

COVER SHEET

S.E.C. Registration Number

A S O 9 5 0 1 2 5 6 1

Company Name

L F M P R O P E R T I E S C O R P O R A T I O N

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 L E G A S P I V I L L A G E

M A K A T I C I T Y

Contact Person

MICHAEL JOHN A. TANTOCO JR.

Company's Telephone Number/s

+63288937790

1 2

3 1

Month Day
Of Fiscal Year

20-IS

FORM TYPE

0 5

2 8

Month Day
Of Annual Meeting

Secondary License (if Applicable)

M S R D

Department Requiring this Document

Amended Articles

Number/Section

Total Amount of Borrowings

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

RATIONALE AND EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDER APPROVAL

I. Repeal of the March 27, 2023 and April 22, 2024 Resolution Increasing and Restructuring the Authorized Capital Stock.

On March 27, 2023, the Board of Directors approved a resolution to increase the Corporation's authorized capital stock to Seven Hundred Million Pesos (₱700,000,000.00), divided into seventy billion (70,000,000,000) common shares with a par value of One Centavo (₱0.01) each. This resolution was subsequently ratified by at least two-thirds of the stockholders during a duly called meeting held on July 26, 2023.

Subsequently, on April 22, 2024, the Board of Directors further resolved to increase the Corporation's authorized capital stock to One Billion Seven Hundred Million Pesos (₱1,700,000,000.00), divided into seventy billion (70,000,000,000) common shares with a par value of One Centavo (₱0.01) per share, and one million (1,000,000) cumulative non-voting convertible redeemable preferred shares with a par value of One Thousand Pesos (₱1,000.00) per share. This subsequent increase was likewise approved by at least two-thirds of the stockholders at a meeting held on May 29, 2024.

Despite these approvals, the increases in authorized capital stock reflected in the aforementioned resolutions have not yet been implemented by the Corporation.

At present, the Corporation intends to further increase its authorized capital stock to Five Billion Pesos (₱5,000,000,000.00) and to increase the par value of its shares to One Peso (₱1.00) per share, resulting in a new capital structure of five billion (5,000,000,000) common shares.

Given the multiple resolutions previously passed concerning increases in authorized capital stock, the Corporation finds it prudent and in its best interest to repeal or modify prior resolutions and to adopt a new, consolidated resolution that encompasses all prior approvals related to the increase in authorized capital stock.

II. Approval of the Increase in authorized Capital Stock from ₱400 Million to ₱5 Billion.

On August 29, 2025, the Board approved a resolution to amend Article Seventh of the Corporation's Articles of Incorporation increasing the Authorized Capital Stock from ₱400 Million to ₱5 Billion Pesos.

The subscription to the increase in authorized capital stock shall be by way of stock dividends to be declared in favor of shareholders of the Company in the amount of One Hundred Fifty Million Pesos (₱150,000,000.00); and by way of the proceeds from the rights offering,

The proposed amendments shall be brought for the consideration of the shareholders at the 2025 Special Stockholders' Meeting.

III. Approval of the Amendment to the Articles of Incorporation increasing the par value from One Centavo (₱0.01) to One Peso (₱1.00).

At a meeting of the Board of Directors held on August 29, 2025, the Board approved a resolution to amend Article Seventh of the Corporation's Articles of Incorporation to increase the par value of the Corporation's common shares from One Centavo (₱0.01) to One Peso (₱1.00).

The rationale for the increase in the par value of the Corporation's shares is to allow for an easier administration and calculation of the Corporation's capital stock.

The proposed amendments shall be brought for the consideration of the shareholders at the 2025 Special Stockholders' Meeting.

IV. Approval and Ratification of the November 20, 2024 Board of Directors resolution providing that the entire stock dividend shall be issued from the increase in the Corporation's authorized capital stock, with such stock dividends used to fund a portion of the capital increase; and the adoption of a record date which will be set on the fifteenth (15th) calendar day following the date of approval by the Securities and Exchange Commission of the Corporation's increase in authorized capital stock.

At a meeting of the Board of Directors held on December 21, 2022, the Board approved a resolution declaring a 60% stock dividends corresponding to 15 Billion shares, equivalent to ₱150,000,000.00. Of such stock dividend: (a) 5 billion shares shall come from the Company's unissued shares; and (b) 10 billion shares, shall come from the increase in the Company's authorized capital stock. Stockholder approval was secured on July 26, 2023.

There was an amendment to the resolution approving the stock dividend at a Special Meeting of the Board of Directors held on November 20, 2024. In this meeting the Board passed a resolution providing that the entirety of the stock dividend of One Hundred Fifty Million Pesos (₱150,000,000.00) corresponding to fifteen billion (15,000,000,000) common shares shall be issued from the increase in the Corporation's authorized capital stock, and which stock dividends shall be used to fund the capital increase. The Board also passed a resolution stating that the stock dividends shall be issued in favor of the Corporation's stockholders of record as of the 15th day following approval by the Securities and Exchange Commission of increase in capital.

Stockholder approval will be sought for November 20, 2024 resolution which amends the source of the property dividend, and the sets the parameters for the record date at the 2025 Special Stockholders' Meeting.

V. Re-adoption of the Amendment of the Articles of Incorporation increasing the number of directors from seven (7) to nine (9).

At a meeting of the Board of Directors held on April 22, 2024 the Board passed a resolution approving, among others, an increase in the number of directors from seven (7) to nine (9). The purpose of the amendment is to increase participation in meetings of the Corporation's board of directors.

The proposed amendment shall be brought for the re-approval and re-consideration of the shareholders at the 2025 Special Stockholders' Meeting.

VI. Ratification of the conduct of the Stock Rights Offering, with the proceeds of the stock rights offering to be used to fund the increase in authorized capital stock of the Corporation. The board shall determine, at a later date, the Entitlement Ratio, Offer Price, Ex-Rights Date, Record Date, and Offer Period shall be determined later on.

At a meeting of the Board of Directors held on August 29, 2025, the Board passed a resolution approving the offer and issuance of primary common shares by way of a stock rights offer to eligible shareholders of record, and the subsequent listing of such shares on the Philippine Stock Exchange, Inc.

Note, the proceeds of the rights offering will be used to fund a portion of the increase in authorized capital stock elaborated in agenda item "II" above. Furthermore, the board shall determine, at a late date, the entitlement ratio, offer price, ex-rights date, record date, and offer period.

Board approval of this matter is sufficient to constitute a valid corporate act. However, in the interest of good governance, this matter will be discussed with the shareholders and their ratification sought.

VII. Approval of the following amendments to Article Second (Secondary Purposes) of the Articles of Incorporation: (a) to clarify and expand the Corporation's authority to invest corporate funds to include securities, financial instruments, and other assets approved or regulated by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, or other relevant regulatory authorities; and (b) to delete the provision imposing a seven (7)-year-from-listing restriction on amendments to the Primary and Secondary Purposes under the now-repealed Philippine Stock Exchange SME Board Listing Rules.

At a meeting of the Board of Directors held on September 9, 2025 the Board approved the following amendments to the Secondary Purposes of the Corporation's Articles of Incorporation:

1. Article Second, Secondary Purposes, Item 3.

The proposed amendment seeks to clarify and expand the corporation's authority to invest its funds. While the original provision grants broad discretion to invest and deal with corporate assets, the amendment expressly states that such authority includes investments in securities, financial instruments, or and assets approved or regulated by the Securities and Exchange Commission (SEC), the Bangko Sentral ng Pilipinas (BSP), or any other relevant regulatory authority.

This clarification is intended to ensure that the corporation is empowered to participate in a wider range of investment opportunities, including those that may arise from evolving financial markets and regulatory developments. By explicitly referencing SEC and BSP recognized, approved, or regulated Financial assets and instruments, the amendment provides greater legal certainty and

flexibility for the corporation to manage its funds prudently and in accordance with applicable laws and regulations. This will enable the corporation to respond proactively to emerging investment vehicles and financial innovations, thereby supporting its long-term growth and financial stability.

The proposed amendments are as follows:

FROM	TO
<p>To invest and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell and dispose of or transfer the business, properties, and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept.</p>	<p>To invest and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell and dispose of or transfer the business, properties, and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept. <u>For the avoidance of doubt, the power of the corporation to invest corporate funds shall include investments in securities, financial instruments, and or assets approved, recognized, or regulated by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, or any other relevant regulatory authority, including digital assets, cryptocurrencies, tokens, and other similar or analogous instruments, whether existing now or developed in the future.</u></p>

2. Removal of Article Second, Secondary Purposes, Last Paragraph

In accordance with the then-applicable Listing Rules for the Main and SME Boards of the PSE, the Corporation previously imposed a restriction prohibiting any amendment to its Primary or Secondary Purposes within seven (7) years from the listing of its shares with the PSE. However, with the publication of the latest Consolidated Listing and Disclosure Rules by the Exchange as of May 2023, this restriction has been removed. Accordingly, the Corporation hereby deletes any reference to this restriction in its Articles of Incorporation, as its inclusion was solely in compliance with the previous requirements of the PSE.

The provision to be deleted is as follows:

“Should the shares of the corporation be listed on the Philippine Stock Exchange, the corporation shall not amend its primary purpose or secondary purposes as above provided within seven years from listing of its shares on the Philippine Stock Exchange in accordance with the Listing Rules for the SME Board of the Philippine Stock Exchange.”

VIII. Approval of the following amendments to the By-Laws: (a) amendment to Article II, Section 6 – to give the Chairman clear authority to set and enforce reasonable rules for orderly conduct during stockholders’ meetings, including time limits, recognition of speakers, and measures to maintain order; and (b) creation of Article II, Section 9 – to adopt a new section on meeting procedures, setting the

order of business, time limits for questions (10 minutes per item, 1 minute per stockholder), handling non-agenda questions after adjournment, allowing email submission of unanswered questions, and confirming the Chairman’s authority to ensure orderly and timely proceedings.

