286
Disapprove	100
Abstain	200

Annual Report of the Chairman

The Chairman then delivered the Annual Report. The Annual Report for the year 2024, including the highlights of the Corporation's performance for the past year and the Corporation's Audited Financial Statements for the year ending 2024, were discussed and noted.

After the presentation, the Chairman asked the shareholders if anyone had any questions or concerns regarding the Annual Report.

Mr. Keir Gaspan, acting as proxy for stockholder Stella Marie Jill Uy, asked about the status of the remaining PhP200,000,000.00 balance from the sale of the Pasay property, whether the amount had been collected in 2024, and how the collection was reflected in the Company's cash flow statement. Mr. William L. Ang and Ms. Marie L. Quizon responded that the balance remained outstanding as of the date of the meeting but was expected to be collected within the current fiscal year. Ms. Quizon further clarified that the amount was recorded under accounts receivable, that prior collections were treated as operating cash flow, and that such collections were used to support the declaration of cash dividends.

Atty. Eldrige Marvin B. Acheron asked the Corporation's external auditors regarding the PhP1.1 Billion receivable from Parity Values, including whether the auditors foresaw significant risk in the receivable and how such risk was mitigated. Ms. Loubelle Mendoza, representing SGV, explained that the audit team reviewed the amounts due from Parity Values as a related party and assessed management's Expected Credit Loss computation, including assumptions based on historical collection experience and macroeconomic indicators. SGV found the assumptions used by management to be reasonable.

Atty. Acheron further asked why the receivable from Parity Values did not bear interest and had no fixed maturity or demand date. Mr. Ang explained that the amount represented supplier credit arising from a long-standing distributor relationship, and not a loan. He stated that Parity Values had been a distributor of LFM products since the 1970s, that payments had been made over time, and that a payment plan was in place with the objective of reducing the outstanding receivable by at least 40% by the following year. Mr. Ang further explained that the same commercial terms were extended to other distributors, including Liberty Commodities and Trade Demands.

Atty. Justin Yanez, acting as authorized proxy for Stella Uy, asked about the supplier credit terms extended to Parity Values and the possible impact of extended payment terms on the Company's supply chain. Mr. Ang responded that the current payment terms extended to approximately 360 days, but management intended to reduce the period to approximately 120 days by the following year or before the

implementation of a major strategic initiative. When asked about the initiative, Mr. Ang stated that it constituted a material event and would be disclosed once finalized.

Atty. Yanez also asked the auditors about the transfer pricing policy between LFM and Parity Values. Ms. Mendoza responded that management was in a better position to address the matter. Mr. Ang stated that the margins were consistent with industry standards and conducted at arm's length, and Ms. Quizon added that SGV had previously been engaged to develop a related party transaction policy to ensure compliance with BIR transfer pricing regulations.

Atty. Acheron asked about the Company's compliance with BIR and other regulatory requirements. Ms. Mendoza clarified that the transfer pricing engagement was handled by a separate SGV group and not by the audit team present at the meeting. SGV confirmed that the auditor involved in the transfer pricing engagement was not present.

Mr. Gaspan asked about the commercial terms extended to Parity Values, noting that these appeared more favorable than those granted to other parties. Mr. Ang explained that Parity Values had been the Company's principal distributor since the 1970s and continued to maintain substantially higher volume than other distributors; hence, preferential terms had historically been extended in view of market competition.

Mr. Gaspan also asked about the Company's declaration of substantial dividends despite the cash levels and cash flow reflected in the financial statements. Mr. Ang explained that the Company's policy is to distribute available cash to shareholders when feasible, and that, as of 2025, PhP600 million had already been distributed. He further stated that the Company was not pursuing new business ventures due to the highly competitive nature of the flour industry, and that excess funds would be returned to shareholders when collections are made.

Mr. Gaspan further noted that positive cash flow in 2023 was primarily attributable to the sale of the Pasay Road property, while in 2024 the Company recorded negative cash flow from operations of approximately PhP228 million. SGV confirmed the accuracy of the figures cited. Mr. Ang also stated that proceeds from the Angono property sale were expected, that LFM anticipated being debt-free by December 2025, and that the Company held approximately PhP300 million in preferred shares that could be sold if needed.

Atty. Acheron asked whether the Company's corporate direction was to sell assets and distribute proceeds to shareholders. Mr. Ang confirmed that this was the Company's strategic direction, but clarified that the Company was not conducting a fire sale. He explained that the Company's guiding principle was to return value to shareholders when excess funds are available, and noted that a restructuring committee had been formed to evaluate the disposal of unproductive assets.

Ratification of 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 from April 29, 2024 to July 30, 2025. The Chairman stated that a detailed description of the matters resolved by the Board was contained in the Definitive Information Statement sent to all stockholders of record.

The Chairman asked if there were any questions from the shareholders.

Atty. Justin Yanez asked about the licensing agreement between LFM and Parity Values, including its scope, terms, and business rationale. Mr. Ang explained that the agreement related to a brand owned by Parity Values and manufactured by LFM, and that no royalty or one-time payment was made to Parity Values. Mr. Ang further explained that brand recognition is important in flour sales and that the agreement formalized a long-standing commercial arrangement dating back to the 1970s and 1980s.

Atty. Acheron asked about the specific brand covered by the licensing arrangement and its sales performance relative to the other brands manufactured by LFM. Mr. Ang responded that the brand was El Superior, which is owned by Parity Values and manufactured by LFM. He explained that El Superior is sold in 25-kilogram bags to wholesalers and institutional buyers, and that it accounts for approximately 50% to 60% of the Company's total monthly sales.

Mr. Keir Gaspan/Gapan, acting as representative proxy of Ms. Stella Uy, asked who signed the deed of absolute sale for the sale of Liberty Building on behalf of LFM. Mr. Ang responded that the authorized signatory was LFM's then President, Sandra Judy Uy.

Atty. Yanez asked whether LFM was at risk of being reduced to a toll manufacturer for Parity Values. Mr. Ang responded that he did not believe this would be the case. He explained that LFM operates under a unique mill-distributor arrangement and expressed the view that Parity Values may eventually phase out due to evolving market conditions and industry developments.

The stockholders voted to ratify all acts of the Board of Directors and Management. The tabulation of voting is as follows:

Approve	90,653,086
Disapprove	100
Abstain	200

Election of Directors

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

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

Given that there were eleven (11) nominees for eleven (11) seats on the Board of Directors, a motion was made to instruct the Company Information Officer to cast the votes of those present in person, by proxy, through remote communication, and by voting in absentia equally among the nominees.

The foregoing nominees were elected as directors of the Corporation for the ensuing corporate year and until their successors are elected and qualified.

Approval of External Auditor

The next matter on the agenda was the appointment of the Corporation's External Auditor. The Chairman stated that it was proposed that SyCip Gorres Velayo & Co. be engaged as the Corporation's External Auditor for the ensuing fiscal year.

The Chairman asked the assembly if there were any questions or concerns regarding the appointment.

Atty. Justin Yanez, acting as representative of Ms. Stella Uy, commented that in prior years the external audit of LFM was not conducted by SGV. Mr. Ang clarified that this was incorrect and stated that SGV had consistently served as the Company's external auditor. He explained that the change in audit partner was due to the mandatory rotation requirement under the seven-year rule, and that SGV remained the auditing firm of record.

The stockholders voted to approve the appointment of SGV as External Auditor. The tabulation of voting is as follows:

Approve	90,653,286
Disapprove	0
Abstain	100

Amendment to the By-Laws

The next matter on the agenda was the proposed amendment to the By-Laws to reschedule the Annual Stockholders' Meeting from the last Wednesday of May to the last Wednesday of July.

The Chairman explained that the amendment was proposed to alleviate the administrative workload on the Company's personnel, as preparations for the Annual Stockholders' Meeting have historically coincided with or immediately followed the period for financial regulatory filings. The revised schedule is intended to provide sufficient time for both regulatory compliance and meeting preparations.

After the presentation of the proposed amendment and the rationale therefor, the Chairman asked the stockholders if anyone had any questions or concerns.

Atty. Aceron raised a procedural question regarding the presence of a quorum and whether the proposed amendment could be validly voted upon during the meeting. Mr. Ang confirmed that the required quorum had been met, with approximately 60.84% of the stockholders present in person or represented by proxy, and that the proposed amendment could be submitted for approval.

The stockholders voted to approve the amendment to the By-Laws. The tabulation of voting is as follows:

Approve	90,653,085
Disapprove	0
Abstain	301

Approval of the 10% Profit Sharing for the Directors and Officers

The next matter on the agenda was the approval of a 10% profit-sharing allocation for the Board of Directors and corporate officers. The Chairman stated that, as disclosed in the Corporation's Information Statement, PSE Edge disclosures, and current reports filed with the Securities and Exchange Commission, the profit-sharing arrangement shall be strictly and exclusively limited to 10% of the Corporation's net income derived from flour milling operations. He clarified that the profit-sharing will apply only to income from the manufacture and sale of flour and will exclude one-time gains, passive income, and other non-operational sources of revenue.

The Chairman asked if there were any questions from the shareholders.

Atty. Honey Joy Bellen, acting as representative of Ms. Stella Uy, raised a procedural concern that amendments to the Articles of Incorporation and By-Laws require approval of stockholders representing at least two-thirds of the outstanding capital stock, and that only approximately 60% of the stockholders were present in person or by proxy. Mr. Ang clarified that the two-thirds vote applies to amendments to the

Articles of Incorporation, while amendments to the By-Laws require only a majority vote. He further stated that the item then under consideration was the profit-sharing arrangement.

Atty. Bellen further noted that the information statement referred to a proposed amendment to the Articles of Incorporation to reduce the number of directors, which appeared to contradict the statement that no such amendment was then being considered. Mr. Ang clarified that the meeting had not yet reached the agenda item concerning amendments to the Articles of Incorporation, and that the earlier discussion concerned only the proposed amendment to the By-Laws.

Mr. Ang further explained that the proposed profit-sharing arrangement would apply only to income derived from flour milling operations, and would not include one-time gains or proceeds from the sale of assets. He stated that the projected income from flour operations in 2025 was approximately PhP100 million, with an expected annual range of PhP60 million to PhP100 million, such that the 10% profit-sharing allocation would amount to approximately PhP10 million.

Mr. Ang also explained that the request for stockholder approval was made in compliance with the Revised Corporation Code. He noted that the Company had historically maintained a profit-sharing arrangement dating back to the 1970s, and that the current proposal was intended to formalize the arrangement and cap the rate at 10%.

Atty. Aceron asked whether the profit-sharing arrangement would apply prospectively and whether it would be limited to profits from flour milling operations. Mr. Ang confirmed both points and stated that the arrangement would apply prospectively and only to profits derived from the flour milling business.

The stockholders voted to approve the 10% profit-sharing allocation for the directors and officers. The tabulation of voting is as follows:

Approve	88,004,207
Disapprove	2,649,179
Abstain	0

Amendment of the Articles of Incorporation: Decrease in Directors

The next matter on the agenda was the proposed amendment to the Articles of Incorporation to decrease the number of directors from eleven (11) to seven (7).

Upon further deliberation, the Company decided not to proceed with seeking approval for the proposed reduction in the number of directors due to the inadvertent omission of a corresponding amendment to Article I, Section 2 of the Corporation's By-Laws, which also specifies the number of directors. Proceeding with the proposed amendment in its current form would result in an inconsistency in the Corporation's constitutive documents. Accordingly, the matter was deferred and the appropriate resolutions to effect the necessary amendments will be taken up for discussion and approval at a later date.

Notwithstanding the deferral, since the matter remained included in the voting platform, the voting results were presented for transparency. The tabulation of voting is as follows:

Approve	0
Disapprove	2,649,177
Abstain	88,004,209

Directors Present During the Meeting and their Voting Rights

The following directors were present in the 2025 Annual Stockholders' Meeting:

NAME	NUMBER OF SHARES	PERCENTAGE
JOSE MA. S. LOPEZ	735,647	0.28%
DANIEL R. MARAMBA	433,596	0.28
JOSE S. JALANDONI	140,601	0.09%
WILLIAM L. ANG	373	0.00%
LOURDES J. CHAN	1	0.00%
PHILIP S. HUANG*	10	0.00%
JOHN CARLOS UY	374	0.00%
WILLY G. NG	100	0.00%
JOSE A. FERIA JR.	36	0.00%
SANDRA JUDY UY	2	0.00%

Stockholders Present and their Voting Rights

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

In the 2025 Annual Stockholders' Meeting stockholders the following shareholders were present in person or through proxy:

NAME	NUMBER OF SHARES	PERCENTAGE
MARIA DOLORES FANSLER	474,767	0.32%
JOSE EDUARDO DELGADO	465,907	0.31%
ANTONELLI REALTY HOLDINGS, INC.	474,767	0.32%
STELLA MARIE JILL UY	300	0.00%
FRANCISCA C. HSU	6,122	0.00%
PARITY VALUES INC.	59,891,231	39.93%
PHILIP HSU	602,405	0.40%
AP SECURITIES INCORPORATED	278,920	0.19%
ASTRA SECURITIES CORPORATION	1,147,950	0.77%
ASTRA SECURITIES CORPORATION	23,645,858	15.76%
JERRY U. DY	2,000	0.00%
JOSE VICENTE BENGZON III	1	0.00%
TELEQUIP ICT, INC.	1,233,335	0.82%
ROBERTO MARAMBA	424,562	0.28%
FELIX P. MARAMBA IV	269,163	0.18%
MARAMBA ANGELICA PERIQUET ITF FELIX P. MARAMBA IV	4,067	0.00%
MICHAEL MARAMBA	161,249	0.11%
PAOLO MARAMBA	161,249	0.11%
MIA MARAMBA	161,249	0.11%
MA. ISABEL MARAMBA	424,509	0.28%
MARAMBA MA. ISABEL ITF IAN ANDERSON	369,249	0.25%
CORDOVA JAVIER GEORGE	411,669	0.27%
MARAMBA MA. ISABEL ITF ISAIAH DANIEL CORDOVA	210,000	0.14%

EDUARDO R. MARAMBA	443,282	0.30%
MILTON UY	100	0.00%
SANDRA JUDY UY	2	0.00%

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**

There will be no proposed amendments to the Corporation's constitutive documents in the Annual Stockholders' Meeting.

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. Election of the Corporation's officers for the ensuing corporate year, namely: John Carlos Uy as Chairman/President, Jose Ma. S. Lopez as SVP/Treasurer, Kristiene Marionel M. Jalandoni as Assistant Treasurer, William L. Ang as Corporate Secretary, and Maria Elisa G. Ledesma as Compliance Officer;
2. Constitution of the Audit and Risk Committee, Compensation and Remuneration Committee, and Nominations Committee, and appointment of their respective chairmen and members;
3. Appointment of Mr. Vicente Tang and Atty. Jose A. Feria Jr. as advisers to the Board of Directors;
4. Designation of Mr. Edwin Sulit as authorized representative to process the BIR e-CAR application in connection with the Corporation's property dividend consisting of shares of LFM Properties Corporation;
5. Approval of additional capital expenditures of approximately Forty-Five Million Five Hundred Thousand Pesos (Php45,500,000.00) for the acquisition of an additional steel flour bin;
6. Approval of the reduction of the selling price for the Maya Farms lots located in Angono and Teresa, Rizal, from Php2,398.00 per square meter to Php2,197.00 per square meter, in consideration of Haus Talk, Inc.'s assumption of responsibility for addressing legal issues affecting the property;
7. Approval of the sale and disposition of certain company vehicles previously assigned to Ms. Sandra Judy Uy, Mr. William Carlos Uy, and Ms. Stella Marie Jill Uy to their respective designated users at the price of One Peso (Php1.00) each;
8. Approval of an initial budget of One Million Pesos (Php1,000,000.00) to cover SGV's billing charges for attending meetings requested by shareholders;
9. Approval of the revised Non-Disclosure Agreement for Divina Law and Ms. Sandra Judy Uy, and authority to engage legal counsel with a budget of Three Million Pesos (Php3,000,000.00) to defend the Corporation in connection with potential shareholder demands, derivative actions, or related proceedings;

10. Approval of a budget of Eight Million Pesos (PhP8,000,000.00) for the Board Meeting in Tokyo, Japan, and authority for Management to implement the budget, execute necessary bookings and contracts, and submit a post-event liquidation and variance report;
11. Approval of the payment of consultancy fees through Haus Talk, Inc. in the amount of Thirty-One Million Five Hundred Thousand Pesos (PhP31,500,000.00) in connection with the resolution of claimants' issues affecting the Maya lots;
12. Approval of the payment of Twenty Million Pesos (PhP20,000,000.00) as disturbance compensation in compliance with the order of the Department of Agrarian Reform;
13. Approval of the partial release of Five Million Five Hundred Thousand Pesos (PhP5,500,000.00) to ARQ, represented by Mr. Ed Solilapsi, chargeable against the broker's fee for the sale of the Maya lots to Haus Talk, Inc.;
14. Approval of the settlement of the assessed real property tax deficiency in the amount of Seven Million Six Hundred Fifty-Three Thousand Seven Hundred Nineteen Pesos and 70/100 (PhP7,653,719.70);
15. Approval of the amendment of the Board Resolution dated September 20, 2024 to reflect the amended consideration for the Haus Talk, Inc. transaction from PhP1 Billion, VAT inclusive, to a range of PhP944 Million to PhP916 Million, VAT inclusive;
16. Declaration of a cash dividend of Two Pesos and Eighty Centavos (PhP2.80) per share, for a total of Four Hundred Twenty Million Pesos (PhP420,000,000.00), payable on November 19, 2025 to stockholders of record as of October 28, 2025;
17. Approval of the engagement of Atty. Ernesto B. Francisco to handle a potential defamation case arising from online news articles, with an acceptance fee of Five Hundred Thousand Pesos (PhP500,000.00), hourly rates of PhP5,000.00 for partners and PhP3,000.00 for associates, and a total budget allocation of Five Million Pesos (PhP5,000,000.00);
18. Appointment of Atty. Michael John A. Tantoco to file a court petition for the cancellation of the Philtrust Banking Corporation lease annotation on the transfer certificate of title of Liberty Building, and authorization for Mr. William L. Ang to sign all legal documents required for such matter;
19. Approval and adoption of the rules and procedures for the exercise of shareholder informational rights;
20. Approval for the Corporation to proceed with the inspection request of Ms. Stella Uy, subject to compliance with applicable procedures;
21. Approval of a budget of Two Million Pesos (PhP2,000,000.00) for the engagement of legal representatives to address shareholder information rights requests, particularly in the event that any case is filed;
22. Approval of the engagement of SGV to conduct a tax study on the restructuring of LFM, with professional fees of Eight Hundred Thousand Pesos (PhP800,000.00), exclusive of applicable taxes;
23. Approval of a Two Million Peso (PhP2,000,000.00) budget for Christmas gifts for directors, officers, and Board advisers;
24. Authorization for Magsalin Fernandez & Quirolgico Law Offices to file the Position Paper and appropriate pleadings or motions before the National Labor Relations Commission in the case entitled "Rodrigo Maur Sagat, Jr. vs. Liberty Flour Mills Inc./Powerminds of Asia Inc.," and authorization for John Carlos Uy to sign all documents necessary for such purpose;
25. Approval of the sale of the Corporation's Mitsubishi L300 with Plate Number WHS 993, and designation of John Carlos Uy as the Corporation's authorized representative to execute the Deed of Absolute Sale and other documents necessary to give effect to the sale;
26. Declaration of a cash dividend in the aggregate amount of Ninety Million Pesos (PhP90,000,000.00), at the rate of Sixty Centavos (PhP0.60) per share;
27. Authorization for Management to proceed with the sale of the Corporation's property located in Tago, Tagaytay City, at a price not lower than the appraised value of Nineteen Million Five Hundred Thirteen Thousand Pesos (PhP19,513,000.00), and authorization for John Carlos Uy to execute the necessary sale documentation and related instruments;

28. Approval of the payment of professional fees and charges of Feria Tantoco Daos Law Offices in the amount of Two Million Seven Hundred Ninety-Two Thousand Nine Pesos and 61/100 (PhP2,792,009.61);
29. Approval of the engagement of ARQCapital Partners Inc. as financial adviser in connection with the Corporation's contemplated restructuring;
30. Approval of the engagement of Atty. Ernesto B. Francisco to conduct a fact-finding investigation in connection with the April 28, 2022 incident at the plant site;
31. Approval of the execution of the Retainership Agreement between the Corporation and M.M. Lazaro and Associates Law Offices;
32. Approval of the execution of the Retainership Agreement between the Corporation and Feria Tantoco Daos Law Offices;
33. Election of Ms. Jamie Marie C. Ang as Director of the Corporation to serve the unexpired portion of the term of Mr. Daniel R. Maramba;
34. Approval of the purchase of three properties located in Lemery, Batangas, with an aggregate area of Three Thousand Three Hundred One Square Meters (3,301 sq m), from Ian Andal Pesigan and Princess Lileth D. Pesigan; authorization for John Carlos Uy to negotiate, sign, and execute the documents necessary for the purchase; and appointment of Michael D. Manere as authorized representative to process the transfer of the properties to the Corporation;
35. Authorization for William L. Ang, for and on behalf of the Corporation, to cause the preparation and filing of a Criminal Complaint for Libel under the Cybercrime Prevention Act of 2012 and the Revised Penal Code against all persons responsible for and/or involved in the publication of certain allegedly defamatory news articles, and appointment of Atty. Ernesto B. Francisco Jr. or the Ernesto B. Francisco Jr. Law Office as the Corporation's legal counsel for the case;
36. Approval of the opening of a securities brokerage account with China Bank Securities Corporation, and designation of authorized signatories and representatives of the Corporation for the account;
37. Authorization for the sale and disposition of the Corporation's properties located in Lemery, Batangas, and designation of John Carlos Uy, William L. Ang, Jose Ma. S. Lopez, Kristiene Marionoel M. Jalandoni, and Jose S. Jalandoni as individually authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
38. Authorization for the sale and disposition of the Corporation's property located in Silang, Tagaytay, covered by TCT No. T-45277, and designation of authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
39. Authorization for the sale and disposition of the Corporation's unit in PSE Tower, Fort Bonifacio, Taguig City, covered by Condominium Certificate of Title No. 164-2019015741, and designation of authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
40. Authorization for the sale and disposition of the Corporation's property located in Arca South, Taguig City, covered by TCT No. 164-2019000282, and designation of authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
41. Authorization for the sale and disposition of the Corporation's properties located in P. Cruz, Mandaluyong, covered by TCT Nos. 2961, 2962, 2963, and 2964, and designation of authorized representatives to negotiate, sign, and execute the necessary documents for such sale;
42. Designation of William L. Ang and John Carlos Uy as authorized representatives to sign the Non-Disclosure Agreement with Wilmar;
43. Ratification of the engagement of Atty. Ernesto B. Francisco in connection with SEC CMRD Case No. 26-3476 filed by Ms. Stella Marie Jill Uy concerning the inspection of corporate records;
44. Approval and authorization of the sale of the Corporation's flour mill business, subject to such further approvals as may be required by the Board and applicable law; appointment of ARQ Capital as broker in connection with the sale, with a commission equivalent to two percent (2%) of the transaction value, subject to the restrictions approved by the Board; and authorization for Management to engage in discussions, negotiations, and related acts necessary or appropriate to implement the foregoing authority;

45. Approval of the Corporation's 2025 Audited Financial Statements, and authorization for the disclosure of such approval to the Philippine Stock Exchange, Inc. and the Securities and Exchange Commission.
46. Approval of the allocation of the Corporation's ten percent (10%) profit-sharing entitlement based on income from the flour business, with eight percent (8%) allocated to the Board of Directors and two percent (2%) allocated to Management;
47. Designation of John Carlos Uy, President of the Corporation, as the Corporation's authorized signatory for the execution of the Contract of Lease with PH Global Jet Express Inc. covering the Corporation's warehouse located at 528 F. Blumentritt Extension, Barangay Hulo, Mandaluyong City;
48. Approval and adoption of the nominations and proxy validation procedures for the 2026 Annual Stockholders' Meeting, including the subsequent revision thereof in connection with the postponement of the Annual Stockholders' Meeting to September 23, 2026, the requirement for the submission of new and updated nomination and proxy documents, and the authorization of the Corporate Secretary to disseminate the revised procedures and related notices to the stockholders;
49. Setting of August 26, 2026 as the record date for determining the stockholders entitled to notice of, and to vote at, the 2026 Annual Stockholders' Meeting;
50. Approval of the Corporation's Integrated Annual Corporate Governance Report for the 2025 corporate year and authorization of its filing with the Securities and Exchange Commission and the Philippine Stock Exchange;
51. Promotion of Maria Luisa L. Quizon to Vice President for Operations and Junaila M. Andaya to Assistant Vice President for Finance and Accounting, with their respective promotions to take effect on the date determined by Management;
52. Engagement and designation of M.M. Lazaro and Associates as counsel for the Corporation in *Kapisanan ng Magsasaka ng Teresa at Angono, Inc.*, represented by Nelson S. Molina v. Liberty Flour Mills, Inc., docketed as CA-G.R. SP No. 194453, with authority to represent the Corporation and undertake all acts necessary or incidental to the proceedings, including any appeal, petition for review or further proceedings arising therefrom;
53. Engagement of the Law Office of Atty. Ernesto B. Francisco, Jr. in connection with the filing and prosecution of a criminal complaint for perjury against Stella Marie Jill Uy, approval of the corresponding legal budget, designation of Director and Corporate Secretary William L. Ang as the Corporation's authorized representative for purposes of the filing and prosecution of the case, and appointment of Atty. Ernesto B. Francisco, Jr. or the Ernesto B. Francisco, Jr. Law Office as counsel in connection therewith;
54. Engagement of the Law Office of Atty. Ernesto B. Francisco, Jr. to conduct a fact-finding investigation in relation to the zoning issue affecting the Corporation's Mandaluyong Plant and to provide recommendations on the possible courses of action available to the Corporation, with approval of the corresponding legal budget;
55. Modification of the Board resolution previously adopted on February 25, 2026 in relation to the filing of a criminal complaint for cyber libel, authorizing Corporate Secretary William L. Ang to cause the preparation and filing of the complaint against the persons responsible for and/or involved in the publication of the subject allegedly defamatory news articles, and appointing Atty. Ernesto B. Francisco, Jr. or the Ernesto B. Francisco, Jr. Law Office as counsel for the Corporation in connection therewith;
56. Designation of John Carlos Uy, Maria Luisa L. Quizon and Junaila M. Andaya as the Corporation's authorized representatives before the Home Development Mutual Fund/Pag-IBIG Fund, with authority to process, execute and file the documents and applications necessary in connection with the Corporation's registration and related transactions with said agency;
57. Authorization of the execution and submission of the Affidavit of Undertaking required in connection with the Corporation's application with the City Government of Mandaluyong for the issuance of its Certificate of Annual Inspection, with John Carlos Uy authorized to execute the same on behalf of the Corporation;

58. Authorization of the renewal of the Corporation's Certificate of Non-Conformance with the City Government of Mandaluyong pursuant to City Ordinance No. 664, Series of 2017, with John Carlos Uy authorized to execute the documents required in connection therewith and Donato S. Napo authorized to transact on behalf of the Corporation for such purpose;
59. Authorization of the Corporation to apply for the subdivision of Transfer Certificate of Title No. M-13873 before the Department of Environment and Natural Resources and other appropriate government agencies, and designation of Haus Talk, Inc., through its President, Maria Rachel D. Madlambayan, and such other duly designated persons, to undertake the acts and execute the documents necessary to give effect to such subdivision; and
60. Authorization of the filing of an appeal before the National Labor Relations Commission from the July 20, 2026 Decision of the Labor Arbiter in Rodrigo Maur Sagat, Jr. v. Liberty Flour Mills, Inc., et al., docketed as NLRC NCR Case No. 11-00213-25, with Magsalin Fernandez & Quirolgico Law Offices directed to file the appeal and John Carlos Uy authorized to execute and sign the documents necessary in connection therewith.

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.

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 and in accordance with the Nominations and Proxy Validation Procedure passed by the Company.

Voting at the Meeting

Voting at the Annual Stockholders' Meeting will not be conducted after the presentation of each agenda item, rather the agenda items for approval shall first be presented and discussed during the meeting. After the presentation and discussion of all agenda items, and prior to adjournment of the meeting, the Chairman shall formally open the voting period.

During the voting period, stockholders of record as of the Record Date, or their duly authorized proxies or representatives, may cast their votes on all matters submitted for stockholder approval through the online voting portal to be implemented by the Company.

For the election of directors, each stockholder shall be entitled to cumulative voting in accordance with Section 23 of the Revised Corporation Code. Each stockholder may cast such number of votes equal to



the number of shares held by him, her, or it as of the Record Date multiplied by the number of directors to be elected. The stockholder may cast all such votes in favor of one nominee or distribute them among two or more nominees, provided that the total number of votes cast shall not exceed the number of shares owned by such stockholder as of the Record Date multiplied by the number of directors to be elected.

For all other matters submitted for approval, each outstanding share of stock shall be entitled to one vote. Unless a higher voting threshold is required by law, the Corporation's Articles of Incorporation, By-Laws, or applicable regulations, each matter submitted for stockholder approval shall be decided by the affirmative vote of stockholders representing at least a majority of the outstanding capital stock present or represented by proxy at the meeting.

The Corporate Secretary, or the duly authorized representative of the Corporate Secretary, shall supervise the tabulation and validation of votes. The Corporation may engage an independent third party, election inspector, stock transfer agent, or other authorized representative to assist in the counting, validation, and certification of votes.

After the close of the voting period, the votes shall be tabulated and the results shall be reported to the Chairman. The Chairman shall thereafter announce the results of the voting, including the approval or disapproval of each agenda item and the election of the directors for the ensuing corporate year.

Upon completion of the voting process, announcement of the voting results, and conclusion of all matters properly brought before the meeting, the Chairman may entertain a motion for the adjournment of the meeting.

Voting In Absentia

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 "B"**. Furthermore, a list of shareholders as of record date is attached as **ANNEX "C"**.

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 July 29, 2026.

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 September 16, 2026.

Proxy Validation. All proxies intended for use at the 2026 Annual Stockholders' Meeting must be submitted the Corporation prior to September 16, 2026 with proxy validation to happen thereafter.

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 2025 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:

- a. John Carlos Uy;
- b. William L. Ang;
- c. Jose Ma. S. Lopez;
- d. Jose S. Jalandoni;
- e. Lourdes Elisa J. Chan;
- f. Jamie Marie C. Ang;
- g. Philip S. Huang;
- h. Willy G. Ng;
- i. Eldrige Marvin B. Acheron;
- j. Raul M. Leopando;
- k. Valerie Ann C. Ang;
- l. Barnaby Barrett T. Ang; and
- m. Danica Gail C. Ang

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. Other Matters
- 7. 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.

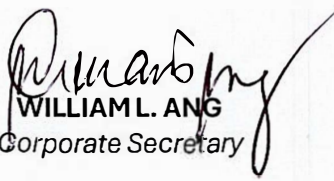
As of August 24, 2026, the board of directors and senior management, as a group, own 877,407 common shares which is approximately 0.58% of the outstanding common stock.

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 August 27, 2026.


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"

The Minutes of the 2025 Annual Stockholders' Meeting Follow this Page.

DRAFT
MINUTES OF THE
ANNUAL STOCKHOLDERS MEETING
OF LIBERTY FLOUR MILLS, INC.
HELD ON 29 MAY 2024
AT LIBERTY BLDG., A. ARNAIZ AVE., MAKATI CITY

Pursuant to notice, the annual meeting of the stockholders of Liberty Flour Mills, Inc. (the “Corporation” or “LFM”) was conducted at the principal office of the Corporation and virtually through remote communication at 4:00 P.M. on August 27, 2025.

After the prayer, the Chairman of the Meeting, Mr. John Carlos Uy, called the meeting to order. The minutes were recorded by the Corporate Secretary, William L. Ang.

PROOF OF NOTICE AND DETERMINATION OF QUORUM

The Corporate Secretary, Mr. William L. Ang (“Mr. Ang”), certified that stockholders were duly notified of the Annual Stockholders’ Meeting in accordance with the By-Laws and the applicable rules of the Securities and Exchange Commission. He further certified that there was a quorum for the meeting, as follows:

Recapitulation

Total no. of shares issued and outstanding	-	150,000,000
Present in person and by proxy	-	91,263,913

The Corporate Secretary then reported that out of **150,000,000** issued and outstanding shares entitled to vote, there were **91,264,211** shares duly represented in person and by proxy, remote communication, and those who have voted in *absentia*. The Asst. Corporate Secretary certified that **60.84%** of the total outstanding shares were present in person or represented by proxy. The Chairman then declared that given the presence of a quorum the meeting can proceed with the business at hand.

CHAIRMAN’S MESSAGE ON VOTING PROCEDURE AND SHAREHOLDERS’ INQUIRY RIGHT

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.

N.B. For purposes of these minutes, the voting results for each agenda item will be placed together with the relevant agenda item for ease of reference under the header Results of Voting. However, in the conduct of the 2025 Annual Stockholders’ Meeting, the voting for all items was done after the presentation of the relevant item.

APPROVAL OF THE MINUTES OF THE 2024 ANNUAL STOCKHOLDERS’ MEETING

Presentation of Agenda Matter

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 May 29, 2024.

He asked the shareholders if there were any questions or comments regarding the minutes of the 2024 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.

Results of Voting

The following were the votes received by the Corporation in the voting platform:

Approve	90,653,286
Disapprove	100
Abstain	200

ANNUAL REPORT OF THE CHAIRMAN

Chairman’s Report

The Chairman then delivered the Chairman’s Report. Copies of the Annual Report for the year 2024 with the report of the Chairman on the highlights of the Corporation’s performance for the past year, together with the Corporation’s Audited Financial Statements for the year ending 2024 were discussed and noted.

The Chairman asked if there were any questions from the shareholders. There were questions put forth by the assembly, and these are elaborated below.

Questions from the Shareholders

Question on Collection of Proceeds and Sale of Liberty Building

During the meeting, a query was raised by Mr. Keir Gaspan (“Mr. Gaspan”), acting as proxy for stockholder Stella Marie Jill Uy, regarding the status of the remaining balance of Two Hundred Million Philippine Pesos (PhP200,000,000.00) from the sale of the Pasay property executed in 2023. Specifically, the inquiry sought clarification on whether the said balance had been fully collected within the calendar year 2024, and how such collection was reflected in the Company’s cash flow statement.

In response, Mr. Ang and Ms. Marie L. Quizon (“Ms. Quizon”) jointly addressed the concern. They confirmed that the balance of PhP200,000,000.00 remains outstanding as of the date of the meeting. However, they assured the stockholders that the collection of the remaining amount is anticipated to be completed within the current fiscal year.

Furthermore, it was clarified that prior collections from the said property sale had been classified under Operating Cash Flows in the Company’s financial statements. These inflows were subsequently utilized to support the declaration and distribution of dividends to the stockholders.

There was a follow up what is the treatment of the collection of the sale, whether it was part of the operating cash flow or operating cash flow. For the remaining uncollected balance what is the plan of management.

Ms. Quizon stated that the balance will be collected this year, and it was placed under accounts receivable. It is treated as operating cash flow, and it was used for recently declared cash dividend.

Question on Collection of Receivables from Parity Values

The second question received was a question from stockholder Atty. Eldridge Marvin B. Acheron (“Atty. Acheron”) addressed to the Corporation’s auditors, SyCip Gorres Velayo and Co. (“SGV”). He inquired about the PhP1.1 Billion receivable from Parity Values (“Parity Values”) and asked whether the accountants foresee significant risk in the amount of the receivables, and how they intend to mitigate the risk.

During the meeting, Loubelle Mendoza (“Ms. Mendoza”), representing the independent external auditor, provided clarification regarding the scope and outcome of the audit procedures conducted on the Company’s financial statements. She emphasized that the primary responsibility of the

independent auditor is to assess the financial statements for material misstatements and errors, and to obtain reasonable assurance as to their accuracy through the implementation of established audit procedures.

In response to a query raised during the meeting, Ms. Mendoza confirmed that the audit team had verified the amounts due from a related party, specifically Parity Values, which qualifies as a related party by virtue of its status as a stockholder of LFM. She further explained that the audit team had reviewed the Expected Credit Loss (ECL) calculation prepared by management. This calculation incorporates historical collection data from customers as well as relevant macroeconomic indicators. Upon completion of their audit procedures, the auditors found the assumptions used in the ECL model to be reasonable and concurred with management's computation.

Following this explanation, Atty. Acheron expressed concern regarding the clarity of the response and requested that a representative from management provide further elaboration. He noted that the amount receivable from Parity Values is substantial and questioned the absence of interest charges and a defined maturity or demand date. He inquired how such a receivable could be carried over an extended period without formal loan terms and whether such treatment was appropriate.

In response, Mr. Ang requested permission to address the concern. He explained that Parity Values has served as a distributor of LFM products since the 1970s, and the receivable has accumulated over time. He provided historical context, noting that LFM previously sold approximately 350,000 bags per month during the 1980s, whereas current monthly sales have declined to approximately 120,000 bags. Mr. Ang stated that Parity Values has been making payments over time, resulting in a gradual reduction of the outstanding receivable. He also disclosed that a payment plan is in place, with the objective of reducing the receivable by at least 40% by next year.

With respect to the issue of interest, Mr. Ang clarified that the receivable does not constitute a loan and therefore does not bear interest. Instead, it represents a supplier credit extended by LFM to its distributors, including Parity Values, Liberty Commodities, and Trade Demands. All three distributors operate under the same commercial terms and conditions, which do not include interest charges or fixed repayment dates, with the benefits not solely granted to Parity Values.

During the meeting, Mr. Ang addressed concerns regarding corporate governance and transparency in relation to the Company's dealings with Parity Values. He stated that Ms. Sandra Uy and Ms. Stella Uy should pursue legal action against Parity Values should it be found that the entity failed to uphold principles of good governance, full disclosure and transparency, or if it had neglected its fiduciary duties.

Mr. Ang further disclosed that nine (9) distinct issues had been raised over the course of the last four to five board meetings. These matters are currently under review and have been referred to external legal counsel for evaluation. Preliminary internal assessments suggest that the potential financial impact of these issues may amount to approximately Three Hundred Million Philippine Pesos (PhP300,000,000.00).

He emphasized that once Atty. Acheron formally assumes his role as a member of the Board, he will be presented with the relevant evidence and will be expected to determine whether legal proceedings should be initiated against the individuals concerned, namely William Carlos Uy, Sandra Uy, and Stella Uy. Mr. Ang underscored that, should such proceedings be warranted, the Company will ensure full disclosure to the Philippine Stock Exchange and the Securities and Exchange Commission, in compliance with mandatory reporting obligations. Mr. Ang also elaborated on specific governance concerns, including the alleged non-disclosure of zoning issues and the over-procurement of wheat, which ultimately led to the sale of the Liberty Building to the Company's subsidiary, LFM Properties Corporation. In response to a question regarding the status of collections from the sale, Mr. Ang confirmed that the building was sold for One Billion Philippine Pesos (PhP1,000,000,000.00), with a remaining balance of PhP200,000,000.00 expected to be fully settled before the end of December.

He noted that once Atty. Acheron joins the Board, he will have ample opportunity to conduct a thorough review of these matters. In response, Atty. Acheron clarified that his principals are not the

Uy family, but rather Mr. Duque of Telequip. He requested that the minutes of the meeting accurately reflect both his inquiry and the responses provided by the Board.