At a meeting of the Board of Directors held on September 9, 2025, the Board approved the following amendments to the Corporation’s By-laws in relation to the conduct of shareholders’ meetings. The resolutions approving the proposed amendments were made after the Board’s review of the Corporation’s meeting procedures, with the intention of introducing a system to: (i) ensure orderly, efficient, and fair conduct of stockholders’ meetings; (ii) promote equal opportunity for participation among stockholders; and (iii) minimize disruptions and off-agenda interventions that may delay completion of official business.

1. Amendment to Article II, Section 6

FROM	TO
<p>Meeting of the Stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders representing a majority of the outstanding capital stock present or duly represented at the meeting. The Secretary or in his absence, the Assistant Secretary, shall act as Secretary of every meeting, but if neither the Secretary nor the Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.</p>	<p>Meeting of the Stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders representing a majority of the outstanding capital stock present or duly represented at the meeting. The Secretary or in his absence, the Assistant Secretary, shall act as Secretary of every meeting, but if neither the Secretary nor the Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.</p> <p><u>The Chairman shall have authority to prescribe and enforce reasonable Rules of Conduct for the orderly proceedings of the meeting, including (without limitation) recognition of speakers, limiting remarks to questions or comments germane to the agenda item under consideration, setting per-speaker and aggregate time limits for the question period, ruling out of order any duplicative or non-germane questions, and expelling from the premises, or directing the muting or disconnection of microphones where necessary to maintain order.</u></p>

2. Addition of Article II Section 9

The Board of Directors has duly approved the adoption of Article II, Section 9, to be incorporated into the Corporation's By-Laws, as set forth below:

"Section 9. Agenda; Question Period and Rules of Conduct. The following shall govern the conduct of meetings of the shareholders:

- a. **Order of Business.** *The official business of the meeting shall follow the order of agenda items set forth in the Notice of Meeting and/or Information Statement, which shall be taken up in the sequence therein presented, or in such order that the chairman may deem most appropriate for the meeting.*
- b. **Questions in Relation to Agenda Items; Time Limits.** *For each agenda item, the Chairman shall recognize stockholders (or their duly authorized proxies) to ask questions or make comments that are directly related to the item being presented. Questions or comments not germane to the pending item may be ruled out of order and deferred. Furthermore, the question and answer period for each agenda item shall be limited to a maximum period of ten (10) minutes, with shareholders given one (1) minute to present their questions.*
- c. **Non-Agenda Questions; Time Limits.** *Questions not related to the agenda items contained in the Information Statement, or questions that cannot be accommodated within the time limits, shall be received after completion of the last agenda item and after adjournment of the official meeting.*

To allow participation by the maximum number of stockholders, each stockholder (or proxy) recognized shall have up to one (1) minute to ask questions or make comments. The aggregate time for the Question-and-Answer portion shall not exceed twenty (20) minutes.

If there are questions that are not entertained due to the lapsing of the time limit, these may be submitted to management by email at the official and alternate email addresses of the corporation as disclosed to the Securities and Exchange Commission. Management shall endeavor to respond within a reasonable period after the meeting.

- d. **Application and Reservation of Rights.** *These Rules of Conduct are without prejudice to the rights of stockholders under applicable law and regulations. The Chairman may adopt further reasonable measures to ensure the orderly conduct and timely completion of the meeting."*

IX. Other Matters

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

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

NOTICE OF SPECIAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that a special stockholders' meeting of **LFM PROPERTIES CORPORATION** will be conducted virtually through remote communication on **October 15, 2025 at 2 o'clock in the afternoon**.

The Agenda for the Meeting is as follows:

1. Repeal of the following resolutions: (a) March 27, 2023 Resolution increasing the authorized capital stock from PhP400M to PhP700M; and (b) April 22, 2024 Resolution increasing the capital from PhP700 Million to PhP1.7 Billion.
2. Approval of the Increase in authorized Capital Stock from PhP400 Million to PhP5Billion.
3. Approval of the Amendment to the Articles of Incorporation increasing the par value from One Centavo (PhP0.01) to One Peso (PhP1.00).
4. Approval and Ratification of the November 20, 2024 Board of Directors resolution providing that the entire stock dividend shall be issued from the increase in the Corporation's authorized capital stock, with such stock dividends used to fund a portion of the capital increase; and the adoption of a record date which will be set on the fifteenth (15th) calendar day following the date of approval by the Securities and Exchange Commission of the Corporation's increase in authorized capital stock.
5. Re-adoption of the Amendment of the Articles of Incorporation increasing the number of directors from seven (7) to nine (9).
6. Ratification of the conduct of the Stock Rights Offering, with the proceeds of the stock rights offering to be used to fund the increase in authorized capital stock of the Corporation. The board shall determine, at a later date, the Entitlement Ratio, Offer Price, Ex-Rights Date, Record Date, and Offer Period shall be determined later on.
7. Approval of the following amendments to Article Second (Secondary Purposes) of the Articles of Incorporation: (a) to clarify and expand the Corporation's authority to invest corporate funds to include securities, financial instruments, and other assets approved or regulated by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, or other relevant regulatory authorities; and (b) to delete the provision imposing a seven (7)-year-from-listing restriction on amendments to the Primary and Secondary Purposes under the now-repealed Philippine Stock Exchange SME Board Listing Rules.
8. Approval of the following amendments to the By-Laws: (a) amendment to Article II, Section 6 – to give the Chairman clear authority to set and enforce reasonable rules for orderly conduct during stockholders' meetings, including time limits, recognition of speakers, and measures to maintain order; and (b) creation of Article II, Section 9 – to adopt a new section on meeting procedures, setting the order of business, time limits for questions (10 minutes per item, 1 minute per stockholder), handling non-agenda questions after adjournment, allowing email submission of unanswered questions, and confirming the Chairman's authority to ensure orderly and timely proceedings.
9. Other matters
10. Adjournment

Only stockholders as of September 15, 2025 shall be entitled to notice and to vote at the meeting.

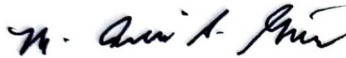
The annual stockholders' meeting will be held through remote communication. Stockholders who intend to participate by remote communication should notify the Company by email on or before October 6, 2025 at 5:00 p.m. Such requests may be sent to LPCcorporatesecretary@picazolaw.com.

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, Quarterly Report, Audited Financial Statements, and Annual Report, and other pertinent documents shall be uploaded to the Company's website as well as the PSE EDGE.

Very truly yours,



MA. ADELINA S. GATDULA

Corporate Secretary

PROXY

The undersigned stockholder of LFM PROPERTIES CORPORATION (the "Corporation") hereby constitutes and appoints the Chairman of the Corporation as proxy to represent the undersigned stockholder and to vote a total of _____ (_____) 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 October 15, 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.

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.

SIGNED THIS PROXY this _____ day of _____ 2025.

(Signature over Printed Name of Stockholder)

[Note: The proxy issued by a corporate stockholder should include as an attachment a notarized Secretary's Certificate issued by the Corporate Secretary of such corporate stockholder attesting to Board resolutions authorizing the proxy to act on behalf of the corporate stockholder at the annual stockholders' meeting of LFM Properties Corporation.]

THIS PROXY IS BEING SOLICITED ON BEHALF OF LFM PROPERTIES CORPORATION

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. **LFM Properties Corporation**
Name of Registrant as specified in its charter
3. **Metro Manila**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: ASO95012561
5. BIR Tax Identification Code 004656232
6. 3rd Floor, Liberty Building, 835 A. Arnaiz Avenue, Makati City
Address of principal office
1229
Postal Code
7. +63288937790
Registrant's telephone number, including area code
8. Date, time and place of the meeting of security holders

October 15, 2025
2:00 pm
via Videoconferencing using the Zoom platform
9. September 24, 2025
Approximate date on which the Information Statement is first to be sent or given to security holders
10. **In case of Proxy Solicitations:**

Name of Person Filing the Statement/Solicitor: LFM Properties Corporation

**Address and Telephone No.: 3rd Floor, Liberty Building, 835 A. Arnaiz Avenue, Makati City;
+63288937790**
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 or Amount of Debt Outstanding
Common	25,000,000,000

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.	24,939,823,099 Common Shares

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	October 15, 2025
Time of Meeting	2:00 o'clock in the afternoon
Place of Meeting	Videoconference using the Zoom platform
Complete Mailing address of Principal Office	LFM Properties Corporation 3 rd Floor, Liberty Building, 835 A. Arnaiz Avenue, Makati City

LFM Properties Corporation (hereinafter, the "Company") intends to send the notice of the Special Stockholders' Meeting, copies of the definitive information statement, and the proxy form sometime on September 24, 2025.

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 13, 2025.

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 September 24, 2025, which is 21 days before the Annual Stockholders Meeting.

Item 2. Dissenters' Right of Appraisal

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

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

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

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

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

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

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

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

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

As of September 18, 2025, the board of directors and senior management, as a group, own 50,847,273 common shares which is approximately 0.23% of the outstanding common stock.

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

Voting Securities and Principal Holders Thereof

As of September 18, 2025, the Company has Twenty-Five Billion (25,000,000,000) common shares of which 100% is outstanding.

All stockholders of record at the close of business on September 15, 2025 ("Record Date") shall be entitled to notice and to vote at the said meeting, provided that those who shall be attending by proxy, must have had their respective proxies received by the Company not later than October 3, 2025, and validated by the Company at least five (5) business days before the meeting.

Manner of Voting

Each stockholder shall have the right to cast one (1) vote for every share of stock duly registered in their name as of the record date set for the meeting. Such voting rights may be exercised in person or by proxy, subject to the provisions of the Corporation's By-Laws and applicable laws and regulations.

Item 5. Directors and Executive Officers

No action or matter with respect to the election of directors or officers will be taken during the special stockholders' meeting.

Item 6. Compensation of Directors and Executive Officers

No action or matter with respect to the election of directors or officers will be taken during the special stockholders' meeting.

Item 7. Independent Public Accountants

The meeting will not relate to the election, approval, or ratification of the registrant's accountant.

Item 8. Compensation Plans

There are no compensation plans or stock option plans to be taken up during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

Pursuant to the provisions of the Revised Corporation Code of the Philippines (Republic Act No. 11232) and in accordance with principles of good corporate governance, the Corporation shall seek shareholder approval or ratification of the following corporate actions:

Declaration of Stock Dividend

The Board of Directors has approved the declaration of a stock dividend in the aggregate amount of One Hundred Fifty Million Pesos (₱150,000,000.00), subject to ratification by the stockholders as required under Section 42 of the Revised Corporation Code, which mandates stockholder approval for the issuance of stock dividends representing at least two-thirds (2/3) of the outstanding capital stock.

Stock Rights Offering

The Board has likewise authorized the implementation of a Stock Rights Offering (SRO) involving the issuance of at least One Billion (1,000,000,000) common shares. The shares to be offered under both the stock dividend and the rights offering shall consist exclusively of common shares.

The proceeds from the SRO shall be applied primarily to the settlement of the Corporation's outstanding obligations, thereby strengthening its financial position and improving its capital structure.

As far as the SRO is concerned, board approval is sufficient to constitute a valid corporate act. Nevertheless, in the interest of transparency and adherence to best practices in corporate governance, the matter shall be presented to the stockholders for discussion, and their ratification shall be sought during the forthcoming meeting.

Item 10. Modification or Exchange of Securities

At a meeting of the Board of Directors held on August 29, 2025 the Board approved the increase in the par value of the Corporation's shares from One Centavo (₱0.01) to One Peso (₱1.00) per share.

Pursuant to Section 37 of the Revised Corporation Code, any amendment to the Articles of Incorporation that alters the par value of shares requires the approval of the Board of Directors and the affirmative vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock. As such, shareholder approval will be sought for the increase in the par value of the Corporation's shares from One Centavo (₱0.01) to One Peso (₱1.00). The rationale for the increase in the par value of the Corporation's shares is to allow for an easier administration and calculation of the Corporation's capital stock. If fractional shares are created, these shall be rounded up.

Item 11. Financial and Other Information

Please see the attached Audited Financial Statements for the year 2024, which is attached to this information statement.

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

There is no intended acquisition or disposition of property.

Item 14. Restatement of Accounts

For 2024 there were no restatement of accounts.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

Shareholder approval will be sought for the repeal of previous resolutions relating to increases in the Corporation's authorized capital stock.

On March 27, 2023, the Board of Directors approved a resolution to increase the authorized capital stock to Seven Hundred Million Pesos (₱700,000,000.00), divided into seventy billion (70,000,000,000) common shares with a par value of One Centavo (₱0.01) each. This resolution was approved by at least two-thirds of the stockholders at a meeting held on July 26, 2023.

Thereafter, on April 22, 2024, the Board of Directors further resolved to increase the authorized capital stock to One Billion Seven Hundred Million Pesos (₱1,700,000,000.00), consisting of seventy billion (70,000,000,000) common shares with a par value of One Centavo (₱0.01) per share, and one million (1,000,000) cumulative non-voting convertible redeemable preferred shares with a par value of One Thousand Pesos (₱1,000.00) per share. This subsequent increase was likewise approved by at least two-thirds of the stockholders at a meeting held on May 29, 2024.

Despite these approvals, the increases in authorized capital stock reflected in the aforementioned resolutions have not yet been implemented by the Corporation.

Currently, the Corporation intends to further increase its authorized capital stock to Five Billion Pesos (₱5,000,000,000.00) and to increase the par value of its shares to One Peso (₱1.00) per share, resulting in a new capital structure of five billion (5,000,000,000) common shares.

In view of the multiple resolutions previously passed concerning increases in authorized capital stock, the Corporation deems it prudent and in its best interest to repeal or modify these prior resolutions and to adopt a new, consolidated resolution that will encompass all prior approvals related to the increase in authorized capital stock.

Item 16. Matters Not Required to be Submitted

The Corporation's Stock Rights Offering, which entails the issuance of up to one billion common shares, will be submitted to the stockholders for ratification. While not legally required for the validity of this corporate action, the ratification process reflects the Corporation's commitment to sound governance practices and provides an avenue for shareholders to engage with management and the Board prior to the implementation of the offering.

Item 17. **Amendment of Charter, Bylaws or Other Documents**

The following amendments will be put forth for the consideration of the stockholders:

1. Approval of the Increase in authorized Capital Stock from Php400 Million to Php5Billion.

On August 29, 2025, the Board approved a resolution to amend Article Seventh of the Corporation's Articles of Incorporation increasing the Authorized Capital Stock from ₱400 Million to ₱5 Billion Shares.

The subscription to the increase in authorized capital stock shall be by way of stock dividends to be declared in favor of shareholders of the Company in the amount of One Hundred Fifty Million Pesos (₱150,000,000.00); and by way of the proceeds from the rights offering,

The proposed amendments shall be brought for the consideration of the shareholders at the 2025 Special Stockholders' Meeting.

2. Approval of the Amendment to the Articles of Incorporation increasing the par value from One Centavo (Php0.01) to One Peso (Php1.00).

At a meeting of the Board of Directors held on August 29, 2025, the Board approved a resolution to amend Article Seventh of the Corporation's Articles of Incorporation to increase the par value of the Corporation's common shares from One Centavo (₱0.01) to One Peso (₱1.00).

The rationale for the increase in the par value of the Corporation's shares is to allow for an easier administration and calculation of the Corporation's capital stock.

The proposed amendments shall be brought for the consideration of the shareholders at the 2025 Special Stockholders' Meeting.

3. Re-adoption of the Amendment of the Articles of Incorporation increasing the number of directors from seven (7) to nine (9).

At a meeting of the Board of Directors held on April 22, 2024 the Board passed a resolution approving, among others, an increase in the number of directors from seven (7) to nine (9). The purpose of the amendment is to increase participation in meetings of the Corporation's board of directors.

The proposed amendment shall be brought for the re-approval and re-consideration of the shareholders at the 2025 Special Stockholders' Meeting.

4. Approval of the following amendments to Article Second (Secondary Purposes) of the Articles of Incorporation: (a) to clarify and expand the Corporation's authority to invest corporate funds to include securities, financial instruments, and other assets approved or regulated by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, or other relevant regulatory authorities; and (b) to delete the provision imposing a seven (7)-year-from-listing restriction on amendments to the Primary and Secondary Purposes under the now-repealed Philippine Stock Exchange SME Board Listing Rules.

At a meeting of the Board of Directors held on September 9, 2025 the Board approved the following amendments to the Secondary Purposes of the Corporation's Articles of Incorporation:

Article Second, Secondary Purposes, Item 3.

The proposed amendment seeks to clarify and expand the corporation's authority to invest its funds. While the original provision grants broad discretion to invest and deal with corporate assets, the amendment expressly states that such authority includes investments in securities, financial instruments, or and assets approved or regulated by the Securities and Exchange Commission (SEC), the Bangko Sentral ng Pilipinas (BSP), or any other relevant regulatory authority.

This clarification is intended to ensure that the corporation is empowered to participate in a wider range of investment opportunities, including those that may arise from evolving financial markets and regulatory developments. By explicitly referencing SEC and BSP recognized, approved, or regulated Financial assets and instruments, the amendment provides greater legal certainty and flexibility for the corporation to manage its funds prudently and in accordance with applicable laws and regulations. This will enable the corporation to respond proactively to emerging investment vehicles and financial innovations, thereby supporting its long-term growth and financial stability.

The proposed amendments are as follows:

FROM	TO
<p>To invest and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell and dispose of or transfer the business, properties, and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept.</p>	<p>To invest and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell and dispose of or transfer the business, properties, and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept. <u>For the avoidance of doubt, the power of the corporation to invest corporate funds shall include investments in securities, financial instruments, and or assets approved, recognized, or regulated by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, or any other relevant regulatory authority, including digital assets, cryptocurrencies, tokens, and other similar or analogous instruments, whether existing now or developed in the future.</u></p>

Removal of Article Second, Secondary Purposes, Last Paragraph

In accordance with the then-applicable Listing Rules for the Main and SME Boards of the PSE, the Corporation previously imposed a restriction prohibiting any amendment to its Primary or Secondary Purposes within seven (7) years from the listing of its shares with the PSE. However, with the publication of the latest Consolidated Listing and Disclosure Rules by the Exchange as of May 2023, this restriction has been removed. Accordingly, the Corporation hereby deletes any reference to this restriction in its Articles of Incorporation, as its inclusion was solely in compliance with the previous requirements of the PSE.

The provision to be deleted is as follows:

“Should the shares of the corporation be listed on the Philippine Stock Exchange, the corporation shall not amend its primary purpose or secondary purposes as above provided within seven years from listing of its shares on the Philippine Stock Exchange in accordance with the Listing Rules for the SME Board of the Philippine Stock Exchange.”

5. **Approval of the following amendments to the By-Laws: (a) amendment to Article II, Section 6 – to give the Chairman clear authority to set and enforce reasonable rules for orderly conduct during stockholders’ meetings, including time limits, recognition of speakers, and measures to maintain order; and (b) creation of Article II, Section 9 – to adopt a new section on meeting procedures, setting the order of business, time limits for questions (10 minutes per item, 1 minute per stockholder), handling non-agenda questions after adjournment, allowing email submission of unanswered questions, and confirming the Chairman’s authority to ensure orderly and timely proceedings.**

At a meeting of the Board of Directors held on September 9, 2025, the Board approved the following amendments to the Corporation’s By-laws in relation to the conduct of shareholders’ meetings. The resolutions approving the proposed amendments were made after the Board’s review of the

Corporation's meeting procedures, with the intention of introducing a system to: (i) ensure orderly, efficient, and fair conduct of stockholders' meetings; (ii) promote equal opportunity for participation among stockholders; and (iii) minimize disruptions and off-agenda interventions that may delay completion of official business.