Atty. Justin Yanez, acting as authorized proxy for Stella Uy, expressed appreciation to the Board for providing context on the longstanding commercial relationship between LFM and Parity Values, which dates back to 1974. He noted the historical flour production figures (i.e. previously 50,000 bags, which is now 120,000 bags) and sought clarification on the supplier credit terms, emphasizing the importance of equitable treatment across all creditors. He further requested confirmation from the auditors regarding disclosures in the financial statements indicating that supplier payments are, at times, delayed by up to 180 days. While acknowledging the Board's statement that payments are expected to be made within the year, Atty. Yanez raised a concern that extended delays, particularly those exceeding 180 days, could potentially impact the stability of the Company's supply chain.

Mr. Ang requested permission to respond to the inquiry. He clarified that, in his capacity as Treasurer of Parity Values, he is familiar with the company's outstanding payables to LFM. He confirmed that the current payment terms extend beyond 180 days, reaching approximately 360 days. However, he noted that efforts are underway to reduce this duration. The Company intends to bring the payables down to 120 days, which aligns with prevailing industry standards, by next year or prior to the implementation of a major strategic initiative by LFM.

Atty. Justin Yanez requested clarification regarding the major strategic initiative referenced by Mr. Ang. In response, Mr. Ang stated that the initiative constitutes a material event and, as such, cannot be disclosed at this time. He assured that full disclosure will be made once the plan has been finalized and deemed firm. Additionally, Mr. Ang corrected a previously mentioned figure, clarifying that historical flour production volumes reached 350,000 bags per month, not 50,000 as earlier stated.

Questions on Transfer Pricing

Atty. Justin Yanez directed a question to the auditors regarding the transfer pricing policy between Liberty and Parity Values. Ms. Loubelle Mendoza responded that management would be in a better position to address the matter.

Mr. Ang then provided context, noting his long-standing involvement with Parity Values since the age of sixteen and his tenure as a director of LFM since 1983. He stated that the margins applied are consistent with industry standards and are conducted at arm's length. He added that, as confirmed by Marie Quizon, these transactions are disclosed in the financial statements as related party transactions. Ms. Quizon further clarified that SGV had been engaged to develop a related party transaction policy to ensure compliance with the transfer pricing regulations of the Bureau of Internal Revenue (BIR). She noted that the policy, completed four years ago, may be shared with Atty. Yanez subject to SGV's approval.

There was a question from Atty. Aeron regarding LFM's compliance with BIR and other regulatory requirements. In response, Ms. Mendoza explained that the engagement was handled by a separate group within SGV and not by the audit team currently present. This was subsequently confirmed by SGV.

Atty. Justin Yanez revisited his earlier inquiry and requested confirmation from SGV as to whether the auditor responsible for conducting the transfer pricing engagement was present at the meeting. SGV confirmed that the auditor involved in that specific engagement was not in attendance.

Mr. Gaspan raised a follow-up question regarding the commercial terms extended to Parity Values, noting that they appeared more favorable compared to those offered to other parties. In response, Mr. Ang explained that Parity Values has served as the Company's principal distributor since the 1970s and continues to maintain a significantly higher volume than other distributors. As such, preferential terms have historically been extended to Parity Values in consideration of prevailing market competition conditions.

Question on Declaration of Dividends vis-à-vis Operating Cash Flow

Mr. Gaspan raised another question regarding the Company's declaration of substantial dividends despite the relatively low cash levels reflected in the financial statements. In response, Mr. Ang explained that the Company's policy is to distribute available cash to shareholders when feasible. He noted that, as of 2025, a total of Php600 million had already been distributed. Mr. Ang further stated that the Company is not pursuing new business ventures due to the highly competitive nature of the flour industry. Accordingly, the guiding principle is that when collections are made and excess funds are available, these will be returned to the shareholders.

Mr. Gaspan raised a question regarding the Company's dividend policy, noting the apparent inconsistency between the substantial dividend declarations and the negative cash flow from operations reflected in the financial statements. In response, Mr. Ang clarified that the Company is not operating in a negative cash flow environment. He explained that proceeds from the sale of the Angono property to Haus Talk are expected in the coming month, and that LFM anticipates being debt-free by December 2025. This would enable the Company to settle letters of credit within 30 days. He also noted that the Company holds approximately Php300 million in preferred shares that can be readily sold in the market if needed.

Mr. Gaspan acknowledged that in 2023, positive cash flow was primarily attributable to the sale of the Pasay Road property, and that in 2024, the Company recorded a negative cash flow from operations amounting to approximately Php228 million. He requested confirmation from SGV regarding the accuracy of these figures, which SGV confirmed.

Mr. Ang addressed a question regarding the sale of the Liberty Building. He stated that the building was originally developed by Liberty and acknowledged the significance of the transaction. However, he noted that the full context surrounding the sale would be shared once Atty. Aceron formally assumes his role on the Board, and likewise with Atty. Gaspan, as representatives of Ms. Stella Uy.

Mr. Ang explained that he preferred not to elaborate further during the meeting, as the matter is currently under legal review and has been referred to external counsel. He extended an invitation to the proxies of Ms. Uy to visit the Company's office and meet with both management and SGV, where their questions could be addressed more thoroughly. He emphasized that it would not be possible for the Company or SGV to provide complete responses to these inquiries during the meeting.

Question on Intent to sell Corporate Assets

Atty. Aceron raised a question as a newly appointed director, noting his limited familiarity with the Company's current affairs. He observed that there appeared to be a strategic intent to sell assets and distribute the proceeds to shareholders, and inquired whether this was indeed the Company's corporate direction.

In response, Mr. Ang confirmed that this is the Company's strategic direction. He clarified, however, that the Company is not conducting a fire sale of its assets. Rather, the guiding principle is to return value to shareholders when excess funds are available. Mr. Ang further noted that the Company had previously disclosed the formation of a restructuring committee composed of six directors, tasked with evaluating the disposal of unproductive assets, which may include the flour mill. He added that this direction had been publicly announced and reported in media outlets, including Bilyonaryo, and emphasized that the Company has been transparent with the market in this regard.

RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT

Presentation of Agenda Matter

The next matter on the agenda was the Ratification of All acts of the Board of Directors and management covering the period from April 29, 2024 to July 30, 2025. 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 if there were any questions from the shareholders. There were questions put forth by the assembly, and these are elaborated below.

Questions from the Shareholders

Question on Licensing Agreement between LFM and Parity Values, Inc.

Atty. Justin Yanez raised a question regarding the licensing agreement between LFM and Parity Values seeking clarification on the scope and terms of the arrangement.

In response, Mr. Ang explained that the licensing agreement pertains to a brand owned by Parity Values and manufactured by LFM. He clarified that no royalty or one-time payment is made to Parity Values in connection with the use or production of the brand.

Atty. Yanez further inquired about the business rationale behind entering into such a licensing agreement.

Mr. Ang responded to the inquiry by explaining that brand recognition is a critical factor in flour sales, and that the licensing arrangement between LFM and Parity Values reflects a longstanding commercial practice dating back to the 1970s and 1980s. He noted that during the time of Dr. Maramba in the 1970s, the use of Parity-owned brands by LFM was governed by a verbal agreement. The current licensing agreement serves to formalize that historical arrangement.

Mr. Ang further stated that representatives are welcome to visit the LFM office to review the terms and conditions of the licensing agreement in detail.

Question on Sales Break Down by Brand

In continuation of the discussion on the licensing agreement, Atty. Acheron requested clarification on the specific brand covered under the arrangement. Mr. Ang responded that the brand in question is El Superior, which is owned by Parity Values and manufactured by LFM. He clarified that El Superior is not a retail grocery product, but is instead packaged in 25-kilogram bags and distributed to wholesalers and institutional buyers.

Atty. Acheron then inquired about the sales performance of El Superior relative to other brands. Mr. Ang stated that the Company sells approximately 60,000 to 70,000 bags per month, and that LFM ranks near the bottom among the 23 to 25 flour mills in the industry in terms of overall volume.

Atty. Acheron clarified that his question pertained to the percentage of the El Superior brand to the other brands manufactured by LFM. Mr. Ang responded that El Superior accounts for approximately 50% to 60% of the Company's total monthly sales.

Question on Authorized Representative to Sign the Deed of Absolute Sale of Liberty Building

Mr. Keir Gapan, representative proxy of Ms. Stella Uy, inquired who LFM's signatory was for the deed of absolute sale in the sale of Liberty Building.

Mr. Ang responded that the authorized signatory of the corporation was the LFM's then president, Sandra Judy Uy.

Question on LFM as a toll Manufacturer for Parity Values

Atty. Justin Yanez raised a question regarding whether LFM is at risk of being reduced to a toll manufacturer for Parity Values. In response, Mr. Ang stated that he does not believe this will be the case. He explained that LFM operates under a unique mill-distributor arrangement, unlike other flour mills which sell directly to market. Rather than LFM being relegated to a toll manufacturing role, Mr. Ang expressed the view that Parity Values may eventually phase out due to evolving market conditions and industry developments.

Results of Voting

The following were the votes received by the Corporation in the voting platform:

Approve	90,653,086
Disapprove	100
Abstain	200

ELECTION OF DIRECTORS

Presentation of Agenda Matter

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

Daniel R. Maramba

Jose S. Jalandoni

Lourdes Elisa J. Chan
- Willy G. Ng

Valerie Ann C. Ang

Eldridge Marvin B. Acheron

Philip S. Huang*

Raul M. Leopando*

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

Results of Voting

The following were elected as the Corporation’s directors for the ensuing corporate year and until their successors are elected and qualified:

- Jose Ma. S. Lopez

John Carlos Uy

William L. Ang

Daniel R. Maramba

Jose S. Jalandoni

Lourdes Elisa J. Chan
- Willy G. Ng

Valerie Ann C. Ang

Eldridge Marvin B. Acheron

Philip S. Huang*

Raul M. Leopando

APPROVAL OF EXTERNAL AUDITOR

Presentation of Agenda Matter

The next matter on the agenda was the appointment of the Corporation’s External Auditor. The Chairman stated that it is proposed that Sycip Gorres Velayo & Co. be engaged as the Corporation’s External Auditors for the ensuing fiscal year.

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

Questions from the Shareholders

Atty. Justin Yanez, acting as representative of Ms. Stella Uy, commented that in prior years, the external audit of LFM was not conducted by SGV.

In response, Mr. Ang clarified that this was incorrect. He statedthat SGV has consistently served as the Company’s external auditor, explaining that the change in audit partner was due to the mandatory rotation requirement under the seven-year rule. For the current fiscal year, a different engagement partner was assigned, but SGV remains the auditing firm of record.

Results of Voting

The following were the votes received by the Corporation in the voting platform:

Approve	90,653,286

Disapprove	0
Abstain	100

AMENDMENT TO THE BY-LAWS

Presentation of Agenda Matter

The next item on the agenda is the proposal to reschedule the Annual Stockholders’ Meeting from the last Wednesday of May to the last Wednesday of July.

This amendment is being proposed to alleviate the administrative workload on the Company’s personnel. Historically, preparations for the Annual Stockholders’ Meeting have coincided with or immediately followed the period for financial regulatory filings, resulting in considerable operational strain. The revised schedule aims to provide sufficient time for both regulatory compliance and meeting preparations, thereby enhancing overall efficiency

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

The Chairman asked if there were any questions from the shareholders. There were questions put forth by the assembly, and these are elaborated below.

Question on Quorum for Amendments

Atty. Aceron raised a procedural question regarding the presence of a quorum and whether proposed amendments could be validly voted upon during the meeting.

In response, Mr. Ang confirmed that the required quorum had been met, with approximately 60.84% of stockholders present either in person or by proxy. Accordingly, he affirmed that the proposed amendments could be submitted for approval.

Results of Voting

The following were the votes received by the Corporation in the voting platform:

Approve	90,653,085
Disapprove	0
Abstain	301

APPROVAL OF THE 10% PROFIT SHARING FOR THE DIRECTORS AND OFFICERS

Presentation of Agenda Matter

The next item on the agenda is the approval of a 10% profit-sharing allocation for the Board of Directors and Corporate Officers. We would like to formally inform our shareholders that, as disclosed in the Corporation’s Information Statement, as well as through our disclosures on PSE Edge and current reports filed with the Securities and Exchange Commission, this profit-sharing arrangement shall be strictly and exclusively limited to 10% of the Corporation’s net income derived from its flour milling operations. To clarify, the profit-sharing will apply solely to net income generated from the manufacture and sale of flour, and will expressly exclude any one-time gains, passive income, or other non-operational sources of revenue.

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

The Chairman asked if there were any questions from the shareholders. There were questions put forth by the assembly, and these are elaborated below.

Questions from the Shareholders

Before the Chairman concluded the presentation of the agenda item, Atty. Honey Joy Bellen, acting as representative of Ms. Stella Uy, interjected to raise a procedural concern. She stated that amendments to the Articles of Incorporation and By-Laws require the approval of stockholders representing at least two-thirds of the outstanding capital stock. Given that only approximately 60% of stockholders were present in person or by proxy, she asserted that there was insufficient quorum to vote on the proposed amendments.

In response, Mr. Ang clarified that the two-thirds voting requirement applies specifically to amendments to the Articles of Incorporation. Amendments to the By-Laws, however, require only a majority vote. He further confirmed that no amendments to the Articles of Incorporation were being proposed or considered during the meeting.

Atty. Honey Joy Bellen raised a point of clarification, noting that the information statement referenced a proposed amendment to the Articles of Incorporation to reduce the number of directors. This appeared to contradict the earlier assertion that no such amendment was being considered during the meeting.

Mr. Ang clarified that the meeting had not yet reached the agenda item concerning amendments to the Articles of Incorporation. He explained that the earlier discussion pertained solely to a proposed amendment to the By-Laws, which requires only a majority vote for approval.

He further stated that the matter currently under consideration was the proposed profit-sharing arrangement, which would apply exclusively to income derived from flour milling operations. Mr. Ang emphasized that, contrary to circulating rumors, the profit-sharing scheme would not include one-time gains or proceeds from the sale of assets. He reiterated that the information statement clearly specifies that the profit-sharing will be limited to income from the Company's core flour milling business.

For transparency, Mr. Ang disclosed that the projected income from flour operations in 2025 is approximately PhP100 million, with an expected annual range of PhP60 to PhP100 million. Accordingly, the 10% profit-sharing allocation would amount to approximately PhP10 million, to be distributed among the Company's directors and officers.

Mr. Ang proceeded to provide further clarification regarding the request for stockholder approval, emphasizing that such request was made in strict adherence to the provisions of the Revised Corporation Code. He noted that the Company has historically maintained a profit-sharing arrangement dating back to the 1970s. In this regard, Mr. Ang cited the active participation of previous management, specifically Ms. Sandra Uy and Ms. Stella Uy, in the implementation of said arrangements. He recalled that during their respective tenures, the profit-sharing rate had been established at twelve percent (12%).

Mr. Ang underscored that the current proposal is intended to formalize the existing profit-sharing structure in compliance with the Revised Corporation Code, which expressly requires stockholder approval for such arrangements. He further stated that the proposed structure includes a provision to cap the profit-sharing rate at ten percent (10%), thereby ensuring alignment with applicable statutory requirements.

Atty. Aceron requested clarification regarding the scope and applicability of the proposed profit-sharing arrangement. Specifically, inquiries were made as to whether the arrangement would apply prospectively and whether it would be confined to profits generated exclusively from the Company's flour milling operations.

In response, Mr. Ang affirmed both points. He stated that the profit-sharing arrangement is intended to take effect on a prospective basis and shall be limited to profits derived solely from the flour milling business. Mr. Ang further emphasized the Company's and the Board's commitment to principles of fairness and transparency in the implementation of the arrangement. He remarked, for the record, that "the Company is not greedy," underscoring the ethical posture adopted by management in the formulation of the proposal.

Mr. Ang further stated that Atty. Aceron, Atty. Yanez, Atty. Bellen, and Mr. Gapan are welcome to engage in further discussions regarding the proposed profit-sharing arrangement and other matters of concern. He encouraged them to coordinate and set an appointment at their convenience, during which they may raise any questions or concerns they may have on the matter. Mr. Ang noted that the Company, through LFM, is prepared to extend full cooperation and transparency, including the invitation of representatives from SGV to participate in said meeting.

However, Mr. Ang cautioned that not all inquiries may be addressed immediately during the said meeting. He emphasized that the appropriate party to respond to certain financial and operational questions is the Company’s Treasurer, Mr. Lopez, who is currently abroad and therefore may not be readily available to provide immediate clarification.

Results of Voting

The following were the votes received by the Corporation in the voting platform:

Approve	88,004,207
Disapprove	2,649,179
Abstain	0

AMENDMENT OF THE ARTICLES OF INCORPORATION: DECREASE IN DIRECTORS

Presentation of the Agenda Matter

Upon careful deliberation, the Company has decided not to proceed with seeking approval for the proposed reduction in the number of directors from eleven (11) to seven (7). This decision stems from the inadvertent omission of a corresponding amendment to Article I, Section 2 of the Corporation’s By-Laws, which also specifies the number of directors.

Proceeding with the proposed amendment in its current form would result in a direct inconsistency within the Corporation’s constitutive documents. To avoid any ambiguity or conflict, this matter will be deferred. The appropriate resolutions to effect the necessary amendments will be taken up for discussion and approval at a later date.

Results of Voting

Notwithstanding the statement that this matter will be deferred, given that this was still among the items in the voting platform, the votes will be presented for transparency.

The following were the votes received by the Corporation in the voting platform:

Approve	0
Disapprove	2,649,177
Abstain	88,004,209

VOTING PERIOD

The Chairman requested the Company Information Officer to present the instructions for voting. The Company Information Officer stated that flashed on the screen is the QR code and posted in the chat box a URL which will link shareholders to the voting portal. The voting portal will contain the matters presented today, giving shareholders the opportunity to vote on such matters. If there are any questions, or if any shareholder will need assistance in voting, you may place your concerns in the chatbox or use the raise hand feature. Shareholders shall be given a period of ten (10) minutes to cast their votes. After the lapse of ten (10) minutes voting shall be deemed closed and the votes will be tallied. Those present physically in the meeting, including proxy holders, may provide the Assistant Corporate Secretary and the Company Information Officer with their votes.

Voting then proceeded, and upon the conclusion of the voting period, the Company Information was instructed to present the results of voting.

N.B. In lieu of placing the results of voting in this portion, for ease of reference, we have placed the voting results under each agenda item under the heading “Results of Voting”.

ADJOURNMENT

Prior to the adjournment of the meeting, Atty. Yanez sought confirmation regarding the scheduling of the proposed meeting with representatives from SGV and LFM’s management. In response, Mr. William L. Ang advised that Atty. Yanez may coordinate directly with Ms. Maria Luisa Quizon to arrange the meeting. Mr. Ang suggested that the meeting be held during the week of September 1, 2025, and proposed September 4, 2025, at approximately 2:00 p.m. as a tentative date.

Mr. Ang further requested clarification on the specific subject matter that Atty. Yanez intended to discuss. He noted that if the meeting would pertain to transfer pricing, then the participation of SGV would be necessary. Conversely, if the discussion would not involve transfer pricing, LFM’s management would be prepared to address the concerns independently. Atty. Yanez acknowledged that the proposed date would provide sufficient notice for SGV to attend.

Atty. Yanez also requested for the minutes and the recording of the meeting.

There being no further business to discuss, the meeting was up on a motion duly made and seconded, adjourned.

WILLIAM L. ANG
Corporate Secretary

Attested by:

JOHN CARLOS UY
Chairman

List of Stockholders that Participated in the Meeting:

NAME	NUMBER OF SHARES	PERCENTAGE
MARIA DOLORES FANSLER	474,767	0.32%
JOSE EDUARDO DELGADO	465,907	0.31%
ANTONELLI REALTY HOLDINGS, INC.	474,767	0.32%
STELLA MARIE JILL UY	300	0.00%
FRANCISCA C. HSU	6,122	0.00%
PARITY VALUES INC.	59,891,231	39.93%
PHILIP HSU	602,405	0.40%
AP SECURITIES INCORPORATED	278,920	0.19%
ASTRA SECURITIES CORPORATION	1,147,950	0.77%
ASTRA SECURITIES CORPORATION	23,645,858	15.76%
JERRY U. DY	2,000	0.00%
JOSE VICENTE BENGZON III	1	0.00%
TELEQUIP ICT, INC.	1,233,335	0.82%
ROBERTO MARAMBA	424,562	0.28%
FELIX P. MARAMBA IV	269,163	0.18%
MARAMBA ANGELICA PERIQUET ITF FELIX P. MARAMBA IV	4,067	0.00%
MICHAEL MARAMBA	161,249	0.11%
PAOLO MARAMBA	161,249	0.11%
MIA MARAMBA	161,249	0.11%
MA. ISABEL MARAMBA	424,509	0.28%
MARAMBA MA. ISABEL ITF IAN ANDERSON	369,249	0.25%
CORDOVA JAVIER GEORGE	411,669	0.27%
MARAMBA MA. ISABEL ITF ISAIAH DANIEL CORDOVA	210,000	0.14%
EDUARDO R. MARAMBA	443,282	0.30%
MILTON UY	100	0.00%
SANDRA JUDY UY	2	0.00%

Voting Procedure

In the 2025 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 lfmcorporatesecretary@gmail.com.

Proxy holders present during the meeting were given the option to use the online voting portal. The online voting portal is a Microsoft Form which contained the matters to be voted on, as well as a mechanism for stockholders to cast their votes.

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

For the stockholders that were present in the remote communication meeting, the shareholders may cast their vote through the use of the online voting portal. The voting during the meeting was not done after each and every agenda item. Rather, agenda matters were presented to the Stockholders, with stockholders given the opportunity to ask questions after each agenda item, with voting done after the last matter on the agenda. Upon the conclusion of the last matter on the agenda, stockholders were given a period of ten (10) minutes to cast their votes.

ANNEX “B”

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

The 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 lfcorporatesecretary@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 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 Annual Stockholder’s Meeting of the Company:

1. Stockholders as of August 26, 2026 are entitled to participate and vote at the Annual Stockholder’s Meeting. If the stockholder, or their proxy, intends to participate through such means, he/she **must register and submit the requirements for registration** via electronic mail on or before September 16, 2026 at 5:00 p.m. to the following email address: lfcorporatesecretary@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 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 September 21, 2026:
 - 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 or another similar polling platform.
8. The *In Absentia* voting shall be open beginning September 16, 2026 at 9:00 a.m. and shall close on September 23, 2026 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.**



ANNEX "C"

The list of Shareholders as of record date follow this page.

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings
1	PARITY VALUES, INC.	59,891,231
2	PCD NOMINEE CORPORATION	49,654,408
3	BACSAY MANAGEMENT CORPORATION	5,589,742
4	SEBRING MANAGEMENT CORPORATION	3,122,102
5	E.K.I. TOURIST DEVELOPMENT CORPORATION	2,855,505
6	L & J AGRICULTURAL, INC.	2,417,841
7	MORENO JR., JOSE	928,277
8	LOPEZ JR., EDUARDO S.	915,468
9	PULMONES, AMELIA KALAW	913,613
10	CARVINA FARMS, INC.	769,920
11	FERIA, PAULA K.	737,112
12	LOPEZ, JOSE MA. S.	735,647
13	FAJARDO, ERWIN M.	697,337
14	KALAW, REGINA	628,116
15	HSU, PHILIP	602,405
16	GALAN, NORMA YU	524,745
17	PCD NOMINEE CORPORATION (NON-FILIPINO)	515,554
18	JAVELLANA, MARIA TERESA V.	509,493
19	MARAMBA III, FELIX R.	487,934
20	QUIROS, MA. CRISTINA V.	475,344
21	VARGAS, VICENTE S.	472,353
22	MARICAR PAULINO FAJARDO	462,448
23	GALAN, SALLY YU	453,984
24	MARAMBA, EDUARDO R.	443,282
25	ANG, VICTORIA K.	434,685
26	MARAMBA, DANIEL R.	433,596
27	VARGAS, MA. MILAGROS IMPERIAL	430,656
28	MARAMBA, ROBERTO R.	424,562
29	MARAMBA, MA. ISABEL	424,509
30	MARAMBA, FELIX MARAMBA III ITF: MICHAEL JULIAN	411,689
31	MARAMBA, MA. ISABEL ITF: JAVIER CORDOVA	411,084
32	LOCSIN JR., SERGIO G.	404,421
33	VARGAS, GERARDO S.	398,196
34	LOCSIN, EMMANUEL G.	397,838
35	GALAN, LAWRENCE YU	392,025
36	GALAN, CHARLIE YU	386,249
37	GALAN, FLORA YU	382,389
38	MARAMBA, FELIX MARAMBA III ITF: MAXINE	381,600
39	LIBERTY COMMODITIES CORPORATION EMPLOYEES RETIREMENT PLAN	380,613
40	GALAN, JUDY YU	375,189
41	MARAMBA, MA. ISABEL ITF: IAN ANDERSON	369,249
42	VARGAS, JORGE S.	353,129
43	SISON, AGERICO B.M.	313,562
44	VALUEPOINT REALTY DEVELOPMENT CORP.	298,874
45	MARAMBA IV, FELIX P.	269,163
46	BCP MANAGEMENT CORPORATION	257,736
47	MARAMBA, MA. ISABEL ITF: ISAIAH DANIEL CORDOVA	210,000
48	COTOCO, FELINO SY	197,042
49	VILLANUEVA, DANIEL	169,022
50	MARAMBA, EDUARDO R. ITF: MIA KATRINA G. MARAMBA	161,249
51	MARAMBA, EDUARDO R. ITF: MICHAEL PATRICK G. MARAMBA	161,249

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings
52	MARAMBA, EDUARDO R. ITF: PAOLO EDUARDO G. MARAMBA	161,249
53	STA. TERESITA CORPORATION	161,237
54	LOPEZ, MA. VICTORIA R.	159,542
55	LEGARDA JR., BENITO	155,781
56	NEPOMUCENO, YOLANDA	124,805
57	VARGAS, JORGE S.	119,121
58	COTOCO, LEONCIO H.	116,405
59	MARIEL ERICA PAULINO FAJARDO	115,612
60	ANYA MARIE PAULINO FAJARDO	115,612
61	PCA HOLDINGS INC.	112,674
62	GERALDO LIM YU	104,600
63	LEONARDO LIM YU	104,600
64	TIMOTEO LIM YU	104,600
65	ANGELO LIM YU	104,600
66	CAMILLA YU CONTRERAS	104,600
67	CANCIO, IMELDA GONZALEZ	101,618
68	PADUA, LETICIA GONZALES VDA DE	101,618
69	MARIDESA G. MARAMBA	97,725
70	SANSON, MA. VICTORIA S.	94,325
71	MANILA C O D	93,002
72	NICE DEVELOPMENT CORPORATION	93,002
73	CARMEL INVESTMENT, INC.	86,258
74	SIBAL, ALEGRIA	83,013
75	PADILLA, ALBERTO	83,004
76	PANGILINAN, DANILO L.	81,420
77	ESPIRITU, BENITO Y. G.	77,057
78	UY, LOPE	76,641
79	PATRICIA MARIE F. LIM	74,142
80	VARGAS, GERARDO S.	74,045
81	KYLE EVAN UY MAR	68,481
82	PADILLA, RAMON	62,700
83	PEREZ, BENJAMIN G.	62,402
84	PEREZ, JONATHAN	62,402
85	CHIAT, UY ERNESTO	62,162
86	CASTRO, JOSE MA. DE &/OR CARIDAD V. DE CASTRO	62,162
87	GAMBOA, RICARDO L.	62,162
88	GONZAGA, CORAZON L.	62,162
89	GONZAGA, ROSEMARIE L.	62,162
90	GONZAGA JR., VICENTE L.	62,162
91	NICO, INCORPORATED	61,221
92	MARANON , ADORACION	54,225
93	AREVALO, RENATO G.	52,065
94	GANAN, MA. TERESA A.	49,157
95	MARAMBA, MARIDESA G.	47,169
96	DAYTONA MANAGEMENT CORPORATION	44,601
97	HILADO, MA. LUISA V.	39,945
98	ROSARIO, JOSE V.	39,945
99	YULO, JUAN MIGUEL V.	39,501
100	GANAN, RAMON A.	37,795
101	LOPEZ, JUN S.	37,022
102	VILLALAYA AGRO-DEVELOPMENT CORPORATION	36,444

LIBERTY FLOUR MILLS, INC.
Stockholder MasterList
As of 08/24/2026

Count	Name	Holdings

103	COOPER, ARTHUR	35,369
104	SALVADOR, MA.VICTORIA J.	35,364
105	SISON, REYES & LUZ, INC.	35,138
106	REYES, HERMINIGILDO R.	31,881
107	LOPEZ, AQUILES J.	30,197
108	MARAMBA, HILARION C.	30,197
109	AMCAP MANAGEMENT CORP.	29,484
110	SANTOS, FRANCISCO &/OR PAZ SANTOS	29,417
111	LAPENA, LOURDES	28,521
112	MAR, PETER MAR &/OR ANABELLE C.	28,284
113	PDCD MANAGED A/C# 112001	27,269
114	GONZAGA-LOPEZ ENTERPRISES, INC.	27,021
115	MASIKIP, LOURDES P.	27,005
116	LAPENA, PACITA	26,961
117	VEGA, AILEEN L.	26,258
118	LOPEZ, ROSARIO	25,625
119	ROXAS, MA. TERESA ESCODA	24,722
120	FELIX REGALA MARAMBA III	23,993
121	ELENA ARGUELLES VILLARAMA	22,470
122	ROSARIO, MICHAEL RENE D. DEL	21,854
123	CEBEDO, JOVITO C.	21,458
124	CRUZ, VICTOR T.	21,324
125	ROSARIO, VINCENT LEONARD D. DEL	20,417
126	ROSARIO, MARGARET MARIE D. DEL	20,054
127	ROSARIO, GERTRUDES V. DEL	18,909
128	MARAMBA, MAXINE DANIELLE M.	18,749
129	MARAMBA, MICHAEL JULIAN M.	18,749
130	CORDOVA, JAVIER JORGE M.	18,749
131	ANDERSON, IAN M.	18,749
132	NEBREJA, ADORACION MASANGKAY &/OR MARCELINO LAPARAN NEBREJA	18,600
133	ROSARIO, ANNA LIZA D. DEL	18,530
134	LIM, ALICIA ARANETA	17,085
135	BERROYA, NATALIA G. CATOLICO &/OR ROSA G.	16,980
136	GAN, MANUEL A.	16,386
137	GAN, EDUARDO A.	16,386
138	CERRADA, PRISCELINA OBIAS	14,841
139	GONZALES, ROMEO	14,040
140	GAN, LUIS MA. GIL	13,817
141	CATOLICO, NATALIA G. &/OR CECILIA C. CIUBAL	13,217
142	QUINTANS, REGINA	12,518
143	GASTON, MERCEDES L.	12,245
144	GAN, JAIME JAVIER A.	12,146
145	RODRIGO CONCEPCION REYES	12,083
146	GANARE REALTY CORPORATION	11,850
147	PANG, VICENTE C.	11,841
148	MARIA ELENA YULO LORENZO	11,709
149	JUAN MIGUEL DE VERA YULO	11,709
150	MARIA LUISA YULO TEEHANKEE	11,709
151	MARIA ROSARIO YULO NG	11,709
152	MARIA CRISTINA YULO SO	11,709
153	SYLVIA KALAW ILUSORIO	11,678

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings
154	MARIETTA KALAW ILUSORIO	11,678
155	SHEREEN KALAW ILUSORIO	11,678
156	GANNA, BENJAMIN QUINTIN	11,368
157	MARIMIL G TAN	10,893
158	LAPENA, BEATRIZ	10,817
159	PUENTEVELLA, MONICO O.	10,800
160	JALANDONI, VINA S.	10,183
161	LOPEZ, GERALDINE	10,164
162	PHIL. PROVINCE OF THE GOOD SHEPHERD	10,041
163	YULO, MA. ANGELA CECILIA	10,020
164	LOPEZ, JOSE MARTIN EDUARDO	9,458
165	REYNOSO, PURA O.	8,738
166	COTOCO, NAZARIO	8,625
167	LOPEZ, CATHERINE GERALDINE	8,405
168	UY, LANIE H.	8,265
169	HO, LILY S.	8,258
170	YULO, LUIS GERARDO	7,865
171	DACANAY, BERNABE R.	7,817
172	UMAYAM, VIOLETA M.	7,646
173	GANNA, TERESITA L.	7,521
174	JALANDONI, MA. REGINA S.	7,258
175	CECILIA CRISTINA G QUIAMBAO	7,068
176	VICENTE DEL ROSARIO AND/OR VINCENT LEONARD D. DEL ROSARIO AND/OR MA. PAULA ANGELA D. SANTOS	6,939
177	KATIGBAK, BENEDICTO K.	6,929
178	LOCSIN, CONCEPCION	6,842
179	BANCOM DEVELOPMENT CORPORATION	6,705
180	JALANDONI JR., BENJAMIN B.	6,682
181	JALANDONI, NICOLE MARIE B.	6,682
182	JALANDONI, JUAN MIGUEL B.	6,682
183	JUDAN JR., ALEJANDRO A.	6,585
184	CHIAT, JULIA DE SO	6,497
185	PARAISO AGRICULTURAL CORPORATION	6,444
186	ROMA FARMS, INC.	6,444
187	SANGAY FARMS, INC.	6,444
188	TRINIDAD AGRICULTURAL CORPORATION	6,444
189	BLAYLOCK, CONCEPCION F.	6,381
190	GONZALEZ, ADOLFO R.	6,218
191	GONZALEZ III, AUGUSTO R.	6,218
192	HSU, FRANCISCA CHAN	6,122
193	ILUSORIO, ERLINDA K. ITF: MARIETTA ILUSORIO	6,005
194	QUIAMBAO, CECILIA CRISTINA GRAFILO	6,005
195	LICHAUCO, LUIS	5,777
196	CHIAT, UY ELISEO	5,537
197	CARAG, MARIA ADELA JOSE	5,162
198	YAZON, JOSE	5,057
199	ZABARTE JR., JOSE A.	4,920
200	CLEMENTE JR., HILARIO A.	4,920
201	ABAD, RICARDO B.	4,920
202	ALVENDIA, ELISA Y.	4,920
203	LEON, RAQUEL G. DE	4,920
204	LIOANAG, BASILIO	4,920



**MANAGEMENT REPORT
OF
LIBERTY FLOUR MILLS, INC.**

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

The Company's consolidated audited Financial Statements for the year ended December 31, 2025, 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 has appointed Sycip Gorres Velayo & Co. as the external auditor.

The Company paid P1,860,000 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.

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 2025:

Income Statement Data

	For the Year December 31 (in Millions)		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Income	2,512,233	1,267,080	1,567,756
Expense	(1,111,992)	(1,138,902)	(1,605,452)
Income Before Tax	1,400,241	128,178	(37,696)
Provision for Tax	(85,491)	(20,978)	(731)
Net Income	1,314,750	107,200	(38,427)

2nd QUARTER 2026

The sales volume from flour and mill feeds increased by 9.01% for six-month period ended June 30, 2026, compared to the same period in the previous year. In terms of Sales Value, the Company generated ₱597.29 million versus ₱527.98 million in the same quarter last year, representing an increase in sales revenue of 13.13% mainly driven by higher sales volume and a favorable sales mix. Correspondingly, cost of sales increased but only by 9.80%, it was lower than the growth in sales revenue. Better utilization of raw materials, controlled manufacturing overhead, and reduced direct operating expenses contributed to the favorable movement in cost of sales relative to sales revenue, resulting in an improved gross profit margin of 17.91%, compared with 15.56% in the same period last year. The Company's lease rental income amounted to ₱7.44 million for the six-month period this year, slightly lower than ₱7.60 million in the same period last year, representing a minimal decrease of 0.02% primarily due to the non-renewal of certain lease contracts.

For the quarter ended June 30, 2026, total gross income amounted to ₱122.18 million, which is much higher from the previous year's same period operation which made gross profit amounting to

₱100.64 million. Significant increase on gross income was due primarily to higher 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 2026 amounted ₱64.52 million, 4.82% higher than the ₱61.56 million recorded in the same period last year. 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 2026 amounted to (₱16.71 million) which is much higher than last year's same period amounting to net other income (₱10.91 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 and management bonuses.

As of the quarter ended June 30, 2026, the Company has trust receipt balance amounting to ₱176.04 million, compared with ₱213.67 million as of the same period last year, representing a decrease of 17.61%. The decrease was primarily attributable to the recognition of trust receipt liabilities related to two (2) vessels in 2026, compared with three (3) vessels in 2025.

The total combined assets amounted to ₱2.85 billion as of June 30, 2026 which is slightly lower by 0.27% while total liabilities amounted to ₱0.65 billion lower by 3.71%, from balances as of 31 December 2025.

The distribution of the Company's investment in LPC shares as property dividends resulted to dilution in the Company's ownership % to 0.40%, hence, losing control over LPC. Accordingly, the Company's investment in LPC distributed as property dividends, classified as "Noncurrent asset held for distribution to owners" amounting to ₱123.71 million is derecognized and its retained interest was reclassified to "Financial assets at FVOCI" at fair value amounting to P3.5 million.

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 Company's operation is regulated by the two (2) year Certificate of Non-Conformance (CNC) where non-renewal will trigger the cessation of flour milling operations.

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

Inventories – The decrease in this account was primarily attributable to lower importation of raw materials and increased utilization of inventory to support the higher sales volume during the period.

Prepaid expenses and other current assets – The increase was mainly attributable to importation costs related to raw materials that had not yet been reclassified to inventory as of June 30, 2026, since the raw materials were still in transit.

Financial assets at fair value through OCI – The decrease was primarily due to the redemption of matured securities.

Income tax payable – The decrease was primarily due to the lower income tax payable recognized by the Parent Company during the second quarter of 2026 compared with the balance as of December 31, 2025.

Accrued retirement benefit costs - The increase is due to recognition of retirement costs during the second quarter of 2026.

1st QUARTER 2026

The sales volume of flour and mill feeds increased by 9.01% for the three-month period ended March 31, 2026, compared to the same period in the previous year. In terms of sales value, the Company generated ₱290.68 million versus ₱267.83 million in the same quarter last year, representing an increase in sales revenue of 8.53%, mainly driven by higher volume. Correspondingly, cost of sales increased but only by 3.15%, primarily due to higher production volume for the period. The increase, however, was lower than the growth in sales revenue, reflecting the Company's improved cost management and operational efficiency. Better utilization of raw materials, controlled manufacturing overhead, and reduced direct operating expenses contributed to a favorable movement in cost of sales relative to the increase in sales volume resulting in an improved gross profit margin of 19.35%, compared to 15.15% in the same period last year. The Company's lease rental income amounted to ₱3.66 million for the three-month period this year, slightly lower than ₱3.77 million in the same period last year, representing a minimal decrease of 0.02%.

For the quarter ended March 31, 2026, total gross income amounted to ₱68.75 million, significantly higher than ₱51.65 million recorded in the same period last year. The increase in gross income was primarily attributable to higher sales revenue, as discussed above. Gross income was derived from gross profit on the sale of the Company's products, as well as rental and real estate income, interest income, and dividend income.

Operating expenses and finance costs for the three-month period in 2026 amounted to ₱35.77 million, 13.92% higher than ₱31.40 million recorded in the same period last year. These expenses consist of selling and administrative costs, including salaries and wages, employee welfare, depreciation, outside services, taxes, insurance, communications, office supplies, transportation, repairs and maintenance, interest, and other related expenses.

Other income (charges), net, for the three-month period in 2026 amounted to (₱3.93 million), an improvement compared to net charges of (₱8.08 million) in the same period last year. This account includes net miscellaneous income from scrap sales, unrealized foreign exchange gains or losses, provision for impairment losses, and gains or losses on the sale of financial assets.