1. Amendment to Article II, Section 6

FROM	TO
<p>Meeting of the Stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders representing a majority of the outstanding capital stock present or duly represented at the meeting. The Secretary or in his absence, the Assistant Secretary, shall act as Secretary of every meeting, but if neither the Secretary nor the Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.</p>	<p>Meeting of the Stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders representing a majority of the outstanding capital stock present or duly represented at the meeting. The Secretary or in his absence, the Assistant Secretary, shall act as Secretary of every meeting, but if neither the Secretary nor the Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.</p> <p><u>The Chairman shall have authority to prescribe and enforce reasonable Rules of Conduct for the orderly proceedings of the meeting, including (without limitation) recognition of speakers, limiting remarks to questions or comments germane to the agenda item under consideration, setting per-speaker and aggregate time limits for the question period, ruling out of order any duplicative or non-germane questions, and expelling from the premises, or directing the muting or disconnection of microphones where necessary to maintain order.</u></p>

2. Addition of Article II Section 9

The Board of Directors has duly approved the adoption of Article II, Section 9, to be incorporated into the Corporation's By-Laws, as set forth below:

"Section 9. Agenda; Question Period and Rules of Conduct. The following shall govern the conduct of meetings of the shareholders:

- a. **Order of Business.** *The official business of the meeting shall follow the order of agenda items set forth in the Notice of Meeting and/or Information Statement, which shall be taken up in the sequence therein presented, or in such order that the chairman may deem most appropriate for the meeting.*

- b. **Questions in Relation to Agenda Items; Time Limits.** *For each agenda item, the Chairman shall recognize stockholders (or their duly authorized proxies) to ask questions or make comments that are directly related to the item being presented. Questions or comments not germane to the pending item may be ruled out of order and deferred. Furthermore, the question and answer period for each agenda item shall be limited to a maximum period of ten (10) minutes, with shareholders given one (1) minute to present their questions.*

- c. **Non-Agenda Questions; Time Limits.** Questions not related to the agenda items contained in the Information Statement, or questions that cannot be accommodated within the time limits, shall be received after completion of the last agenda item and after adjournment of the official meeting.

To allow participation by the maximum number of stockholders, each stockholder (or proxy) recognized shall have up to one (1) minute to ask questions or make comments. The aggregate time for the Question-and-Answer portion shall not exceed twenty (20) minutes.

If there are questions that are not entertained due to the lapsing of the time limit, these may be submitted to management by email at the official and alternate email addresses of the corporation as disclosed to the Securities and Exchange Commission. Management shall endeavor to respond within a reasonable period after the meeting.

- d. **Application and Reservation of Rights.** These Rules of Conduct are without prejudice to the rights of stockholders under applicable law and regulations. The Chairman may adopt further reasonable measures to ensure the orderly conduct and timely completion of the meeting.”

Item 18. **Other Proposed Action**

Approval and Ratification of the Stock Dividend Declaration

Approval and Ratification of the November 20, 2024 Board of Directors resolution providing that the entire stock dividend shall be issued from the increase in the Corporation’s authorized capital stock, with such stock dividends used to fund a portion of the capital increase; and the adoption of a record date which will be set on the fifteenth (15th) calendar day following the date of approval by the Securities and Exchange Commission of the Corporation’s increase in authorized capital stock.

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, remote communication, or voting in absentia.

Method by which votes will be cast and counted

A stockholder may vote through proxy in writing, signed by the stockholder concerned, and in the form provided for in this Information Statement. The proxy issued by a corporate stockholder must be supported by a notarized Secretary’s Certificate signed by the Corporate Secretary of the corporate stockholder. Such proxies may be sent electronically to LPCCorporatesecretary@picazolaw.com, or mailed to the office of the Company.

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

Conduct of the Meeting and Opportunity to ask questions

The official business of the meeting shall follow the order of agenda items set forth in the Notice of Meeting and/or Information Statement, which shall be taken up in the sequence therein presented, or in such order that the chairman may deem most appropriate for the meeting.

For each agenda item, the Chairman shall recognize stockholders (or their duly authorized proxies) to ask questions or make comments that are directly related to the item being presented. Questions or comments not germane to the pending item may be ruled out of order and deferred. Furthermore, the

question and answer period for each agenda item shall be limited to a maximum period of ten (10) minutes, with shareholders given one (1) minute to present their questions.

Questions not related to the agenda items contained in the Information Statement, or questions that cannot be accommodated within the time limits, shall be received after completion of the last agenda item and after adjournment of the official meeting. To allow participation by the maximum number of stockholders, each stockholder (or proxy) recognized shall have up to one (1) minute to ask questions or make comments. The aggregate time for the Question-and-Answer portion shall not exceed twenty (20) minutes.

If there are questions that are not entertained due to the lapsing of the time limit, these may be submitted to management by email at the official and alternate email addresses of the corporation as disclosed to the Securities and Exchange Commission. Management shall endeavor to respond within a reasonable period after the meeting.

The Chairman may adopt further reasonable measures to ensure the orderly conduct and timely completion of the meeting

Participation of the Stockholders via Remote Communication and Voting In Absentia

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

Item 20. Participation of Stockholders by Remote Communication

Stockholders will be allowed to participate in the meeting via remote communication and voting in absentia. The Procedures that stockholders must follow for authentication and registration are contained in **Annex "A"**.

Item 21: Acceptance of Stockholder Proposals on Agenda Items

Stockholders of record as of the record date owning at least 5% or the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before September 19, 2025.

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.

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 Stockholders' Meeting.

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 validated by means of cross-checking the signature of the stockholders against the signature cards with the Company's stock transfer agent. In the event the Proxy Form needs further validation, verification shall be made with the stockholder concerned itself.

The validation must have been confirmed by the Company at least seven (7) days prior to the date of the meeting.

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

1. Repeal of the following resolutions: (a) March 27, 2023 Resolution increasing the authorized capital stock from PhP400M to PhP700M; and (b) April 22, 2024 Resolution increasing the capital from PhP700 Million to PhP1.7 Billion.
2. Approval of the Increase in authorized Capital Stock from PhP400 Million to PhP5Billion.
3. Approval of the Amendment to the Articles of Incorporation increasing the par value from One Centavo (PhP0.01) to One Peso (PhP1.00).
4. Approval and Ratification of the November 20, 2024 Board of Directors resolution providing that the entire stock dividend shall be issued from the increase in the Corporation's authorized capital stock, with such stock dividends used to fund a portion of the capital increase; and the adoption of a record date which will be set on the fifteenth (15th) calendar day following the date of approval by the Securities and Exchange Commission of the Corporation's increase in authorized capital stock.
5. Re-adoption of the Amendment of the Articles of Incorporation increasing the number of directors from seven (7) to nine (9).
6. Ratification of the conduct of the Stock Rights Offering, with the proceeds of the stock rights offering to be used to fund the increase in authorized capital stock of the Corporation. The board shall determine, at a later date, the Entitlement Ratio, Offer Price, Ex-Rights Date, Record Date, and Offer Period shall be determined later on.

7. Approval of the following amendments to Article Second (Secondary Purposes) of the Articles of Incorporation: (a) to clarify and expand the Corporation's authority to invest corporate funds to include securities, financial instruments, and other assets approved or regulated by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, or other relevant regulatory authorities; and (b) to delete the provision imposing a seven (7)-year-from-listing restriction on amendments to the Primary and Secondary Purposes under the now-repealed Philippine Stock Exchange SME Board Listing Rules.
8. Approval of the following amendments to the By-Laws: (a) amendment to Article II, Section 6 – to give the Chairman clear authority to set and enforce reasonable rules for orderly conduct during stockholders' meetings, including time limits, recognition of speakers, and measures to maintain order; and (b) creation of Article II, Section 9 – to adopt a new section on meeting procedures, setting the order of business, time limits for questions (10 minutes per item, 1 minute per stockholder), handling non-agenda questions after adjournment, allowing email submission of unanswered questions, and confirming the Chairman's authority to ensure orderly and timely proceedings.
9. Other matters
10. Adjournment

Item 3. Revocability of Proxy

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

Item 4. Persons Making the Solicitation

The solicitation is being made by the Company for the purpose of obtaining the necessary quorum for the annual stockholders meeting and having the matters subject of said meeting approved and/or ratified by the stockholders.

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.

PART III.

SIGNATURE PAGE

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 the 18th of September, 2025.



MA. ADELINA S. GATDULA

Corporate Secretary

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

ANNEX "A"

PROCEDURE FOR PARTICIPATION IN THE 2025 SPECIAL STOCKHOLDERS' MEETING OF LFM PROPERTIES CORPORATION THROUGH REMOTE COMMUNICATION AND VOTING IN ABSENTIA

The 2025 Special Meeting will be held via remote communication and voting *in absentia*.

NO PHYSICAL ATTENDANCE AT THE MEETING SHALL BE ALLOWED.

Stockholders who intend to participate in the meeting should send their intention as well as the registration requirements, provided below, to LPCCorporatesecretary@picazolaw.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 Special Meeting and the voting portal.

The 2025 Special Meeting shall be broadcast via Zoom, with voting shall done using Microsoft Forms. In the interest of information security, the link for the meeting shall not be made public and shall be sent privately to Stockholders who have successfully registered.

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

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

1. Stockholders as of September 15, 2025, are entitled to participate and vote at the 2025 Special Stockholder's Meeting. If the stockholder intends to participate through such means, he/she **must register and submit the requirements for registration** via electronic mail on or before October 6, 2025, at 5:00 p.m. to the following email address: LPCCorporatesecretary@picazolaw.com.
2. The requirements for registration for individual stockholder are as follows:
 - a. A recent photo of the stockholder, with the face fully visible;
 - b. A scanned copy of the front and back portions of the Stockholder's valid government issued ID;
 - c. Valid and active email address; and
 - d. Valid and active contact number.
3. The requirements for registration for stockholders with joint accounts is as follows:
 - a. The requirements contained in number 2 above; and
 - b. A scanned copy of an authorization letter signed by all the stockholders, identifying who among them is authorized to participate and cast a vote for their account.
4. The requirements for registration for stockholders under broker accounts is as follows:
 - a. The requirements contained in number 2 above; and
 - b. A broker's certification on the Stockholder's number of shareholdings.
5. The requirements for the registration of corporate stockholders is as follows:
 - a. Secretary's certificate which shall provide the following: (a) name of the representative; and (b) that the representative is authorized to participate in the 2025 Annual Stockholders' Meeting and vote for and on behalf of the corporation;
 - b. A recent photo of the authorized representative, with the face fully visible;
 - c. A scanned copy of the front and back portions of the authorized representative's valid government issued ID;
 - d. Valid and active e-mail address of the authorized representative; and
 - e. Valid and active contact details of the Stockholder's authorized representative.

6. Once a Stockholder has successfully registered and verified, the Corporate Secretary shall send an email to such Stockholder's indicated valid active email address containing the following on or before October 13, 2025:
 - a. The link which will be used to broadcast the meeting, and
 - b. The link where votes will be cast.
7. The meeting will be broadcast via Zoom and the voting shall be conducted through the use of Microsoft Forms.
8. The *In Absentia* voting shall be open beginning October 8, 2025, at 9:00 a.m. and shall close on October 14, 2025, at 5:00 p.m.
9. Stockholders who have notified the company of their intention to participate in the Special Meeting via remote communication and those that have voted *in absentia* shall be counted for purposes of determining a quorum.
10. Each stockholder participating in the Special Meeting via remote communication must identify him/her/itself using the name of the registered stockholder as appearing in the stock and transfer book of the Company.
11. 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.
12. **The meeting shall be recorded.**

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	5	0	1	2	5	6	1
---	---	---	---	---	---	---	---	---	---	---

COMPANY NAME

L	F	M		P	R	O	P	E	R	T	I	E	S		C	O	R	P	O	R	A	T	I	O	N		(A	
S	u	b	s	i	d	i	a	r	y		o	f		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)

3	r	d		F	l	o	o	r	,		L	i	b	e	r	t	y		B	u	i	l	d	i	n	g	,	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 hydes.deguzman@gmail.com	Company's Telephone Number 8893-7790/8893-7792	Mobile Number -
No. of Stockholders 437	Annual Meeting (Month / Day) May 29	Fiscal Year (Month / Day) December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person William L. Ang	Email Address williamlimang@gmail.com	Telephone Number/s (02) 8893-7790	Mobile Number -
---	---	---	--------------------

CONTACT PERSON'S ADDRESS

3rd Floor 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 Board of Directors and Stockholders
LFM Properties Corporation
3rd Floor, Liberty Building
A. Arnaiz Avenue
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LFM Properties Corporation (the Company), a subsidiary of Liberty Flour Mills, Inc., which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Fair Value of Investment Properties

The Company operates mixed-use office buildings and vacant commercial land located in Luzon. The Company accounts for its investment properties using the cost model and discloses the fair value as required under PAS 40, *Investment Property*. As at December 31, 2024, the carrying value and fair value of investment properties amounted to ₱1,767.25 million and ₱5,369.43 million, respectively. Management determined the fair value of the investment properties based on the valuations carried out by an external valuer using income and market data approaches.

We identified the disclosure on fair value of the Company's investment properties as a key audit matter because it is a significant disclosure given the Company's leasing business and the determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraiser whose calculations also depend on certain assumptions, such as discount rates, growth rates and sales and listing of comparable properties and adjustments to sales price, which are influenced by the prevailing market rates and comparable market transactions and subject to higher level of estimation uncertainty due to the current economic conditions.

The disclosures on the fair value of investment properties are included in Note 9 of the financial statements.

Audit Response

We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We involved our internal specialist in the evaluation of the methodology and assumptions used in the valuation of the investment properties. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price. We also assessed the reasonableness of the latest valuation of the investment properties by evaluating financial projections and discount rate against comparable and prior year inputs.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.



Our opinion on the 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 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, 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 but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of LFM Properties Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic 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

Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

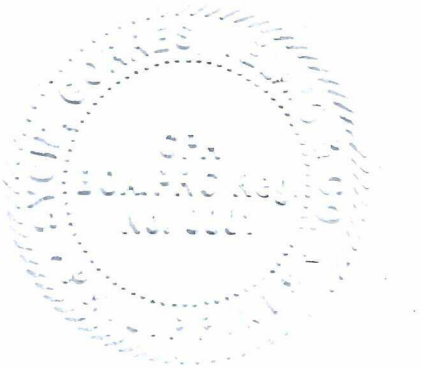
Tax Identification No. 301-422-247

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

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

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

March 26, 2025



LFM PROPERTIES CORPORATION
(A Subsidiary of Liberty Flour Mills, Inc.)
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash (Notes 4 and 21)	₱31,132,167	₱34,535,667
Receivables (Notes 5 and 21)	11,863,758	12,713,273
Financial assets at fair value through profit or loss (FVTPL) (Notes 6 and 21)	8,616,795	27,065,842
Accrued rent - current portion (Note 13)	8,664,841	1,880,088
Prepaid expenses and other current assets (Notes 7 and 9)	46,160,676	47,219,833
Total Current Assets	106,438,237	123,414,703
Noncurrent Assets		
Investment properties (Notes 9 and 12)	1,726,275,994	1,767,246,832
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 8 and 21)	139,684,188	126,594,399
Accrued rent - net of current portion (Note 13)	8,713,588	8,199,396
Net retirement plan asset (Note 18)	1,544,083	3,024,514
Property and equipment (Note 10)	350,551	945,812
Other noncurrent assets (Notes 7, 9 and 20)	280,197,886	81,559,117
Total Noncurrent Assets	2,156,766,290	1,987,570,070
TOTAL ASSETS	₱2,263,204,527	₱2,110,984,773
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of notes payable (Notes 11 and 21)	₱960,474,357	₱590,195,077
Accounts payable and other current liabilities (Notes 9, 12 and 21)	82,284,019	40,266,306
Payable to a related party (Notes 9, 20 and 21)	568,400,000	851,200,000
Current portion:		
Deposits on long-term leases (Note 13)	36,912,365	25,999,964
Unearned rental income (Note 13)	4,618,167	6,474,814
Income tax payable	-	7,493,599
Total Current Liabilities	1,652,688,908	1,521,629,760
Noncurrent Liabilities		
Notes payable - net of current portion (Notes 11 and 21)	34,250,132	-
Deposits on long-term leases - net of current portion (Note 13)	18,448,201	17,354,188
Unearned rental income - net of current portion (Note 13)	1,401,379	1,338,485
Deferred tax liabilities - net (Note 19)	3,825,241	1,769,678
Other noncurrent liability (Notes 9, 12 and 21)	51,818,876	116,115,824
Total Noncurrent Liabilities	109,743,829	136,578,175
Total Liabilities	1,762,432,737	1,658,207,935
Equity		
Capital stock (Note 14)	250,000,000	250,000,000
Stock dividend distributable (Note 14)	150,000,000	150,000,000
Other components of equity:		
Fair value changes on financial assets at FVOCI (Note 8)	(114,490,827)	(127,580,616)
Accumulated rereasurement gains on defined benefit plan (Note 18)	5,062,787	5,949,704
Retained earnings	210,199,830	174,407,750
Total Equity	500,771,790	452,776,838
TOTAL LIABILITIES AND EQUITY	₱2,263,204,527	₱2,110,984,773

See accompanying Notes to Financial Statements.



LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2024	2023	2022
RENTAL INCOME (Notes 9 and 13)	₱271,843,490	₱194,836,591	₱230,739,119
DIRECT COSTS (Notes 9 and 15)	98,222,306	85,239,642	77,299,074
GROSS PROFIT	173,621,184	109,596,949	153,440,045
OPERATING EXPENSES (Notes 10, 16, 17, 18 and 20)	57,737,053	32,238,055	25,418,019
INCOME BEFORE OTHER INCOME (CHARGES) AND INCOME TAX	115,884,131	77,358,894	128,022,026
OTHER INCOME (CHARGES)			
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)	(501,748)	(42,006,396)	(58,797,005)
Gain (loss) on sale of financial assets at FVTPL (Note 6)	(320,079)	728,239	502,046
Dividend income (Note 6)	165,140	394,390	1,068,560
Interest income (Notes 4 and 5)	29,960	19,309	29,711
Gain on sale of investment properties (Note 9)	–	88,637,478	–
Loss on pretermination of lease contract (Notes 13 and 24)	–	–	(85,402,721)
Other income (expense) - net	585,110	1,446,392	578,134
	(65,200,634)	5,598,971	(169,912,231)
INCOME (LOSS) BEFORE INCOME TAX	50,683,497	82,957,865	(41,890,205)
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)	35,792,080	51,627,115	(45,981,667)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Net fair value changes on financial assets at FVOCI (Note 8)	13,089,789	9,682,858	(39,807,304)
Remeasurement gain (loss) on defined benefit plans (Note 18)	(1,182,556)	(3,624,550)	(6,537,877)
Income tax effect	295,639	906,137	1,634,469
	12,202,872	6,964,445	(44,710,712)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱47,994,952	₱58,591,560	(₱90,692,379)
EARNINGS (LOSS) PER SHARE (Note 14)			
Basic	₱0.0014	₱0.0021	(₱0.0018)
Diluted	₱0.0009	₱0.0013	(₱0.0011)

See accompanying Notes to Financial Statements.