As of the quarter ended March 31, 2026, the Company's trust receipt balance amounted to ₱323.88 million, compared to ₱298.68 million in the same period last year, representing an increase of 7.78% due to higher US# volume of imported wheat.

The total combined assets amounted to ₱2.81 billion as of March 31, 2026 which is lower by 1.67% while total liabilities amounted to ₱0.61 billion lower by 9.70%, from balances as of December 31, 2025.

On August 5, 2025, the Company obtained SEC's approval for the distribution of the property dividends. The distribution of the Company's investment in LPC shares as property dividends resulted to dilution in the Company's ownership % to 0.40%, hence, losing control over LPC. Accordingly, the Company's investment in LPC distributed as property dividends, classified as "Noncurrent asset held for distribution to owners" amounting to ₱123.71 million is derecognized and its retained interest was reclassified to "Financial assets at FVOCI" at fair value amounting to P3.5 million.

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 Company operation is regulated by the two (2) year of Certificate of Non Conformance (CNC) where non-renewal will trigger the cessation of flour milling operations.

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

Inventories – The decrease in this account was primarily attributable to the utilization of wheat raw materials in production to support the higher sales volume during the period.

Prepaid expenses and other current assets – The increase is mainly attributable to importation costs that have not yet been reclassified to inventory.

Accounts payable – The decrease is due to some advance payments made on trust receipts during the first quarter of 2026.

Income tax payable – The increase is due to higher recognition of income tax liabilities by the Parent Company during the first quarter of 2026.

Accrued retirement benefit costs - The increase is due to additional recognition of retirement costs during the first quarter of 2026.

CY 2025

On August 5, 2025, the SEC approved the property dividend distribution which the BOD approved on May 29, 2024. The property dividends are 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.

Accordingly, the Parent Company recognized the property dividend distribution at fair value amounting to ₱509.25 million and deconsolidated LPC resulting in recognition of a gain on deconsolidation amounting to ₱981.12 million, as part of the Group's net income from continuing operations in the 2025 consolidated statement of comprehensive income. The Parent Company's retained interest in LPC was recognized at fair value amounting to ₱3.50 million upon deconsolidation.

The sales revenue from flour & mill feed business for the year ending December 31, 2025 decreased by 7% compared to 2024. This decline was primarily driven by several price reductions implemented due to relatively stable costs of major raw materials. The impact was further compounded by a decline in sales volume due to stiff market competition. In terms of Sales Value, the Company delivered P1,128.65 million vs. P1,214.28 million in 2025 and 2024, respectively. The Cost of Sales decreased by 4% due to lower US\$ cost of wheat during the year as well as reduced 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 Parent Company amounting to P15.12 million compared to P14.54 million in year 2024 recorded an increase of 4%.

As of the year ended December 31, 2025, the total gross income amounted to P224.93 million, as compared to December 31, 2024 which was P275.14 million posted a decline of 18.2%. Significant decrease on gross income was primarily due to decrease in 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 P159.89 million in CY2025 and P151.95 million in PY2024, an increase of 6.00% as a result of increase in general and administrative 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 P2.86 billion in CY2025 compared to P4.40 billion in PY2024 which was a decrease by 35% while the total combined liabilities for CY2024 amounted to P677.14 million which is lower by 67%, vs. P2.03 billion in 2024. The effect of the decrease both in assets and liabilities were mainly due to the deconsolidation of a subsidiary previously 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 CY2025 as compared to PY2024:

Inventories – The 32.30% increase is largely due to higher wheat grain inventory, which increased by 59 million (from P122 million to P181 million).

Prepaid Expenses and Other Current Assets – this account decreased by 45.10%, mainly attributable to reduced advances to suppliers and the utilization of creditable withholding taxes during 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 as well as reclassification adjustments to the Retirement Plan Asset.

The details of the results of discontinued operations of LPC are presented below:

	2025 (Seven Months)	2024 (One Year)	2023 (One Year)
RENTAL INCOME	P129,284,027	P269,334,697	P194,836,591
DIRECT COSTS	56,417,366	94,302,332	85,239,642
GROSS PROFIT	72,866,661	175,032,365	109,596,949
OPERATING EXPENSES	31,283,082	57,737,053	31,711,371
INCOME BEFORE OTHER INCOME (CHARGES) AND INCOME TAX	41,583,579	117,769,002	77,885,578
OTHER INCOME (CHARGES)			
Interest expense	(50,906,849)	(65,159,017)	(43,620,441)
Fair value changes of financial assets at FVTPL	2,110,770	(7,738,342)	(42,006,396)
Dividend income	112,640	165,140	394,390
Interest income	60,487	20,219	19,309
Gain on sale of financial assets at FVTPL	–	6,916,515	728,239
Gain on sale of investment properties	–	–	88,637,478
Other income (expense) - net	259,366	594,850	1,446,392
	(48,363,586)	(65,200,634)	5,598,971
INCOME BEFORE INCOME TAX FROM DISCONTINUED OPERATIONS	(6,780,007)	52,568,368	83,484,549
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	1,463,409	12,540,215	31,369,350
Deferred	–	2,351,202	(38,600)

	1,463,409	14,891,417	31,330,750
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	(P8,243,416)	P37,676,951	P52,153,799
Total Net Income (Loss) from Discontinued Operations Attributable To			
Equity of holders of the Parent Company (see Note 25)	(P4,451,706)	P22,859,030	P30,780,173
Non-controlling interest	(3,791,710)	14,817,921	21,373,626
	(P8,243,416)	P37,676,951	P52,153,799
BASIC/DILUTED EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATIONS			
(see Note 25)	(P0.03)	P0.15	P0.21

The assets and liabilities of LPC classified as held for distribution to owners immediately prior to deconsolidation and as at December 31, 2024 are as follows:

	August 5, 2025	December 31, 2024
ASSETS		
Cash	P65,501,956	P31,132,167
Receivables	7,881,636	11,711,495
Financial assets at FVTPL	10,727,565	8,616,795
Accrued rent	15,357,238	17,378,429
Prepaid expenses and other current assets	96,093,173	97,096,185
Investment properties	728,838,887	754,708,388
Financial assets at FVOCI	171,243,132	139,684,188
Property and equipment	313,959	350,551
Net retirement plan asset	1,544,083	1,544,083
Other noncurrent assets	201,156,275	229,262,377
Assets of disposal group classified as held for distribution to owners	P1,298,675,904	P1,291,484,658

LIABILITIES

Notes payable	P1,190,489,195	P994,724,489
Accounts payable and other current liabilities	244,069,054	82,284,019
Deposits on long-term leases	49,526,938	54,767,868
Unearned rental income	13,838,540	6,019,546
Deferred tax liability	3,825,241	3,825,241
Other noncurrent liability	51,818,876	51,818,876
Liabilities of disposal group classified as held for distribution to owners	P1,553,597,844	P1,193,440,039
Net assets (liabilities) classified as held for distribution to owners	(254,921,940)	P247,134,848
Other components of equity of disposal group held for distribution to owners	(P130,596,688)	(P149,090,229)

The net cash flows directly associated with LPC follow:

	2025 (Seven Months)	2024 (One Year)	2023 (One Year)
Operating activities	P19,594,173	P159,376,491	P95,141,954

	2025 (Seven Months)	2024 (One Year)	2023 (One Year)
Investing activities	269,687,112	(197,255,722)	36,083,472
Financing activities	112,324,054	318,720,167	(139,285,708)
NET CASH INFLOW (OUTFLOW)	₱401,605,339	₱280,840,936	(₱8,060,282)

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)	₱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	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	P247,134,840

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.

Summary of 2026 and 2027 Forecasted Financial Statements

The Company has prepared financial projections for the years ending December 31, 2026 and 2027. The Company expects P317.97 million in CY 2026 and P192.73 million in CY 2027 as total net income which includes gain on sale of certain investment properties.

The Company has approved capital expenditures for the year 2025 - 2026 of about P100 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's BOD has resolved to commence a formal review of strategic options for its flour milling business and certain non-core assets and has appointed an adviser to assist in this process.

The objective of the review is to evaluate all available paths to maximize shareholder value and ensure the Company's capital is allocated to the highest growth opportunities. Options to be considered during the review include, but are not limited to, a potential sale, demerger, joint venture, or the continued retention and further development of the flour business within the Company's existing structure.

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. subsidiaries and the respective ownership as at December 31, 2025 as follows:

a.) LFM Properties Corporation (LPC) – 0.04 % ownership (58.60% ownership until it was deconsolidated in August 2025 following the Company's SEC approval of the property dividend distribution of LPC shares).

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.

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	75	Filipino	Chairman
William L. Ang	75	Filipino	Director
Jose Ma. S. Lopez	82	Filipino	Director
Lourdes Elisa J. Chan	66	Filipino	Director
Jose S. Jalandoni	71	Filipino	Director
Willy G. Ng	73	Filipino	Director
Eldrige Marvin B. Acheron	55	Filipino	Director
Valerie Ann C. Ang	45	Filipino	Director
Jamie Marie C. Ang	44	Filipino	Director
Raul M. Leopando.*	75	Filipino	Director
Philip S. Huang*	71	Filipino	Director

* Independent Director

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

Name	Age	Citizenship	Position

John Carlos Uy	75	Filipino	Chairman & President
William L. Ang	75	Filipino	Corporate Secretary
Jose Ma. S. Lopez	82	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. John Carlos Uy;
2. William L. Ang;
3. Jose Ma. S. Lopez;
4. Jose S. Jalandoni;
5. Lourdes Elisa J. Chan;
6. Jamie Marie C. Ang;
7. Philip S. Huang*;
8. Willy G. Ng;
9. Eldrige Marvin B. Acheron;
10. Raul M. Leopando*;
11. Valerie Ann C. Ang;
12. Barnaby Barrett T. Ang; and
13. Danica Gail C. Ang.

**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. 75 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, 75 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.

Jose Ma. S. Lopez. 82 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. 71 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 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, 66 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.

Philip S. Huang. 71 years old. He serves as the Company's Independent Director. He serves as the President for Upson Resources Corporation.

Willy G. Ng. 73 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.

Eldrige Marvin B. Acheron. 55 years old. He is a partner in Acheron & 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.

Raul M. Leopando. 75 years old. 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 of 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.

Valerie Ann C. Ang. 45 years old. 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.

Jamie Marie C. Ang. 44 years old. She currently serves as President of DNG Food Supply Corporation starting October 2024. She is also a Director of Batra Capital Inc., a position she has held since March 2019. Ms. Ang was previously an Associated Person at RCBC Securities, Inc., and has work experience with American Express Bank Phils., Inc., Sony Life Insurance (Phils.) Corp., and The Mandarin Oriental. She holds a Bachelor of Science degree in Hotel, Restaurant and Institution Management from De La Salle-College of St. Benilde, and has completed the SEC Associated Person Certification Examination.

**Barnaby Barrett T. Ang.* He currently serves as a Director in LFM Properties Corporation, 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.

**Danica Gail C. Ang.* She most recently served as Group Merchandising Manager for Fresh, Frozen, Rice and Eggs at Sarisuki Stores Inc. from November 2023 to August 2024. Prior thereto, she served as Category Manager of SukigrocerMNL, under Sarisuki Stores Inc., from August 2022 to October 2023, where she handled the Lazada, Shopee and TikTok Shop platforms, and as Category Manager of Sarisuki Stores Inc. from April 2021 to August 2022. She earned her Bachelor of Science in Commerce, major in Business

Management, from De La Salle University Manila in 2007. She also completed a Short-term Intensive Chinese Language Course at Beijing Language and Culture University in China in 2007 and a Social Media Marketing Specialist program covering Digital Marketing Planning, Online Community Management and Social Media Marketing at the International Institute of Digital Marketing, E-learning Edge, in 2013. She is fluent in English and Tagalog and has basic conversational proficiency in Mandarin and Hokkien.

Barnaby Barrett T. Ang and Danica Gail C. Ang are nominees for directorship in the 2026 Annual Stockholders' Meeting.

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.

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 August 24, 2026 Raul M. Leopando Philip S. Huang 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

The following are the Board committees for the 2025 corporate year:

Audit and Risk Committee	Philip S. Huang	Chairman
	Raul M. Leopando	Member
	Jose S. Jalandoni	Member
	Eldrige Marvin B. Acheron	Member
Compensation and Remuneration Committee	John Carlos Uy	Chairman
	Philip S. Huang	Member
	Jose S. Jalandoni	Member
Nominations Committee	Philip S. Huang	Chairman
	William L. Ang	Member
	Raul M. Leopando	Member

Attendance of the Directors at the Meetings of the Board of Directors held in 2025 to 2026:

In General

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
John Carlos Uy	17	17
William L. Ang	17	17
Jose Ma. S. Lopez	17	16
Lourdes Elisa J. Chan	17	17
Jose S. Jalandoni	17	17
Willy G. Ng	17	16
Eldrige Marvin B. Acheron	17	15
Valerie Ann C. Ang	17	16
Jamie Marie C. Ang^	10	10
Daniel R. Maramba^	7	6
Raul M. Leopando.*	17	16
Philip S. Huang*	17	17

* Independent Directors

^ Daniel R. Maramba resigned as a Director effective January 28, 2026; Jamie Maire C. Ang was elected as his replacement on the at a meeting of the Board of Directors held on the same date.

Attendance Per Meeting for the 2026 Corporate Year

	8/ 27	9/ 8	9/ 24	10/ 8	10/ 29	11/ 25	12/ 17	1/ 28	2/ 25	3/ 26	4/ 26	5/ 20	6/ 24	7/ 3	7/ 29	8/ 7	8/ 26
JCU	O	O	O	O	O	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	O	O	O	O	O
JMSL	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	X	O
JSJ	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
DRM *	O	X	O	O	O	O	O	-	-	-	-	-	-	-	-	-	-
LJC	O	O	O	O	O	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	O	O	O	O	O
EBA	O	O	O	X	O	O	O	X	O	O	O	O	O	O	O	O	O
JCA*	-	-	-	-	-	-	-	-	O	O	O	O	O	O	O	O	O
VCA	X	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
WGN	O	X	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
RML	X	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O

* Daniel R. Maramba resigned as a Director effective January 28, 2026; Jamie Maire C. Ang was elected as his replacement on the at a meeting of the Board of Directors held on the same date.

Glossary

- O = Present
- X = Absent
- JCU = John Carlos Uy
- JSJ = Jose S. Jalandoni
- JMSL = Jose Ma. S. Lopez
- WLA = William L. Ang
- DRM = Daniel R. Maramba
- LJC = Lourdes J. Chan
- PSH = Philip S. Huang
- EBA = Eldrige Marvin B. Acheron
- JCA = Jamie Marie C. Ang
- VCA = Valerie Ann C. Ang
- RML = Raul M. Leopando
- WGN = Willy G. Ng

Attendance for the 2025 Corporate Year

	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

Audit and Risk Oversight Committee

In General

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Philip S. Huang	2	2
Raul M. Leopando	2	2
Jose S. Jalandoni	2	2
Eldrige Marvin B. Acheron	2	2

Attendance Per Meeting

	Dec.9,2025 & Mar.23,2026	Dec.9,2025 & Mar.23,2026
Philip S. Huang	2	2
Raul M. Leopando	2	2
Jose S. Jalandoni	2	2
Eldrige Marvin B. Acheron	1	1

Nominations Committee

In General

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
Philip S. Huang	1	1
William L. Ang	1	1
Raul M. Leopando	1	1

**For the 2026 Corporate year the Nominations Committee held a meeting on August 24, 2026.*

Compensation and Remuneration Committee

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
John Carlos Uy	0	0
Philip S. Huang	0	0
Jose S. Jalandoni	0	0

Attendance in Stockholders' Meetings

NAME	NUMBER OF MEETINGS WITHIN TERM OF OFFICE	NUMBER OF MEETINGS ATTENDED
John Carlos Uy	1	1
William L. Ang	1	1
Jose Ma. S. Lopez	1	1
Lourdes Elisa J. Chan	1	1
Jose S. Jalandoni	1	1
Willy G. Ng	1	1
Eldrige Marvin B. Acheron	1	1
Valerie Ann C. Ang	1	0
Jamie Marie C. Ang^	0	0
Daniel R. Maramba^	1	1
Raul M. Leopando.*	1	0
Philip S. Huang*	1	1

**for 2025, 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 Jalandoni Chan are siblings. Jose S. Jalandoni, Lourdes Jalandoni Chan, and Jose Ma. S. Lopez are first cousins.

William L. Ang is the father of Valerie Ann C. Ang and Jamie Marie C. Ang.

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 August 24, 2026, there are 456 holders of common shares of stocks of the Company, with the Top 20 Stockholders 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.)	PCD Nominee Corp. (NF)	515,554	0.34%
18.)	Javellana, Maria Teresa V.	509,493	0.34%
19.)	Maramba III, Felix R.	487,934	0.33%
20.)	Quiros, Ma. Cristina V.	475,344	0.32%

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
2026			
First Quarter	36.00	26.05	30.00
Second Quarter	35.30	25.00	28.20
2025			
First Quarter	16.50	16.40	16.50
Second Quarter	29.20	16.10	23.75
Third Quarter	29.50	24.50	27.25
Fourth Quarter	39.50	24.50	33.80
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

Market Information (Latest Practicable Trading Date)	
Date	August 24, 2026
Open	21.55
High	22.40
Low	20.65
Close	21.5
Volume	2,300
% Change	-0.23%

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 2025, 2024, and 2023.

	Dividend Type	Record Date / Date of Payment	Rate	Amount
For 2025	Cash	June 9, 2025 / July 2, 2025	200%	P300,000,000.00
	Cash	October 28, 2025 / November 19, 2025	280%	P420,000,000.00
For 2024	Cash	December 18, 2024 / February 04/ 2025	200%	P300,000,000.00
	Cash	June 18, 2024 / July 12, 2024	3%	P 45,000,000.00
	Property	June 18, 2024/ November 10, 2025	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

Property Dividend

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 August 5, 2025, the Company obtained SEC's approval for the distribution of the property dividends.

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

	Amount
Unappropriated retained earnings, beginning	₱1,250,187,730
Add: Category A: Items that are directly credited to unappropriated retained earnings	-
Less: Category B: Items that are directly debited to unappropriated retained earnings	-
Property dividends distributed during the reporting period	509,250,000

Cash dividends declared during the reporting period	810,000,000	1,319,250,000
Unappropriated retained earnings, as adjusted		(69,062,270)
Add: Net income for the current year		717,307,354
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	(1,841,220)	
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):		-
Sub-total		(1,841,220)
Adjusted Net Income		715,466,134
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	2,550,268	
Sub-total		2,550,268
Total retained earnings, end of the reporting period available for dividend		₱648,954,132

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.

The composition of the Board Committees are as follows:

Audit and Risk Oversight Committee

Philip S. Huang
Raul M. Leopando
Jose S. Jalandoni

Eldrige Marvin B. Acheron

Nominations Committee

Philip S. Huang
William L. Ang
Raul M. Leopando

Compensation and Remuneration Committee

John Carlos Uy
Philip S. Huang
Jose S. Jalandoni

Details of the Company's compliance with the Code of Corporate Governance for the 2025 corporate year is provided for in the Integrated Annual Corporate Governance Report, submitted to the Securities and Exchange Commission and disclosed through the Philippine Stock Exchange EDGE.

Director Continuing Education

For the calendar year 2025 Atty. Marvin Eldrige B. Acheron, Valerie Ann C. Ang, Lourdes Elisa J. Chan, Raul M. Leopando, Daniel R. Maramba, and Willy G. Ng attended the seminar *Responsible AI for Good Governance* conducted by the Center for Global Best Practices held on October 30, 2025. Jose S. Jalandoni, William L. Ang, John Carlos Uy, and Jose Ma. S Lopez attended the seminar Awareness Training and Updates on AMLA conducted by the Center for Global Best Practices on October 29, 2025.

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 Audit and Risk Oversight, Nomination, Remuneration Committee evaluates 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.

2025 ANNUAL STOCKHOLDER'S MEETING

Quorum for the 2025 Annual Stockholders' Meeting

At the 2025 Annual Stockholders' Meeting of the Corporation, there were the stockholders present through person or proxy represented 91,263,913 shares which corresponds to 60.84% of the issued and outstanding capital stock entitled to vote.

Voting and Vote Tabulation Procedures used in the Meeting

In the 2025 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 2024 Annual Stockholders' 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 May 29, 2024 were made available to the shareholders.

The Chairman asked the shareholders if there were any questions or comments regarding the minutes of the 2024 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 2024 Annual Stockholders' Meeting. The tabulation of voting is as follows:

Approve	90,653,286
Disapprove	100
Abstain	200

Annual Report of the Chairman

The Chairman then delivered the Annual Report. The Annual Report for the year 2024, including the highlights of the Corporation's performance for the past year and the Corporation's Audited Financial Statements for the year ending 2024, were discussed and noted.

After the presentation, the Chairman asked the shareholders if anyone had any questions or concerns regarding the Annual Report.

Mr. Keir Gaspan, acting as proxy for stockholder Stella Marie Jill Uy, asked about the status of the remaining Php200,000,000.00 balance from the sale of the Pasay property, whether the amount had been collected in 2024, and how the collection was reflected in the Company's cash flow statement. Mr. William L. Ang and Ms. Marie L. Quizon responded that the balance remained outstanding as of the date of the meeting but was expected to be collected within the current fiscal year. Ms. Quizon further clarified that the amount was recorded under accounts receivable, that prior collections were treated as operating cash flow, and that such collections were used to support the declaration of cash dividends.

Atty. Eldrige Marvin B. Acheron asked the Corporation's external auditors regarding the Php1.1 Billion receivable from Parity Values, including whether the auditors foresaw significant risk in the receivable and how such risk was mitigated. Ms. Loubelle Mendoza, representing SGV, explained that the audit team reviewed the amounts due from Parity Values as a related party and assessed management's Expected Credit Loss computation, including assumptions based on historical collection experience and macroeconomic indicators. SGV found the assumptions used by management to be reasonable.

Atty. Acheron further asked why the receivable from Parity Values did not bear interest and had no fixed maturity or demand date. Mr. Ang explained that the amount represented supplier credit arising from a long-standing distributor relationship, and not a loan. He stated that Parity Values had been a distributor of LFM products since the 1970s, that payments had been made over time, and that a payment plan was in place with the objective of reducing the outstanding receivable by at least 40% by the following year. Mr. Ang further explained that the same commercial terms were extended to other distributors, including Liberty Commodities and Trade Demands.

Atty. Justin Yanez, acting as authorized proxy for Stella Uy, asked about the supplier credit terms extended to Parity Values and the possible impact of extended payment terms on the Company's supply chain. Mr. Ang responded that the current payment terms extended to approximately 360 days, but management intended to reduce the period to approximately 120 days by the following year or before the implementation of a major strategic initiative. When asked about the initiative, Mr. Ang stated that it constituted a material event and would be disclosed once finalized.

Atty. Yanez also asked the auditors about the transfer pricing policy between LFM and Parity Values. Ms. Mendoza responded that management was in a better position to address the matter. Mr. Ang stated that the margins were consistent with industry standards and conducted at arm's length, and Ms. Quizon added that SGV had previously been engaged to develop a related party transaction policy to ensure compliance with BIR transfer pricing regulations.

Atty. Aceron asked about the Company's compliance with BIR and other regulatory requirements. Ms. Mendoza clarified that the transfer pricing engagement was handled by a separate SGV group and not by the audit team present at the meeting. SGV confirmed that the auditor involved in the transfer pricing engagement was not present.

Mr. Gaspan asked about the commercial terms extended to Parity Values, noting that these appeared more favorable than those granted to other parties. Mr. Ang explained that Parity Values had been the Company's principal distributor since the 1970s and continued to maintain substantially higher volume than other distributors; hence, preferential terms had historically been extended in view of market competition.

Mr. Gaspan also asked about the Company's declaration of substantial dividends despite the cash levels and cash flow reflected in the financial statements. Mr. Ang explained that the Company's policy is to distribute available cash to shareholders when feasible, and that, as of 2025, PhP600 million had already been distributed. He further stated that the Company was not pursuing new business ventures due to the highly competitive nature of the flour industry, and that excess funds would be returned to shareholders when collections are made.

Mr. Gaspan further noted that positive cash flow in 2023 was primarily attributable to the sale of the Pasay Road property, while in 2024 the Company recorded negative cash flow from operations of approximately PhP228 million. SGV confirmed the accuracy of the figures cited. Mr. Ang also stated that proceeds from the Angono property sale were expected, that LFM anticipated being debt-free by December 2025, and that the Company held approximately PhP300 million in preferred shares that could be sold if needed.

Atty. Aceron asked whether the Company's corporate direction was to sell assets and distribute proceeds to shareholders. Mr. Ang confirmed that this was the Company's strategic direction, but clarified that the Company was not conducting a fire sale. He explained that the Company's guiding principle was to return value to shareholders when excess funds are available, and noted that a restructuring committee had been formed to evaluate the disposal of unproductive assets.

Ratification of 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 from April 29, 2024 to July 30, 2025. The Chairman stated that a detailed description of the matters resolved by the Board was contained in the Definitive Information Statement sent to all stockholders of record.

The Chairman asked if there were any questions from the shareholders.

Atty. Justin Yanez asked about the licensing agreement between LFM and Parity Values, including its scope, terms, and business rationale. Mr. Ang explained that the agreement related to a brand owned by Parity Values and manufactured by LFM, and that no royalty or one-time payment was made to Parity Values. Mr. Ang further explained that brand recognition is important in flour sales and that the agreement formalized a long-standing commercial arrangement dating back to the 1970s and 1980s.

Atty. Aceron asked about the specific brand covered by the licensing arrangement and its sales performance relative to the other brands manufactured by LFM. Mr. Ang responded that the brand was El Superior, which is owned by Parity Values and manufactured by LFM. He explained that El Superior is sold

in 25-kilogram bags to wholesalers and institutional buyers, and that it accounts for approximately 50% to 60% of the Company's total monthly sales.

Mr. Keir Gaspan/Gapan, acting as representative proxy of Ms. Stella Uy, asked who signed the deed of absolute sale for the sale of Liberty Building on behalf of LFM. Mr. Ang responded that the authorized signatory was LFM's then President, Sandra Judy Uy.

Atty. Yanez asked whether LFM was at risk of being reduced to a toll manufacturer for Parity Values. Mr. Ang responded that he did not believe this would be the case. He explained that LFM operates under a unique mill-distributor arrangement and expressed the view that Parity Values may eventually phase out due to evolving market conditions and industry developments.

The stockholders voted to ratify all acts of the Board of Directors and Management. The tabulation of voting is as follows:

Approve	90,653,086
Disapprove	100
Abstain	200

Election of Directors

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

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

Given that there were eleven (11) nominees for eleven (11) seats on the Board of Directors, a motion was made to instruct the Company Information Officer to cast the votes of those present in person, by proxy, through remote communication, and by voting in absentia equally among the nominees.

The foregoing nominees were elected as directors of the Corporation for the ensuing corporate year and until their successors are elected and qualified.

Approval of External Auditor

The next matter on the agenda was the appointment of the Corporation's External Auditor. The Chairman stated that it was proposed that SyCip Gorres Velayo & Co. be engaged as the Corporation's External Auditor for the ensuing fiscal year.

The Chairman asked the assembly if there were any questions or concerns regarding the appointment.

Atty. Justin Yanez, acting as representative of Ms. Stella Uy, commented that in prior years the external audit of LFM was not conducted by SGV. Mr. Ang clarified that this was incorrect and stated that SGV had consistently served as the Company's external auditor. He explained that the change in audit partner was

due to the mandatory rotation requirement under the seven-year rule, and that SGV remained the auditing firm of record.

The stockholders voted to approve the appointment of SGV as External Auditor. The tabulation of voting is as follows:

Approve	90,653,286
Disapprove	0
Abstain	100

Amendment to the By-Laws

The next matter on the agenda was the proposed amendment to the By-Laws to reschedule the Annual Stockholders' Meeting from the last Wednesday of May to the last Wednesday of July.

The Chairman explained that the amendment was proposed to alleviate the administrative workload on the Company's personnel, as preparations for the Annual Stockholders' Meeting have historically coincided with or immediately followed the period for financial regulatory filings. The revised schedule is intended to provide sufficient time for both regulatory compliance and meeting preparations.

After the presentation of the proposed amendment and the rationale therefor, the Chairman asked the stockholders if anyone had any questions or concerns.

Atty. Aceron raised a procedural question regarding the presence of a quorum and whether the proposed amendment could be validly voted upon during the meeting. Mr. Ang confirmed that the required quorum had been met, with approximately 60.84% of the stockholders present in person or represented by proxy, and that the proposed amendment could be submitted for approval.

The stockholders voted to approve the amendment to the By-Laws. The tabulation of voting is as follows:

Approve	90,653,085
Disapprove	0
Abstain	301

Approval of the 10% Profit Sharing for the Directors and Officers

The next matter on the agenda was the approval of a 10% profit-sharing allocation for the Board of Directors and corporate officers. The Chairman stated that, as disclosed in the Corporation's Information Statement, PSE Edge disclosures, and current reports filed with the Securities and Exchange Commission, the profit-sharing arrangement shall be strictly and exclusively limited to 10% of the Corporation's net income derived from flour milling operations. He clarified that the profit-sharing will apply only to income from the manufacture and sale of flour and will exclude one-time gains, passive income, and other non-operational sources of revenue.

The Chairman asked if there were any questions from the shareholders.

Atty. Honey Joy Bellen, acting as representative of Ms. Stella Uy, raised a procedural concern that amendments to the Articles of Incorporation and By-Laws require approval of stockholders representing at least two-thirds of the outstanding capital stock, and that only approximately 60% of the stockholders were present in person or by proxy. Mr. Ang clarified that the two-thirds vote applies to amendments to the Articles of Incorporation, while amendments to the By-Laws require only a majority vote. He further stated that the item then under consideration was the profit-sharing arrangement.

Atty. Bellen further noted that the information statement referred to a proposed amendment to the Articles of Incorporation to reduce the number of directors, which appeared to contradict the statement that no

such amendment was then being considered. Mr. Ang clarified that the meeting had not yet reached the agenda item concerning amendments to the Articles of Incorporation, and that the earlier discussion concerned only the proposed amendment to the By-Laws.

Mr. Ang further explained that the proposed profit-sharing arrangement would apply only to income derived from flour milling operations, and would not include one-time gains or proceeds from the sale of assets. He stated that the projected income from flour operations in 2025 was approximately PhP100 million, with an expected annual range of PhP60 million to PhP100 million, such that the 10% profit-sharing allocation would amount to approximately PhP10 million.

Mr. Ang also explained that the request for stockholder approval was made in compliance with the Revised Corporation Code. He noted that the Company had historically maintained a profit-sharing arrangement dating back to the 1970s, and that the current proposal was intended to formalize the arrangement and cap the rate at 10%.

Atty. Aceron asked whether the profit-sharing arrangement would apply prospectively and whether it would be limited to profits from flour milling operations. Mr. Ang confirmed both points and stated that the arrangement would apply prospectively and only to profits derived from the flour milling business.

The stockholders voted to approve the 10% profit-sharing allocation for the directors and officers. The tabulation of voting is as follows:

Approve	88,004,207
Disapprove	2,649,179
Abstain	0

Amendment of the Articles of Incorporation: Decrease in Directors

The next matter on the agenda was the proposed amendment to the Articles of Incorporation to decrease the number of directors from eleven (11) to seven (7).

Upon further deliberation, the Company decided not to proceed with seeking approval for the proposed reduction in the number of directors due to the inadvertent omission of a corresponding amendment to Article I, Section 2 of the Corporation's By-Laws, which also specifies the number of directors. Proceeding with the proposed amendment in its current form would result in an inconsistency in the Corporation's constitutive documents. Accordingly, the matter was deferred and the appropriate resolutions to effect the necessary amendments will be taken up for discussion and approval at a later date.

Notwithstanding the deferral, since the matter remained included in the voting platform, the voting results were presented for transparency. The tabulation of voting is as follows:

Approve	0
Disapprove	2,649,177
Abstain	88,004,209

Directors Present During the Meeting and their Voting Rights

The following directors were present in the 2025 Annual Stockholders' Meeting:

NAME	NUMBER OF SHARES	PERCENTAGE
JOSE MA. S. LOPEZ	735,647	0.28%
DANIEL R. MARAMBA	433,596	0.28
JOSE S. JALANDONI	140,601	0.09%

WILLIAM L. ANG	373	0.00%
LOURDES J. CHAN	1	0.00%
PHILIP S. HUANG*	10	0.00%
JOHN CARLOS UY	374	0.00%
ELDRIGE MARVIN B. ACERON	1	0.00%
WILLY G. NG	100	0.00%

Stockholders Present and their Voting Rights

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

In the 2025 Annual Stockholders' Meeting stockholders the following shareholders were present in person or through proxy:

NAME	NUMBER OF SHARES	PERCENTAGE
MARIA DOLORES FANSLER	474,767	0.32%
JOSE EDUARDO DELGADO	465,907	0.31%
ANTONELLI REALTY HOLDINGS, INC.	474,767	0.32%
STELLA MARIE JILL UY	300	0.00%
FRANCISCA C. HSU	6,122	0.00%
PARITY VALUES INC.	59,891,231	39.93%
PHILIP HSU	602,405	0.40%
AP SECURITIES INCORPORATED	278,920	0.19%
ASTRA SECURITIES CORPORATION	1,147,950	0.77%
ASTRA SECURITIES CORPORATION	23,645,858	15.76%
JERRY U. DY	2,000	0.00%
JOSE VICENTE BENZON III	1	0.00%
TELEQUIP ICT, INC.	1,233,335	0.82%
ROBERTO MARAMBA	424,562	0.28%
FELIX P. MARAMBA IV	269,163	0.18%
MARAMBA ANGELICA PERIQUET ITF FELIX P. MARAMBA IV	4,067	0.00%
MICHAEL MARAMBA	161,249	0.11%
PAOLO MARAMBA	161,249	0.11%
MIA MARAMBA	161,249	0.11%
MA. ISABEL MARAMBA	424,509	0.28%
MARAMBA MA. ISABEL ITF IAN ANDERSON	369,249	0.25%
CORDOVA JAVIER GEORGE	411,669	0.27%
MARAMBA MA. ISABEL ITF ISAIAH DANIEL CORDOVA	210,000	0.14%
EDUARDO R. MARAMBA	443,282	0.30%
MILTON UY	100	0.00%
SANDRA JUDY UY	2	0.00%

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.