LFM PROPERTIES CORPORATION

(A Subsidiary of Liberty Flour Mills, Inc.)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	<u>Other Components of Equity</u>					
	Capital Stock (Note 14)	Stock Dividends Distributable (Note 14)	Fair Value Changes on Financial Assets at FVOCI (Note 8)	Accumulated Remeasurement Gains on Defined Benefit Plan (Note 18)	Retained Earnings	Total
Balances at January 1, 2024	₱250,000,000	₱150,000,000	(₱127,580,616)	₱5,949,704	₱174,407,750	₱452,776,838
Net income	–	–	–	–	35,792,080	35,792,080
Other comprehensive income (loss)	–	–	13,089,789	(886,917)	–	12,202,872
Balances at December 31, 2024	₱250,000,000	₱150,000,000	(₱114,490,827)	₱5,062,787	₱210,199,830	₱500,771,790
Balances at January 1, 2023	₱250,000,000	₱–	(₱137,263,474)	₱8,668,117	₱272,780,635	₱394,185,278
Net income	–	–	–	–	51,627,115	51,627,115
Other comprehensive income (loss)	–	–	9,682,858	(2,718,413)	–	6,964,445
Stock dividend declaration (Note 14)	–	150,000,000	–	–	(150,000,000)	–
Balances at December 31, 2023	₱250,000,000	₱150,000,000	(₱127,580,616)	₱5,949,704	₱174,407,750	₱452,776,838
Balances at January 1, 2022	₱250,000,000	₱–	(₱97,456,170)	₱13,571,525	₱318,762,302	₱484,877,657
Net loss	–	–	–	–	(45,981,667)	(45,981,667)
Other comprehensive loss	–	–	(39,807,304)	(4,903,408)	–	(44,710,712)
Balances at December 31, 2022	₱250,000,000	₱–	(₱137,263,474)	₱8,668,117	₱272,780,635	₱394,185,278

See accompanying Notes to Financial Statements.



LFM PROPERTIES CORPORATION
(A Subsidiary of Liberty Flour Mills, Inc.)

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱50,683,497	₱82,957,865	(₱41,890,205)
Adjustments to reconcile income (loss) before income tax to net cash flows:			
Interest expense (Notes 11 and 13)	65,159,017	43,620,441	27,890,956
Depreciation and amortization (Notes 9 and 10)	50,126,359	44,368,720	43,663,071
Fair value changes of financial assets at fair value through profit or loss (Note 6)	501,748	42,006,396	58,797,005
Gain on sale of financial assets at FVTPL (Note 6)	320,079	(728,239)	(502,046)
Dividend income (Note 6)	(165,140)	(394,390)	(1,068,560)
Movement in net retirement plan asset (Note 18)	297,875	(62,017)	(48,438)
Interest income (Notes 4 and 5)	(29,960)	(19,309)	(29,711)
Gain on sale of investment properties	–	(88,637,478)	–
Loss on pretermination of lease contract (Notes 13 and 24)	–	–	85,402,721
Working capital changes:			
Decrease (increase) in:			
Receivables	849,515	16,625,438	(23,910,863)
Accrued rent	(7,298,945)	(435,699)	(15,723,884)
Prepaid expenses and other current assets	5,761,849	(16,263,638)	2,670,927
Increase (decrease) in:			
Accounts payable and other current liabilities	2,394,098	(1,447,976)	1,334,261
Deposits on long-term leases	11,129,670	(167,764)	10,100,297
Unearned rental income	(1,793,753)	2,304,702	(8,216,358)
Net cash flows generated from operations	177,935,909	123,727,052	138,469,173
Income tax paid	(20,033,814)	(29,072,031)	(17,623,787)
Interest received	29,960	19,309	29,711
Net cash provided by operating activities	157,932,055	94,674,330	120,875,097
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties (Notes 9 and 23)	(8,152,079)	(106,910,033)	–
Property and equipment (Note 10)	(408,181)	(56,243)	(1,227,679)
Proceeds from sale of:			
Investment properties	–	89,285,714	–
Financial assets at FVTPL (Note 6)	17,627,220	62,686,239	7,937,066
Purchase of financial assets at FVTPL (Note 6)	–	(9,316,595)	(7,496,677)
Dividends received (Note 6)	165,140	394,390	1,068,560
Deposit (Note 20)	–	–	(130,000,000)
Decrease in other noncurrent assets	(206,487,822)	–	110,474
Net cash provided by (used in) investing activities	(197,255,722)	36,083,472	(129,608,256)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of bank loans (Note 11)	606,000,000	₱113,000,000	₱187,000,000
Payments of:			
Notes payable (Note 11)	(201,470,588)	(153,470,588)	(136,470,588)
Interest (Note 11)	(59,589,568)	(42,703,263)	(27,109,639)
Payable to a related party (Note 9)	(282,800,000)	(37,730,000)	-
Other noncurrent liability (Note 9)	(26,219,677)	(18,381,857)	(18,381,857)
Net cash provided by (used in) financing activities	35,920,167	(139,285,708)	5,037,916
NET INCREASE (DECREASE) IN CASH	(3,403,500)	(8,527,906)	(3,695,243)
CASH AT BEGINNING OF YEAR	34,535,667	43,063,573	46,758,816
CASH AT END OF YEAR (Note 4)	₱31,132,167	₱34,535,667	₱43,063,573

See accompanying Notes to Financial Statements.



LFM PROPERTIES CORPORATION
(A Subsidiary of Liberty Flour Mills, Inc.)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

LFM Properties Corporation (the Company) is a subsidiary of Liberty Flour Mills, Inc. (LFMI), a corporation duly organized and existing under the laws of the Republic of the Philippines. The Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 18, 1995. The Company is engaged in the business of leasing out real estate properties such as office spaces and condominium units. The Company's registered office address is 3rd Floor, Liberty Building, A. Arnaiz Avenue, Makati City.

On November 25, 2020, the Board of Directors (BOD) of LFMI approved the declaration of property dividends consisting of up to 10.35 billion shares of the Company.

On October 13, 2022 and November 3, 2022, the SEC and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Company for the listing by way of introduction of up to 24,802,384,828 common shares on the Main Board of the PSE.

On November 9, 2022, the Company completed its listing process with the PSE under the stock symbol "LPC". As a public company, it is covered by the Revised Securities Regulation Code (SRC) Rule 68. On December 20, 2022, additional 137,438,271 common shares were approved by PSE for listing on the Main Board of the PSE. Total listed shares of the Company amounted to 24,939,823,099 common shares.

Status of Operations

The Company reported negative working capital amounting to ₱1,546,250,671 and ₱1,398,215,057 as at December 31, 2024 and 2023, respectively. Management intends to implement the following action plans to address the negative working capital and funding requirements: (1) conversion of payable to Parent Company to equity, (2) settlement of current maturing obligations through generated operating cashflows and utilization of unused credit facilities, (3) secured a waiver from the bank (see Note 11), (4) possible negotiation for long-term loan maturity, and (5) possible disposal of certain assets and investments.

The accompanying financial statements were authorized and approved for issue by the Company's BOD on March 26, 2025.

2. Material Accounting Policy Information

Basis of Preparation

The financial statements of the Company 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 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.



Statement of Compliance

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 Company's financial statements.

Effective beginning on or after January 1, 2025

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

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*



- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

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

Deferred effectivity

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

Fair Value Measurement

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

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 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing 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 at FVOCI, 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 as explained above.

“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value of 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 fair value (a “Day 1” difference) in the statement of comprehensive income, unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement 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.

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, and 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 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. 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 FVOCI, 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 marketplace (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, receivables and refundable deposits (under "Other noncurrent assets" account) are included in this category as at December 31, 2024 and 2023.

- *Financial assets at fair value through other comprehensive income (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 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 other comprehensive income (OCI) in the statement of comprehensive income. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company has no debt instruments at FVOCI as at December 31, 2024 and 2023.



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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss in the 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 quoted investment is classified as equity instrument designated at FVOCI as at December 31, 2024 and 2023.

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

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

This category includes listed and non-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 profit or loss in the statement of comprehensive income when the right of payment has been established.

The Company's investments in quoted equity securities are classified as equity instrument designated at FVTPL as at December 31, 2024 and 2023.

Impairment of financial assets. The Company recognizes an Expected Credit Loss (ECL) for all debt instruments not held at FVTPL. 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 and refundable deposits, 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 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.

Financial Liabilities

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

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

The Company's financial liabilities consist only of loans and borrowings. As at December 31, 2024 and 2023, the Company's loans and borrowings consisting of notes payable, accounts payable and other current liabilities, deposits on long-term leases and payable to a related party. The Company has no financial liabilities at FVTPL or derivatives designated as hedging instruments in an effective hedge and no freestanding embedded derivatives as at December 31, 2024 and 2023.

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

Derecognition of Financial Assets and Financial Liabilities

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

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



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

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

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

Exchange or Modification of Financial Liabilities

The Company considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss in the statement of comprehensive income.

When the exchange or modification of the existing financial liability is not considered as substantial, the Company recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.



Prepaid Expenses

Prepaid expenses 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. Prepaid expenses 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.

Value-added Tax (VAT)

Revenue, expenses, assets and liabilities are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of “Prepaid expenses and other current assets” and “Accounts payable and other current liabilities” accounts, respectively, 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.

Investment properties include development rights carried at cost which is considered as an integral part of the land.

The initial cost of investment property comprises its contract price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing part of such investment property if the recognition criteria are met.

These assets, except for land and development rights, are stated at cost, including transaction costs, less accumulated depreciation and any accumulated impairment in value. Land is carried at cost (initial purchase price and other cost directly attributable to such property) less any accumulated impairment in value.

Depreciation of building and building equipment and condominium units is computed on a straight-line basis over the estimated lives of the properties ranging from 10 to 25 years and five years, respectively.

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 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 and equipment up to the date of change in use.



Investment properties in progress pertain to projects under construction and are stated at cost which includes cost of construction and other direct costs. Investment properties in progress are not depreciated until such time that the relevant assets are completed and become available for operational use.

Property and Equipment

Property and equipment are stated at cost, excluding the cost of day-to-day servicing, less accumulated depreciation, amortization and any accumulated impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing part of such property and equipment if the recognition criteria are met.

When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of two to three years for office furniture and equipment and three to five years for transportation equipment. Amortization of leasehold improvements is computed using the straight-line method based on the estimated useful life of the leased asset or the term of the lease, whichever is shorter.

Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item of property and equipment is depreciated separately.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Fully depreciated assets are retained in the accounts until these are no longer in use. When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and amortization and any allowance for impairment losses are removed from the accounts and any resulting gain or loss is credited to or charged against current operations. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

Impairment of Nonfinancial Assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU)'s fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



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 assessment of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, or other available fair value indicators.

Impairment losses are recognized in the statement of comprehensive income in the year in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax.

Retained earnings represent the Company's accumulated earnings reduced by dividends declared.

Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized as part of profit or loss for the year in the statement of comprehensive income as required or permitted by other PFRS Accounting Standards.

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 period.

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 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's contracts with customers consist of only one performance obligation which is satisfied over time (straight-line basis over the lease terms). The Company has concluded that it is acting as principal in all of its revenue arrangements.



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

Rental income. Rental income arising from operating leases on investment properties is recognized on a straight-line basis over the lease terms. Excess of rental income recognized using the straight-line basis over the rental income based on the terms of lease contract is recognized as an asset in the statement of financial position under the “Accrued rent” account. Rentals collected but not yet earned are recognized as a liability in the statement of financial position under the “Unearned rental income” account. Deposits on long-term leases are initially recognized at fair value and subsequently measured at amortized cost where material. Any difference between the initial fair value and the nominal amount is included as a component of rental income and recognized on a straight-line basis over the lease term.

Interest income. Interest income is recognized as the interest accrues using the effective interest method.

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

Direct Costs and Operating Expenses

Direct costs. Direct costs include expenses incurred by the Company for the generation of revenue from rental income. Direct costs are expensed as incurred.

Operating expenses. Operating expenses include the cost of administering the business and are not directly associated with the generation of revenue. Operating expenses are expensed as incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Retirement Benefits Cost

The Company has a funded, noncontributory defined benefit plan covering all regular and permanent employees.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- a. service cost
- b. net interest on the net defined benefit liability or asset
- c. 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.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Taxes

Current Tax. Current tax assets and liabilities for the current period 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 are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences 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 and Contingencies

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.

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

Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services within a particular economic environment subject to risks and rewards that are different from those of other segments. Such business segment is the basis upon which the Company reports its operating segment information. The Company has only one source of revenue arising from its rental contracts and it operates in one geographical area where it derives its revenue. The Company did not present segment information in its financial statements as the Company has only one reportable segment.

Events after the Reporting Period

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

3. Significant Accounting Judgments and Estimates

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

In the opinion of management, these 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 lease - Company as lessor. The Company entered into various commercial property leases on its parcels of land and buildings. The Company has determined that it retains all the significant risks and rewards of ownership of these properties. Accordingly, the lease agreements were accounted for as operating leases (see Note 13).



Estimates

Estimation of useful lives of investment properties. The Company reviews at each reporting date the estimated useful lives of investment properties based on the period over which the assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of investment properties would increase the recorded depreciation and amortization expense and decrease noncurrent assets.

There is no change in the estimated useful lives of investment properties as at December 31, 2024 and 2023.

The carrying value of investment properties, excluding land, amounted to ₱513,066,706 and ₱554,037,544 as at December 31, 2024 and 2023, respectively (see Note 9).

Fair value of investment properties. The Company 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 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 Company's investment properties are set out in Note 21.

Impairment of investment properties. The Company determines whether there are indications of impairment of the Company'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 Company 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 Company'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.

The Company has considered the impact of COVID-19 pandemic and assessed that the investment properties are not impaired. As at December 31, 2024 and 2023, no other impairment indicators were identified for the Company's investment properties.

The carrying value of investment properties amounted to ₱1,726,275,994 and ₱1,767,246,832 as at December 31, 2024 and 2023, respectively (see Note 9).

Estimation of retirement benefits cost. The determination of the Company's retirement benefits costs and obligation is dependent on the selection by management of certain assumptions used by an actuary in calculating such amounts.



The assumptions for retirement benefits cost are described in Note 18 and include the discount rate and the average annual salary increase rate. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in management assumptions may materially affect the Company's retirement benefits cost and obligations.

The discount rate is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. Net retirement plan asset amounted to ₱1,544,083 and ₱3,024,514 as at December 31, 2024 and 2023, respectively (see Note 18).

Recognition of deferred tax assets. The Company reviews the carrying amounts of deferred income tax assets at each reporting 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. While future taxable profit can be estimated, the actual outcome may be different. Deferred tax assets recognized amounted to ₱905,387 and ₱1,506,322 as at December 31, 2024 and 2023, respectively (see Note 19).

The Company did not recognize deferred tax asset on fair value loss on financial assets at FVTPL amounting to ₱6,090,000 as at December 31, 2024 and 2023 as management believes 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 19).

4. Cash

	2024	2023
Cash on hand	₱17,500	₱13,500
Cash in banks	31,114,667	34,522,167
	₱31,132,167	₱34,535,667

Cash in banks earn interest at the respective bank deposit rates. Interest income earned on cash in banks amounted to ₱20,219, ₱19,309 and ₱10,874 in 2024, 2023 and 2022, respectively.

5. Receivables

	2024	2023
Rent receivable (see Note 13)	₱11,812,773	₱8,086,685
Advances to officers and employees and others	50,985	56,700
Receivable from a broker	–	5,619,569
	11,863,758	13,762,954
Less allowance for expected credit losses (see Note 16)	–	1,049,681
	₱11,863,758	₱12,713,273

Rent receivable arises from leasing the Company's investment properties. These are interest-bearing with average credit term of 30 days. Interest income earned amounted to ₱9,741 and ₱18,837 in 2024 and 2022, respectively (nil in 2023).



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

Receivable from a broker represents the Company's deposit to its agent of marketable securities, including unremitted proceeds from disposal of investments, which are liquidated through acquisition of additional investments for the Company.

Rent receivables amounting to ₱1,049,681, provided with allowance for expected credit losses as of December 31, 2023, was written off in 2024 (see Note 21).

6. Financial Assets at Fair Value through Profit or Loss

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

	2024	2023	2022
Balance at beginning of year	₱27,065,842	₱121,713,643	₱180,448,991
Acquisitions	–	9,316,595	7,496,677
Fair value loss recognized in profit or loss	(501,748)	(42,006,396)	(58,797,005)
Disposals	(17,947,299)	(61,958,000)	(7,435,020)
	₱8,616,795	₱27,065,842	₱121,713,643

Financial assets at FVTPL includes equity securities with cost and carrying value amounting to ₱40,600,000 and nil, respectively, as at December 31, 2024 and 2023.

Realized loss on sale of financial assets at FVTPL amounted to ₱320,079 in 2024, while realized gain on sale of financial assets at FVTPL amounted to ₱728,239 and ₱502,046 in 2023 and 2022, respectively.

Dividend income earned from financial assets at FVTPL amounted to ₱165,140, ₱394,390 and ₱1,068,560 in 2024, 2023 and 2022, respectively.

7. Prepaid Expenses and Other Current Assets

	2024	2023
Deferred input VAT (see Note 9)	₱14,389,931	₱108,769,030
Input VAT - net	83,068,893	15,752,345
Prepaid expenses	6,178,239	1,536,076
	103,637,063	126,057,451
Less noncurrent portion of:		
Input VAT - net	50,935,509	–
Deferred input VAT	6,540,878	78,837,618
	₱46,160,676	₱47,219,833



8. Financial Assets at Fair Value through Other Comprehensive Income

The Company's financial assets at FVOCI consist of quoted equity securities amounting to ₱139,684,188 and ₱126,594,399 as at December 31, 2024 and 2023, respectively.

Fair value changes on financial assets at FVOCI as at December 31 follow:

	2024	2023
Balance at beginning of year	(₱127,580,616)	(₱137,263,474)
Fair value gain recognized in other comprehensive income	13,089,789	9,682,858
Balance at end of year	(₱114,490,827)	(₱127,580,616)

9. Investment Properties

	2024			
	Land	Building and Building Improvements	Condominium Units	Total
Costs:				
Beginning balances	₱1,213,209,288	₱1,018,845,378	₱-	₱2,232,054,666
Additions	-	8,152,079	-	8,152,079
Ending balances	1,213,209,288	1,026,997,457	-	2,240,206,745
Accumulated depreciation and amortization:				
Beginning balances	-	₱464,807,834	-	₱464,807,834
Depreciation and amortization (see Note 15)	-	49,122,917	-	49,122,917
Ending balances	1,213,209,288	513,930,751	-	513,930,751
Net book values	₱1,213,209,288	₱513,066,706	₱-	₱1,726,275,994
2023				
	Land	Building and Building Improvements	Condominium Units	Total
Costs:				
Beginning balances	₱301,809,288	₱933,335,345	₱11,419,656	₱1,246,564,289
Additions	911,400,000	85,510,033	-	996,910,033
Disposals	-	-	(11,419,656)	(11,419,656)
Ending balances	1,213,209,288	1,018,845,378	-	2,232,054,666
Accumulated depreciation and amortization:				
Beginning balances	-	421,673,646	10,708,057	432,381,703
Depreciation and amortization (see Note 15)	-	43,134,188	63,363	43,197,551
Disposals	-	-	(10,771,420)	(10,771,420)
Ending balances	-	464,807,834	-	464,807,834
Net book values	₱1,213,209,288	₱554,037,544	₱-	₱1,767,246,832

The Company leases out spaces in its building and condominium units under various operating leases (see Note 13).