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings
205	MENDOZA, DOLORES C.	4,920
206	MARTINEZ, ASUNCION	4,920
207	PAY, GEORGE	4,920
208	JOSE RAMON A. YULO	4,899
209	VALENZUELA, DON JUAN	4,817
210	ARCE, OFELIA ARCE &/OR EMILIO R.	4,562
211	GONZAGA, TRINIDAD L.	4,545
212	UMAYAM, VIOLETA	4,251
213	AREOLA, WILFREDO &/OR ALICIA	4,128
214	ESCUETA, TERESITA	4,128
215	REYES, PATROCINIO L.	4,101
216	RESEARCH FOUNDATION IN PHIL. ANTHROPOLOGY & ARCHEOLOGY	4,101
217	REGINA ABREU YULO	4,094
218	MARAMBA, ANGELICA PERIQUET ITF FELIX P. MARAMBA IV	4,067
219	REYNOSO, HEDELITA N.	3,962
220	BUENAVENTURA, LOURDES LOCSIN	3,945
221	GONZAGA SR., VICENTE J.	3,857
222	VALDEZ, NOEL	3,833
223	GONZAGA, TRINIDAD LOPEZ DE	3,825
224	MARAMBA, ELFRIDA R.	3,749
225	MAMERTO DE MESA, INC.	3,677
226	LOPEZ, JOSE PAOLO C.	3,516
227	ROSARIO, VICENTE DEL	3,470
228	ITCHON, ALEX	3,444
229	SORIANO, RAMON A.	3,429
230	MAR, PETER MAR &/OR ANNABELLE C. ITF: PARKER ALDRIC MAR	3,305
231	MAR, PETER MAR &/OR ANNABELLE C. ITF: PHILIP ALLEN MAR	3,305
232	SORIANO, CARLOS A.	3,165
233	JOSE GABRIEL HERNANDEZ REYES	3,021
234	MARIA REGINA REYES MANZANO	3,021
235	LUMAPAS, DELFIN	2,961
236	TALA, CECILIO	2,705
237	YLAGAN, VICENTE	2,642
238	GANAN, ROBERTO A.	2,520
239	YULO, RAFAEL MARTIN J.	2,505
240	NOBLE, PERLA H.	2,505
241	CRISTINA ARGUELLES VILLARAMA	2,497
242	VICENTE RAYMUNDO ARGUELLES VILLARAMA	2,497
243	LOURDES PAULA VILLARAMA GALVEZ	2,496
244	AGUSTIN ARGUELLES VILLARAMA	2,496
245	MARIA LUISA ARGUELLES VILLARAMA	2,496
246	SOTO, ANTONIO	2,361
247	DACLES, ANASTACIO K.	2,285
248	ALMAZAN, ANSELMO	2,258
249	BALISALISA, JANET	2,061
250	BALISALISA, JOANNE	2,061
251	BINAS, MA. TERESA V.	2,057
252	GOLPEO, FELY CARMEN	2,042
253	GONZALES, ERMELO	2,033
254	LIM, AGUSTIN	2,018
255	LIM, MA. LUZ NATIVIDAD	2,018

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings
256	LIM, MARTIN JOHN	2,018
257	LIM, CATHERINE FAYE	2,018
258	LIM, CIRILO ALBERTO	2,018
259	AREVALO-GOMEZ CORPORATION	2,002
260	PAULINE CLARRISE FERIA DARRE ITF ALEXANDRA VAIANA F. DARRE	2,000
261	PAULINE CLARRISE FERIA DARRE ITF CHLOE OLIVIA MAIANA F. DARRE	2,000
262	PATRICIA MARIE F. LIM ITF DOMINIC CROSS F. LIM	2,000
263	KATIGBAK, LOURDES K.	1,881
264	NARVASA, MARISSA G.	1,874
265	NARVASA, MARISSA G. ITF: JOSE MARIE IAN G. NARVASA	1,874
266	LOPEZ SR., EDUARDO	1,817
267	LAFORTEZA, TEODORO	1,817
268	MARAMBA, FELIPA CENDANA VDA. DE	1,814
269	MARAMBA, LAMBERTO C.	1,814
270	MARAMBA, LOLITA C.	1,814
271	MARAMBA, ROBERTO C.	1,814
272	MARAMBA, FELIXBERTO C.	1,809
273	MARAMBA, ALBERTO	1,809
274	MARAMBA, MANUELA C.	1,809
275	MARAMBA, NORBERTO C.	1,809
276	VALDEZ, SUZETTE S.	1,761
277	TAN, MILTON	1,720
278	LOPEZ, EUSEBIO C.	1,704
279	VENECIA, JOSE MARIA L. DE	1,704
280	VENECIA, MARK ANTHONY L. DE	1,701
281	ARMENIO, ROSALINA O.	1,673
282	LIM, LETICIA U.	1,649
283	MANUEL, FLORA C.	1,637
284	VARGAS, MA. CRISTINA	1,560
285	BAUTISTA, DOMINGO R.	1,545
286	BELMONTE, CARMEN	1,545
287	HILARIO, JOSE	1,521
288	CHING, BELLA	1,425
289	CRUZ, JOSE J.	1,413
290	YULO III, JOSE	1,370
291	GONZAGA, ORLANDO	1,358
292	ONG BUN, JOSE T.	1,300
293	VENECIA, SALVACION L. DE	1,274
294	MARIA TERESITA ACHACON ESPALLARDO	1,236
295	BONDOC, ROSENDO D.	1,221
296	MANUEL, RODOLFO C.	1,221
297	MACALAGUIM, VIRGILIO	1,221
298	DUMLAO & VALDEZ REALTY & DEVELOPMENT CORPORATION	1,173
299	HILARIO, PILAR	1,068
300	MAGDALENO, GERONIMO	1,065
301	ESCUETA, EMERITA	1,029
302	LOCSIN, DELIA S.	1,022
303	ABRANTES, ENRICO C.	981
304	MERCADO, ILDEFONSA Q.	962
305	CATOLICO JR., CARLOS	962
306	ATIENZA, ELOISA	962

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings

307	ANNA LISA ABAD LIM	957
308	LOCSIN, ELENA JISON	953
309	SORILLA, FEDERICO	921
310	REQUINTA, RICARDO F.	921
311	LUMAIN, DOROTHY A.	890
312	MARAMBA JR., ARTURO	857
313	ROSARIO, ZOILA DEL	845
314	TAYLO, NEMENSIA	825
315	TESORO, REGINA	825
316	AMICAN, IRENE	825
317	ALESNA, ESTER	825
318	JOSE RAMON ABREU YULO	819
319	JOSE LUIS GERARDO ABREU YULO	819
320	JOSE RAFAEL MARTIN ABREU YULO	819
321	JOSE ABREU YULO III	819
322	MARIA ANGELA YULO LA O'	818
323	LOCSIN, SERGIO M.	773
324	LOPEZ JR., CESAR	765
325	LOPEZ, JUAN S.	734
326	JALANDONI, BENJAMIN L.	722
327	CATOLICO, CECILIA	677
328	CALO, AIDA	677
329	REYES, PERLITO C.	665
330	CATOLICO, CORAZON	621
331	FACTORA, CESAR	600
332	CORDOVA, MA. ISABEL MARAMBA ITF: JAVIER CORDOVA	585
333	VENECIA JR., OSCAR L. DE	567
334	JOSE RAMON A. YULO	564
335	SUBIDA, AURORA	554
336	JALANDONI, ROBERTO L.	549
337	VARGAS JR., ANGEL S.	545
338	SALES, GREGORIO	530
339	LEOPOLDO E. SAN BUENAVENTURA ITF LEOPOLDO M. SAN BUENAVENTURA JR.	514
340	DUMARAOS, AURORA G.	504
341	MAGTULAC, ANNABEL A.	497
342	PESA, RUBEN	494
343	UY-TIOCO & CO., INC.	456
344	CORPUZ, ALLAN	444
345	VILLEGAS, JOY B.	429
346	POLICARPIO, MAURO	410
347	SALMINGO, LOURDES	410
348	MANABAT, ELENA L.	410
349	MOJICA, BELLA CHLOE	410
350	MOJICA, MARILUZ	410
351	QUIZON, LUIS	408
352	LOCSIN JR., EDUARDO	381
353	PARCHASO, EULOGIO	377
354	NG, DAVID	377
355	NARVASA, MELVIN G.	374
356	JALANDONI, MA. ANGELA B.	374
357	JURADO, MARIE ROSE C.	374

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings
358	VILLEGAS, VOLTAIRE C.	374
359	UY, JOHN CARLOS	374
360	ANG, WILLIAM	373
361	ANNA LISA ABAD LIM	348
362	LEGARDA JR., JOSE L.	345
363	CRUZ, SYLVIA DE LA	345
364	LUMAIN, BERNARDO	329
365	GATCHALIAN, PRISCILA MENDOZA	321
366	CRUZ JR., VICENTE B. DELA	302
367	SANVICTORES, JULIUS VICTOR EMMANUEL D.	300
368	REGINA CAPITAL DEV. CORP. 000351	300
369	GONZALES, FRANCIS V.	285
370	GARCIA, JUANITO	257
371	LEGARDA JR., JOSE L.	254
372	MASANGKAY, OFELIA	233
373	IZUMI, OFELIA B.	225
374	OPJER, RHODORA	209
375	BELTRAN, JOSEFINA	204
376	VILLAFLOR, DIVINA ITF: JUAN MIGUEL B. VILLAFLO	204
377	VILLAFLOR, DIVINA ITF: RAFAEL MIGUEL B. VILLAFLO	204
378	SALUD, ALEX	185
379	ORACION, EMELINDA	182
380	OCAMPO, DIOSDADO	180
381	SISON, FRANKLIN	180
382	SALMINGO, JENNIFER	165
383	REGALA, FATIMA	165
384	LATINA, CATALINA	153
385	FELICIANO, HONORIO	149
386	GONZALEZ, NOEL V.	133
387	CRUZ, EDNA	129
388	ALMEDA, RICARDO	129
389	SOTTO JR., VICENTE	129
390	WILFREDO GARCIA SANTOS	126
391	VARGAS, CEFERINO	125
392	SOLIS, JOSE	125
393	ANITOHIN, VILLAMOR	125
394	GARCIA, GERMAN	122
395	AU, OWEN NATHANIEL S. AU ITF: LI MARCUS	121
396	ROCA, ESTER	105
397	WILLY G. NG	100
398	JAMIE MARIE CU ANG	100
399	BARNABY BARRETT TAN ANG	100
400	VALERIE ANN CU ANG	100
401	RAUL MACAPANPAN LEOPANDO	100
402	VARGAS, CARMEN	96
403	GUBOT, MARCELINO	84
404	BELTRAN, LEONIDA ITF: JESUS HONORATO BELTRAN JR.	81
405	FAMA JR., FELIX	81
406	ESTEBAN, MARIA CARMEN	81
407	RONQUILLO, SABINO	81
408	MASANGKAY, RODOLFO	74

LIBERTY FLOUR MILLS, INC.
 Stockholder MasterList
 As of 08/24/2026

Count	Name	Holdings
409	INFANTE, MA. LUISA K.	74
410	GILI JR., GUILLERMO F.	74
411	BAUTISTA, PAULINE REYES VDA. DE	62
412	NIEGOS, ANNABEL M.	60
413	PASCUA, CHARINA J.	53
414	RADAM, ROWENA V.	53
415	SALON, LIRIO L.	53
416	BALDOYA, MA. ELIZA C.	53
417	ABIVA, CRISELDA C.	53
418	LAYA, EUGENIO	38
419	LIM, JUDITH RAMONA	36
420	FERIA JR., JOSE A.	36
421	FERIA, FRANCISCO M.	33
422	TANDUG, LEVI	29
423	RETOTAL, ANTONIO	29
424	TAPAYAN, ALBERTO	24
425	MADRIGAL, RUFINA	24
426	JURADO, JOSE A.F.C.	24
427	CRUZ, ALBERTO B.DE LA	21
428	GUY, LIZA	17
429	GANA, ATETA AREVALO	14
430	PHILIP S. HUANG	10
431	SHAREHOLDERS' ASSOCIATION OF THE PHILIPPINES, INC.	10
432	GOMEZ, RICARDO T.	6
433	GARCIA, OSCAR M.	5
434	CLEMENTE, VIRGINIA	5
435	CALACAT, FORTUNATO	5
436	LOCSIN, HELEN JISON C/O INDAY SORIANO	5
437	SILAG, ROMEO	5
438	REGINIO, TEODORO	5
439	RAMIREZ, ROLANDO	2
440	MARAMBA JR., FELIX K.	2
441	CAPISTRANO, LEOPOLDO	2
442	AFABLE, AMELIA C/O SALVACION AFABLE	2
443	CRUZ, CONRADO B. DELA	2
444	DABU, FERNANDO	2
445	GUZMAN, SIMPLICIO DE	2
446	JALANDONI, BENJAMIN S.	2
447	KALAW, AUGUSTO	2
448	KALAW, EDGARDO T	2
449	WILLIAM CARLOS UY	2
450	UY, SANDRA JUDY	2
451	VARGAS, ANGEL C/O JORGE B. VARGAS	2
452	VERGEL DE DIOS, ASUNCION	2
453	NG, IVAN CO	2
454	JOSE S. JALANDONI	1
455	JOSE M. CHAN JR. AND/OR LOURDES J. CHAN	1
456	ELDRIGE MARVIN BIHIS ACERON	1

Total Stockholders :

 150,000,000
 =====

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:

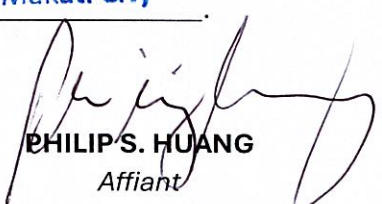
COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Upson Resources Corporation	President	1990-Present
TKC Metals Corporation	Independent Director	2024-Present
LFM Properties Corporation	Independent Director	2024-Present
Liberty Flour Mills, Inc.	Independent Director	2024-Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director for LPC, 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.

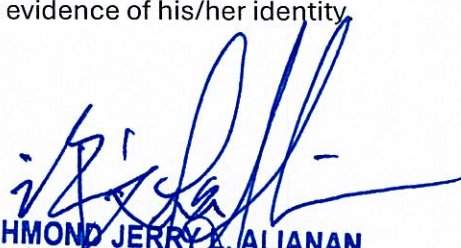
Done this **27 AUG 2026**, at **Makati City**.


PHILIP S. HUANG
Affiant

27 AUG 2026

SUBSCRIBED AND SWORN to before me this ____ day of ____ at Makati City, affiant personally appeared before me and exhibited to me his/her TN 100-365-255 issued at _____ on _____ as competent evidence of his/her identity.

Doc. No. 258 ;
Page No. 53 ;
Book No. V ;
Series of 2026.


RICHMOND JERRY L. ALIANAN
Notary Public for Makati City
Appointment No. NC-MKT-201
Until December 31, 2027
Roll No. 78253
IBP No. 559018- 11.14.2025 - Makati
PTR No. 10764267 - 1.05.2026- Makati
MCLE Compliance No. VIII - 0027593- 4.14.2025
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 Pina Street, Valle Verde 1, Pasig City, 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
LFM Properties Corporation	Independent Director	2026 to Present
Liberty Flour Mills, Inc.	Independent Director	2025 to Present
LT Group Inc.	Independent Director	Present
Seafront Resources Corporation	Director	2017 to Present
	Chairman	2025 to 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; and
7. I shall inform the Corporate Secretary of LFM of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 25th day of August 2026.


RAUL M. LEOPANDO

Nominee for Independent Director – Liberty Flour Mills, Inc.



**ANNUAL REPORT FOLLOWS THIS PAGE
(SEC FORM 17-A)**

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

462

Annual Meeting Month/Day

August 27

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, 2025
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.

**2025
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. subsidiaries and the respective ownership as at December 31, 2025 as follows:

a.) LFM Properties Corporation (LPC) – 0.04 % ownership (58.60% ownership until it was deconsolidated in August 2025 following the Company's SEC approval of the property dividend distribution of LPC shares).

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.

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 & Soft Flour	91%
Mill Feed	8%
Rental Income	1%

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.

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, 2025, the Company has 68 regular (permanent 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	50
Total	68

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.

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.

Business Operations of the Parent Company thru authorization of a Certificate of Non-Conformance (CNC)

The Company has been operating thru 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.

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.

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 Company operation is regulated by the two (2) year of Certificate of Non Conformance (CNC) where non-renewal will trigger the cessation of flour milling operations.

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. Parcels of land located along the border of Angono and Teresa, Rizal, which is not currently used in operations. In December 2025, the Company sold certain parcels of land in Angono and Teresa, Rizal.
3. A parcel of land with a building located along Boni cor. P. Cruz, Mandaluyong City which is being leased out to tenants; and

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:

2025	High	Low
First Quarter	16.50	16.40
Second Quarter	23.80	23.75
Third Quarter	27.35	27.25
Fourth Quarter	33.80	32.60
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

Holders

As of December 31, 2025, there are 462 holders of common shares of stocks of the Company.

The top 20 stockholders of the Company as of December 31, 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)	49,290,084	32.86%
3.)	Bacsay Management Corporation	5,589,742	3.73%
4.)	Sebring Management Corporation	3,122,102	2.08%
5.)	E.K.I Tourist Development Corporation	2,855,505	1.90%
6.)	L & J Agricultural Inc.	2,417,841	1.61%
7.)	Moreno Jr. Jose	928,277	0.62%
8.)	Lopez Jr., Eduardo S.	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%

Dividends

Cash Dividends

The average cash dividend per share of the Company was ₱0.60, ₱2.80 and ₱2.00 in 2025, ₱2.00 and ₱0.30 in 2024, and ₱0.20 and ₱0.50 in 2023.

The following table contains information regarding the cash dividend declaration and distribution on the common stock of the Company for the years 2025, 2024 and 2023.

Date of Declaration	Date of Record	Date of Payment	Dividend per Share	Total Amount
December 17,2025	January 15,2026	February 10,2026	₱0.60	₱90.0 million
October 08,2025	October 28, 2025	November 19, 2025	₱2.80	₱420.0 million
May 16, 2025	June 9, 2025	July 02, 2025	₱2.00	₱300.0 million
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

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 August 5, 2025, the Company obtained SEC's approval for the distribution of the property dividends.

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

	Amount
Unappropriated retained earnings, beginning	₱1,250,187,730
Add: Category A: Items that are directly credited to unappropriated retained earnings	—
Less: Category B: Items that are directly debited to unappropriated retained earnings	—
Property dividends distributed during the reporting period	509,250,000
Cash dividends declared during the reporting period	810,000,000
Unappropriated retained earnings, as adjusted	(69,062,270)
Add: Net income for the current year	717,307,354
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	(1,841,220)
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):	—
Sub-total	(1,841,220)
Adjusted Net Income	715,466,134
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	2,550,268
Sub-total	2,550,268
Total retained earnings, end of the reporting period available for dividend	₱648,954,132

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 2025:

Income Statement Data

	For the Year December 31 (in Millions)		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Income	2,512,233	1,267,080	1,567,756
Expense	(1,111,992)	(1,138,902)	(1,605,452)
Income Before Tax	1,400,241	128,178	(37,696)
Provision for Tax	(85,491)	(20,978)	(731)
Net Income	1,314,750	107,200	(38,427)

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 2025

On August 5, 2025, the SEC approved the property dividend distribution which the BOD approved on May 29, 2024. The property dividends are 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.

Accordingly, the Parent Company recognized the property dividend distribution at fair value amounting to ₱509.25 million and deconsolidated LPC resulting in recognition of a gain on deconsolidation amounting to ₱981.12 million, as part of the Group's net income from continuing operations in the 2025 consolidated statement of comprehensive income. The Parent Company's retained interest in LPC was recognized at fair value amounting to ₱3.50 million upon deconsolidation.

The sales revenue from flour & mill feed business for the year ending December 31, 2025 decreased by 7% compared to 2024. This decline was primarily driven by several price reductions implemented due to relatively stable costs of major raw materials. The impact was further compounded by a decline in sales volume due to stiff market competition. In terms of Sales Value, the Company delivered P1,128.65 million vs. P1,214.28 million in 2025 and 2024, respectively. The Cost of Sales decreased by 4% due to lower US\$ cost of wheat during the year as well as reduced 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 Parent Company amounting to P15.12 million compared to P14.54 million in year 2024 recorded an increase of 4%.

As of the year ended December 31, 2025, the total gross income amounted to P224.93 million, as compared to December 31, 2024 which was P275.14 million posted a decline of 18.2%. Significant decrease on gross income was primarily due to decrease in 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 P159.89 million in CY2025 and P151.95 million in PY2024, an increase of 6.00% as a result of increase in general and administrative 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 P2.86 billion in CY2025 compared to P4.40 billion in PY2024 which was a decrease by 35% while the total combined liabilities for CY2024 amounted to P677.14 million which is lower by 67%, vs. P2.03 billion in 2024. The effect of the decrease both in assets and liabilities were mainly due to the deconsolidation of a subsidiary previously 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 CY2025 as compared to PY2024:

Inventories – The 32.30% increase is largely due to higher wheat grain inventory, which increased by 59 million (from P122 million to P181 million).

Prepaid Expenses and Other Current Assets – this account decreased by 45.10%, mainly attributable to reduced advances to suppliers and the utilization of creditable withholding taxes during 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 as well as reclassification adjustments to the Retirement Plan Asset.

The details of the results of discontinued operations of LPC are presented below:

	2025 (Seven Months)	2024 (One Year)	2023 (One Year)
RENTAL INCOME	₱129,284,027	₱269,334,697	₱194,836,591
DIRECT COSTS	56,417,366	94,302,332	85,239,642
GROSS PROFIT	72,866,661	175,032,365	109,596,949
OPERATING EXPENSES	31,283,082	57,737,053	31,711,371
INCOME BEFORE OTHER INCOME (CHARGES) AND INCOME TAX	41,583,579	117,769,002	77,885,578
OTHER INCOME (CHARGES)			
Interest expense	(50,906,849)	(65,159,017)	(43,620,441)
Fair value changes of financial assets at FVTPL	2,110,770	(7,738,342)	(42,006,396)
Dividend income	112,640	165,140	394,390
Interest income	60,487	20,219	19,309
Gain on sale of financial assets at FVTPL	–	6,916,515	728,239
Gain on sale of investment properties	–	–	88,637,478
Other income (expense) - net	259,366	594,850	1,446,392
	(48,363,586)	(65,200,634)	5,598,971
INCOME BEFORE INCOME TAX FROM DISCONTINUED OPERATIONS	(6,780,007)	52,568,368	83,484,549
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	1,463,409	12,540,215	31,369,350
Deferred	–	2,351,202	(38,600)
	1,463,409	14,891,417	31,330,750
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	(₱8,243,416)	₱37,676,951	₱52,153,799
Total Net Income (Loss) from Discontinued Operations Attributable To			
Equity of holders of the Parent Company (see Note 25)	(₱4,451,706)	₱22,859,030	₱30,780,173
Non-controlling interest	(3,791,710)	14,817,921	21,373,626
	(₱8,243,416)	₱37,676,951	₱52,153,799
BASIC/DILUTED EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATIONS			
(see Note 25)	(₱0.03)	₱0.15	₱0.21

The assets and liabilities of LPC classified as held for distribution to owners immediately prior to deconsolidation and as at December 31, 2024 are as follows:

	August 5, 2025	December 31, 2024
ASSETS		
Cash	₱65,501,956	₱31,132,167
Receivables	7,881,636	11,711,495
Financial assets at FVTPL	10,727,565	8,616,795
Accrued rent	15,357,238	17,378,429

Prepaid expenses and other current assets	96,093,173	97,096,185
Investment properties	728,838,887	754,708,388
Financial assets at FVOCI	171,243,132	139,684,188
Property and equipment	313,959	350,551
Net retirement plan asset	1,544,083	1,544,083
Other noncurrent assets	201,156,275	229,262,377
Assets of disposal group classified as held for distribution to owners	₱1,298,675,904	₱1,291,484,658

LIABILITIES

Notes payable	₱1,190,489,195	₱994,724,489
Accounts payable and other current liabilities	244,069,054	82,284,019
Deposits on long-term leases	49,526,938	54,767,868
Unearned rental income	13,838,540	6,019,546
Deferred tax liability	3,825,241	3,825,241
Other noncurrent liability	51,818,876	51,818,876
Liabilities of disposal group classified as held for distribution to owners	₱1,553,597,844	₱1,193,440,039
Net assets (liabilities) classified as held for distribution to owners	(254,921,940)	₱247,134,848
Other components of equity of disposal group held for distribution to owners	(₱130,596,688)	(₱149,090,229)

The net cash flows directly associated with LPC follow:

	2025 (Seven Months)	2024 (One Year)	2023 (One Year)
Operating activities	₱19,594,173	₱159,376,491	₱95,141,954
Investing activities	269,687,112	(197,255,722)	36,083,472
Financing activities	112,324,054	318,720,167	(139,285,708)
NET CASH INFLOW (OUTFLOW)	₱401,605,339	₱280,840,936	(₱8,060,282)

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 higher 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)	₱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	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	₱1,291,484,658
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	₱247,134,840
Other components of equity of disposal group held for distribution to owners	(₱149,090,229)

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.

Summary of 2026 and 2027 Forecasted Financial Statements

The Company has prepared financial projections for the years ending December 31, 2026 and 2027. The Company expects P317.97 million in CY 2026 and P192.73 million in CY 2027 as net income in flour business.

The Company has approved capital expenditures for the year 2025 - 2026 of about P100 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's BOD has resolved to commence a formal review of strategic options for its flour milling business and certain non-core assets and has appointed an adviser to assist in this process.

The objective of the review is to evaluate all available paths to maximize shareholder value and ensure the Company's capital is allocated to the highest growth opportunities. Options to be considered during the review include, but are not limited to, a potential sale, demerger, joint venture, or the continued retention and further development of the flour business within the Company's existing structure.

7. CONSOLIDATED AUDITED FINANCIAL STATEMENTS

The Company's consolidated audited Financial Statements for the year ended 31 December 2025 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 P1,860,000 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	75	Filipino	Chairman of the Board
William L. Ang	74	Filipino	Director
Jose Ma. S. Lopez	81	Filipino	Director
Jose S. Jalandoni	70	Filipino	Director
Lourdes Elisa J. Chan	65	Filipino	Director
Daniel R. Maramba	52	Filipino	Director
Philip S. Huang*	70	Filipino	Director
Willy G. Ng	72	Filipino	Director
Eldrige Marvin B. Acheron	55	Filipino	Director
Raul M. Leopando*	55	Filipino	Director
Valerie Ann C. Ang	45	Filipino	Director

* Independent Director

The Senior Management of the Company is as follows:

Name	Age	Citizenship	Position
John Carlos Uy	75	Filipino	President
Jose Ma. S. Lopez	81	Filipino	Senior Vice President & Treasurer
William L. Ang	74	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:

John Carlos Uy. 75 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, 74 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.

Jose Ma. S. Lopez. 81 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. 70 years old. He is a director of the Company and Audit Committee Member. He serves as the President of LFM Properties Corporation (LPC). He is a currently the Chairman of Valueline Realty Development Corp and Unicom Ingredients Phils Inc., Chairperson of Kanlaon Farms, Inc., Vice Chairman of Enterprise Car Lease Phils Inc, President of Beechwood Corp and Percom OPC., He also serves as Corporate Secretary of Kanlaon Development Corporation, Piliwood Bacolod Corp, Jayjay Realty Corporation JM & Company, Inc., Assistant Treasurer of JM Profreeze, Assistant Corporate Secretary of JM Brenton, and Director and Officer in Charge in Agchem Manufacturing Corporation.

Lourdes Elisa J. Chan, 65 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.

Daniel R. Maramba. 52 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.

Philip S. Huang. 70 years old. He serves as the Company's Independent Director. He serves as the President for Upson Resources Corporation.

Willy G. Ng. 72 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.

Eldrige Marvin B. Acheron. 55 years old. He a partner in Acheron & 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.

Raul M. Leopando. 55 years old. 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.

Valerie Ann C. Ang, 45 years old. 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.

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 2025 and 2024 are P13.24million and P13.73million 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 President and other Executive Officers of the Company as follows:

In Million Pesos

Name	Position	Year	Total Compensation	Compensation	Bonus & Others
John Carlos Uy	President	2026	₱13.65 million	₱11.05 million	₱2.60 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	2025	₱13.24 million	₱10.72 million	₱2.52 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				

11. Security Holders

As of December 31, 2025, there are 462 holders of **common shares** of stocks of the Company.

The top 20 stockholders of the Company as of December 31, 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)	49,290,084	32.86%
3.)	Bacsay Management Corporation	5,589,742	3.73%
4.)	Sebring Management Corporation	3,122,102	2.08%
5.)	E.K.I Tourist Development Corporation	2,855,505	1.90%
6.)	L & J Agricultural Inc.	2,417,841	1.61%
7.)	Moreno Jr. Jose	928,277	0.62%
8.)	Lopez Jr., Eduardo S.	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%

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

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

William L. Ang & Valerie Ann C. Ang have a father–daughter relationship.

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, Raul M. Leopando and Eldrige Marvin B. Aceron, as members. The Company also constituted its Nomination Committee and appointed Philip S. Huang as its Chairman with Raul M. Leopando and William L. Ang as members. The Company also created its Compensation and Remuneration Committee composed of John Carlos Uy as Chairman and Philip S. Huang 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 8th of April, 2026.

By:


JOHN CARLOS UY
President


JOSE MA. S. LOPEZ
SVP Treasurer

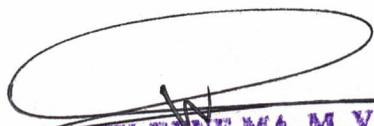

WILLIAM L. ANG
Corporate Secretary


MARIA LUISA L. QUIZON
AVP-Finance and Administration

SUBSCRIBED AND SWORN to before me this APR 15 2026 day of _____ affiant(s) exhibiting to me their valid IDs, as follows:

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

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Book No. XVII
Series of 2026.


ATTY. RENE MA. M. VILLA

Notary Public of Makati City
Appointment No. M-110
(Ren) (2025 - 2026)
Until December 31, 2026
PTR No. 10766722, 01-05-2026; Makati City
IBP Lifetime No. 013593; 12-27-2013; I.C.
Roll No. 37226
MCLE Compliance No. VIII-0012754; 08-27-2024.
Ground Floor, Makati Terraces Condominium
3650 Davila St., Tejeros, Makati City

SUSTAINABILITY REPORT

LIBERTY FLOUR MILLS, INC.

Company Details	
Name of Organization	Liberty Flour Mills, Inc.
Location of Headquarters	Liberty Building, 835 A. Arnaiz Avenue, Makati City
Location of Operations	528 F. Blumentritt Extension Mandaluyong City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This report is limited to the operations of Liberty Flour Mills, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	The primary activity of the corporation is the milling and manufacturing of various kinds of hard and soft flour. These include <i>El Superior</i> and <i>LFM Bakers</i> which is used for the baking of bread; <i>Pine Tree</i> and <i>LFM Soft Flour</i> which is used for the Manufacture of biscuits and cookies; and an all-purpose flour sold under the brand name <i>Maya All-Purpose Flour</i> . The company also sells Mill feed, which is a by-product of the manufacturing process, which is used as a component for animal feeds.
Reporting Period	For the year ending on December 31, 2025
Highest Ranking Person responsible for this report	JOHN CARLOS UY President

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
Liberty Flour Mills, Inc. acknowledges that in the course of running its business, there will be significant impacts on the environment as well as the communities that surround where we do business in. Hence, in the application of the materiality principle, it was of critical importance that in drafting and creating the sustainability report there be a descent into the particulars. Consequently, in the course of preparation of the report, the company looked at what its strengths are, what areas need improvement, what risks are of concern or of a growing concern, and how risks can be mitigated. However, the analysis did not stop there. There was a descent into the particulars of whether the strengths, mitigation measures for areas of improvement and risk diversion would create a substantial impact to our stakeholders and the environment. The Company acknowledges that if continuing strengths and mitigation measures carry with them negative and harmful social and environmental impacts, this would not be a sustainable practice for the company. There were also instances when the report when its application or requested information was difficult to extract, since the company does not or has not kept track of such data, nor does it possess historical data. In this scenario, while no accurate information could be provided, it gave

¹ See [GRI 102-46](#) (2016) for more guidance.

insight to what additional matters the Company should be paying attention to. Additionally, when the report called for the Company to provide a course of action it will undertake in the future, the most sustainable option was selected.

Furthermore, if there was a request for disclosure of information, and the information requested for was not certain, the figures chosen to be reported were conservative estimates that leaned away from showing an over-compliance with sustainability goals, rather would provide for figures which would serve as a benchmark for the company to improve on. The logic and reason behind this choice of methodology is in the ingrained tendency for there to be complacency when figures and data slant favorably towards the Company.

For the year 2025, the dynamics of the COVID-19 Pandemic in 2020-2021 were also considered for purposes of the materiality principle.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount - In Thousands of Pesos	Units
Direct economic value generated (revenue)	1,143,778,152	PhP
Direct economic value distributed:		
a. Operating costs	124,924,022	PhP
b. Employee wages and benefits	31,163,608	PhP
c. Payments to suppliers, other operating costs	916,056,886	PhP
d. Dividends given to stockholders and interest payments to loan providers	834,420,951	PhP
e. Taxes given to government	91,368,074	PhP
f. Investments to community (e.g. donations, CSR)	-	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The largest risk faced by the Company is the trend of increasing prices of raw materials, particularly wheat. Wheat, the quality of which is needed to produce flour, cannot be sourced locally – hence the Company's wheat requirement is sourced from overseas. Over the past year, there has been a trend of an increase in the price of wheat, added to this is the fluctuation of	Employees and customers	The increase in the price of wheat, and the fluctuations in foreign currency are matters that cannot be controlled by the Company. Hence, to mitigate the risk the company has implemented the following: • Modernization of the Milling Facilities – The modernization of the milling facilities aims to enhance the efficiency of the Company's milling activities. Correspondingly, this is anticipated to reduce the overall

foreign currency rates. All of this conspire to create a steady and unpredictable rise in prices to an essential raw material.		manufacturing cost that is attributed to the flour milled. Which in turn, facilitates the offsetting of the increase in the price of raw materials. Minimizing Variable Input Costs – In the course of production, there are variable input costs that go into the milling process. The company constantly studies on how these variable input costs can be minimized, and when minimized, if these can be further reduced or maintained at the given cost level.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company sees multiple economic opportunities in what has been termed the <i>Fourth Industrial Revolution</i> (“FIRE”) – which pertains to the rapid digitalization that is prevalent in our lives today. - There is a growing demand for flour. Such demand is brought about by different segments of society engaging in baking activities. These may be used for the manufacturing or consumption of breads, cakes, biscuits, and the like. Additionally, the rise in online commerce by Micro and Small entrepreneurs, particularly those offering food, creates an avenue of largely untapped customers. - FIRE has created a broader wealth of knowledge and exposure to our consumer base – including social media influence on consumer behavior. Over the past years,	Consumers, suppliers, manufacturers, delivery chains and employees	To maximize these opportunities, the company has enhanced its Research and Development to produce flours that would cater to various customer demands.

there has been an increase in the demand for alternative types of flour, such as whole wheat flour, low glycemic flour, among others. The consumer demand for alternative and specialized flours are avenues which the company can use to diversify its offerings.		

Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
The Company has a Risk Oversight Committee which is primarily for tracking, collating, and analyzing the various risks that LFM faces.	Natural disasters (eg. Typhoons and floods) are risks that the Company faces. As mentioned above, wheat, which is an essential raw material in the production of flour is sourced from abroad. This being the case, natural calamities play a big role in the management of the company's supply chain. In addition to affecting the supply chain, natural disasters also affect the distribution of the Company's goods. Being perishable in nature, there is a need to deliver the goods from the factory to end consumer as quick as possible.	To mitigate the supply chain risk, the Company ensures that it has sufficient stock of its raw materials. To mitigate distribution risks, the Company ensures that it has made the proper arrangements and provisions with its partners to ensure the delivery of the goods.	To measure the effects of natural calamities, the Company looks at the following: • Number of days of delay for the raw materials. • Number of undelivered locations for distribution of products. • Time of downtime of the manufacturing facility. • Costs to repair any damage to property, plant and equipment. • Costs of damaged or spoiled raw materials and finished goods.
In addition to the Risk Management and Oversight Committee, the Executive Board	The Company looks into the severity and probability of the climate-related	The Company identifies, assesses and manages climate-related risks through a	Natural catastrophes, such as floods and typhoons, will directly affect the Company's

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

oversees all risk and opportunities, including physical risks related to climate.	risks/opportunities on wheat production which can result to variation on wheat prices. Furthermore, physical safety risks related to frequently occurring typhoons and flooding which can hamper the milling process as well as delivery of flour to our customers.	risk-based thinking associated with ISO 9001:2015	operations. These are measured through the following: • Number of days of non-milling of flour. • Number of days of Work Suspension due to typhoons and calamity in the flour milling area and delivery to various customer sites. • Costs of repair or replaced damage or destroyed assets. • Costs for maintenance due to wear and tear on or damage to infrastructure.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	<i>Variable, and subject to change.</i>	%

Note: As mentioned earlier, the main raw material used by the Company is wheat. The percentage of local suppliers will change depending on the amount of wheat sourced from abroad.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Suppliers and Contractors are chosen based on predetermined requirements and their capacity to fulfill the needs of the Company in the most economically feasible manner.	Employees, Suppliers, Contractors, and Customers.	The Company requires that those that it deals with possess all the necessary permits and licenses and financial stability necessary to operate.

Wheat, which is the main raw material needed to produce flour, is not endemic to the Philippines. Consequently, this has to be imported from the United States of America. Given the fact of its importation, there is a need to have the wheat transported in barges and transferred to the silo. All of these contribute to the use of fossil fuels.	Community	The Company tries to maximize shipments and place orders in the most economic manner possible. This would both aim to reduce the Company's costs as well as the indirect fossil fuel impact.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Poor production yield (as a result of climate-related factor) of wheat in the US affects the price of this key raw material for flour production. This leads to a poor quality of flour.	Suppliers	Close monitoring of wheat prices and constant search for the best wheat qualities suitable for local flour production.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Best global practices in flour milling can be readily accessed, with advancement in digital technology.	Suppliers	Research and development in modernized milling operations to maximize efficiency.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	No formal training	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	No formal training	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	No formal training	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company has an Anti-Corruption Policy in its Code of Corporate Governance.	Employees, suppliers, service providers, and Government.	The Company has an Anti-Corruption and Bribery policy which prohibits directors, officers, management, and all employees from offering or receiving any benefit to "facilitate transactions. To implement such policy, the Company has a Whistleblowing Policy which can be found in the Company's Code of Corporate Governance.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Bribery and corruption may be facilitated by employees, suppliers, or service providers, without the knowledge of the Company.	Employees, suppliers, service providers, and the Government.	In the exercise of its day-to-day operations, the Company endeavors to ensure that employees handling government facing roles do not engage in corrupt practices. It is difficult to monitor compliance with this from the supplier and service provider's side since their operations are not controlled by the Company. However, in the selection of suppliers and service providers the Company selects those with good reputations – both business wise and ethically.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
An opportunity that the Company has is to communicate the anti-corruption policy, not only to government and regulatory facing employees, rather to all.	Employees	Management will endeavor to come up with a training program, if feasible, to orient its employees on the Anti-Bribery and Corruption Policy and Whistleblowing Policy of the Company.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#

Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
For the 2025 Fiscal Year, there were no reports or incidents that the Company has knowledge of.	Employees, suppliers, service providers, and the Government.	To ensure that this remains the same moving forward, the Company will communicate such to its directors, officers, and employees.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
If there is a lapse in oversight, some employees or suppliers, or service providers, may be tempted to engage in corrupt practices to help expedite certain matters.	Employees, suppliers, service providers, and the Government.	To ensure that this does not happen, the Company will endeavor to monitor transactions that its employees have with the government, as well as remind its suppliers and service providers, that the company will not tolerate them engaging in corrupt practices.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No opportunities identified.		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	NONE	NONE
Energy consumption (gasoline)	75.89	GJ
Energy consumption (LPG)	224.80	GJ
Energy consumption (diesel)	335.60	GJ
Energy consumption (electricity)	3,863,442.60	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	128.187	GJ
Energy reduction (LPG)	8.048	GJ
Energy reduction (diesel)	NONE	GJ
Energy reduction (electricity)	375,410.02	kWh
Energy reduction (gasoline)	NONE	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The milling and production of flour consumes a great amount of electricity.	Community	The Company seeks to ensure that the use of energy is in the most efficient manner. Furthermore, the Company is upgrading its machinery, and such upgrade would make the mills run more efficiently, hence consume less power.
Wheat, which is the main raw material needed to produce flour, is not endemic to the Philippines. Consequently, this has to be imported from the United States of America. Given the fact of its importation, there is a need to have the wheat transported in barges and transferred to silo. All of these contribute to the use of fossil fuels. These are metrics that the Company cannot accurately measure since these are indirectly attributable and not directly incurred.	Community	The Company tries to maximize shipments and place orders in the most economic manner possible. This would both aim to reduce the Company's costs as well as the indirect fossil fuel impact.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks were reported or identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company makes a constant effort to try and lower the amount of energy consumption that the company consumes in every aspect of its operations. This not only helps the environment, it also reduces the Company's operating costs.	Employees, Community	The Company implements measures to try and lessen its energy consumption. Among these measures is the modernization and utilization of upcoming technologies for the manufacturing of flour.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	8,311	m ³
Water consumption	8,062	m ³
Water recycled and reused	NONE	m ³

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Bulk of the Company's use of water would be directly attributable to or because of its manufacturing activities. Additionally, there will be large water consumption for the lavatory facilities.	Employees	
Another source for the company's use of water would be those that are necessary for the upkeep and cleaning of facilities and employee lavatory use. These are further exacerbated by the COVID-19 pandemic where people are encouraged to constantly disinfect. Consequently, there is less focus given to reducing water consumption, and greater attention to sanitizing and disinfecting the premises. This necessarily entails an increase in the usage of water.	Employees and the Company	The Company tries to reduce its water consumption by scheduling the most optimal time for sanitation. Employees are also reminded to be conscientious with their use of water.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks were reported or identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company makes a constant effort to try and lower the amount of water consumption that the company consumes in every aspect	Employees, Community	The Company implements measures to try and lessen its water consumption. These are done through employee reminders to conserve water, and try

of its operations. This not only helps the environment, it also reduces the Company's operating costs.		and use upcoming technologies in flour milling that make the milling process more efficient and less draining on natural resources.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	NONE	kg/liters
• non-renewable	45,602,680	kg
Percentage of recycled input materials used to manufacture the organization's primary products and services	NONE	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Being engaged in the manufacturing of commodities, the products that are used by the company are non-renewable in nature, since they are meant for consumption. Manufacturing activities generate waste and contribute to environmental impact.	Customers and Community	The Company's a goal is to create as little waste in the manufacturing process as possible. Less waste does not only help the environment, rather it has a direct correlation to the efficiency that raw materials are used. Furthermore, all by-products that are not usable, are discarded and recycled properly.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
When there is a lapse in production quality, there is a greater possibility of producing rejects. The rejects, which are unfit for human or livestock consumption, are treated as waste and disposed of.	Community	To mitigate the risk of poor production quality, the Company ensures that there is a step by step process in place for the manufacturing of flour. Management also invests in new technologies that aid the manufacturing process by reducing the instances of human error. When the rate of human error has an inverse relation to the amount of production related waste generated by the Company.
Overproduction (i.e. when the Company's production exceeds consumer demand) increases the	Company, Customers, and Community	Management monitors market developments and tries to match

risk of waste brought about by spoilages.		production volume with the anticipated demand.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company has an opportunity to manufacture flour in a more efficient manner with the upgrade of its milling facilities.	Employees and Community	To aid in the efficiency and decrease human error, the Company is upgrading its milling equipment.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	n/a	
Habitats protected or restored	n/a	Ha
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	n/a	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable		

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	none	kg
Energy indirect (Scope 2) GHG Emissions	none	kg
Emissions of ozone-depleting substances (ODS)	none	kg

³ International Union for Conservation of Nature

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable		

Air pollutants

Disclosure	Quantity	Units
NO _x	None	kg
SO _x	None	kg
Persistent organic pollutants (POPs)	None	kg
Volatile organic compounds (VOCs)	None	kg
Hazardous air pollutants (HAPs)	None	kg
Particulate matter (PM)	None	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	87,465	kg
Reusable	NONE	kg
Recyclable	NONE	kg
Composted	NONE	kg

Incinerated	NONE	kg
Residuals/Landfilled	87,465	kg

Note: The Company has no accurate means to determine the exact weight of all its solid waste produced.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Since the company is engaged in manufacturing, there solids wastes are generated that are the byproducts of the manufacturing activities.	Community	As a matter of policy, the Company tries to reduce the amount of waste from its manufacturing activities. Furthermore, there are safeguards and procedures in place to ensure that the solid waste is disposed of properly. There are also some by-products of the milling process which may be used for other purposes. Among this are the use and sale of mill feeds to producers of animal feeds.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risks were reported or identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunities were reported or identified.		

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	388	kg
Total weight of hazardous waste transported	NONE	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company, through the course of its manufacturing activities, generates hazardous waste.	Employees and Community	The Company ensures that there are proper measures and safeguards in place for the identification and handling of hazardous waste. These are implemented to ensure the safety of the

		Company's employees, as well as ensuring its proper disposal. In the transportation of hazardous waste, the Company ensures that it handles the hazardous waste properly. If the hazardous waste is beyond the competency of the Company to handle, the services of a duly licensed and accredited third-party provider are secured.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risk reported or identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant risk reported or identified.		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	650.737	Cubic meters
Percent of wastewater recycled	NONE	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As a by-product of manufacturing, toilets, and sanitation facilitates, the Company produces waste water.	Employees and Community	The company does not transport nor handle its own wastewater. However, to ensure that the proper handling of the wastewater, the Company ensures that the necessary facilities are in place to ensure that wastewater reaches the proper sewage.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No significant risk reported or identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No significant opportunity reported or identified.		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	none	#
No. of cases resolved through dispute resolution mechanism	none	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴	68	
a. Number of female employees	16	#
b. Number of male employees	52	#
Attrition rate ⁵	0.060606	Rate
Ratio of lowest paid employee against minimum wage	n/a	Ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	31	44
PhilHealth	Y	n/a	n/a
Pag-ibig	Y	31	29
Parental leaves	Y	0.06	0.02
Vacation leaves	Y	38	67
Sick leaves	Y	75	79
Medical benefits (aside from PhilHealth))	Y	13	2
Housing assistance (aside from Pag-ibig)	N	0	0
Retirement fund (aside from SSS)	Y	1	1
Further education support	N	n/a	n/a
Company stock options	N	n/a	n/a
Telecommuting	N	n/a	n/a
Flexible-working Hours	N	n/a	n/a
(Others)		n/a	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Flour milling requires strong technical experience, not typically acquired through vocational nor academic training. Our flour millers have at least 30 years of flour milling experience, generally homegrown, and considered pioneers in the flour milling industry since 1958.	Due to the lack of organic expertise that relates to flour milling, the Company invests time and resources to train its employees.

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Valuable time and resources are invested in our employees to ensure that they have the necessary capabilities to perform their jobs. Furthermore, they are considered by the Company as key personnel who have grown with the Company throughout the years	
What are the Risk/s Identified?	Management Approach
The aging workforce of the Company and lack of training vocational schools on flour milling for new millers poses the risk of a gap in continuity; especially when older flour millers retire or they develop health issues associated with aging.	Succession planning is slowly being put in place to develop the younger workforce. Additionally, to manage the health risk of aging employees, the Company has secured HMO coverage and other medical benefits to ensure that the health concerns of the Company's older employees are addressed. The Company is also studying various degrees of automation that would reduce reliance on physical labor.
What are the Opportunity/ies Identified?	Management Approach
As global flour milling industry moves towards automation, flour millers are slowly being eased out of the industry. This is an opportunity for tapping into the consultancy roles of these experts in the local flour milling industry.	Competitive salary and benefits packages have been designed. Technical training on recent updates in flour milling and baking industry has been offered to the employees.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	61	2,199 Hours
a. Female employees	13	366 hours
b. Male employees	48	1833 hours
Average training hours provided to employees	61	66.40 Hours
a. Female employees	13	28.20 hours/employee
b. Male employees	48	38.20 hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
As mentioned above, the skills required for flour milling are not organic to the Philippines.	The Company invests time and resources to the training of employees to ensure that they possess the necessary expertise for the flour milling functions of the Company.

What are the Risk/s Identified?	Management Approach
Flour milling technical courses are not available in the country, thus access to latest trends is limited. Although training provided abroad were done in the previous years, this was limited with travel restrictions imposed by sponsoring countries.	Updates on local flour milling industry experts are instead sought.
What are the Opportunity/ies Identified?	Management Approach
As technology advances, the need for digital literacy and skills are needed more than ever. Aside from automation to improve flour milling efficiency, our employees will need quicker and better access to information to keep up with the fast-changing world	Digitalization and automation of the processes are being studied.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	81	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company has entered into a <i>Collective Bargaining Agreement (CBA) with its employees' union</i> .	As part and parcel of recognizing the employee's union, the Company endeavors to always maintain good relationships as well as negotiate in good faith with the union.
What are the Risk/s Identified?	Management Approach
No significant risk reported or identified.	
What are the Opportunity/ies Identified?	Management Approach
No significant opportunity reported or identified.	

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	23.52	%
% of male workers in the workforce	76.48	%
Number of employees from indigenous communities and/or vulnerable sector*	7	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company supports diversity in employment, where of prime importance is skill and qualification. The Company does not discriminate as to matters such as, race, sex, religion, gender orientation, political opinion, and others.	The Company implements an “ <i>equal employment opportunity for all</i> ” policy, and strays from discriminating against applicants.
What are the Risk/s Identified?	Management Approach
No significant risk reported or identified.	
What are the Opportunity/ies Identified?	Management Approach
No significant opportunity reported or identified.	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	147,264	Hours
No. of work-related injuries	0	Case
No. of work-related fatalities	0	0
No. of work related ill-health	0	0
No. of safety drills	3	drill

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company values the health, safety, and wellbeing of its employees. In furtherance of such, the company implements and complies with safety, health and welfare standards, and policies.	In the interest of the health of the Company's employees the former has implemented the following, among others: • Annual physical check-up. • HMO benefits for all employees. • On-site medical assistance for any work-related accidents. Our Company employs an occupational health doctor and an occupational health nurse at the Mandaluyong plant and another at the Makati office. • Hospitalization plan contract with Etiqa Life and General Assurance Philippines, Inc. and Philippine British Assurance Company, Inc.

	Memorandum of Agreement with VRP Medical Center.
What are the Risk/s Identified?	Management Approach
One risk that faces the Company is the aging workforce, which comes with the corresponding health issues	As mentioned above, Succession planning is slowly being put in place to develop the younger workforce. Also, to try and mitigate these risks the Company has secured a Hospitalization Plan, HMO Benefits, among others, to ensure that Company employees have health security.
What are the Opportunity/ies Identified?	Management Approach
No significant opportunity reported or identified.	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	None

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
For 2024, there were no incidents related to human rights abuse.	Employees are given an avenue through which they could voice out any complaints and concerns, including human rights violations. Under the Code of Corporate Governance, the employees have a grievance mechanism where they can submit complaints to the internal auditor, the audit committee, or any responsible officer of the Company. The choice of which avenue to course complaints is at the reporting employee's discretion.
What are the Risk/s Identified?	Management Approach
If the Company does not respect and honor human rights, these will have massive negative impacts on	The Company undertakes and ensures that it respects and values human rights. Furthermore,

the morale of the employees which may lead to strikes, lockouts, work stoppages, pickets, mass resignations and the like.	as part of the Company's Code of Corporate Governance, employees are treated as partners in value growth and creation.
What are the Opportunity/ies Identified?	Management Approach
No significant opportunity reported or identified.	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	Y	The Company does not have a specific policy for suppliers, rather there is a general Anti-Corruption Policy in the Code of Corporate Governance. It is available through this link: http://www.libertygroup.com.ph/pdf/LFM_Revised_Code_of_Corporate%20Governance_2019.pdf

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Suppliers and service providers are selected based on their ability to fulfill the needs and requirements of the Corporation.	Before a supplier is selected, the company does a background check of the following, among others: historical performance with the company; historical performance with other companies or businesses; and reputation for fair and good dealing.
What are the Risk/s Identified?	Management Approach
As mentioned previously, wheat, which is the most essential ingredient of flour manufacturing, is sourced from abroad. Furthermore, the Philippine climate is not suitable for wheat related agriculture. The lack of local sourcing places great reliance on importations of this essential raw material.	To mitigate this risk, the company ensures that it has a sufficient amount of raw materials to maintain production.
What are the Opportunity/ies Identified?	Management Approach
No significant opportunity reported or identified.	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
DepEd	NCR	Youth	N	Food	Aside from baking skills training, the end product (bread), it also provides nutrition to these youth

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	n/a	#
CP secured	n/a	#

What are the Risk/s Identified?	Management Approach
Not applicable	
What are the Opportunity/ies Identified?	Management Approach
Not applicable	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	Distributors – 4.6 (Very Good) Bakers - 4.8 (Very Good)	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction is essential to the Company, because it leads to repeat purchases and brand loyalty.	The Company does extensive research and development to try and modify its goods to fit consumer preferences and anticipate future demand.
What are the Risk/s Identified?	Management Approach
The Company is engaged in the manufacturing of goods meant for human consumption. This being the case, a decrease in customer satisfaction would have a direct negative impact on the goodwill and sales of the Company.	There are stringent quality control measures in place to ensure that the goods produced would be to the satisfaction of our customers.
What are the Opportunity/ies Identified?	Management Approach
The Company sees opportunity in developing new recipes and types of flour that would suit consumer preferences.	The Company tries to keep abreast of the changing consumer demands and preferences for the goods that it currently produces, as well as anticipate what consumers may demand in the future.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	NONE	#
No. of complaints addressed	NONE	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The complaints that the Company receives primarily concern the products produced by the Company.	To ensure that the customer concerns are addressed the company immediately escalates this to the relevant officer for rectification.

What are the Risk/s Identified?	Management Approach
The Company is exposed to health risks that may arise from products that are not manufactured according to the standards of the Food and Drug Administration, as well as best practices.	The Company implements stringent quality control as well as maintenance of its manufacturing equipment to ensure that goods are produced according to the aforementioned standards.
What are the Opportunity/ies Identified?	Management Approach
No significant opportunity reported or identified.	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Being engaged in the sale of consumer goods, brand recognition is an essential aspect of the Company's business.	The Company engages in marketing activities to promote its products. Furthermore, the company also designs and creates packaging that would appeal to the consumer and create a natural draw to the Company's products.
What are the Risk/s Identified?	Management Approach
No significant risk reported or identified.	
What are the Opportunity/ies Identified?	Management Approach
The company, using online platforms both for purchase and delivery, may make its products available to a wider segment of the population.	The Company studies how it can create and/ or increase engagement with untapped customers through digital means.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
During its operations, the Company does not, as a practice, store the information of the consumers that purchase its goods - hence, this topic is immaterial.	
What are the Risk/s Identified?	Management Approach
Not applicable, please see explanation above.	
What are the Opportunity/ies Identified?	Management Approach
Not applicable, please see explanation above.	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	None

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
For the year 2025, there were no data breaches or security incidents.	The Company values information security, especially in these evolving times. To ensure that the Company is insulated from cyber threats, it has implemented the necessary safety and security measures as well as hired the services of a third-party contractor with more expertise on the subject to handle the matter.
What are the Risk/s Identified?	Management Approach
The increasing reliance on information technology infrastructure makes the Company susceptible to cyber-attacks, data breaches, security incidents, and the like.	As mentioned above, the company has in place security measures which would address these concerns. However, to not compromise the security systems of the company, the specifics of such shall be left out.
What are the Opportunity/ies Identified?	Management Approach
No significant opportunity reported or identified.	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.



Contribution to UN SDG's:

The Company is engaged in the production and manufacturing of affordable flour, which is an integral component and raw of Filipino food staples such as bread. By manufacturing and offering affordable flour, consumer goods which are produced using the Company's products may now be offered to the consuming public at lower prices.

Mill feeds, which is a by-product of flour manufacturing, is used as an essential component for animal feeds. By providing a component of animal feeds at an affordable price, this in turn helps lower the cost of raising livestock and poultry, which leads to lower prices offered to consumers.

The ability to offer various raw materials for the manufacturing and production of consumer goods, livestock, and poultry leads to the Company's products helping vulnerable segments of the population gain access to means which they daily sustenance needs may be met.

Negative Impacts and mitigation measures:

Being engaged in manufacturing of consumer goods, the Company has a large carbon footprint in terms of the use of fossil fuels. It imports wheat, which is transported through barges and ships, and transports raw materials through the use of trucks and vans.

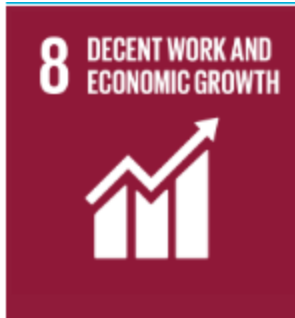
To mitigate the fossil fuel impact, the Company tries to minimize its carbon footprint by making sure that the logistics of the company are conducted at an optimal manner.

Another negative impact that may result from the operations of the company is a large amount of solid waste that may result from spoilages and/or goods not manufactured according to standards.

To mitigate this risk, the company has in place strict quality control mechanisms to ensure that goods are produced in compliance with regulations and best practices.

A common mitigation measure to the above would be the modernization and use of information technology which would be

leveraged in such a way that it would help create efficiency as well as control systems in all aspects of the Company's operations.



Contribution to UN SDG's:

Through its operations, the Company creates employment opportunity for the community. However, the company is not content with just providing employment, rather such employment should be able to sustain. In furtherance of this, the Company's goal is to pay all its employees a living wage and not just minimum wage.

Negative Impacts and mitigation measures:

A negative impact of job creation would be the Company's indirect contribution to the increase in fossil fuel usage, arising from the fossil fuels consumed by employees going to and from work.

To mitigate these risks, the Company tries to encourage employees to use alternative modes of transportation that would not require the use of fossil fuels.



**CONSOLIDATED FINANCIAL STATEMENTS WITH STATEMENT
OF MANAGEMENTS RESPONSIBILITY FOLLOWS THIS PAGE**

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

462

Annual Meeting (Month / Day)

Last Wednesday of July

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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Philippines. We have also 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.

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, 2025, 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, 2025 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.



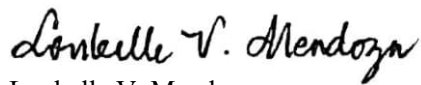
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

SEC Partner Accreditation No. 115161-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

PTR No. 10765091, January 2, 2026, Makati City

March 25, 2026



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024 (Note 9)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱100,291,212	₱77,765,585
Receivables (Note 5)	929,419,209	1,161,058,402
Financial assets at fair value through profit or loss (FVTPL) (Note 6)	14,965,350	13,124,130
Inventories (Note 7)	210,690,938	159,215,849
Prepaid expenses and other current assets (Note 8)	57,906,878	173,723,203
	1,313,273,587	1,584,887,169
Assets of disposal group classified as held for distribution to owners (Note 9)	–	1,291,484,658
Total Current Assets	1,313,273,587	2,876,371,827
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 10)	423,132,511	449,381,223
Investment properties (Notes 11, 13 and 26)	705,842,089	704,925,722
Property, plant and equipment (Note 12)	365,549,414	352,563,544
Net retirement plan asset (Note 22)	1,631,137	–
Deferred tax assets (Note 24)	–	2,550,268
Other noncurrent assets (Notes 11 and 13)	47,621,593	10,070,375
Total Noncurrent Assets	1,543,776,744	1,519,491,132
TOTAL ASSETS	₱2,857,050,331	₱4,395,862,959
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 15)	₱561,248,051	₱699,530,299
Notes payable (Note 14)	80,000,000	131,500,000
Income tax payable	35,896,899	–
	677,144,950	831,030,299
Liabilities of disposal group classified as held for distribution to owners (Note 9)	–	1,193,440,039
Total Current Liabilities	677,144,950	2,024,470,338
Noncurrent Liabilities		
Net retirement plan liability (Note 22)	–	3,101,310
Total Liabilities	677,144,950	2,027,571,648
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)	12,469,019	12,308,248
Accumulated remeasurement losses on retirement benefits (Note 22)	754,069	(5,334,084)
Other components of equity associated with asset held for distribution to owners (Note 9)	–	(149,090,229)
Retained earnings (Note 16)	666,682,293	806,229,896
Total Equity Attributable to Equity Holders of the Parent Company	2,179,905,381	2,164,113,831
Non-controlling interests (Note 9)	–	204,177,480
Total Equity	2,179,905,381	2,368,291,311
TOTAL LIABILITIES AND EQUITY	₱2,857,050,331	₱4,395,862,959

See accompanying Notes to Consolidated Financial Statements.



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS (Notes 17)	₱1,128,654,646	₱1,214,279,902	1,501,182,287
COST OF SALES (Note 18)	944,241,959	982,202,739	1,429,763,511
GROSS PROFIT	184,412,687	232,077,163	71,418,776
OPERATING EXPENSES (Note 19)			
General and administrative expenses	(105,121,007)	(98,652,006)	(90,782,200)
Selling expenses	(20,796,337)	(20,584,545)	(25,654,938)
INCOME (LOSS) BEFORE OTHER INCOME (CHARGES)	58,495,343	112,840,612	(45,018,362)
OTHER INCOME (CHARGES)			
Rental income - net (Notes 11 and 26)	7,261,053	9,788,697	32,603,127
Dividend income (Notes 6 and 10)	24,927,062	24,946,621	13,754,534
Interest expense (Notes 7, 14 and 19)	(24,420,951)	(32,708,533)	(45,211,682)
Interest income (Notes 4 and 10)	8,328,825	8,329,148	10,336,657
Gain on deconsolidation of a subsidiary (Note 9)	981,123,113	—	—
Gain on sale of investment properties (Note 11)	354,076,296	—	—
Other income (charges) - net (Notes 6, 10 and 21)	(9,549,117)	4,981,203	(4,160,170)
INCOME (LOSS) BEFORE INCOME TAX	1,400,241,624	128,177,748	(37,695,896)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	82,940,565	23,664,507	2,196,323
Deferred	2,550,268	(2,687,002)	(1,465,212)
	85,490,833	20,977,505	731,111
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	1,314,750,791	107,200,243	(38,427,007)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX (Note 9)	(8,243,416)	37,676,951	52,153,799
NET INCOME	1,306,507,375	144,877,194	13,726,792
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)	(3,926,564)	3,335,894	1,748,093
Fair value loss (gain) on financial assets at FVOCI realized through sale (Note 10)	(88,017)	—	71,435
	(4,014,581)	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)	35,734,296	23,567,453	12,244,660
Remeasurement gain (loss) on retirement benefits (Note 22)	6,088,153	9,825,929	(12,931,847)
Income tax effect	—	(2,456,482)	3,232,961
	41,822,449	30,936,900	2,545,774
TOTAL OTHER COMPREHENSIVE INCOME	37,807,868	34,272,794	4,365,302
TOTAL COMPREHENSIVE INCOME	₱1,344,315,243	₱179,149,988	₱18,092,094
Net Income (Loss) from Continuing Operations Attributable To			
Equity of holders of the Parent Company	₱1,314,750,791	₱107,200,243	(₱38,427,007)
Non-controlling interest	—	—	—
	₱1,314,750,791	₱107,200,243	(₱38,427,007)

(Forward)



Years Ended December 31			
	2025	2024	2023
Total Net Income (Loss) Attributable To			
Equity of holders of the Parent Company	₱1,310,299,085	₱130,059,273	(₱7,646,834)
Non-controlling interest	(3,791,710)	14,817,921	21,373,626
	₱1,306,507,375	₱144,877,194	₱13,726,792
Total Comprehensive Income (Loss) Attributable To			
Equity of holders of the Parent Company	₱1,335,041,550	₱159,280,078	(₱6,164,812)
Non-controlling interest	9,273,693	19,869,910	24,256,906
	₱1,344,315,243	₱179,149,988	₱18,092,094
BASIC/DILUTED EARNINGS (LOSS) PER SHARE			
ATTRIBUTABLE TO EQUITY HOLDERS OF			
THE PARENT COMPANY (Note 25)	₱8.74	₱0.87	(₱0.05)

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, 2025, 2024 AND 2023

	Equity Attributable to Equity Holders of the Parent Company							
	Other Components of Equity			Other Components of Equity of Disposal Group Classified as Held for Distribution to Owner (Note 9)	Retained Earnings (Note 16)	Non-controlling Interests (Note 9)	Total	
	Capital Stock (Note 16)	Fair Value Changes on Financial Assets at FVOCI (Note 10)	Accumulated Remeasurement Gains (Losses) on Retirement Benefits (Note 22)					
BALANCES AT JANUARY 1, 2025	₱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
Net income	–	–	–	–	1,310,299,085	1,310,299,085	(3,791,710)	1,306,507,375
Other comprehensive income	–	160,711	6,088,153	18,493,541	–	24,742,465	13,065,403	37,807,868
Total comprehensive income	–	160,711	6,088,153	18,493,541	1,310,299,085	1,335,041,550	9,273,693	1,344,315,243
Cash dividends declared (Note 16)	–	–	–	–	(810,000,000)	(810,000,000)	–	(810,000,000)
Property dividend distribution (Notes 9 and 16)	–	–	–	–	(509,250,000)	(509,250,000)	–	(509,250,000)
Deconsolidation of a subsidiary (Note 9)	–	–	–	130,596,688	(130,596,688)	–	(213,451,173)	(213,451,173)
BALANCES AT DECEMBER 31, 2025	₱1,500,000,000	₱12,469,019	₱754,069	₱–	₱666,682,293	₱2,179,905,381	₱–	₱2,179,905,381
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 9)	–	–	–	–	(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

See accompanying Notes to Consolidated Financial Statements.



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax from continuing operations	₱1,400,241,624	₱128,177,748	(₱37,695,896)
Income (loss) before income tax from discontinued operations (Note 9)	(6,780,007)	52,568,368	83,484,549
Adjustments to reconcile profit before income tax to net cash flows:			
Gain on deconsolidation of a subsidiary (Note 9)	(981,123,113)	—	—
Gain on sale of investment properties (Note 11)	(354,076,296)	—	(88,637,478)
Interest expense (Notes 7, 14 and 19)	75,327,800	97,867,550	88,832,123
Depreciation and amortization (Notes 11, 12, 18 and 19)	57,862,265	82,476,133	71,547,860
Dividend income (Notes 6, 9 and 10)	(25,039,702)	(25,111,761)	(14,148,924)
Interest income (Notes 4, 9 and 10)	(8,389,312)	(8,359,108)	(10,355,966)
Fair value loss on financial assets at FVTPL (Notes 6 and 21)	(3,951,990)	1,784,275	42,831,799
Change in net retirement asset (Note 22)	1,355,706	297,875	1,932,027
Unrealized foreign currency exchange loss (gain)	(495,346)	55,761	(736,275)
Loss (gain) on sale of debt securities at FVOCI (Note 10)	(88,017)	—	71,435
Gain on sale of financial assets at FVTPL (Notes 6)	—	320,079	(728,239)
Change in net retirement liability (Note 22)	—	2,911,971	—
Provision for input tax	—	53,214	250,785
Gain on sale of property, plant and equipment	—	—	(2,575,595)
Loss on pretermination of lease contract	—	—	1,997,784
Working capital changes:			
Decrease (increase) in:			
Receivables	435,639,606	(20,103,747)	103,038,130
Inventories	(51,475,089)	100,567,225	346,471,260
Accrued rent	2,003,191	(7,298,945)	(435,699)
Prepaid expenses and other current assets	61,305,214	(26,166,500)	(34,711,974)
Increase (decrease) in:			
Accounts payable and other current liabilities	31,692,588	(438,232,590)	18,350,841
Deposits on long-term leases	(7,056,172)	10,536,972	(167,764)
Unearned rental income	7,848,993	(1,793,753)	2,304,702
Cash generated from operations	634,801,943	(49,449,233)	570,919,485
Income taxes paid	(47,043,666)	(31,158,106)	(33,338,151)
Interest received	8,389,312	8,359,108	10,355,966
Net cash provided by (used in) operating activities	596,147,589	(72,248,231)	547,937,300
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of:			
Investment properties (Note 11 and 30)	(6,862,188)	(9,115,579)	(16,963,133)
Property, plant and equipment (Note 12)	(40,792,475)	(55,141,588)	(19,922,988)
Financial assets at FVTPL (Note 6)	—	—	(9,497,644)
Financial assets at FVOCI (Note 10)	—	—	(225,002,500)
Proceeds from:			
Sale of investment properties (Note 11)	355,872,550	—	89,285,714
Redemption of financial assets at FVOCI (Note 10)	29,997,500	119,030,000	44,000,000
Sale of financial assets at FVTPL (Note 6)	—	17,627,220	62,686,239
Sale of property and equipment	—	—	3,107,142
Disposal of a subsidiary (see Note 9)	(65,501,956)	—	—
Dividends received	25,039,702	25,111,761	14,148,924
Decrease (increase) in other noncurrent assets	41,490,393	(215,090,510)	752,911
Net cash provided by (used in) investing activities	339,243,526	(117,578,696)	(57,405,335)

(Forward)



	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of bank loans (Note 14)	344,000,000	606,000,000	₱113,000,000
Payments of:			
Loan payments (Note 14)	(199,735,294)	(242,470,588)	(358,970,588)
Dividends paid (Note 16)	(980,896,104)	(44,631,810)	(99,934,945)
Interest paid	(69,706,484)	(92,298,101)	(87,914,945)
Installment payable	(38,155,119)	(26,219,677)	(18,381,857)
Payable to a related party	—	—	(37,730,000)
Net cash provided by (used in) financing activities	(944,493,001)	200,379,824	(489,932,335)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	495,346	(55,761)	736,275
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,606,540)	10,497,136	1,335,905
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Notes 4 and 9)	108,897,752	98,400,616	97,064,711
CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 4 and 9)	₱100,291,212	₱108,897,752	₱98,400,616

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, 2025 and 2024:

	Country of Incorporation	Principal Activities	Percentage of Ownership	
			2025	2024
LFM Properties Corporation (LPC) ^(a)	Philippines	Leasing out office spaces and condominium units	0.40%	58.60%
Liberty Engineering Corporation (LEC) ^(b)	Philippines	Sale, lease and purchase of equipment and machinery	100.00%	100.00%

(a) Registered with the SEC on December 18, 1995. Deconsolidated in August 2025 (see Note 9).

(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. In August 2025, the SEC approved the property dividend distribution (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. In October 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 25, 2026.

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.

On a loss of control of a subsidiary, the Group deconsolidates the assets and liabilities and any non-controlling interest relating to a former subsidiary. Any retained interest in the former subsidiary is measured at fair value. A gain or loss is recognized in profit or loss in the consolidated statement of comprehensive income equal to the fair values of the consideration received and retained interest less the carrying amounts of the assets and liabilities and any non-controlling interest in the subsidiary that is deconsolidated. As the intragroup elimination no longer applies, any deferred gain on the Parent Company's sale to a subsidiary in the past is realized and forms part of the gain or loss. Accumulated remeasurement gains or losses on retirement benefits and fair value changes on equity instruments at FVOCI would not be reclassified to profit or loss when the parent loses control of the subsidiary but transferred to retained earnings.

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.

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 standard effective in 2025. 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 this new standard did not have an impact on the consolidated financial statements of the Group.

▪ Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

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, 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*
The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
 - Required totals, subtotals and new categories in the statement of profit or loss
 - Disclosure of management-defined performance measures
 - Guidance on aggregation and disaggregation

The Group is currently assessing the impact of adopting PFRS 18 in its financial reporting, including its data collection process.

- 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, 2025 and 2024.

- *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, 2025 and 2024.

- *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, 2025 and 2024.

- *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, 2025 and 2024.

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, 2025 and 2024, 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, 2025 and 2024.

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.

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 2025 and 2024, 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 BOD of the Parent Company, except for stock dividends and property dividends, which also require the approval 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 (stock price in the case of investment in listed/quoted shares). 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.

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 as at December 31, 2025 and 2024. The carrying value of receivables amounted to ₱929.42 million and ₱1,161.06 million as at December 31, 2025 and 2024, 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, 2025 and 2024. The carrying value of inventories amounted to ₱210.69 million and ₱159.22 million as at December 31, 2025 and 2024, 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.

The allowance for impairment loss amounted to ₱11.25 million as at December 31, 2025 and 2024. The carrying value of investment in debt instruments classified as financial assets at FVOCI amounted to ₱83.27 million and ₱107.20 million as at December 31, 2025 and 2024, 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, 2025 and 2024, the carrying value of unquoted financial instruments amounting to ₱12.29 million and ₱10.99 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, 2025 and 2024, no impairment indicators were identified for the Group's investment properties.



The aggregate carrying value of these assets amounted to ₱705.84 million and ₱704.93 million as at December 31, 2025 and 2024, 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 plan asset amounted to ₱1.63 million as at December 31, 2025; and the Group's net retirement plan liability amounted to ₱3.10 million as at December 31, 2024 (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, 2025 and 2024, the Group recognized deferred tax asset on NOLCO amounting to ₱2.55 million (nil as at December 31, 2025) (see Note 24).

As at December 31, 2025 and 2024, the Group did not recognize deferred tax assets on deductible temporary differences, unused NOLCO and net retirement plan amounting to ₱7.97 million and ₱13.37 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). As at December 31, 2025 and 2024, 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

	2025	2024
Cash on hand	₱5,779,788	₱428,265
Cash in banks	90,416,702	44,329,320
Cash in equivalents	4,094,722	33,008,000
Cash and cash equivalents attributable to continuing operations	₱100,291,212	₱77,765,585
Cash and cash equivalents attributable to discontinued operations (see Note 9)	–	31,132,167
	₱100,291,212	₱108,897,752

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 ₱2.46 million in 2025, ₱0.12 million in 2024 and ₱0.13 million in 2023.

5. Receivables

	2025	2024
Trade receivables from:		
Related parties (see Notes 17 and 26)	₱895,598,087	₱1,133,303,060
Third parties (see Notes 17)	2,009,291	2,130,130
Rent receivables from:		
Third parties	1,393,093	1,558,404
Related parties (see Note 26)	65,901	169,371
Advances to officers and employees	1,245,722	426,298
Others	31,024,500	25,388,524
	931,336,594	1,162,975,787
Less allowance for expected credit losses (ECL)	1,917,385	1,917,385
	₱929,419,209	₱1,161,058,402

Trade receivables arise from sale of flour and mill feeds. These are noninterest-bearing with average credit terms of 120 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. In 2025, 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 for trade receivables as follows:

	2025	2024
Beginning balance	₱1,917,385	₱7,841,313
Reversal from continuing operations (see Note 19)	–	(4,874,247)
Written off receivables from discontinued operation	–	(1,049,681)
	₱1,917,385	₱1,917,385



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:

	2025	2024
Balance at beginning of year	₱13,124,130	₱41,472,499
Changes in fair value from:		
Continued operation (see Note 21)	1,841,220	(1,282,527)
Discontinued operation	–	(501,748)
Disposals from continued operation	–	(17,947,299)
Reclassification to assets classified as held for distribution to owners (see Note 9)	–	(8,616,795)
	₱14,965,350	₱13,124,130

Dividend income earned on financial assets at FVTPL amounted to ₱0.81 million in 2025, ₱0.64 million in 2024 and ₱0.69 million in 2023.

7. Inventories

	2025	2024
At cost:		
Wheat grains	₱181,127,632	₱122,069,739
Flour	19,908,115	16,940,583
Supplies	9,448,729	11,531,261
Mill feeds	206,462	8,674,266
	₱210,690,938	₱159,215,849

The cost of inventories recognized under "Cost of sales" in the consolidated statements of comprehensive income amounted to ₱944.24 million in 2025, ₱982.20 million in 2024 and ₱1,429.76 million in 2023 (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 ₱246.70 million and ₱190.65 million as at December 31, 2025 and 2024, respectively (see Note 15). Interest expense recognized on liabilities under trust receipts amounted to ₱18.39 million in 2025 (based on annual interest of 6.00% to 6.65%), ₱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 Group has no allowance for inventory obsolescence as at December 31, 2025 and 2024.



8. Prepaid Expenses and Other Current Assets

	2025	2024
Store supplies	₱20,949,806	₱18,539,231
Advances to suppliers	20,545,318	19,548,074
Advance VAT on importation	7,591,300	9,646,010
Utility deposits	3,078,949	3,077,186
Prepaid insurance	2,609,871	2,904,866
Prepaid taxes	2,646,386	2,631,710
Prepaid importation cost	—	11,966,888
Creditable withholding taxes	—	105,236,815
Others	485,248	172,423
	₱57,906,878	₱173,723,203

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 Parent Company, to eligible stockholders of the Parent Company as of record date of June 19, 2024, subject to SEC approval. The eventual distribution of the Parent Company's investment in LPC shares as property dividends will result to dilution in the Parent Company's ownership to 0.40%, hence, losing control over LPC.

As of December 31, 2024, the Parent 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 2024 presentation.

On August 5, 2025, the SEC approved the property dividend distribution. Accordingly, the Parent Company recognized the property dividend distribution at fair value amounting to ₱509.25 million and deconsolidated LPC resulting in recognition of a gain on deconsolidation amounting to ₱981.12 million (including deferred gain), as part of the Group's net income from continuing operations in the 2025 consolidated statement of comprehensive income.

The Parent Company's retained interest in LPC was recognized as equity instrument designated at FVOCI with fair value amounting to ₱3.50 million upon deconsolidation.



The details of the results of discontinued operations of LPC are presented below:

	August 5, 2025 (Seven Months)	December 31, 2024 (One Year)	December 31, 2023 (One Year)
RENTAL INCOME	₱129,284,027	₱269,334,697	₱194,836,591
DIRECT COSTS	56,417,366	94,302,332	85,239,642
GROSS PROFIT	72,866,661	175,032,365	109,596,949
OPERATING EXPENSES	31,283,082	57,737,053	31,711,371
INCOME BEFORE OTHER INCOME (CHARGES) AND INCOME TAX	41,583,579	117,769,002	77,885,578
OTHER INCOME (CHARGES)			
Interest expense	(50,906,849)	(65,159,017)	(43,620,441)
Fair value changes of financial assets at FVTPL	2,110,770	(7,738,342)	(42,006,396)
Dividend income	112,640	165,140	394,390
Interest income	60,487	20,219	19,309
Gain on sale of financial assets at FVTPL	—	6,916,515	728,239
Gain on sale of investment properties	—	—	88,637,478
Other income (expense) - net	259,366	594,850	1,446,392
	(48,363,586)	(65,200,634)	5,598,971
INCOME (LOSS) BEFORE INCOME TAX FROM DISCONTINUED OPERATIONS	(6,780,007)	52,568,368	83,484,549
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	1,463,409	12,540,215	31,369,350
Deferred	—	2,351,202	(38,600)
	1,463,409	14,891,417	31,330,750
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	(₱8,243,416)	₱37,676,951	₱52,153,799
Total Net Income (Loss) from Discontinued Operations Attributable To			
Equity of holders of the Parent Company (see Note 25)	(₱4,451,706)	₱22,859,030	₱30,780,173
Non-controlling interest	(3,791,710)	14,817,921	21,373,626
	(₱8,243,416)	₱37,676,951	₱52,153,799
BASIC/DILUTED EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATIONS (see Note 25)	(₱0.03)	₱0.15	₱0.21

The assets and liabilities of LPC classified as held for distribution to owners immediately prior to deconsolidation and as at December 31, 2024 are as follows:

	August 5, 2025	December 31, 2024
ASSETS		
Cash	₱65,501,956	₱31,132,167
Receivables	7,881,636	11,711,495
Financial assets at FVTPL	10,727,565	8,616,795
Accrued rent	15,357,238	17,378,429
Prepaid expenses and other current assets	96,093,173	46,160,676
Investment properties	1,704,326,467	754,708,388
Financial assets at FVOCI	171,243,132	139,684,188
Property and equipment	313,959	350,551
Net retirement plan asset	1,544,083	1,544,083
Other noncurrent assets	201,156,275	280,197,886
Assets of disposal group classified as held for distribution to owners	₱2,274,163,484	₱1,291,484,658

(Forward)



	August 5, 2025	December 31, 2024
LIABILITIES		
Notes payable	₱1,190,489,195	₱994,724,489
Accounts payable and other current liabilities	244,069,054	82,284,019
Deposits on long-term leases	49,526,938	54,767,868
Unearned rental income	13,838,540	6,019,546
Deferred tax liability	3,825,241	3,825,241
Other noncurrent liability	51,818,876	51,818,876
Liabilities of disposal group classified as held for distribution to owners	₱1,553,597,844	₱1,193,440,039
Net assets classified as held for distribution to owners	₱720,565,640	₱98,044,619
Other components of equity of disposal group held for distribution to owners	(₱130,596,688)	(₱149,090,229)

The net cash flows directly associated with LPC follow:

	2025 (Seven Months)	2024 (One Year)	2023 (One Year)
Operating activities	₱19,594,173	₱159,376,491	₱95,141,954
Investing activities	269,687,112	(197,255,722)	36,083,472
Financing activities	112,324,054	318,720,167	(139,285,708)
NET CASH INFLOW (OUTFLOW)	₱401,605,339	₱280,840,936	(₱8,060,282)

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 the BIR. The stock certificates for property dividends were distributed on June 30, 2022.

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. On October 15, 2025, the BOD of LPC readopts and reaffirms the resolution passed during the meeting held on November 20, 2024, providing that the entire stock dividend shall be sourced from the increase in LPC's authorized capital stock, and that such stock dividend shall be utilized to fund LPC's capital increase.



Financial information of subsidiary that has material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interests owning 41.40% immediately prior to deconsolidation and as at December 31, 2024 follows:

	August 5, 2025	December 31, 2024
Accumulated balances of non-controlling interest	₱213,451,173	₱204,177,480
Total comprehensive income allocated to non-controlling interest	9,273,693	19,869,910

10. Financial Assets at Fair Value through Other Comprehensive Income

	2025	2024
Debt securities	₱83,270,600	₱107,197,164
Equity securities:		
Quoted	327,568,714	331,190,056
Unquoted	12,293,197	10,994,003
	₱423,132,511	₱449,381,223

The Company did not purchase equity securities in 2025 and 2024.

The Group has redeemed the debt securities upon maturity with a carrying value amounting to ₱20.00 million and ₱80.00 million in 2025 and 2024, respectively. The Group also sold quoted equity securities with a carrying amount of ₱10.00 million and ₱39.03 million in 2025 and 2024, respectively.

Fair value changes on financial assets at FVOCI follow:

	2025	2024
Balance at beginning of year	₱12,308,248	(₱169,685,926)
Fair value gain recognized in other comprehensive income from:		
Continuing operation:		
Equity securities	4,175,352	10,477,664
Debt securities	(3,926,564)	3,335,894
Discontinued operation*	—	13,089,789
Fair value gain realized through sale (see Note 21)	(88,017)	—
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	₱12,469,019	₱12,308,248

*Fair value gain on equity investment at FVOCI from discontinued operations in 2025 amounted to ₱31.56 million

Interest income earned on debt securities amounted to ₱5.87 million in 2025, ₱8.21 million in 2024 and ₱10.23 million in 2023. Dividend income earned on equity securities amounted to ₱24.12 million in 2025, ₱24.30 million in 2024 and ₱13.06 million in 2023.



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.

11. Investment Properties

	2025		
	Land	Building and Building Improvements	Total
Cost			
Balance at beginning of year	₱690,234,088	₱54,932,926	₱745,167,014
Additions	–	6,062,276	6,062,276
Disposals	(1,796,254)	–	(1,796,254)
Balance at end of year	688,437,834	60,995,202	749,433,036
Accumulated Depreciation			
Balance at beginning of year	–	40,241,292	40,241,292
Depreciation	–	3,349,655	3,349,655
Balance at end of year	–	43,590,947	43,590,947
Net book values	₱688,437,834	₱17,404,255	₱705,842,089

	2024		
	Land	Building and Building Improvements	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)	(302,283,875)	(975,745,352)	(1,278,029,227)
Balance at end of year	690,234,088	54,932,926	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	₱690,234,088	₱14,691,634	₱704,925,722

The Group leases out spaces in its building under various operating leases (see Note 27).



Rental income and the related expenses recognized on the office spaces of the Group's building are as follows:

	2025	2024	2023
Rental income	₱15,123,506	₱14,543,155	₱42,482,691
Direct operating expenses:			
Depreciation and amortization	4,195,323	1,864,457	2,618,800
Outside services	2,195,318	1,759,434	4,669,313
Communication, light and water	993,062	835,521	1,118,518
Repairs and maintenance	44,420	—	180,670
Insurance and others	434,330	295,046	1,292,263
	7,862,453	4,754,458	9,879,564
	₱7,261,053	₱9,788,697	₱32,603,127

Direct operating expenses incurred for non-income generating properties amounted to ₱3.35 million in 2025, ₱5.91 million in 2024 and ₱4.91 million in 2023.

Depreciation expense charged to operation is as follows:

	2025	2024	2023
Continuing operations	₱3,349,655	₱10,998,378	₱1,891,177
Discontinued operation	26,669,413	45,202,943	43,197,551
	₱30,019,068	₱56,201,321	₱45,088,728

The Group has refundable deposits for utilities installation on its investment properties amounting to ₱0.37 million and ₱0.45 million as at December 31, 2025 and 2024, presented as part of "Other noncurrent assets" in the consolidated statements of financial position (see Note 13).

On December 10, 2025, the Parent Company sold to Haus Talk, Inc. (HTI) certain parcels of land in Angono and Teresa Rizal with an aggregate carrying value of ₱1.80 million for a total consideration of ₱366.88 million, resulting in a gain on sale of ₱354.08 million.

The aggregate fair value of investment properties amounted to ₱6.78 billion and ₱5.30 billion as at December 31, 2025 and 2024, respectively. These have been determined based on valuations performed by a qualified and independent appraiser accredited by the SEC in 2025 and 2024. 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, 2025 approximates the fair value from the last independent valuation 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:

2025 and 2024			
	Current use	Valuation technique	Significant unobservable input
Land	Commercial Parking space	Market Approach	Adjusted sales price of comparable properties
Building and building improvements	Commercial	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 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 Acquisition. 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.

12. Property, Plant and Equipment

	2025							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	₱473,745,573	₱205,486,068	₱50,924,356	₱-	₱41,749,117	₱36,523,729	₱833,764,415
Additions	-	11,087,770	10,237,678	12,188,590	-	5,543,218	1,674,094	40,731,350
Reclassification	664,000	-	36,507,410	-	-	-	(37,171,410)	-
Ending balances	25,999,572	484,833,343	252,231,156	63,112,946	-	47,292,335	1,026,413	874,495,765
Accumulated Depreciation								
Beginning balances	20,360,828	259,144,361	115,852,214	49,093,971	-	36,749,497	-	481,200,871
Depreciation and amortization (see Notes 18 and 19)	978,535	14,835,640	7,755,243	2,874,505	-	1,301,557	-	27,745,480
Ending balances	21,339,363	273,980,001	123,607,457	51,968,476	-	38,051,054	-	508,946,351
Net Book Values	₱4,660,209	₱210,853,342	₱128,623,699	₱11,144,470	₱-	₱9,241,281	₱1,026,413	₱365,549,414

	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

Depreciation expense charged to operation is as follows:

	2025*	2024	2023
Continuing operations	₱27,745,480	₱25,271,370	₱25,287,963
Discontinued operations	97,717	1,003,442	1,171,169
	₱27,843,197	₱26,274,812	₱26,459,132

*Discontinued operations up to August 5, 2025



13. Other Noncurrent Assets

	2025	2024
Advances to suppliers (see Note 11)	₱46,231,078	₱8,602,688
Refundable deposits (see Note 10)	368,515	445,687
Others	1,022,000	1,022,000
	₱47,621,593	₱10,070,375

Advances to suppliers primarily pertain to advance payments to suppliers for the renovation and improvements of the facilities and for future purchase of land (see Note 11).

14. Notes Payable

On various dates during 2025, the Parent Company availed the ₱80.00 million short-term loans availed in 2025 with terms of 180-360 days at 6.0% to 6.65% interest per annum for 2025.

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 (with interest ranging from 6.2% to 6.75%) totaling ₱113.00 million 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.

The future expected principal settlements of the Group's notes payable within one year amounted to ₱80.00 million and ₱131.50 million as at December 31, 2025 and 2024, respectively (nil beyond one year).

Interest expense on notes charged to operations follows:

	2025*	2024	2023
Continuing operations (see Note 19)	₱6,027,868	₱9,729,825	₱21,765,555
Discontinued operation	44,809,768	61,530,178	41,725,676
	₱50,837,636	₱71,260,003	₱63,491,231

*Discontinued operations up to August 5, 2025.

15. Accounts Payable and Other Current Liabilities

	2025	2024
Liabilities under trust receipts (see Note 7)	₱246,703,408	₱190,649,253
Dividends payable	160,917,097	331,813,201
Output VAT - net	60,916,525	88,784,102
Trade payables	31,862,147	53,077,655

(Forward)



	2025	2024
Customers and tenants' deposits	₱10,521,482	₱9,699,396
Accrued selling, freight and outside services	5,064,520	5,368,388
Withholding tax, HDMF and SSS payable	2,600,780	2,610,712
Others	42,662,092	17,527,592
	₱561,248,051	₱699,530,299

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 6.65% interest per annum for 2025 and 6.00% to 6.85% interest per annum for 2024 (see Note 7).

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

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 tenants' 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 advance payment from HTI amounting to ₱35.66 million as of December 31, 2025; and earnest money of ₱10.0 million as of December 31, 2024 in relation to the Company's Memorandum of Agreement with HTI involving the sale of parcels of land in Rizal Province, subject to certain conditions precedent. It also includes accruals for unbilled services that will be settled within the next financial year.

16. Equity

Capital Stock

The Parent Company's capital stock as at December 31, 2025 and 2024 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, 2025 and 2024 are held by 462 and 451 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
			<u>₱4,000,000</u>

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, 2025 and 2024, the consolidated retained earnings include undistributed net accumulated earnings of subsidiaries amounting to ₱10.50 million and ₱519.67 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 2025, 2024 and 2023:

Date of Declaration	Date of Record	Date of payment	Dividend per share	Total amount
December 17, 2025	January 15, 2026	February 10, 2026	₱0.60	₱90.0 million
October 08, 2025	October 28, 2025	November 19, 2025	₱2.80	₱420.0 million
May 16, 2025	June 9, 2025	July 02, 2025	₱2.00	₱300.0 million
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



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 August 5, 2025, the Company obtained SEC's approval for the distribution of the property dividends. Accordingly, the Parent Company recognized the property dividend distribution at fair value amounting to ₱509.25 million (see Note 9).

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:

	2025	2024	2023
Sales of bakery flour	₱1,039,126,390	₱1,088,706,191	₱1,319,690,666
Sales of mill feeds	89,528,256	125,573,711	181,491,621
	₱1,128,654,646	₱1,214,279,902	₱1,501,182,287

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 ₱897.61 million and ₱1,135.43 million as at December 31, 2025 and 2024, 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 120 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, 2025 and 2024.

18. Cost of Sales

	2025	2024	2023
Materials used	₱837,309,404	₱876,193,372	₱1,331,922,779
Direct labor (see Note 20)	36,047,527	34,332,907	35,996,211
Overhead:			
Utilities	36,413,471	37,448,986	32,295,545
Depreciation (see Note 12)	20,249,845	19,282,055	18,874,036
Repairs and maintenance	4,043,940	3,927,238	2,595,778
Other factory overhead	10,177,772	11,018,181	8,079,162
	₱944,241,959	₱982,202,739	₱1,429,763,511



19. Expenses

General and Administrative Expenses

	2025	2024	2023
Outside services	₱39,656,869	₱31,346,623	₱32,783,066
Salaries and wages (see Notes 20 and 26)	18,404,189	16,055,237	15,334,222
Employee benefits and bonuses (see Notes 20, 22 and 26)	14,759,419	23,083,958	12,506,027
Representation	6,350,923	228,749	623,502
Taxes and licenses	5,877,241	5,887,728	9,198,099
Depreciation and amortization (see Notes 11 and 12)	5,240,014	13,697,583	4,257,824
Membership and subscription	3,944,198	3,237,371	2,522,976
Insurance	1,872,097	1,359,681	1,165,989
Communication, light and water	1,235,139	1,307,989	1,305,141
Per diem	985,000	825,000	775,000
Rent expense	808,613	—	—
Office supplies	637,327	584,311	403,738
Repairs and maintenance	266,265	605,414	478,879
Provision for input VAT	76,745	53,214	250,785
Provision for (reversal of) expected credit losses (see Note 5)	—	(4,874,247)	4,673,574
Others	5,006,968	5,253,395	4,503,378
	₱105,121,007	₱98,652,006	₱90,782,200

Selling Expenses

	2025	2024	2023
Promotional and marketing expenses (see Note 26)	₱17,506,027	₱17,506,027	₱17,656,295
Freight and handling fees	1,880,357	1,652,865	6,570,164
Depreciation and amortization (see Note 12)	1,409,953	1,425,653	1,428,479
	₱20,796,337	₱20,584,545	₱25,654,938

Interest Expense

	2025	2024	2023
Liabilities under trust receipts (see Note 7)	₱18,393,083	₱22,978,708	₱23,446,127
Notes payable (see Note 14)	6,027,868	9,729,825	21,765,555
	₱24,420,951	₱32,708,533	₱45,211,682



20. Personnel Costs

	2025	2024	2023
Direct labor (see Note 18)	₱36,047,527	₱34,332,907	₱35,996,211
Salaries and wages (see Notes 19 and 26)	18,404,189	16,055,237	15,334,222
Bonus and allowances (see Note 19)	9,293,818	15,181,080	7,195,292
Retirement benefit costs (see Notes 19, 22 and 26)	1,355,706	2,911,971	1,994,044
Other employee benefits (see Notes 19 and 26)	4,109,895	4,990,907	3,316,691
	₱69,211,135	₱73,472,102	₱63,836,460

21. Other Income (Charges) - Net

	2025	2024	2023
Fair value loss on financial assets at FVTPL (see Note 6)	₱1,841,220	(₱1,282,527)	(₱825,403)
Unrealized foreign exchange gain (loss)	495,346	(55,761)	736,275
Gain (loss) on sale of debt securities at FVOCI (see Note 10)	88,017	—	(71,435)
Gain on sale of property, plant and equipment	—	71,429	2,575,595
Loss on lease pre-termination (see Note 27)	—	—	(1,997,784)
Other income (charges) - net	(11,973,700)	6,248,062	(4,577,418)
	(₱9,549,117)	₱4,981,203	(₱4,160,170)

In 2025, other income (charges) - net mainly includes realized foreign exchange losses and taxes. In 2024, other income (charges) -net primarily includes income from scrap sales. In 2023, it mainly includes loss on receivable write-off. .



22. Retirement Benefits

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, 2025 and 2024 follow:

	Net Retirement Cost in Profit or Loss in the Parent Company Statements of Comprehensive Income					Benefits Directly Paid by the Company	Benefits Paid from Plan Assets	Contributions to the Plan Asset	Remeasurements in Other Comprehensive Income						
	Balance at Beginning of Year	Current Service Cost	Settlement loss	Net Interest	Subtotal				Actuarial Loss Excluding Amount included in Net Interest	Actuarial Changes Arising from Changes in 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, 2025															
Present value of defined benefit obligation	₱31,726,171	₱1,067,050	₱-	₱1,938,469	₱3,005,519	₱-	(₱3,246,014)	₱-	₱-	(₱191,393)	₱171,137	(₱633,479)	₱-	(₱653,735)	₱30,831,941
Fair value of plan assets	(28,624,861)	-	-	(1,649,813)	(1,649,813)	-	3,246,014	-	(5,585,092)	-	-	-	150,674	(5,434,418)	(32,463,078)
Net defined benefit liability (asset)	₱3,101,310	₱1,067,050	₱-	₱288,656	₱1,355,706	₱-	₱-	₱-	(₱5,585,092)	(₱191,393)	₱171,137	(₱633,479)	₱150,674	(₱6,088,153)	(₱1,631,137)
December 31, 2024															
Present value of defined benefit obligation	₱44,928,816	₱1,810,250	₱-	₱2,758,629	₱4,568,879	₱-	(₱13,491,055)	₱-	₱-	₱46,944	(₱2,136,040)	(₱2,191,373)	₱-	(₱4,280,469)	₱31,726,171
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)	₱11,197,824	₱1,810,250	₱-	₱1,101,721	₱2,911,971	₱-	₱-	₱-	(₱6,728,016)	₱46,944	(₱2,136,040)	(₱2,191,373)	₱-	(₱11,008,485)	₱3,101,310
December 31, 2023															
Present value of defined benefit obligation	₱42,342,231	₱1,742,395	₱-	₱3,086,749	₱4,829,144	₱-	(₱7,110,983)	₱-	₱-	₱3,553,874	₱1,314,550	₱-	₱-	₱4,868,424	₱44,928,816
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)	(₱103,517)	₱1,742,395	₱-	₱251,649	₱1,994,044	₱-	₱-	₱-	₱4,446,969	₱3,553,874	₱1,314,550	₱-	(₱8,096)	₱9,307,297	(₱11,197,824)



The Parent Company is expected to contribute ₱15.00 million to its defined benefit pension plan in 2026 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:

	2025	2024
Cash in banks	₱18,790,262	₱16,922,033
Money market placements	–	10,937
Investment in bonds	16,543,161	18,063,592
Investments in equity securities:		
Industrial	8,463,314	4,702,793
Mining and oil	1,969,717	1,767,344
Services	1,587,000	1,878,000
Financials	567,060	528,564
Others	1,749,939	914,323
BPI Philippine Equity Index Fund	1,077,434	930,002
Liabilities	(18,134,135)	(17,092,727)
Effect of asset ceiling	(150,674)	–
	₱32,463,078	₱28,624,861

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 ₱8.04 million and ₱4.26 million as at December 31, 2025 and 2024, 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 gain of ₱3.78 million and ₱1.38 million in 2025 and 2024, respectively. 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 2025.

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, 2025 and 2024.

The latest actuarial valuation of the Group's plan is as at December 31, 2025. The principal actuarial assumptions used to determine retirement benefits costs as at January 1 are as follows:

	2025	2024
Discount rate	6.25%	6.11%
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:

		2025		2024	
		Increase (decrease) in DBO	Increase (decrease) in DBO	Increase (decrease) in DBO	Increase (decrease) in DBO
Discount rate	+100 bps	(4.10%)	(₱1,279,342)	(4.60%)	(₱1,469,724)
	- 100 bps	4.70%	1,440,861	5.30%	1,678,502
Salary increase rate	+100 bps	4.70%	1,444,463	5.30%	1,680,360
	-100 bps	(4.20%)	(1,305,416)	(4.70%)	(1,497,611)

The average duration of the defined benefit obligation at the end of the period is 4.4 years in 2025 and 5.0 years in 2024 for the Parent Company.

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:

	2025	2024
Year 1	₱13,892,820	₱15,755,849
Year 2	1,219,361	530,958
Year 3	1,292,735	657,036
Year 4	1,356,574	695,748
Year 5	4,078,390	785,616
Year 6- 10	12,074,771	15,152,136

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:

	2025	2024
Beginning balance	(₱5,334,084)	(₱7,640,744)
Remeasurement gains (losses) on retirement benefits in other comprehensive income from:		
Continuing operation	6,088,153	11,008,485
Discontinued operation	—	(1,182,556)
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	6,088,153	4,763,142
Income tax effect from:		
Continued operation	—	(2,752,121)
Discontinued operation	—	295,639
	6,088,153	2,306,660
Ending balance	₱754,069	(₱5,334,084)



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 located in Angono, Rizal recognized under “Investment properties” in the consolidated statements of financial position. 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 ₱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 & BANTE 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 & BANTE appeal.

On September 3, 2025, the Parent Company received a copy of the August 12, 2025 Decision of the Office of the President affirming and granting a Certificate of Finality in favor of the Company.

On October 24, 2025, the Parent Company received a copy of the Motion for Reconsideration from second group – BANTE Group praying that the August 12, 2025 Decision be reversed and set aside.

On March 5, 2026, the Parent Company received a Decision that the Motion for Reconsideration filed by KMTAI & BANTE was Denied and that the August 12, 2025 Decision of the Office of the President was Affirmed, granting a Certificate of Finality in favor of the Parent Company.

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 in 2025, 2024 and 2023. In 2025, the Parent Company elected to use Optional Standard Deduction (OSD); while in 2024 and 2023, the Parent Company used itemized deduction in computing for its taxable income.

The OSD is equivalent to 40% of gross income, as provided by law, in lieu of the itemized allowable deductions, in accordance with Revenue Regulations (RR) No. 16-2008, *Implementing the Provisions of Section 34(L) of the Tax Code of 1997, as Amended by Section 3 of Republic Act No. 9504, Dealing on the Optional Standard Deduction Allowed to Individuals and Corporations in Computing Their Taxable Income*.

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 consolidated statements of comprehensive income follows:

	2025	2024	2023
Income tax at statutory income tax rate at 25%	₱349,886,879	₱31,755,272	₱43,179,613
Income tax at statutory income tax rate at 20%	138,821	231,332	45,944
Additions to (reductions in) income tax resulting from:			
Gain on deconsolidation of a subsidiary	(245,280,778)	—	—
Electing OSD over itemized deductions	(15,014,333)	—	—
Dividend income exempt from tax	(6,114,375)	(6,119,174)	(3,327,975)
Interest income subjected to final tax	(2,077,719)	(2,081,507)	(2,583,851)
Movement in unrecognized deferred tax assets	(565,759)	(5,468,063)	13,311,074
Loss on sale and fair value changes on financial assets at FVTPL	(482,309)	320,631	206,351
Nondeductible expenses	4,767,139	2,339,014	2,560,973
Expired NOLCO	233,267	—	—
	₱85,490,833	₱20,977,505	₱731,111

The Group's recognized deferred tax asset as at December 31, 2024 pertains to unamortized past service cost amounting to ₱2.55 million.

Deferred taxes for the following deductible temporary differences and unused NOLCO 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 and/or due to expected availment of the OSD method in future years.

	2025	2024
Unamortized past service cost	₱42,285,818	₱42,285,818
NOLCO	4,303,618	3,726,513
Provision for:		
Expected credit losses	1,917,385	1,917,385
Probable losses	3,134,053	3,134,053

(Forward)



	2025	2024
Unrealized foreign exchange loss	₱55,761	₱55,761
Net retirement liability (asset)	(1,631,136)	3,101,310
	₱50,065,499	₱54,220,841

The deferred tax assets and liabilities as at December 31, 2025 were measured using the appropriate corporate income tax rate on the years these are expected to be reversed or settled. The Group availed of the OSD in computing for current income tax and computed deferred income tax using the 15% tax rate as at December 31, 2025.

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, 2025, the Group’s NOLCO 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
2025	2028	1,743,440
Total		₱5,469,953
Less: Expired		1,166,335
		₱4,303,618

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 and 2% starting 2024 in accordance with RMC 69-2023.

25. Basic/Diluted Earnings Per Share

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

	2025	2024	2023
Net income (loss) attributable to equity holders of the Parent Company	₱1,310,299,084	₱130,059,273	(₱7,646,834)
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	₱8.74	₱0.87	(₱0.05)



	2025	2024	2023
Net income (loss) from continuing operations	₱1,314,750,791	₱107,200,243	(₱38,427,007)
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	₱8.77	₱0.72	(₱0.26)

	2025	2024	2023
Net income (loss) from discontinued operations attributable to equity holders of the Parent Company	(₱4,451,706)	₱22,859,030	₱30,780,173
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	(₱0.03)	₱0.15	₱0.21

The Group does not have potentially dilutive common shares in 2025, 2024 and 2023. 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:

	Amount/Volume Income (Expense)			Outstanding Receivable Balance		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Stockholder</i>							
Parity Values, Inc. (PVI)							
Sales*	₱660,788,500	₱692,675,553	₱647,843,183	₱576,390,745	₱804,715,595	120 days	Unsecured, with impairment of ₱1,577,644 as at December 31, 2025 and 2024, respectively.
Developmental Rights	—	—	37,730,000	—	—	5 years; 5.25% interest per annum	Unsecured, not impaired
Rent income	—	—	2,339,525	—	—	30 days	Unsecured, not impaired
Promotional and marketing expenses	(14,875,000)	(14,875,000)	(14,875,000)	—	—	On demand	—
Others	—	—	—	—	—	30 days	Unsecured, not impaired
<i>Under Common Control</i>							
Liberty Commodities Corporation							
Sales*	301,167,524	336,970,962	356,042,702	224,239,396	225,121,977	120 days	Unsecured, not impaired
Rent income	—	—	3,270,072	—	169,371	30 days	Unsecured, not impaired
Promotional and marketing expenses	(2,625,000)	(2,625,000)	(2,625,000)	—	—	On demand	—

(Forward)



	Amount/Volume Income (Expense)		2023	Outstanding Receivable Balance		Terms	Conditions
	2025	2024		2025	2024		
Trade Demands Corporation (TDC) Sales*	₱166,698,622	₱183,346,419	₱197,432,106	₱94,967,945	₱103,465,488	120 days	Unsecured; with impairment of ₱339,741 as at December 31, 2025 and 2024, respectively.
Trade receivables from related parties (see Note 5)				₱895,598,086	₱1,133,303,060		
Rent receivables from related parties (see Note 5)				₱-	₱169,371		

*Revenues from transactions with these related parties under “Bakery Flour” segment individually amount to 10% or more of the Group’s revenues in 2025, 2024 and 2023

- 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, 2025 and 2024.

- b. In 2023, the Parent Company has written off the receivable from its retirement plan amounting to ₱7.23 million and recognized the loss under “Other income (charges) – net” in the consolidated statement of comprehensive income (see Note 21).
- c. The key management personnel compensation is as follows:

	2025	2024	2023
Short-term employee benefits	₱13,237,595	₱13,726,407	₱12,879,955
Post-employment benefits and others	1,989,782	3,074,779	7,122,593
	₱15,227,377	₱16,801,186	₱20,002,548

Short-term employee benefits include management bonus given to the Group’s directors and officers (see Notes 18 and 19).

27. Leases

The Group 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.

The lease contracts provide for the payment by the lessee of a security deposit. These are shown as part of “Customers and tenants’ deposits” under “Accounts Payable and Other Current Liabilities” account in the statements of financial position which amounted to ₱10,521,482 and ₱9,699,393 as at December 31, 2025 and 2024, respectively.

Rental income amounted to ₱15.12 million, ₱14.54 million and ₱42.48 million in 2025, 2024 and 2023, respectively (see Note 11).

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 21).



The future minimum lease receivables under non-cancellable leases are as follows:

	2025	2024
Year 1	₱7,686,438	₱901,535
Year 2	5,956,497	946,614
Year 3	1,000,692	533,701
Year 4	—	560,388
	₱14,643,627	₱2,942,238

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 three distributors as at December 31, 2025 and 2024. 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:

	2025	2024
Financial assets at amortized cost		
Cash and cash equivalents*	₱94,511,424	₱77,337,320
Trade and other receivables**	930,090,872	1,162,549,489
Other noncurrent assets***	1,390,515	1,467,687
Debt securities at FVOCI	83,270,600	107,197,164
	₱1,109,263,411	₱1,348,551,660

*excluding cash on hand, amounting to ₱5.78 million and ₱0.43 million as at December 31, 2025 and 2024, respectively.

**excluding advances to officers and employees amounting to ₱1.25 million and ₱0.43 million as at December 31, 2025 and 2024, respectively; before considering provision for expected credit losses ₱1.92 million for past due and impaired accounts as at December 31, 2025 and 2024, respectively.

***pertains to refundable deposits and others in 2025 and 2024

The following table summarizes the credit quality of the Group's financial assets per category as at December 31:

	2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Low	₱210,197,039	₱322,675,626	₱—	₱532,872,665
Moderate	—	576,390,746	—	576,390,746
High	—	—	—	—
Gross carrying amount	₱210,197,039	₱899,066,372	—	1,109,263,411
ECL	—	1,917,385	—	1,917,385
Carrying amount	₱210,197,039	₱897,148,987	₱—	₱1,107,346,026

	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

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.



Set out below is the information about the credit risk exposure on the Group's trade receivables and rent receivables using a provision matrix:

2025									
	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	0.05%	0.18%	0.20%	0.22%	0.26%	0.32%	3.46%	0.00%	0.27%
Estimated total gross carrying amount at default	₱261,300,305	₱59,536,700	₱62,016,005	₱58,016,870	₱54,900,820	₱58,404,735	₱22,215,310	₱-	₱576,390,745
Expected credit loss	118,574	109,295	125,740	125,180	143,970	185,548	769,336	-	1,577,643
TDC									
Expected credit loss rate	0.21%	0.75%	0.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
Estimated total gross carrying amount at default	₱65,347,961	₱18,122,810	₱11,497,174	₱-	₱-	₱-	₱-	₱-	₱94,967,945
Expected credit loss	138,810	136,395	64,537	-	-	-	-	-	339,742
LCC									
Expected credit loss rate	-	-	-	-	-	-	-	-	-
Estimated total gross carrying amount at default	₱122,328,586	₱27,244,475	₱26,727,208	₱23,145,640	₱24,793,487	₱-	₱-	₱-	₱224,239,396
Expected credit loss	-	-	-	-	-	-	-	-	-
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	118,574	109,295	125,740	125,180	143,970	185,548	251,748	517,589	1,577,643
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	138,810	136,395	64,537	-	-	-	-	-	339,742
LCC									
Expected credit loss rate	-	-	-	-	-	-	-	-	-
Estimated total gross carrying amount at default	₱112,193,333	₱26,390,651	₱33,692,865	₱31,151,615	₱19,398,583	₱187,300	₱-	₱2,107,630	₱225,121,977
Expected credit loss	-	-	-	-	-	-	-	-	-

As at December 31, 2025 and 2024, 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.

Interest Rate Risk

The Group's exposure to the risk for changes in interest rates relates primarily to its notes payable and liabilities under trust receipts. The Group's practice is to manage its interest cost by reference to current market borrowing rates. The following table sets forth the impact of a reasonably possible change in interest rates on the Group's income before income tax, with all other variables held constant. There is no impact on equity other than those already affecting pre-tax income.



2025		2024	
Change in Interest Rates	Sensitivity of Income Before Tax	Change in Interest Rates	Sensitivity of Income Before Tax
+100 bps	(P3,267,034)	+100 bps	(P3,221,493)
- 100 bps	P3,267,034	- 100 bps	3,221,493

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, 2025 and 2024, 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:

	2025	
	Increase (decrease) in rate	Increase (decrease) in profit or loss/equity
Financial assets at FVTPL	1% (1%)	P149,645 (149,645)
Financial assets at FVOCI	0% (0%)	0 (0)
	2024	
	Increase (decrease) in rate	Increase (decrease) in profit or loss/equity
Financial assets at FVTPL	1% (1%)	P131,241 (131,241)
Financial assets at FVOCI	7% (7%)	21,507,274 (21,507,274)

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:

	2025			
	Less than 3 Months	3 to 12 Months	More than 12 months	Total
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱100,291,212	₱—	₱—	₱100,291,212
Trade receivables from related parties and third parties	321,216,632	576,390,746	—	897,607,378
Rent receivables:				
Third parties	1,393,093	—	—	1,393,093
Related parties	65,901	—	—	65,901
Advances to officers and employees	1,245,722	—	—	1,245,722
Other receivables	31,024,500	—	—	31,024,500
Other noncurrent assets	46,599,593	—	—	46,599,593
Financial assets at FVTPL	14,965,350	—	—	14,965,350
Financial assets at FVOCI:				
Equity securities	—	—	339,861,911	339,861,911
Debt securities	—	—	83,270,600	83,270,600
Total financial assets	₱516,802,003	₱576,390,746	₱423,132,511	₱1,516,325,260
Financial Liabilities				
Notes payable, including interest	₱—	₱80,000,000	₱—	₱80,000,000
Accounts payable and other current liabilities:				
Dividends payable	246,703,408	—	—	246,703,408
Liabilities under trust receipts	160,917,097	—	—	160,917,097
Trade payables	31,862,147	—	—	31,862,147
Customers and tenants’ deposits	10,521,482	—	—	10,521,482
Accrued selling, freight, outside services and other expenses	5,064,520	—	—	5,064,520
Total financial liabilities	₱455,068,654	₱80,000,000	₱—	₱535,068,654
Net financial asset	₱61,733,349	₱546,390,746	₱—	₱981,256,606

	2024			
	Less than 3 Months	3 to 12 Months	More than 12 months	Total
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
Advances to officers and employees	426,298	—	—	426,298
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	—	—	342,184,059	342,184,059
Debt securities	—	20,000,000	87,197,164	107,197,164
Total financial assets	₱449,149,907	₱824,715,595	₱430,848,910	₱1,704,714,412
Financial Liabilities				
Notes payable, including interest	₱—	₱131,500,000	₱—	₱131,500,000
Accounts payable and other current liabilities:				
Liabilities under trust receipts	190,649,253	—	—	190,649,253
Dividends payable	331,813,201	—	—	331,813,201
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)	(₱141,459,986)	₱824,715,595	₱299,348,910	₱982,604,519



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 following are the Group's financial instruments whose carrying amounts are measured at fair value:

	Carrying Value		Fair Value	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Financial Assets				
Financial assets at FVTPL	₱14,965,350	₱13,124,130	₱14,965,350	₱13,124,130
Financial assets at FVOCI	423,132,511	449,381,223	423,132,511	449,381,223

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:

	2025			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Financial assets at FVTPL	₱14,965,350	₱14,965,350	₱—	₱—
Financial assets at FVOCI:				
Quoted debt securities	83,270,600	83,270,600	—	—
Quoted equity securities	327,568,714	327,568,714	—	—
Unquoted equity securities	12,293,197	—	—	12,293,197
Nonfinancial assets for which fair values are disclosed				
Investment properties	6,780,507,179	—	—	6,780,507,179
	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

The disclosures on the fair value of investment properties carried at cost are included in Note 11.

In 2025 and 2024, 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, 2025 and 2024.

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:

	2025	2024
Capital stock	₱1,500,000,000	₱1,500,000,000
Retained earnings	666,682,293	806,229,896
	₱2,166,682,293	₱2,306,229,896

The Group is not subject to any externally imposed capital requirements.

30. Supplemental Disclosure of Cash Flow Information

The changes in the Group's liabilities arising from financing activities follow:

December 31, 2025

Continuing operations

	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱131,500,000	(₱51,500,000)	₱—	₱80,000,000
Interest payable	—	(24,420,951)	24,420,951	—
Dividends payable (see Note 14)	331,813,201	(980,896,104)	810,000,000	160,917,097
Total liabilities	₱463,313,201	(₱1,056,817,055)	₱834,420,951	₱240,917,097

**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.*



Discontinued operations

	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱994,724,429	₱195,764,706	₱—	₱1,190,489,135
Installment payable	101,534,231	(38,155,119)	—	63,379,112
Interest payable	3,771,292	(45,285,533)	(44,809,768)	3,295,527
Total liabilities	₱1,100,029,952	₱112,324,054	(₱44,809,768)	₱1,257,163,774

*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.

December 31, 2024

Continuing operations

	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱172,500,000	(₱41,000,000)	₱—	₱131,500,000
Interest payable	31,445,011	(44,631,810)	345,000,000	331,813,201
Dividends payable (see Note 14)	—	(32,708,533)	32,708,533	—
Total liabilities	₱203,945,011	(₱118,340,343)	₱377,708,533	₱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.

Discontinued operations

	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱590,195,017	₱404,529,412	₱—	₱994,724,429
Installment payable	127,753,908	(26,219,677)	—	101,534,231
Interest Payable	1,830,682	(59,589,568)	61,530,178	3,771,292
Total liabilities	₱719,779,607	₱318,720,167	₱61,530,178	₱1,100,029,952

December 31, 2023

Continuing operations

	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱378,000,000	(₱205,500,000)	—	₱172,500,000
Interest payable	—	(45,211,682)	45,211,682	—
Dividends payable (see Note 14)	26,379,956	(99,934,945)	105,000,000	31,445,011
Total liabilities	₱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.

	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱630,800,782	(₱40,470,588)	(₱135,177)	₱590,195,017
Installment payable	146,135,765	(18,381,857)	—	127,753,908
Payable to related party	37,730,000	(37,730,000)	—	—
Interest payable	2,673,152	(42,703,263)	41,860,793	1,830,682
Total liabilities	₱817,339,699	(₱139,285,708)	₱41,725,616	₱719,779,607

*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, 2025 and the segment assets as at December 31:

	2025			
	Bakery Flour	Mill Feed	Real Estate and Investment	Consolidated
Revenue				
Sales – related parties	₱1,039,126,390	₱89,528,256	₱–	₱1,128,654,646
Dividend income	–	–	24,927,062	24,927,062
Rental income	–	–	15,123,506	15,123,506
Interest income	–	–	8,328,825	8,325,825
Total	1,039,126,390	89,528,256	48,379,393	1,177,034,039
Cost of sales/services	869,341,868	74,900,091	7,862,453	952,104,412
Gross profit on sales/income	169,784,522	14,628,165	40,516,940	224,929,627
Selling and administrative expenses	(115,929,204)	(9,988,140)	–	(125,917,344)
Interest expense	–	–	(24,420,951)	(24,420,951)
Gain on sale of investment properties	–	–	–	354,076,296
Gain on deconsolidation of a subsidiary LPC	–	–	–	981,123,113
Other income (charges) - net	(7,207,998)	(621,021)	(1,720,098)	(9,549,117)
Provision for income tax	–	–	–	(85,490,833)
Net income from continuing operations	₱46,647,320	₱4,019,004	₱14,375,891	₱1,314,750,791
Net loss from discontinued operations, net of tax	₱–	₱–	(₱8,243,416)	(₱8,243,416)
Property, plant and equipment	₱344,180,849	₱21,368,565	₱–	₱365,549,414
Investment properties	₱–	–	₱705,842,089	₱705,842,089
Depreciation and amortization	₱26,123,590	₱1,621,890	₱3,349,655	₱31,095,135
Additions to property, plant and equipment and investment properties	₱38,350,357	₱2,380,993	₱6,062,276	₱46,793,626



2024				
	Bakery Flour	Mill Feed	Real Estate and Investment	Consolidated
Revenue				
Sales – related parties	₱1,088,706,191	₱125,573,711	₱–	₱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	1,088,706,191	125,573,711	47,818,924	1,262,098,826
Cost of sales/services	895,259,338	86,943,401	4,754,458	986,957,197
Gross profit on sales/income	193,446,853	38,630,310	43,064,466	275,141,629
Selling and administrative expenses	(106,905,806)	(12,330,745)	–	(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 from continuing operations	₱90,340,768	₱26,737,833	₱11,099,147	₱107,200,243
Net income from discontinued operations, net of tax	₱–	₱–	₱37,676,951	₱37,676,951
Property, plant and equipment	₱344,180,849	₱21,368,565	₱–	₱365,549,414
Investment properties	–	–	₱705,407,601	₱705,407,601
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	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	–	–	–	(45,211,682)
Other charges – net	(3,501,908)	(481,603)	(176,659)	(4,160,170)
Provision for income tax	–	–	–	(731,111)
Net income from continuing operations	(₱41,328,443)	(₱5,683,731)	₱54,527,960	(₱38,427,007)
Net income from discontinued operations, net of tax	₱–	₱–	₱52,153,799	₱52,153,799
Property, plant and equipment	₱304,214,278	₱18,887,229	–	₱323,101,507
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

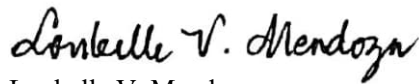


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 25, 2026. 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
Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

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

SEC Partner Accreditation No. 115161-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

PTR No. 10765091, January 2, 2026, Makati City

March 25, 2026

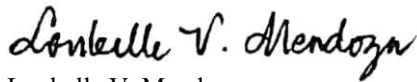


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 25, 2026. 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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

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

SEC Partner Accreditation No. 115161-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

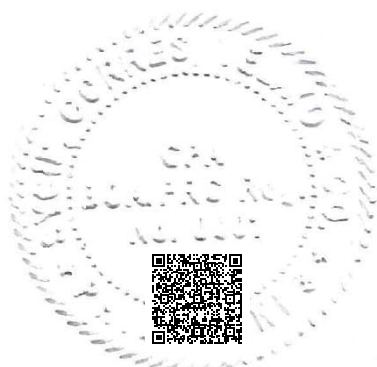
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

PTR No. 10765091, January 2, 2026, Makati City

March 25, 2026



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES
INDEX TO SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

- 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

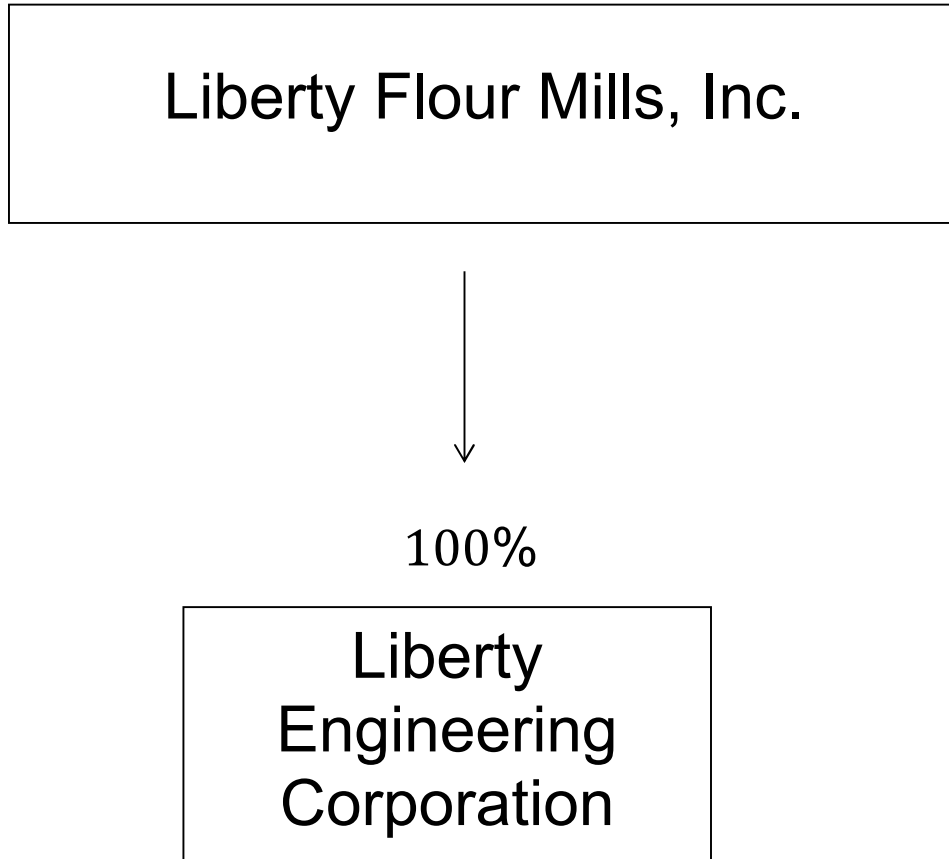
LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX A: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
DECEMBER 31, 2025**

	Amount
Unappropriated retained earnings, beginning	₱1,250,187,730
Add: Category A: Items that are directly credited to unappropriated retained earnings	—
Less: Category B: Items that are directly debited to unappropriated retained earnings	—
Property dividends distributed during the reporting period	509,250,000
Cash dividends declared during the reporting period	810,000,000
	1,319,250,000
Unappropriated retained earnings, as adjusted	(69,062,270)
Add: Net income for the current year	717,307,354
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	(1,841,220)
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):	—
Sub-total	(1,841,220)
Adjusted Net Income	715,466,134
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	2,550,268
Sub-total	2,550,268
Total retained earnings, end of the reporting period available for dividend	₱648,954,132

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

**ANNEX B: MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN
THE GROUP**

DECEMBER 31, 2025



LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE A. FINANCIAL ASSETS****DECEMBER 31, 2025**

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, 2025 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, 2025**

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 (P1.0 million) or 1% of total consolidated assets, whichever is less, as at December 31, 2025.

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, 2025**

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	P568,400,000	–	(P568,400,000)	–	–	–	P–

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE D. LONG - TERM DEBT****DECEMBER 31, 2025**

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, 2025.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES

ANNEX C: SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2025

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, 2025.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE F. GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025**

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, 2025.

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**ANNEX C: SCHEDULE G. CAPITAL STOCK****DECEMBER 31, 2025**

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, 2025**

		December 31	
	Formula	2025	2024
Current Ratio	Total current assets/Total current liabilities	1.94	1.42
Acid Test Ratio	(Cash and cash equivalents + Receivable) / Total current liabilities	1.52	0.61
Solvency Ratio	(Net income + Depreciation)/ Total liabilities	2.01	0.11
Debt-to-Equity Ratio	Total liabilities/Total equity	0.31	0.86
Asset-to-Equity Ratio	Total assets/Total equity	1.31	1.86
Interest Rate Coverage Ratio	Earnings before interest and tax/Interest expense	58.34	4.92
Return on Equity	Net income/Total equity	0.60	0.05
Return on Assets	Net income/Total assets	0.46	0.02
Net Profit Margin	Net income/Revenue	1.16	0.09

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION****DECEMBER 31, 2025**

	December 31	
	2025	2024
Audit Services		
Liberty Flour Mills, Inc.	₱960,000	₱900,000
LFM Properties Corporation	800,000	750,000
Liberty Engineering Corporation	100,000	97,000
	1,860,000	1,747,000
Non-audit Services		
Other assurance services	450,000	—
Tax services	1,026,050	200,000
All other services	1,100,000	—
	2,576,050	200,000
Total Audit and Non-audit Fees	₱4,436,050	₱1,947,000

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

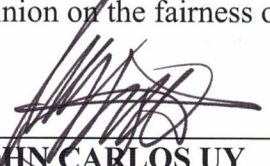
The management of Liberty Flour Mills, Inc. (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework 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.

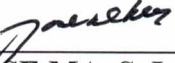
The Board of Directors is responsible for overseeing the Group's financial reporting process.

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 25th day of March 2026

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this APR 15 2026, 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. 253
Page No. 38
Book No. 10/11
Series of 2026.


ATTY. RENE M. M. VILLA
Notary Public of Makati City
Appointment No. M-110
(Ren) (2025 - 2026)
Until December 31, 2026
PTR No. 10766722, 01-05-2026, Makati City
IBP Lifetime No. 013096, 12-27-2013, I.C.
Roll No. 37226
MCLE Compliance No. VIII-0012754; 08-27-2024
Ground Floor, Makati Terraces Condominium
3650 Davila St., Tejeros, Makati City



**AUDITED PARENT COMPANY FINANCIAL STATEMENTS
FOLLOWS THIS PAGE**

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

462

Annual Meeting (Month / Day)

August 27

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, 2025 and 2024, 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, 2025 and 2024, 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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the parent company financial statements of public interest entities in the Philippines. We have also 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.

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.

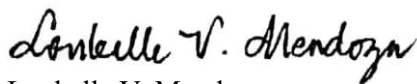


Report on the Supplementary Information Required Under Revenue Regulations 15-2010

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

SEC Partner Accreditation No. 115161-SEC (Group A)

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

PTR No. 10765091, January 2, 2026, Makati City

March 25, 2026



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

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱94,766,381	₱73,169,174
Receivables (Note 5)	928,795,287	1,160,454,698
Due from a related party (Notes 11 and 24)	–	568,400,000
Inventories (Note 6)	210,690,938	159,215,849
Financial assets at fair value through profit or loss (FVTPL) (Note 7)	14,965,350	13,124,130
Prepaid expenses and other current assets (Note 8)	57,778,345	68,775,553
	1,306,996,301	2,043,139,404
Noncurrent asset held for distribution to owners (Note 9)	–	123,711,767
Total Current Assets	1,306,996,301	2,166,851,171
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 10)	399,244,511	425,409,223
Investment properties (Note 11)	705,407,601	704,491,234
Investment in subsidiaries (Note 9)	29,620,550	30,470,803
Property, plant and equipment (Note 12)	365,549,414	352,563,544
Deferred tax asset - net (Note 23)	–	2,550,268
Net retirement plan asset (Note 21)	1,631,137	–
Other noncurrent assets (Note 8 and 11)	47,621,593	10,070,375
Total Noncurrent Assets	1,549,074,806	1,525,555,447
TOTAL ASSETS	₱2,856,071,107	₱3,692,406,618
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 13)	₱561,116,911	₱699,636,358
Notes payable (Note 14)	80,000,000	131,500,000
Income tax payable	35,896,899	86,151,678
Total Current Liabilities	677,013,810	917,288,036
Noncurrent Liability		
Net retirement plan liability (Note 21)	–	3,101,310
Total Liabilities	677,013,810	920,389,346
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)	22,122,069	19,227,551
Accumulated rereasurement gains (losses) on retirement benefits (Note 21)	754,069	(5,334,084)
Retained earnings (Note 15)	656,181,159	1,258,123,805
Total Equity	2,179,057,297	2,772,017,272
TOTAL LIABILITIES AND EQUITY	₱2,856,071,107	₱3,692,406,618

See accompanying Notes to Parent Company Financial Statements.



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

	Years Ended December 31	
	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS		
(Note 16)	₱1,128,654,646	₱1,214,279,902
COST OF SALES (Note 17)	944,241,959	982,202,739
GROSS PROFIT	184,412,687	232,077,163
OPERATING EXPENSES (Note 18)		
General and administrative expenses	(104,542,017)	(99,478,549)
Selling expenses	(20,796,337)	(20,584,545)
OTHER INCOME (CHARGES)		
Gain on sale of investment properties (Note 11)	354,076,296	—
Gain on property dividend distribution (Notes 9 and 15)	385,538,233	—
Interest expense (Notes 6, 13, 14 and 18)	(24,420,951)	(32,708,533)
Rental income - net (Notes 11, 24 and 25)	7,261,053	9,788,697
Interest income (Notes 4 and 10)	8,239,093	8,313,557
Dividend income (Notes 7 and 10)	22,579,247	22,596,993
Other income (charges) - net (Notes 7, 10 and 20)	(9,549,117)	4,981,203
INCOME BEFORE INCOME TAX	802,798,187	124,985,986
PROVISION FOR (BENEFIT FROM) INCOME TAX		
(Note 23)		
Current	82,940,565	212,983,203
Deferred	2,550,268	(192,005,698)
	85,490,833	20,977,505
NET INCOME	717,307,354	104,008,481
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)	(3,926,564)	3,335,894
Fair value gain on financial assets at FVOCI realized through sale (Note 10)	(88,017)	—
	(4,014,581)	3,335,894
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Fair value gain on equity investments at FVOCI (Note 10)	6,909,099	10,429,664
Remeasurement gain on retirement benefits (Note 21)	6,088,153	11,008,485
Income tax effect	—	(2,752,121)
	12,977,252	18,686,028
TOTAL OTHER COMPREHENSIVE INCOME	8,982,671	22,021,922
TOTAL COMPREHENSIVE INCOME	₱726,290,025	₱126,030,403
BASIC/DILUTED INCOME PER SHARE (Note 15)	₱4.78	₱0.69

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, 2025 AND 2024**

		Other Components of Equity			
	Capital Stock	Fair Value Changes	Accumulated	Retained Earnings	Total
	(Note 15)	on Financial Assets	Remeasurement	(Note 15)	
		at FVOCI	Gains (Losses) on		
		(Note 10)	Retirement Benefits		
			(Note 21)		
BALANCES AT JANUARY 1, 2025	₱1,500,000,000	₱19,227,551	(₱5,334,084)	₱1,258,123,805	₱2,772,017,272
Net income	—	—	—	717,307,354	717,307,354
Other comprehensive income	—	2,894,518	6,088,153	—	8,982,671
Total comprehensive income	—	2,894,518	6,088,153	717,307,354	726,290,025
Property dividend distribution (Note 15)	—	—	—	(509,250,000)	(509,250,000)
Cash dividends declared (Note 15)	—	—	—	(810,000,000)	(810,000,000)
BALANCES AT DECEMBER 31, 2025	₱1,500,000,000	₱22,122,069	₱754,069	₱656,181,159	₱2,179,057,297
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)	(,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

See accompanying Notes to Parent Company Financial Statements.



LIBERTY FLOUR MILLS, INC.**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱802,798,187	₱124,985,986
Adjustments to reconcile profit before income tax to net cash flows:		
Depreciation and amortization (Notes 11, 12, 17 and 18)	31,095,135	36,269,748
Interest expense (Notes 6, 13, 14 and 18)	24,420,951	32,708,533
Change in net retirement liability (Note 21)	1,355,706	2,911,971
Fair value loss (gain) on financial assets at FVTPL (Notes 7 and 20)	(1,841,220)	1,282,527
Unrealized foreign currency exchange loss (gain)	(495,346)	55,761
Interest income (Notes 4 and 10)	(8,239,093)	(8,313,557)
Dividend income (Notes 6 and 10)	(22,579,247)	(22,596,993)
Realized fair value gain on financial assets at FVOCI (Note 10)	(88,017)	–
Gain on sale of investment properties (Note 11)	(354,076,296)	–
Gain on property dividend distribution (Notes 9 and 15)	(385,538,233)	–
Operating income before working capital changes	86,812,527	167,303,976
Decrease (increase) in:		
Receivables	231,659,411	(21,138,360)
Inventories	(51,475,089)	100,567,225
Prepaid expenses and other current assets	10,997,208	50,925,075
Increase (decrease) in accounts payables and other current liabilities	32,376,657	(407,918,378)
Cash generated from (used for) operations	310,370,714	(110,260,462)
Interest received	8,239,093	8,313,557
Income taxes paid	(133,195,344)	(126,831,525)
Net cash provided by (used in) operating activities	185,414,463	(228,778,430)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Financial assets at FVOCI (Note 10)	29,997,500	119,030,000
Investment properties (Note 11)	355,872,550	–
Acquisition of:		
Property, plant and equipment (Note 12)	(40,731,350)	(54,733,407)
Investment properties (Note 11)	(6,062,276)	(963,500)
Dividends received (Notes 7 and 10)	22,579,247	22,596,993
Decrease in due from a related party (Notes 11 and 24)	568,400,000	282,800,000
Increase in other noncurrent assets	(37,551,218)	(8,602,688)
Net cash provided by investing activities	892,504,453	360,127,398
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of notes payable	80,000,000	–
Payments of:		
Dividends paid (Notes 15 and 28)	(980,896,104)	(44,631,810)
Notes payable (Note 14)	(131,500,000)	(41,000,000)
Interest paid (Note 6, 13, 14, and 18)	(24,420,951)	(32,708,533)
Net cash used in financing activities	(1,056,817,055)	(118,340,343)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	495,346	(55,761)
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,597,207	12,952,864
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	73,169,174	60,216,310
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱94,766,381	₱73,169,174

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 25, 2026.



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*

The Company is current assessing the impact of PFRS 18 in its financial reporting, including its data collection process.

- 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, 2025 and 2024.

- *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, 2025 and 2024.

- *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, 2025 and 2024.

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, 2025 and 2024, 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, 2025 and 2024.

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.

On August 5, 2025, the Company obtained SEC's approval for the distribution of property dividends.

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 unlikeliness 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 5 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 as at December 31, 2025 and 2024. The carrying value of receivables amounted to ₱928.80 and ₱1,160.45 million as at December 31, 2025 and 2024, 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, 2025 and 2024. The carrying value of inventories amounted to ₱210.69 and ₱159.22 million as at December 31, 2025 and 2024, 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 2025, 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, 2025 and 2024, respectively. The carrying value of investment in debt instruments classified as financial assets at FVOCI amounted to ₱83.27 million and ₱107.20 million as at December 31, 2025 and 2024, 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, 2025 and 2024, the carrying value of unquoted equity securities amounted to ₱12.29 million and ₱10.99 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, 2025 and 2024, the Company recognized deferred tax assets on deductible temporary differences amounting to nil (see Note 23).



As at December 31, 2025 and 2024, the deductible temporary differences and unused NOLCO 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 and/or due to expected availment of the Optional Standard Deduction (OSD) method in future years amounted to ₱45.76 million and ₱50.49 million, respectively (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

	2025	2024
Cash on hand	₱5,779,788	₱428,265
Cash in banks	88,986,593	42,740,909
Cash equivalents	—	30,000,000
	₱94,766,381	₱73,169,174

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 ₱2.37 million and ₱0.09 million in 2025 and 2024, respectively.

5. Receivables

	2025	2024
Trade receivables from:		
Related parties (see Notes 16 and 24)	₱895,598,087	₱1,133,303,060
Third parties (see Note 16)	2,009,291	2,130,130
Rent receivables from:		
Third parties	1,393,093	1,558,404
Related parties (see Note 24)	65,901	169,371
Advances to officers and employees	1,245,722	426,298
Others	30,400,578	24,784,820
	930,712,672	1,162,372,083
Less allowance for expected credit losses	1,917,385	1,917,385
	₱928,795,287	₱1,160,454,698

Trade receivables arise from sale of flour and mill feeds. These are noninterest-bearing with average credit terms of 120 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 2025 and 2024, 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:

	2025	2024
Beginning balance	₱1,917,385	₱6,791,632
Reversal (see Note 18)	–	(4,874,247)
	₱1,917,385	₱1,917,385

6. Inventories

	2025	2024
At cost:		
Wheat grains	₱181,127,632	₱122,069,739
Flour	19,908,115	16,940,583
Supplies	9,448,729	11,531,261
Mill feeds	206,462	8,674,266
	₱210,690,938	₱159,215,849

The cost of inventories recognized under "Cost of sales" in the parent company statements of comprehensive income amounted to ₱944.24 million in 2025 and ₱982.20 million in 2024 (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 ₱246.70 million and ₱190.65 million as at December 31, 2025 and 2024, respectively (see Note 13). Interest expense recognized on liabilities under trust receipts amounted to ₱18.39 million in 2025 (based on annual interest of 6.00% to 6.65%) and ₱22.98 million in 2024 (based on annual interest of 6.20% to 7.10%).

The Company has no allowance for inventory obsolescence as at December 31, 2025 and 2024.

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:

	2025	2024
Balance at beginning of year	₱13,124,130	₱14,406,657
Fair value gain (loss) recognized in profit or loss (see Note 20)	1,841,220	(1,282,527)
	₱14,965,350	₱13,124,130

Dividend income earned on financial assets at FVTPL amounted to ₱0.81 million in 2025 and ₱0.64 million in 2024.



8. Prepaid Expenses and Other Current Assets

	2025	2024
Store supplies	₱20,949,806	₱18,539,231
Advances to suppliers	66,664,789	27,864,155
Advance VAT on importation	7,591,300	9,646,010
Utility deposits	3,078,949	3,077,186
Prepaid insurance	2,609,871	2,904,866
Prepaid taxes	2,646,386	2,631,710
Prepaid importation cost	—	11,966,888
Others	468,322	748,195
	104,009,423	77,378,241
Less noncurrent portion of:		
Advances to suppliers	46,231,078	8,602,688
	₱57,778,345	₱68,775,553

Advances to suppliers primarily pertain to advance payments to suppliers for the renovation and improvements of the facilities and for future purchase of land (see Note 11). These advances are classified as non-current assets and are included under other non-current assets in the financial statements.

9. Investment in Subsidiaries

This account represents the Company's 100% ownership in Liberty Engineering Corporation (LEC) as at December 31, 2025 and 2024; and 58.60% ownership in LFM Properties Corporation (LPC) as of December 31, 2024. On August 5, 2025, the Company's ownership was diluted to 0.40% with the SEC approval of property dividend distribution.

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.

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.

On August 5, 2025, the Company obtained SEC's approval for the distribution of the property dividends. The distribution of the Company's investment in LPC shares as property dividends resulted to dilution in the Company's ownership % to 0.40%, hence, losing control over LPC.

Accordingly, the Company's investment in LPC distributed as property dividends, classified as "Noncurrent asset held for distribution to owners" amounting to ₱123.71 million is derecognized and its retained interest was reclassified to "Financial assets at FVOCI" at fair value amounting to ₱3.5 million.

The cost of investment in subsidiaries as at December 31, 2025 and 2024 follows:

	2025	2024
LEC	₱29,620,550	₱29,620,550
LPC (see Note 15)	–	850,253
	₱29,620,550	₱30,470,803

10. Financial Assets at Fair Value through Other Comprehensive Income

	2025	2024
Debt securities	₱83,270,600	₱107,197,164
Equity securities:		
Quoted	303,680,714	307,218,056
Unquoted	12,293,197	10,994,003
	₱399,244,511	₱425,409,223

The Company did not purchase equity securities in 2025 and 2024.

The Company has redeemed certain debt securities upon maturity with a carrying amount of ₱20.00 million and ₱80.00 million in 2025 and 2024, respectively. The Company also sold quoted equity securities with a carrying amount of ₱10.00 million and ₱39.03 million in 2025 and 2024, respectively.



Fair value changes on financial assets at FVOCI follow:

	2025	2024
Balance at beginning of year	₱19,227,551	₱5,461,993
Fair value gain recognized in other comprehensive income	2,982,535	13,765,558
Fair value gain realized through sale (see Note 20)	(88,017)	—
Balance at end of year	₱22,122,069	₱19,227,551

Interest income earned on debt securities amounted to ₱5.87 million in 2025 and ₱8.21 million in 2024. Dividend income earned on investments in equity securities amounted to ₱21.77 million in 2025 and ₱21.95 million in 2024.

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, 2025 and 2024, which was recognized in 2022.

11. Investment Properties

2025			
	Land	Building and Building Improvements	Total
Cost			
Beginning balances	₱689,799,603	₱54,932,926	₱744,732,529
Additions	—	6,062,276	6,062,276
Disposals	(1,796,254)	—	(1,796,254)
Ending balances	688,003,349	60,995,202	748,998,551
Accumulated Depreciation			
Beginning balances	—	40,241,295	40,241,295
Depreciation	—	3,349,655	3,349,655
Ending balances	—	43,590,950	43,590,950
Net book values	₱688,003,349	₱17,404,252	₱705,407,601
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	₱14,691,1631	₱704,491,234



The Company leases out spaces in its building under various operating leases (see Note 25).

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:

	2025	2024
Rental income (see Notes 24 and 25)	₱15,123,506	₱14,543,155
Direct operating expenses:		
Depreciation	4,195,323	1,864,457
Security services	1,915,955	1,309,138
Utilities	993,062	835,520
Janitorial services	279,363	450,297
Insurance	57,317	62,335
Repairs and maintenance	44,420	—
Others	377,013	232,711
	7,862,453	4,754,458
	₱7,261,053	₱9,788,697

Direct operating expenses incurred for non-income generating investment properties amounted to ₱3.35 million in 2025 and ₱5.91 million in 2024.

The Company has refundable deposits for utilities installation on its investment properties, recognized as part of “Other noncurrent assets”, amounting to ₱0.37 million and ₱0.45 as at December 31, 2025 and 2024, respectively.

On December 10, 2025, the Parent Company sold to Haus Talk, Inc. (HTI) certain parcels of land in Angono and Teresa, Rizal with an aggregate carrying value of ₱1.80 million for a total consideration of ₱366.88 million, resulting in a gain on sale of ₱354.08 million.

The aggregate fair value of investment properties amounted to ₱5.74 billion and ₱4.26 billion as at December 31, 2025 and 2024, respectively. These have been determined based on valuation performed by a qualified and independent appraiser in 2025 and 2024. 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, 2025 approximates the fair value from the last independent valuation 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.

Land Acquisition. 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.

12. Property, Plant and Equipment

	2025						
	Mill Machinery and Equipment	Building and Building Equipment	Transportation Equipment	Land and Land Improvements	Other Equipment	Construction In progress	Total
Cost							
Beginning balances	₱473,745,573	₱205,486,068	₱50,924,356	₱25,335,572	₱41,749,117	₱36,523,729	₱833,764,415
Additions	11,087,770	10,237,678	12,188,590	—	5,543,218	1,674,094	40,731,350
Reclassification	—	36,507,410	—	664,000	—	(37,171,410)	—
Ending balances	484,833,343	252,231,156	63,112,946	25,999,572	47,292,335	1,026,413	874,495,765
Accumulated Depreciation and Amortization							
Beginning balances	259,144,361	115,852,214	49,093,971	20,360,828	36,749,497	—	481,200,871
Depreciation and amortization (see Notes 17 and 18)	14,835,640	7,755,243	2,874,505	978,535	1,301,557	—	27,745,480
Ending balances	273,980,001	123,607,457	51,968,476	21,339,363	38,051,054	—	508,946,351
Net Book Values	₱210,853,342	₱128,623,699	₱11,144,470	₱4,660,209	₱9,241,281	₱1,026,413	₱365,549,414

	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



13. Accounts Payable and Other Current Liabilities

	2025	2024
Liabilities under trust receipts (see Note 6)	₱246,703,408	₱190,649,253
Dividends payable (see Note 15)	160,917,097	331,813,201
Output VAT - net	60,916,525	88,784,102
Trade payables	31,731,007	53,033,451
Customers and tenants' deposits	10,521,482	9,699,396
Accrued selling, freight and outside services	5,064,520	5,368,388
Withholding tax, HDMF and SSS payable	2,600,780	2,608,712
Deferred output VAT (see Note 11)	—	—
Others	42,662,092	17,679,855
	₱561,116,911	₱699,636,358

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 for 6.00% to 6.65% for 2025 and 180 days at 6.00% to 6.85% interest per annum for 2024 (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 and are generally outstanding for less than 30 days from receipt of payment. The tenant's 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 advance payment from HTI amounting to ₱35.66 million as of December 31, 2025; and earnest money of ₱10.0 million as of December 31, 2024 in relation to the Company's Memorandum of Agreement with HTI involving the sale of parcels of land in Rizal Province, subject to certain conditions precedent. It also includes accruals for unbilled services that will be settled within the next financial year.

14. Notes Payable

In 2025, the Company availed of ₱80.00 million short-term loans with terms of 180-360 days at 6.00% to 6.65% interest per annum. 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.

Total interest expense on notes payable amounted to ₱6.03 million and ₱9.73 million in 2025 and 2024, respectively.



15. Equity

Capital Stock

The Company's capital stock as at December 31, 2025 and 2024 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, 2025 and 2024 are held by 462 and 451 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 2025 and 2024:

Date of Declaration	Date of Record	Date of Payment	Dividend per Share	Total Amount
December 17,2025	January 15,2026	February 10,2026	₱0.60	₱90,000,000
October 08,2025	October 28, 2025	November 19, 2025	₱2.80	₱420,000,000
May 16, 2025	June 9, 2025	July 02, 2025	₱2.00	₱300,000,000
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

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, in accordance with PFRS 5, the Company assessed that the related assets and liabilities of LFM satisfied the requirements to be classified as held for distribution to owners and the results of operations. The investment in LPC is available for immediate distribution in its present condition.

On August 5, 2025, the Company obtained SEC's approval for the distribution of the property dividends. Accordingly, the Company recognized the property dividend distribution at fair value amounting to ₱509.25 million and derecognized its investment in LPC distributed as property dividends of ₱123.71 million, resulting in a gain on property dividends distribution of ₱385.5 million (see Note 9).

Basic/Diluted Earnings Per Share

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

	2025	2024
Net income	₱717,307,354	₱104,008,481
Divided by weighted average number of shares	150,000,000	150,000,000
Basic/diluted earnings per share	₱4.78	₱0.69

The Company does not have potentially dilutive common shares as in 2025 and 2024.

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:

	2025	2024
Sales of bakery flour	₱1,039,126,390	₱1,088,706,191
Sales of mill feeds	89,528,256	125,573,711
	₱1,128,654,646	₱1,214,279,902



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 ₱897.61 million and ₱1,135.43 million at December 31, 2025 and 2024, respectively, arise from sale of flour and mill feeds. These are noninterest-bearing with average credit terms of 120 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, 2025 and 2024.

17. Cost of Sales

	2025	2024
Materials used	₱837,309,404	₱876,193,372
Direct labor (see Note 19)	36,047,527	34,332,907
Overhead:		
Utilities	36,413,471	37,448,986
Depreciation (see Note 12)	20,249,845	19,282,055
Repairs and maintenance	4,043,940	3,927,238
Other factory overhead	10,177,772	11,018,181
	₱944,241,959	₱982,202,739

18. Operating Expenses

General and Administrative Expenses

	2025	2024
Outside services	₱38,147,440	₱30,326,040
Salaries and wages (see Notes 19 and 24)	18,404,189	16,055,237
Employee benefits and bonuses (see Notes 19, 21 and 24)	14,759,419	23,083,958
Travel and representation	6,350,923	228,749
Taxes and licenses	5,780,862	5,789,233
Depreciation and amortization (see Notes 11 and 12)	5,240,014	13,697,583
Membership and subscription	3,944,198	3,237,371
Rent expense	1,973,063	2,508,793
Insurance	1,872,097	1,358,559
Communication, light and water	1,235,139	1,307,989
Per diem	985,000	825,000
Office supplies	637,327	584,311
Repairs and maintenance	266,265	605,414
Reversal of allowance for expected credit losses (see Note 5)	—	(4,874,247)
Others	4,946,081	4,744,559
	₱104,542,017	₱99,478,549



Selling Expenses

	2025	2024
Promotional and marketing expenses (see Note 24)	₱17,506,027	₱17,506,027
Freight and handling fees	1,880,357	1,652,865
Depreciation and amortization (see Note 12)	1,409,953	1,425,653
	₱20,796,337	₱20,584,545

Interest Expense

	2025	2024
Liabilities under trust receipts (see Note 6)	₱18,393,083	₱22,978,708
Notes payable (see Note 14)	6,027,868	9,729,825
	₱24,420,951	₱32,708,533

19. Personnel Costs

	2025	2024
Direct labor (see Note 17)	₱36,047,527	₱34,332,907
Salaries and wages (see Notes 18 and 24)	18,404,189	16,055,237
Bonus and allowances (see Note 18)	9,293,818	15,181,080
Retirement benefits costs (see Notes 18, 21 and 24)	1,355,706	2,911,971
Other employee benefits (see Notes 18 and 24)	4,109,895	4,990,907
	₱69,211,135	₱73,472,102

20. Other Income (Charges) - Net

	2025	2024
Fair value gain (loss) on financial assets at FVTPL (Note 7)	₱1,841,220	(₱1,282,527)
Unrealized foreign exchange gain (loss)	495,346	(55,761)
Gain on sale of debt securities at FVOCI (Note 10)	88,017	—
Gain on sale of property, plant and equipment	—	71,429
Other income (charges) - net	(11,973,700)	6,248,062
	(₱9,549,117)	₱4,981,203

In 2025, other income (charges) - net mainly includes realized foreign exchange losses and taxes. In 2024, other income (charges) - net primarily includes income from scrap sales.



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, 2025 and 2024 follows:

	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 (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			
December 31, 2025																
Present value of defined benefit obligation	₱31,726,171	₱1,067,050	₱-	₱1,938,469	₱3,005,519	₱-	(₱3,246,014)	₱-	₱-	(₱191,393)	₱171,137	(₱633,479)	₱-	(₱653,735)	₱30,831,941	
Fair value of plan assets	(28,624,861)	-	-	(1,649,813)	(1,649,813)	-	3,246,014	-	(5,585,092)	-	-	-	150,674	(5,434,418)	(32,463,078)	
Net defined benefit liability (asset)	₱3,101,310	₱1,067,050	₱-	₱288,656	₱1,355,706	₱-	₱-	₱-	(₱5,585,092)	(₱191,393)	₱171,137	(₱633,479)	₱150,674	(₱6,088,153)	(₱1,631,137)	
December 31, 2024																
Present value of defined benefit obligation	₱44,928,816	₱1,810,250	₱-	₱2,758,629	₱4,568,879	₱-	(₱13,491,055)	₱-	₱-	₱46,944	(₱2,136,040)	(₱2,191,373)	₱-	(₱4,280,469)	₱31,726,171	
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)	₱11,197,824	₱1,810,250	₱-	₱1,101,721	₱2,911,971	₱-	₱-	₱-	(₱6,728,016)	₱46,944	(₱040)	(₱2,191,373)	₱	(₱11,008,485)	₱3,101,310	



The Company is expected to contribute ₱15.00 million to its defined benefit pension plan in 2026.

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:

	2025	2024
Cash in banks	₱18,790,262	₱16,922,033
Money market placements	—	10,937
Investment in bonds	16,543,161	18,063,592
Investments in equity securities:		
Industrial	8,463,314	4,702,793
Mining and oil	1,969,717	1,767,344
Services	1,587,000	1,878,000
Financials	567,060	528,564
Others	1,749,939	914,323
BPI Philippine Equity Index Fund	1,077,434	930,002
Liabilities	(18,134,135)	(17,092,727)
Effect of asset ceiling	(150,674)	—
	₱32,463,078	₱28,624,861

The carrying amount of the Company's plan assets represents their fair value as at December 31, 2025 and 2024.

Investments in equity securities can be transacted through the PSE. The plan assets include shares of stock of the Company with fair value of ₱8.04 million and ₱4.26 million as at December 31, 2025 and 2024, 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 ₱ 3.78 million and ₱1.38 million in 2025 and 2024, respectively. 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 2025.

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 latest actuarial valuation of the Company's plan is as at December 31, 2025. The principal actuarial assumptions used to determine retirement benefits costs as at January 1 are as follows:

	2025	2024
Discount rate	6.25%	6.11%
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:

		2025		2024	
		Increase (decrease) in DBO	Increase (decrease) in DBO	Increase (decrease) in DBO	Increase (decrease) in DBO
Discount rate	+100 bps	4.70%	₱1,440,861	5.30%	₱1,678,502
	- 100 bps	(4.10%)	(1,279,342)	(4.60%)	(1,469,724)
Salary increase rate	+100 bps	4.70%	1,444,463	5.30%	1,680,360
	-100 bps	(4.20%)	(1,305,416)	(4.70%)	(1,497,611)

The average duration of the defined benefit obligation at the end of the period is 4.4 years in 2025 and is 5.0 years in 2024.

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	2025	2024
Year 1	₱13,892,820	₱15,755,849
Year 2	1,219,361	530,958
Year 3	1,292,735	657,036
Year 4	1,356,574	695,748
Year 5	4,078,390	785,616
Year 6 – 10	12,074,771	15,152,136

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:

	2025	2024
Beginning balance	(₱5,334,084)	(₱13,590,448)
Remeasurement gains (losses) in other comprehensive income:		
Actuarial gain (loss) on defined benefit obligation	653,735	4,280,469
Remeasurement gain (loss) on plan assets	5,585,092	6,728,016
Remeasurement gain (loss) on asset ceiling	(150,674)	–
Total	6,088,153	11,008,485
Income tax effect	–	(2,752,121)
	6,088,153	8,256,364
Ending balance	₱754,069	(₱5,334,084)



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 & BANTE 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 & BANTE appeal.

On September 03, 2025, LFMI received a copy of the August 12, 2025 Decision of the Office of the President affirming and granting a Certificate of Finality in favor of the Company.

On October 24, 2025, LFMI received a copy of the Motion for Reconsideration from second group – BANTE Group praying that the August 12, 2025 Decision be reversed and set aside.

On March 05, 2026, the Company received a Decision that the Motion for Reconsideration filed by KMTAI & BANTE was Denied and that the August 12, 2025 Decision of the Office of the President was Affirmed, granting a Certificate of Finality in favor of the Company.

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 2025 and 2024. In 2025 and 2024, the Company elected to use Optional Standard Deduction (OSD) and itemized deduction, respectively, in computing for its taxable income.



The OSD is equivalent to 40% of gross income, as provided by law, in lieu of the itemized allowable deductions, in accordance with Revenue Regulations (RR) No. 16-2008, *Implementing the Provisions of Section 34(L) of the Tax Code of 1997, as Amended by Section 3 of Republic Act No. 9504, Dealing on the Optional Standard Deduction Allowed to Individuals and Corporations in Computing Their Taxable Income*.

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:

	2025	2024
Income before tax at 25%	₱200,699,545	₱31,246,497
Additions to (reductions in) income		
tax resulting from:		
Gain on declaration of property dividend	(96,384,558)	—
Electing OSD over itemized deductions	(15,014,333)	—
Dividend income exempt from tax	(5,644,812)	(5,649,248)
Interest income subjected to final tax	(2,059,773)	(2,078,389)
Movement in unrecognized deferred tax assets	(681,180)	(5,709,775)
Loss on sale and fair value changes of financial assets at FVTPL	(482,309)	320,631
Nondeductible expenses	5,058,253	2,847,789
Provision for income tax	₱85,490,833	₱20,977,505

The Company's recognized deferred tax assets as at December 31, 2024 pertains to unamortized past service cost amounting to ₱2.55 million.

Deferred tax assets for the following deductible temporary differences and unused NOLCO 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 and/or due to expected avilment of the OSD method in future years:

	2025	2024
Unamortized past service cost	₱42,285,818	₱42,285,818
Net retirement liability (asset)	(1,631,136)	3,101,310
Provision for:		
Probable losses	3,134,053	3,134,053
Expected credit loss	1,917,385	1,917,385
Unrealized foreign exchange gain	55,761	55,761
	₱45,761,881	₱50,494,327

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 determined MCIT using the effective rate of 2% starting 2024 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
	2025	2024	2025	2024	
Stockholder					
Parity Values, Inc.					
Sale	₱660,788,500	₱692,675,553	₱576,390,746	₱804,715,595	120 days; Unsecured, with impairment of ₱1,577,644 and ₱6,674,765 as at December 31, 2024 and 2023, respectively.
Rent income	—	—	—	—	30 days; Unsecured, not impaired
Promotional and marketing expenses	(14,875,000)	(14,875,000)	—	—	On demand
Under Common Control					
Liberty Commodities Corp.					
Sale	301,167,524	336,970,962	224,239,396	225,121,977	120 days; Unsecured, not impaired
Rent income	—	—	—	169,371	30 days; Unsecured, not impaired
Promotional and marketing expenses	(2,625,000)	(2,625,000)	—	—	On demand
Trade Demands Corp.					
Sale	166,698,622	183,346,419	94,967,945	103,465,488	120 days; Unsecured, with impairment of ₱339,741 as at December 31, 2025 and 2024.
Subsidiary					
LFM Properties Corporation					
Sale of land and building	—	—	—	—	On demand; Unsecured
Rental income	—	—	—	—	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)			₱895,598,087	₱1,133,303,060	
Due from a related party (see Note 11)			₱—	₱568,400,000	
Rent receivables from related parties (see Note 5)			₱—	₱169,371	



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, 2025 and 2024.

Key Management Personnel

The key management personnel compensation are as follows:

	2025	2024
Short-term employee benefits	₱13,237,595	₱13,726,407
Post-employment benefits and others	1,989,782	3,074,779
	₱15,227,377	₱16,801,186

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 ₱15.12 million in 2025 and ₱14.54 million in 2024 (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 nil as at December 31, 2025 and 2024.

The future minimum lease receivables under non-cancellable leases are as follows:

	2025	2024
Year 1	₱7,686,438	₱901,535
Year 2	5,956,497	946,614
Year 3	1,000,692	533,701
Year 4	–	560,388
	₱14,643,627	₱2,942,238



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, 2025 and 2024. 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:

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents*	₱88,986,593	₱72,740,909
Trade and other receivables**	929,466,950	1,161,945,785
Other noncurrent assets***	1,390,515	1,467,687
Debt securities at FVOCI	83,270,600	107,197,164
	₱1,103,114,658	₱1,343,351,545

*excluding cash on hand amounting to ₱5.78 million and ₱0.43 million as at December 31, 2025 and 2024, respectively.

** excluding advances to officers and employees amounting to ₱1.25 million and ₱0.43 million as at December 31, 2025 and 2024, respectively; before considering provision for expected credit loss amounting to ₱1.92 million as at December 31, 2025 and 2024.

***excluding advances to suppliers amounting to ₱4.30 million and nil as at December 31, 2025 and 2024, respectively.



The following table summarizes the credit quality of the Company's financial assets per category as at December 31:

	2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	Total
Low	₱204,048,286	₱322,675,626	₱—	₱526,723,912
Moderate	—	576,390,746	—	576,390,746
High	—	—	—	—
Gross carrying amount	₱204,048,286	₱899,066,372	—	1,103,114,658
ECL	—	1,917,385	—	1,917,385
Carrying amount	₱204,048,286	₱897,148,987	₱—	₱1,101,197,273

	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

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, 2025 and 2024, 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:

	2025								Total
	Current	1-30 days	31 - 60 days	61-90 days	91-120 days	121-150 days	151-180 days	More than 180 days	
Trade receivables - PVI									
Expected credit loss rate	0.05%	0.18%	0.20%	0.22%	0.26%	0.32%	3.46%	0.00%	0.27%
Estimated total gross carrying amount at default	₱261,300,305	₱59,536,700	₱62,016,005	₱58,016,870	₱54,900,820	₱58,404,735	₱22,215,311	₱—	₱576,390,746
Expected credit loss	118,574	109,295	125,740	125,180	143,970	185,548	769,336	—	1,577,643
TDC									
Expected credit loss rate	0.21%	0.75%	0.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
Estimated total gross carrying amount at	₱65,347,961	₱18,122,810	₱11,497,174	₱—	₱—	₱—	₱—	₱—	₱94,967,945



default									
Expected credit loss	138,810	136,395	64,537	—	—	—	—	—	339,742
	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%	0.18%	0.19%	0.20%	0.22%	0.29%	0.45%	0.33%	0.20%
Estimated total gross carrying amount at default	P270,428,840	P59,647,525	P66,006,495	P63,352,110	P65,548,255	P64,944,815	P55,983,615	P158,803,940	P804,715,595
Expected credit loss	118,574	109,295	125,740	125,180	143,970	185,548	251,748	517,589	1,577,644
TDC									
Expected credit loss rate	0.18%	0.72%	0.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount at default	P75,716,172	P19,021,237	P8,728,079	P—	P—	P—	P—	P—	P103,465,488
Expected credit loss	138,810	136,395	64,537	—	—	—	—	—	339,742

As at December 31, 2025 and 2024, 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.

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, 2025 and 2024 are as follows:

	2025	
	Increase (decrease) in market price	Increase (decrease) in profit or loss/equity
Financial assets at FVTPL	1% (1%)	P149,645 (149,645)
Financial assets at FVOCI	0% (0%)	— —
	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)



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:

	2025			Total
	Less than 3 Months	3 to 12 Months	More than 12 months	
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents:	₱88,986,595	₱—	₱—	₱88,986,595
Trade receivables	448,976,852	448,630,525	—	897,607,377
Rent receivables:				
Third parties	1,312,401	—	—	1,312,401
Related parties	—	—	—	—
Other receivables	31,672,054	—	—	31,672,054
Other noncurrent assets	—	—	1,806,258	1,806,258
Financial assets at FVTPL	14,965,350	—	—	14,965,350
Financial assets at FVOCI:				
Equity securities	—	—	303,680,714	303,680,714
Debt securities	—	—	83,270,600	83,270,600
Total financial assets	₱585,913,252	₱448,630,525	₱388,757,572	₱1,423,301,349
Financial Liabilities				
Notes payable, inc. interest	₱—	₱—	₱80,000,000	₱80,000,000
Liabilities under trust receipts	246,703,408	—	—	246,703,408
Trade payables	31,731,007	—	—	31,731,007
Dividends payable	160,917,097	—	—	160,917,097
Customers and tenants' deposits	10,521,482	—	—	10,521,482
Accrued selling, freight expense and outside services	5,064,520	—	—	5,064,520
Accrued other expenses	42,662,092	—	—	42,662,092
Total financial liabilities	497,599,606	—	80,000,000	577,599,606
Net financial asset (liabilities)	₱88,313,646	₱448,630,525	₱308,757,572	₱845,701,743

	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	₱712,675,553	₱396,221,478	₱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)	₱712,675,553	₱264,721,478	₱924,715,057



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:

	2025	2024
Financial assets at FVTPL	₱14,965,350	₱13,124,130
Financial assets at FVOCI	399,244,512	425,409,223

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:

	2025			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Financial assets at FVTPL	₱14,965,350	₱14,965,350	₱—	₱—
Financial assets at FVOCI				
Quoted debt securities	83,270,600	83,270,600	—	—
Quoted equity securities	303,680,714	303,680,714	—	—
Unquoted equity securities	12,293,198	—	—	12,293,198
Nonfinancial assets for which fair values are disclosed				
Investment properties	5,010,466,797	—	—	5,010,466,797
	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

The disclosures on the fair value of investment properties carried at cost are included in Note 11.

In 2025 and 2024, 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, 2025 and 2024.

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:

	2025	2024
Capital stock	₱1,500,000,000	₱1,500,000,000
Retained earnings	656,181,159	1,258,123,805
	₱2,156,181,159	₱2,758,123,805

28. Note to Parent Company Statements of Cash Flows

- a. The changes in the Company's liability arising from financing activities in 2025 and 2024 follows:

2025				
	January 1	Cash flows	Noncash charges*	December 31
Notes payable	₱131,500,000	(₱51,500,000)	₱—	₱80,000,000
Dividends payable	331,813,201	(980,896,104)	810,000,000	160,917,097
Interest payable	—	(24,420,951)	24,420,951	—
	₱463,313,201	(₱1,056,817,055)	₱834,420,951	₱240,917,097

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

*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, 2025 and 2024 and the revenue and profit information for the period then ended.

2025				
	Bakery Flour	Mill Feed	Real Estate and Investment	Total
Revenue				
Sales - related and third parties	₱1,039,126,390	₱89,528,256	₱—	₱1,128,654,646
Dividend income	—	—	22,579,247	22,579,247
Rental income	—	—	15,123,506	15,123,506
Interest income	—	—	8,239,093	8,239,093
	1,039,126,390	89,528,256	45,941,846	1,174,596,492
Cost of sales/services	869,341,868	74,900,091	7,862,453	952,104,412
Gross profit on sales/income	169,784,522	14,628,165	38,079,393	222,492,080
Selling and administrative expenses	(112,376,596)	(12,961,758)	—	(125,338,354)
Interest expense	—	—	(24,420,951)	(24,420,951)
Gain on sale of investment properties	—	—	—	354,076,296
Gain on deconsolidation of a subsidiary LPC	—	—	—	385,538,233
Other income (charges) - net	(7,286,966)	(627,825)	(1,634,326)	(9,549,117)
Provision for income tax	—	—	—	(85,490,833)
Net income	₱50,120,960	₱1,038,582	₱12,024,116	₱717,307,354
Property, plant and equipment	₱344,180,849	₱21,368,565	₱—	₱365,549,414
Investment properties	—	—	₱705,407,601	₱705,407,601
Depreciation and amortization	₱26,123,590	₱1,621,890	₱3,349,655	₱31,095,135
Additions to property, plant and equipment and investment properties	₱38,350,357	₱2,380,993	₱—	₱40,731,350

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
Rental income	—	—	14,543,155	14,543,155
Interest income	—	—	8,313,557	8,313,557
Dividend income	—	—	22,596,993	22,596,993
	1,088,706,191	125,573,711	45,453,705	1,259,733,607
Cost of sales/services	895,259,338	86,943,401	4,754,458	986,957,197
Gross profit on sales/income	193,446,853	38,630,310	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	89,599,702	26,652,356	8,733,928	104,008,481
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	₱208,047,911	₱257,765,384



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	₱1,039,126,390	₱124,695,167
VAT-exempt sales	89,528,256	—
Scrap sales	771,552	92,586
Real estate	366,878,918	44,025,470
Services:		
Rental income	15,123,506	1,814,821
Common utilities service area income	7,415,874	889,905
	₱1,518,844,496	₱171,517,949

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	20,775,029
Capital goods subject to amortization	1,612,500
Goods for resale/manufacture or further processing	5,741,413
Goods other than for resale or manufacture	—
Importation	1,825,166
	29,954,108
Application against output VAT	29,954,108
Balance at December 31	₱—

c. Landed Costs and Customs Duties

Landed costs paid in 2025 amounted to ₱882,883,594.



d. Other Taxes and Licenses

Real property taxes	₱7,058,753
License and permits fees	3,715,337
	<u>₱10,774,090*</u>

*₱6.31 million capitalized as part of inventories

e. Documentary Stamp Taxes

Documentary stamp taxes paid in 2025 cover charges from the banks for importation and form part of inventory costs amounting to ₱3,439,029; and for short-term loans amounting to ₱679,336.

f. Excise Tax

The Company has no transactions subject to excise tax in 2025.

g. Withholding Taxes

	Tax on Compensation and Benefits	Expanded Withholding Taxes	Final Withholding Taxes on Royalties and Dividends
Balances at January 1	₱1,001,362	₱1,188,842	₱—
Additions	4,180,948	6,652,192	46,246,067
Applications/Remittances	(4,708,496)	(6,173,255)	(46,246,067)
Balances at December 31	<u>₱473,814</u>	<u>₱1,667,779</u>	<u>₱—</u>

h. Tax Assessments/Cases

As at December 31, 2025, 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 ₱117.79 million. 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 ₱101.65 million 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 ₱98.29 million, 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 the Revenue Officer (RO) is set on April 4, 2024.

On April 4, 2024, respondent presented the RO 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.

On November 26, 2024, the Court noted respondent's Manifestation and, with both parties' memoranda already filed, the case was submitted for decision.

On January 20, 2026, the petitioner is ordered to pay the respondent the aggregate amount of ₱27.60 million, inclusive of 25% surcharge and 20% and 12% deficiency interests.

On February 12–13, 2026, respondent filed Motions for Partial Reconsideration, while petitioner submitted its Compliance to the Notice of Decision and furnished copies to OSG and BIR via LBC.

On February 19, 2026, petitioner filed a Motion for Reconsideration.

On February 24, 2026, petitioner filed Notices of Change of Address, both via email and through LBC service to all parties.

On March 10, 2026, the Court acknowledged the respondent's Motion for Partial Reconsideration filed on February 12, 2026, and directed the petitioner to submit a Comment within five (5) days from receipt. After this, the respondent's motion will be considered for resolution.

On March 23, 2026, Petitioner filed Comment/Opposition on the Respondent's Motion for partial reconsideration.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

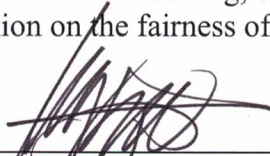
The management of Liberty Flour Mills, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated 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.

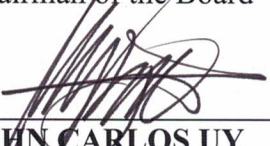
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

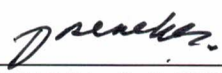
Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



JOHN CARLOS UY
Chairman of the Board



JOHN CARLOS UY
President



JOSE MA. S. LOPEZ
Chief Financial Officer

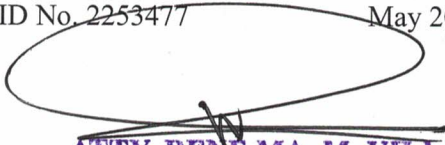
Signed this 25th day of March 2026

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this APR 15 2026, 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. 280
Page No. 58
Book No. XVII
Series of 2026.


ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No. M-110
(Ren) (2025 - 2026)
Until December 31, 2026
PTR No. 10766722; 01-05-2026; 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
3650 Davao St., Tegeros, Makati City



**FIRST QUARTER REPORT FOLLOWS THIS PAGE
(SEC FORM 17-Q)**

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	Y																			

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		B	U	I	L	D	I	N	G		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

459

Annual Meeting
Month/Day

**Last Wednesday of
July**

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, 2026**
2. Commission identification number: **14782**
3. BIR Tax Identification No: **000-128-846-V**
4. Exact name of registrant as specified in its charter: **LIBERTY FLOUR MILLS, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila**
6. Industry Classification Code: (SEC Use Only)
7. **Liberty Building, 835 A. Arnaiz Avenue, Makati City** **1229**
Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code: **(632) 8892-5011**
9. Former name, former address and former fiscal year, if changed since last report: **-na-**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding

Common	150,000,000

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

Yes [☒] No [☐]

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

Stock Exchange	Class of Securities

Philippine Stock Exchange, Inc.	Common Shares

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements

The Parent Company and its subsidiary 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 subsidiary for the three (3) months ended March 31, 2026 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, 2026 and as compared to same period for the year 2025, 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 of flour and mill feeds increased by 9.01% for the three-month period ended March 31, 2026, compared to the same period in the previous year. In terms of sales value, the Company generated ₱290.68 million versus ₱267.83 million in the same quarter last year, representing an increase in sales revenue of 8.53%, mainly driven by higher volume. Correspondingly, cost of sales increased but only by 3.15%, primarily due to higher production volume for the period. The increase, however, was lower than the growth in sales revenue, reflecting the Company’s improved cost management and operational efficiency. Better utilization of raw materials, controlled manufacturing overhead, and reduced direct operating expenses contributed to a favorable movement in cost of sales relative to the increase in sales volume resulting in an improved gross profit margin of 19.35%, compared to 15.15% in the same period last year. The Company’s lease rental income amounted to ₱3.66 million for the three-month period this year, slightly lower than ₱3.77 million in the same period last year, representing a minimal decrease of 0.02%.

For the quarter ended March 31, 2026, total gross income amounted to ₱68.75 million, significantly higher than ₱51.65 million recorded in the same period last year. The increase in gross income was primarily attributable to higher sales revenue, as discussed above. Gross income was derived from gross profit on the sale of the Company’s products, as well as rental and real estate income, interest income, and dividend income.

Operating expenses and finance costs for the three-month period in 2026 amounted to ₱35.77 million, 13.92% higher than ₱31.40 million recorded in the same period last year. These expenses consist of selling and administrative costs, including salaries and wages, employee welfare, depreciation, outside services, taxes, insurance, communications, office supplies, transportation, repairs and maintenance, interest, and other related expenses.

Other income (charges), net, for the three-month period in 2026 amounted to (₱3.93 million), an improvement compared to net charges of (₱8.08 million) in the same period last year. This account includes net miscellaneous income from scrap sales, unrealized foreign exchange gains or losses, provision for impairment losses, and gains or losses on the sale of financial assets.

As of the quarter ended March 31, 2026, the Company's trust receipt balance amounted to ₱323.88 million, compared to ₱298.68 million in the same period last year, representing an increase of 7.78% due to higher US# volume of imported wheat.

The total combined assets amounted to ₱2.81 billion as of March 31, 2026 which is lower by 1.67% while total liabilities amounted to ₱0.61 billion lower by 9.70%, from balances as of December 31, 2025.

On August 5, 2025, the Company obtained SEC's approval for the distribution of the property dividends. The distribution of the Company's investment in LPC shares as property dividends resulted to dilution in the Company's ownership % to 0.40%, hence, losing control over LPC. Accordingly, the Company's investment in LPC distributed as property dividends, classified as "Noncurrent asset held for distribution to owners" amounting to ₱123.71 million is derecognized and its retained interest was reclassified to "Financial assets at FVOCI" at fair value amounting to P3.5 million.

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 Company operation is regulated by the two (2) year of Certificate of Non Conformance (CNC) where non-renewal will trigger the cessation of flour milling operations.

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

Inventories – The decrease in this account was primarily attributable to the utilization of wheat raw materials in production to support the higher sales volume during the period.

Prepaid expenses and other current assets – The increase is mainly attributable to importation costs that have not yet been reclassified to inventory.

Accounts payable – The decrease is due to some advance payments made on trust receipts during the first quarter of 2026.

Income tax payable – The increase is due to higher recognition of income tax liabilities by the Parent Company during the first quarter of 2026.

Accrued retirement benefit costs - The increase is due to additional recognition of retirement costs during the first quarter of 2026.

Performance Indicators

The Company and its subsidiary 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 March 31, 2026, there was 8.53% increase in revenue as compared to previous year's same period performance. There is a significant increase in sales volume of Company's products. However, there was a decrease in the Company's rental income by 1.52%.

- 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 March 31, 2026, there was an increase of 3.15% in cost of sales over the previous year's same period performance primarily due to increase in production volume for the period.

- 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 March 31, 2026, the Company generated gross profit of 19.35%. There was a significant increase in gross profit as compared in the prior year's same period performance. The increase is directly attributable to the higher 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 March 31, 2026, there was a sharp decrease in operating expenses by 22.70% 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 ₱30.00 on March 31,2026. For the Company's high and low prices for the first quarter of 2026, please see table below:

Stock	Quarter	High	Low
LFM	1	30.00	30.00

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, 2026. 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:

	2026	2025
Cash in bank	\$ 12,489	\$73,345
Foreign Securities – Gazprom	\$298,500	\$298,500
Total US dollar-denominated assets	\$310,989	\$371,845

The exchange rate per \$1.00 to Philippine peso is ₱60.75 and ₱57.21 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, 2026

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2026

(With comparative figures for year ended Dec. 31, 2025 and three months ended March 31, 2025)

<u>Assets</u>		March 31, 2026		December 31, 2025 <u>Audited</u>		March 31, 2025
Current Assets						
Cash and cash equivalents	P	89,578,695		P 100,291,212	P	27,800,033
Receivables		904,801,066		929,419,209		1,137,605,080
Financial assets at fair value through profit or loss		-		14,965,350		12,993,871
Inventories:						
Finished goods	P	55,031,601	P	20,114,577	P	34,811,923
Raw materials		41,866,961		190,576,361		160,147,359
Inventories-in Transit		-		-		-
Total Inventories		96,898,562		210,690,938		194,959,282
Prepaid expenses & other current assets		178,933,044		57,906,878		76,389,533
		1,270,211,367		1,313,273,587		1,449,747,799
Assets classified as held for contribution to owners		-		-		1,279,005,229
Total current assets	P	1,270,211,367	P	1,313,273,587	P	2,728,753,028
Financial assets at fair value through OCI		401,438,787		423,132,511		429,247,826
Investment properties		726,082,311		705,842,089		704,592,180
Plant, Property & Equipment, net		366,356,024		365,549,414		356,248,078
Deferred Charges & Other Assets		45,252,731		49,252,730		12,620,643
Total Assets	P	2,809,341,221	P	2,857,050,331	P	4,231,459,755
<u>Liabilities & Stockholders' Equity</u>						
Current Liabilities						
Accounts Payable	P	486,058,050	P	561,248,051	P	439,173,873
Notes Payable - current portion		80,000,000		80,000,000		131,500,000
Income Tax Payable		44,832,816		35,896,899		6,942,156
		610,890,866		677,144,950		577,616,029
Liabilities classified as held for contribution to owners		-		-		1,381,791,982
Total Current Liabilities	P	610,890,866	P	677,144,950	P	1,959,407,991
Notes Payable - noncurrent portion		-		-		-
Deposit on long-term lease		-		-		-
Net retirement plan liability		600,000		-		5,501,310
Deferred Income Tax Liability		-		-		-
Other Non-current Liabilities		-		-		-
Total Liabilities	P	611,490,866	P	677,144,950	P	1,964,909,301
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		12,956,225		12,469,019		12,086,832
Remeasurement gain (loss) on defined benefit		754,069		754,069		(5,334,084)
Other components of equity of disposal group classified as held for		0		-		(137,951,269)
Retained earnings						
Appropriated	P	-	P	-	P	-
Unappropriated		684,140,062		666,682,293		705,793,148
Total Retained Earnings		684,140,062		666,682,293		705,793,148
Total Equity Attributable to Equity Holders of Parent Company		2,197,850,356		2,179,905,381		2,074,594,627
Non-controlling interests		-		-		191,955,827
Total Stockholders' Equity	P	2,197,850,356	P	2,179,905,381	P	2,266,550,454
Total Liabilities & Stockholders' Equity	P	2,809,341,221	P	2,857,050,331	P	4,231,459,755

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME
For quarter ended March 31, 2026
(With comparative figures for the quarter ended March 31, 2025)

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Net Sales	P 290,681,088	P 267,832,003
Rental Income	3,658,629	3,773,579
Total Revenue	<u>294,339,717</u>	<u>271,605,582</u>
Cost of Sales	234,434,967	227,268,742
Cost of Services	1,184,853	1,164,572
Total Cost of sales and services	<u>235,619,820</u> ①	<u>228,433,314</u>
Gross Profit	P 58,719,897	P 43,172,268
Operating expenses		
General and administrative expenses	25,105,109	19,034,053
Selling and marketing expenses	5,174,693	5,332,391
	<u>30,279,802</u> ①	<u>24,366,444</u>
Other Income (Charges)		
Interest Income	2,735,857 ②	2,934,297
Dividend Income	7,291,909 ②	5,541,679
Interest expense	(5,493,028) ③	(7,036,174)
Other Income (charges), net	(3,931,408) ②③	(8,082,136)
	<u>603,330</u>	<u>(6,642,334)</u>
Income (loss) before Income Tax	P 29,043,425	P 12,163,490
Provision for Income Tax, current	(8,935,916)	(6,942,156)
Provision for Income Tax, Deferred		
Net Income (loss) for the period from Continuing Operations	P <u>20,107,509</u>	P <u>5,221,334</u>
Net Income (loss) for the period from Discontinued Operations	<u>-</u>	<u>(954,482)</u>
Net Income Attributable To:		
Equity holders of the Parent Company	20,107,509	4,141,653
Non-controlling interests	-	(395,156)
Earnings (loss) per share	P <u>0.13</u>	P <u>0.03</u>

Legend:

① Gross Expense

② Non-operating income

③ Non-operating expense

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
For quarter ended March 31,2026
(With comparative figures for the quarter ended March 31,2025)

	January 1 to March 31, 2026	January 1 to March 31, 2025
CASHFLOWS FROM OPERATING ACTIVITIES:		
Income (loss) before tax	P 33,555,698	P 12,163,490
Income (loss) before tax from discontinued operations	-	(870,784)
Adjustment for:		
Depreciation	8,326,001	19,344,730
Fair Value changes of financial assets at FVPL	(842,027)	(3,608,653)
Retirement Benefit Cost	600,000	2,400,000
Interest income	(2,735,857)	(2,937,194)
Dividend Income	(7,291,909)	(5,561,679)
Interest expense	5,493,028	25,452,724
Loss (Gain) on the sale of AFS investments	(535,503)	-
Loss (Gain) on sale of PPE	(20,426)	-
Operating Income before working capital change	36,549,005	46,382,634
Decrease (Increase) in:		
Receivables	24,618,143	221,285,846
Inventories	113,792,377	(35,743,433)
Prepayments and other assets	(121,026,166)	(23,297,617)
Increase (Decrease) in:		
Trade Payables and other current liabilities	(152,362,169)	(595,542,626)
Deposit on long term lease	-	10,649,589
Unearned Rental Income	-	4,218,110
Cash generated (used) from operations	(98,428,810)	(372,047,497)
Income tax paid	-	(609,516)
Interest Received	2,735,857	2,937,194
Net cash provided by (used in) operating activities	(95,692,953)	(369,719,819)
CASHFLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of FVPL	15,747,925	-
Dividends received	7,291,909	5,561,679
Proceeds from redemption of FVOCI	14,874,222	20,000,000
Proceeds from disposal of PPE	35,000	-
Acquisition of plant, property and equipment	(8,791,974)	(10,387,968)
Acquisition of investment properties	(20,780,300)	(63,955)
Decrease(increase) in other non-current assets	4,924,270	-
Net cash used in investing activities	13,301,052	15,109,756
CASHFLOW FROM FINANCING ACTIVITIES		
Availment of Loans	149,955,084	38,000,000
Loan Payments	(72,782,673)	(34,117,647)
Interest paid	(5,493,028)	(25,452,724)
Payments of cash dividends	-	308,030,169
Net cash generated from financing activities	71,679,383	286,459,798
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(10,712,518)	(68,150,265)
Add: Cash and cash equivalents:		
January 1	100,291,213	108,897,752
CASH AND CASH EQUIVALENTS, END	P 89,578,695	P 40,747,487

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2026

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, 2026.

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, 2026 as compared with the audited financial statements as of December 31, 2025.
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 subsidiary 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, 2026

LIBERTY FLOUR MILLS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For three months ended March 31, 2026 and 2025

	2026	2025
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	12,956,225	12,086,832
Accumulated Remeasurement on Retirement Benefits	754,069	(5,334,084)
Discontinued operations		(242,529,670)
RETAINED EARNINGS		
January `1	663,682,662	806,229,896
Net income for the period	20,457,400	4,141,653
Cash dividends declared and paid	-	-
	684,140,062	810,371,549
Non-Controlling Interest	-	191,955,827
	2,197,850,356	2,266,550,454

BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE

		2026		2025
NUMERATOR:				
Net income (loss) for the first quarter	P	20,457,400	P	5,221,334
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 SUBSIDIARY

Aging of Accounts Receivable

As of March 31, 2026

Type of Accounts Receivable	Total	Current	1 Month	2-3 Months	Over 3 Mos.
a) Trade Receivables					
Flour and Millfeed custome P	872,386,220 P	441,003,753 P	109,405,817 P	207,986,105 P	113,990,546
Building Tenants	1,762,335	-	1,762,335	-	-
b) Non-Trade Receivables:					
Others	30,652,511	-	-	-	30,652,511
Total P	904,801,066 P	441,003,753 P	111,168,152 P	207,986,105 P	144,643,057



**SECOND QUARTER REPORT FOLLOWS THIS PAGE
(SEC FORM 17-Q)**

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	Y																			

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		B	U	I	L	D	I	N	G		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

458

Annual Meeting
Month/Day

**Last Wednesday of
August**

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

7F 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, 2026**
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. **7F Liberty Building, 835 A. Arnaiz Avenue, Makati City** **1223**
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 subsidiary 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 subsidiary for the six (6) months ended June 30, 2026 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, 2026 and as compared to same period for the year 2025, 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 increased by 9.01% for six-month period ended June 30, 2026, compared to the same period in the previous year. In terms of Sales Value, the Company generated ₱597.29 million versus ₱527.98 million in the same quarter last year, representing an increase in sales revenue of 13.13% mainly driven by higher sales volume and a favorable sales mix. Correspondingly, cost of sales increased but only by 9.80%, it was lower than the growth in sales revenue. Better utilization of raw materials, controlled manufacturing overhead, and reduced direct operating expenses contributed to the favorable movement in cost of sales relative to sales revenue, resulting in an improved gross profit margin of 17.91%, compared with 15.56% in the same period last year. The Company’s lease rental income amounted to ₱7.44 million for the six-month period this year, slightly lower than ₱7.60 million in the same period last year, representing a minimal decrease of 0.02% primarily due to the non-renewal of certain lease contracts.

For the quarter ended June 30, 2026, total gross income amounted to ₱122.18 million, which is much higher from the previous year’s same period operation which made gross profit amounting to ₱100.64 million. Significant increase on gross income was due primarily to higher 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 2026 amounted ₱64.52 million, 4.82% higher than the ₱61.56 million recorded in the same period last year. 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 2026 amounted to (₱16.71 million) which is much higher than last year’s same period amounting to net other income (₱10.91 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 and management bonuses.

As of the quarter ended June 30, 2026, the Company has trust receipt balance amounting to ₱176.04 million, compared with ₱213.67 million as of the same period last year, representing a decrease of 17.61%. The decrease was primarily attributable to the recognition of trust receipt liabilities related to two (2) vessels in 2026, compared with three (3) vessels in 2025.

The total combined assets amounted to ₱2.85 billion as of June 30, 2026 which is slightly lower by 0.27% while total liabilities amounted to ₱0.65 billion lower by 3.71%, from balances as of 31 December 2025.

The distribution of the Company's investment in LPC shares as property dividends resulted to dilution in the Company's ownership % to 0.40%, hence, losing control over LPC. Accordingly, the Company's investment in LPC distributed as property dividends, classified as "Noncurrent asset held for distribution to owners" amounting to ₱123.71 million is derecognized and its retained interest was reclassified to "Financial assets at FVOCI" at fair value amounting to P3.5 million.

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 Company's operation is regulated by the two (2) year Certificate of Non-Conformance (CNC) where non-renewal will trigger the cessation of flour milling operations.

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

Inventories – The decrease in this account was primarily attributable to lower importation of raw materials and increased utilization of inventory to support the higher sales volume during the period.

Prepaid expenses and other current assets – The increase was mainly attributable to importation costs related to raw materials that had not yet been reclassified to inventory as of June 30, 2026, since the raw materials were still in transit.

Financial assets at fair value through OCI – The decrease was primarily due to the redemption of matured securities.

Income tax payable – The decrease was primarily due to the lower income tax payable recognized by the Parent Company during the second quarter of 2026 compared with the balance as of December 31, 2025.

Accrued retirement benefit costs - The increase is due to recognition of retirement costs during the second quarter of 2026.

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 June 30, 2026, revenue increased by 13.13% compared with the same period of the previous year. Sales volume of the Company's products also increased by 9.01% during the period. The increase in revenue was primarily attributable to higher sales volume and a favorable sales mix. However, there was a minimal decrease in the Company's rental income by 0.02% due to the non-renewal of certain lease contracts

- 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 June 30, 2026, cost of sales increased by 9.80% compared with the same period of the previous year, primarily due to the increase in production volume during the period. The increase in cost of sales, however, remained lower than the 13.13% growth in sales revenue, reflecting improved cost efficiency.

- 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 June 30, 2026, the Company generated gross profit of 17.91%, compared with 15.56% in the same period of the previous year. This represents an improvement of 2.35%, primarily attributable to the higher sales revenue and improved cost management.

- 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 2026, there was an increase in operating expenses by 4.82% over the previous year's same period performance. Despite the increase in operating expenses, the Company continued to generate operating income, supported by the increase in sales revenue and improvement in gross profit margin.

- 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 PhP28.20 on June 30, 2026. For the Company's high and low prices for the second quarter of 2026, please see table below:

Stock	Quarter	High	Low
LFM	2	28.50	25.65

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, 2026. 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:

	2026	2025
Cash in bank	\$ 13,738	\$ 29,565
Foreign Securities – Gazprom	\$298,500	\$298,500
Total US dollar-denominated assets	\$312,238	\$414,209

The exchange rate per \$1.00 to Philippine peso is P61.32 and P56.33 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

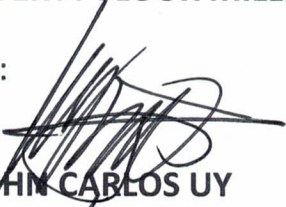
All other information which requires disclosure under the full Disclosure Rules of the Securities and Exchange Commission has been previously filed by the Company under SEC Form 17-C

SIGNATURE

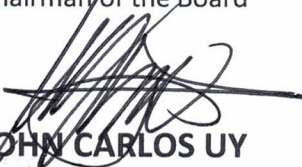
Pursuant to the requirements of the Securities Regulation Code, the Company has duly caused this report to be signed on its behalf by the undersigned there unto duly authorized.

LIBERTY FLOUR MILLS, INC.

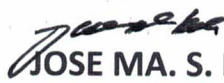
By:



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, 2026

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
BALANCE SHEET
AS OF JUNE 30, 2026
(With comparative figures for year ended Dec. 31, 2025 and six months ended June 30, 2025)

<u>Assets</u>		June 30, 2026		December 31, 2025 <u>Audited</u>		June 30, 2025
Current Assets						
Cash and cash equivalents	P	60,075,970		P 100,291,212	P	198,218,970
Receivables		945,597,168		929,419,209		957,895,606
Financial assets at fair value through profit or loss		-		14,965,350		13,646,612
Inventories:						
Finished goods	P	39,054,450	P	20,114,577	P	47,450,593
Raw materials		70,277,167		190,576,361		167,562,916
Inventories-in Transit		-		-		-
Total Inventories		109,331,617		210,690,938		215,013,509
Prepaid expenses & other current assets		217,278,363		57,906,878		102,519,350
		<u>1,332,283,118</u>		<u>1,313,273,587</u>		<u>1,487,294,047</u>
Assets classified as held for contribution to owners		-		-		1,093,017,210
Total current assets	P	1,332,283,118	P	1,313,273,587	P	2,580,311,257
Financial assets at fair value through OCI		376,443,923		423,132,511		427,323,952
Investment properties		726,088,129		705,842,089		704,258,638
Plant, Property & Equipment, net		369,175,324		365,549,414		363,564,746
Deferred Charges & Other Assets		<u>45,252,730</u>		<u>49,252,730</u>		<u>12,620,643</u>
Total Assets	P	<u>2,849,243,224</u>	P	<u>2,857,050,331</u>	P	<u>4,088,079,235</u>
<u>Liabilities & Stockholders' Equity</u>						
Current Liabilities						
Accounts Payable	P	560,180,159	P	561,248,051	P	821,759,599
Notes Payable - current portion		80,000,000		80,000,000		-
Income Tax Payable		10,629,681		35,896,899		6,619,273
Other Liabilities		-		-		-
		<u>650,809,840</u>		<u>677,144,950</u>		<u>828,378,872</u>
Liabilities classified as held for contribution to owners		-		-		1,352,315,844
Total Current Liabilities	P	650,809,840	P	677,144,950	P	2,180,694,716
Notes Payable - noncurrent portion		-		-		-
Deposit on long-term lease		-		-		-
Net retirement plan liability		1,200,000		-		7,901,310
Deferred Income Tax Liability		-		-		-
Other Non-current Liabilities		-		-		-
Total Liabilities	P	<u>652,009,840</u>	P	<u>677,144,950</u>	P	<u>2,188,596,026</u>
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		7,963,860		12,469,019		10,162,957
Remeasurement gain (loss) on defined benefit		754,069		754,069		256,027
Other components of equity of disposal group classified as held for		-		-		(132,055,756)
Retained earnings						
Appropriated	P	-	P	-	-	-
Unappropriated		688,515,455		666,682,293		330,554,636
Total Retained Earnings		688,515,455		666,682,293		330,554,636
Total Equity Attributable to Equity Holders of Parent Company		<u>2,197,233,384</u>		<u>2,179,905,381</u>		<u>1,708,917,864</u>
Non-controlling interests		-		-		190,565,344
Total Stockholders' Equity	P	<u>2,197,233,384</u>	P	<u>2,179,905,381</u>	P	<u>1,899,483,208</u>
Total Liabilities & Stockholders' Equity	P	<u>2,849,243,224</u>	P	<u>2,857,050,331</u>	P	<u>4,088,079,235</u>

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
STATEMENT OF INCOME AND EXPENSES
For quarter ended June 30, 2026
(With comparative figures for the quarter ended June 30, 2025)

	April 1 to June 30, 2026	January 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2025
Net Sales	P 306,611,995	P 597,293,083	P 260,150,187	P 527,982,190
Rental Income	3,785,955	7,444,584	3,825,828	7,599,407
Total Revenue	<u>310,397,950</u>	<u>604,737,667</u>	<u>263,976,015</u>	<u>535,581,597</u>
Cost of sales	259,639,423	494,074,390	222,713,896	449,982,638
Cost of services	1,149,267	2,334,120	1,112,879	2,277,451
Total Cost of sales and services	<u>260,788,690</u>	<u>496,408,510</u> ①	<u>223,826,775</u>	<u>452,260,089</u>
Gross Profit	P 49,609,260	P 108,329,157	P 40,149,240	P 83,321,508
Operating expenses				
General and administrative expenses	19,120,488	44,225,597	18,715,139	37,749,192
Selling and marketing expenses	5,294,103	10,468,796	5,543,997	10,876,388
	<u>24,414,591</u>	<u>54,694,393</u> ①	<u>24,259,136</u>	<u>48,625,580</u>
Other Income (Charges)				
Interest Income	291,224	3,027,081 ②	1,657,454	4,591,751
Dividend Income	3,535,561	10,827,470 ②	7,182,237	12,723,916
Interest expense	(4,334,706)	(9,827,734) ③	(5,895,020)	(12,931,194)
Other Income (charges), net	<u>(12,779,438)</u>	<u>(16,710,846)</u> ②③	<u>(2,831,770)</u>	<u>(10,913,906)</u>
	<u>(13,287,359)</u>	<u>(12,684,029)</u>	<u>112,901</u>	<u>(6,529,433)</u>
Income (loss) before Income Tax	P 11,907,310	P 40,950,735	P 16,003,005	P 28,166,495
Provision for Income Tax, current	<u>(7,531,917)</u>	<u>(16,467,833)</u>	<u>(6,398,561)</u>	<u>(13,340,717)</u>
Provision for Income Tax, Deferred				
Net Income (loss) for the period from Continuing Operations	P <u>4,375,393</u>	P <u>24,482,902</u>	P <u>9,604,444</u>	P <u>14,825,778</u>
Net Income (loss) for the period from Discontinued Operations	<u>-</u>	<u>-</u>	<u>(2,144,886)</u>	<u>(3,099,368)</u>
Net Income Attributable To:				
Equity holders of the Parent Company	4,375,393.0	24,482,902	7,931,640	12,593,648
Non-controlling interests	-	-	(472,082)	(867,238)
Earnings (loss) per share	P <u>0.03</u>	P <u>0.16</u>	F <u>0.06</u>	P <u>0.10</u>
	-	-	(0)	-

Legend:

① Gross Expense

② Non-operating income

③ Non-operating expense

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
STATEMENT OF CASH FLOWS
For quarter ended June 30, 2026
(With comparative figures for the quarter ended June 30, 2025)

		April 1 to June 30, 2026		January 1 to June 30, 2026		April 1 to June 30, 2025		January 1 to June 30, 2025
CASHFLOWS FROM OPERATING ACTIVITIES:								
Income (loss) before tax	P	7,395,037	P	40,950,735	P	16,003,005	P	28,166,495
Income (loss) before tax from discontinued operations		-		-		(977,580)		(1,848,364)
Adjustment for:								
Depreciation		9,092,831		17,418,832		19,537,045		38,881,775
Fair Value changes of financial assets at FVPL		-		(842,027)		158,062		(3,450,591)
Retirement Benefit Cost		600,000		1,200,000		2,400,000		4,800,000
Interest income		(291,224)		(3,027,081)		(1,661,724)		(4,598,918)
Dividend Income		(3,535,561)		(10,827,470)		(6,691,328)		(12,253,007)
Interest expense		4,334,706		9,827,734		25,683,742		51,136,466
Loss (Gain) on the sale of AFS investments		243		(535,260)		-		-
Loss (Gain) on sale of PPE		-		(20,426)		-		-
Operating Income before working capital changes		17,596,032		54,145,037		54,451,222		100,833,856
Decrease (Increase) in:								
Receivables		(40,796,102)		(16,177,959)		322,750,609		544,036,455
Inventories		(12,433,056)		101,359,321		(20,054,227)		(55,797,660)
Prepayments and other assets		(38,345,319)		(159,371,485)		(14,594,091)		(37,891,708)
Increase (Decrease) in:								
Trade Payables and other current liabilities		221,956,098		69,593,929		140,141,903		119,912,128
Deposit on long term lease		-		-		(16,808,188)		(6,158,599)
Unearned Rental Income		-		-		3,252,713		7,470,823
Cash generated (used) from operations		147,977,653		49,548,843		469,139,941		672,405,295
Income tax paid		(41,735,051)		(41,735,051)		(641,488)		(1,251,004)
Interest Received		291,224		3,027,081		1,661,724		4,598,918
Net cash provided by (used in) operating activities:		106,533,826		10,840,873		470,160,177		675,753,209
CASHFLOWS FROM INVESTING ACTIVITIES:								
Proceeds from sale of FVPL		(15,747,925)		-		-		-
Dividends received		3,535,561		10,827,470		6,691,328		12,253,007
Proceeds from redemption of FVOCI		20,002,500		34,876,722		-		20,000,000
Proceeds from disposal of PPE		-		35,000		-		-
Acquisition of plant, property and equipment		(11,369,418)		(20,161,392)		(14,167,516)		(24,555,484)
Acquisition of investment properties		(548,529)		(21,328,829)		(403,594)		(467,549)
Decrease(increase) in other non-current assets		-		4,924,270		-		-
Net cash used in investing activities		(4,127,811)		9,173,241		(7,879,782)		7,229,974
CASHFLOW FROM FINANCING ACTIVITIES								
Availment of Loans		176,041,587		325,996,671		226,000,000		264,000,000
Loan Payments		(303,615,620)		(376,398,293)		(165,617,647)		(199,735,294)
Interest paid		(4,334,706)		(9,827,734)		(25,683,742)		(51,136,466)
Payments of cash dividends		-		-		(298,760,036)		(606,790,205)
Net cash generated from financing activities		(131,908,739)		(60,229,356)		(264,061,425)		(593,661,965)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS								
		(29,502,725)		(40,215,242)		198,218,970		89,321,218
Add: Cash and cash equivalents:								
January 1				100,291,212				108,897,752
April 1		89,578,695				-		
CASH AND CASH EQUIVALENTS, END	P	60,075,970	P	60,075,970		198,218,970	P	198,218,970

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

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, 2026.

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, 2026 as compared with the audited financial statements as of December 31, 2025.
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 subsidiary 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, 2026

LIBERTY FLOUR MILLS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For six months ended June 30, 2026 and 2025

	2026	2025
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	5,314,120	10,162,957
Accumulated Remeasurement on Retirement Benefits	754,069	(5,334,084)
Discontinued Operations	-	(314,734,553)
RETAINED EARNINGS		
January `1	666,682,293	806,229,896
Net income for the period	24,482,902	12,593,648
Cash dividends declared and paid	-	(300,000,000)
	691,165,195	518,823,544
Non-Controlling Interest	-	190,565,344
	2,197,233,384	1,899,483,208

BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE

	2026	2025
NUMERATOR:		
Net income (loss) for the second quarter P	24,482,902 P	14,825,778
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 SUBSIDIARY

Aging of Accounts Receivable

As of June 30, 2026

Type of Accounts Receivable		Total		Current		1 Month		2-3 Months		Over 3 Mos.
a) Trade Receivables										
Flour and Millfeed customers	P	913,814,340	P	456,237,342	P	99,034,621	P	204,356,638	P	154,185,739
Building Tenants		3,228,335		3,228,335						
b) Non-Trade Receivables:										
Others		28,554,493		-		-		-		28,554,493
Total	P	945,597,168	P	459,465,677	P	99,034,621	P	204,356,638	P	182,740,232