In 2023, the Company sold condominium units resulting to recognition of gain on sale amounting to ₱88,637,478.

Rental income from investment properties recognized in the statements of comprehensive income amounted to ₱271,843,490, ₱194,836,591 and ₱230,739,119 in 2024, 2023 and 2022, respectively, while directly related costs amounted to ₱98,222,306, ₱85,239,642 and ₱77,299,074 in 2024, 2023 and 2022, respectively (see Notes 13 and 15).



The aggregate fair value of investment properties amounting to ₱5,369,425,000 as at December 31, 2024 and 2023, respectively, are determined based on valuation performed by a qualified and independent appraiser in 2023, and prevailing market value of recently acquired property in 2023. The key assumptions used for valuation reports include growth rate and discount rate of 5% and 10.8%-11%, respectively. The valuation undertaken considered the highest and best use of the properties and established estimated value by processes involving comparison (Level 3). Management has determined that the fair value of investment properties did not significantly change from the last valuation date.

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

2024 and 2023		
	Valuation technique	Significant unobservable input
Land, condominium units and buildings and building improvements, and building equipment	Income Approach	Future free cashflow projections discounted using a rate based on the level of risk of the business and opportunity cost of capital
Land	Market Data	Adjusted sales price of Comparable properties

Significant increases (decreases) in estimated future cash flows above would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value of the properties.

The investment properties pertain to assets held by the Company for residential, commercial and parking space. The appraisers determined that the highest and best use of condominium unit is for residential use which is its current use. The highest and best use of land used as parking space at measurement date would be for multi-storey residential/office condominium development, while the highest and best use of buildings, including the improvements and equipment, used as commercial space at measurement date, would be to convert the properties for residential use. For strategic reasons, the properties are not being used in this manner.

Land and building and building improvements owned by the Company with an aggregate carrying value of ₱394,336,950 and ₱427,551,024 as at December 31, 2024 and 2023, respectively, served as collateral to secure the loans obtained from banks (see Note 11).

Development Rights

The Company entered into an agreement with Parity Values, Inc. (PVI), a related party, for the transfer of development rights of PVI to the Company for valuable consideration which is to be determined and fixed by the parties through the execution of a supplemental agreement.

In December 2020, the parties executed an agreement for the determination of the consideration amounting to ₱99,700,000. The initial payment amounting to ₱9,970,000 was paid on the date of execution of the agreement while the remaining balance in the amount of ₱89,730,000, subject to 5.25% interest, shall be paid through a single payment or partial payments, as the Company may deem necessary, within a period of 5 years, from the execution of the agreement and no later than December 14, 2025. Accordingly, the Company recognized an asset as part of land under “Investment properties” account amounting to ₱99,700,000 and a liability presented as “Payable to a related party” which was fully paid in 2023 (see Note 20).



Acquisition of Land and Building

- a. In December 2021, the Company entered into a Contract to Sell for the purchase of land for a consideration of ₱214,455,000 (exclusive of VAT) payable on monthly installment basis until year 2026. Payments made amounted to ₱26,219,677 and ₱18,381,857 in 2024 and 2023, respectively, (exclusive of VAT). The corresponding unpaid purchase price, net of VAT, were recorded at present value using the discount rate of 4.25% amounting to ₱101,725,892 and ₱125,193,475 as at December 31, 2024 and 2023, respectively. Current and noncurrent portion of the liability amounting to ₱64,364,406 and ₱51,818,876, respectively, inclusive of VAT, as at December 31, 2024; and current and noncurrent portion of the liability amounting to ₱26,613,943 and ₱116,115,824, respectively, inclusive of VAT, as at December 31, 2023 are presented as part of “Accounts payable” under “Accounts payable and other current liabilities” and “Other noncurrent liability” accounts, respectively, in the statements of financial position (see Note 12). Total discount of liability amounted to ₱18,190,195 and ₱20,942,290 as at December 31, 2024 and 2023, respectively. Accretion of interest expense recognized in the statements of comprehensive income amounted to ₱2,752,095, and ₱1,141,222 in 2024 and 2023, respectively.

The related deferred input VAT amounting to ₱6,540,878 and ₱14,389,931 (net of current portion of ₱7,849,053 and ₱3,146,361, as at December 31, 2024 and 2023, respectively) is recognized as part of “Other noncurrent assets” account in the statements of financial position (see Note 7). This deferred input VAT will be claimed against output VAT upon payment of the related liability.

Schedule of payments of the remaining payable based on undiscounted amounts (exclusive of VAT) as at December:

Year	2024	2023
2024	₱–	₱26,219,677
2025	65,408,775	65,408,775
2026	54,507,313	54,507,313
	₱119,916,088	₱146,135,765

- b. On November 28, 2022, Memorandum of Understanding and Deed of Conditional Sale have been executed with its Parent Company, for the potential sale of land and building to the Company. The consummation and determination of final terms and conditions of the sale shall be conditioned on the issuance of the fairness opinion from an independent third-party financial adviser. Accordingly, the initial amount tendered by the Company amounting to ₱130,000,000 is recognized as deposit subject to terms indicated in the aforementioned agreements. The issuance of the fairness opinion was concluded on May 3, 2023.

On November 9, 2023, the Company entered into a Contract to Sell with its parent company for the purchase of land and building for a consideration of ₱980,000,000 (exclusive of VAT) payable on installment basis. Total payments made as at December 31, 2023 amounting to ₱220,000,000 (exclusive of VAT) includes the aforementioned deposit in 2022 amounting to | ₱130,000,000 (exclusive of VAT). Accordingly, the Company recognized additions to land and building amounting to ₱911,400,000 and ₱68,600,000, respectively. Pursuant to the terms of the Contract to Sell, the unpaid consideration amounting to ₱760,000,000 (exclusive of VAT) shall be paid on before November 30, 2024 in such manner and proportion to be agreed by the contracting parties, by way of cash payment and/or through the Company’s issuance of unlisted preferred shares in favor of the Parent Company. Outstanding liability amounting to ₱851,200,000 (inclusive of VAT) as at December 31, 2023 (nil as at December 31, 2024) is presented as “Payable to a related party” in the 2023 statement of financial position.



The related deferred input VAT amounting to ₱91,200,000 as at December 31, 2023 is recognized as part of “Prepaid Expenses and Other current assets” and “Other noncurrent assets” accounts in the statement of financial position amounting to ₱26,752,313 and ₱64,447,687, respectively (see Note 7). In 2024, this deferred input VAT has been claimed against output VAT upon payment of the related liability.

10. Property and Equipment

	2024			Total
	Office Furniture and Equipment	Transportation Equipment	Leasehold Improvements	
Costs:				
Beginning balances	₱6,521,093	₱200,000	₱839,842	₱7,560,935
Additions	408,181	–	–	408,181
Ending balances	6,929,274	200,000	839,842	7,969,116
Accumulated depreciation and amortization:				
Beginning balances	5,575,281	200,000	839,842	6,615,123
Depreciation and amortization (see Note 16)	1,003,442	–	–	1,003,442
Ending balances	6,578,723	200,000	839,842	7,618,565
Net book values	₱350,551	₱–	₱–	₱350,551

	2023			Total
	Office Furniture and Equipment	Transportation Equipment	Leasehold Improvements	
Costs:				
Beginning balances	₱6,464,850	₱200,000	₱839,842	₱7,504,692
Additions	56,243	–	–	56,243
Ending balances	6,521,093	200,000	839,842	7,560,935
Accumulated depreciation and amortization:				
Beginning balances	4,404,112	200,000	839,842	5,443,954
Depreciation and amortization (see Note 16)	1,171,169	–	–	1,171,169
Ending balances	5,575,281	200,000	839,842	6,615,123
Net book values	₱945,812	₱–	₱–	₱945,812

11. Notes Payable

Notes payable consists of:

	2024	2023
Principal	₱994,588,236	₱590,058,824
Add: unamortized premium, net of debt issue cost	136,253	136,253
	994,724,489	590,195,077
Less current portion	(960,474,357)	(590,195,077)
Noncurrent portion	₱34,250,132	₱–

On various dates, the Company availed short-term loans in 2024 and 2023 (with interest ranging from 6.2% to 6.75%) totaling ₱606,000,000 and (with interest ranging from 4.7% to 5.95%) totaling ₱113,000,000, respectively. On November 24, 2023, the Company rolled over the ₱170,000,000 short-term loans availed in 2022.

On February 18, 2021, the Company converted its ₱580,000,000 short-term promissory note to term loans with maturity of 5 years, payable in equal quarterly installments starting on February 19, 2022.



As at December 31, 2024 and 2023, total payments of notes payable amounted to ₱201,740,588 and ₱153,470,588, respectively.

The Company's long-term loan is secured by a real estate mortgage on certain land and building and building improvements owned by the Company (see Note 9).

The details of the term loans follow:

Term Loan	Availment Date	Maturity Date	Interest rate	Condition	Amount
1	February 19, 2021	February 19, 2026	4.25% per annum fixed for 89 days, variable onwards; quarterly	Secured	₱290,000,000
2	February 19, 2021	February 19, 2026	4.875% per annum, fixed up to maturity; quarterly	Secured	290,000,000

Term Loan promissory note (PN) 1 is subject to a variable interest rate based on a three (3)-month BVAL plus a margin of one hundred twenty points (1.20%) divided by the Applicable Premium Factor (0.95) and 4.25% per annum, whichever is higher.

Term Loan PN 2 is subject to a fixed interest rate based on a five (5)-year BVAL plus a margin of one hundred twenty points (1.20%) divided by the Applicable Premium Factor (0.95) and 4.875% per annum, whichever is higher.

The Company paid and capitalized documentary stamp tax amounting to ₱4,350,000 as debt issue cost to be amortized over the term of the notes payable.

Based on the Company's assessment, the modifications in the contractual cash flows of the loan are not substantial and therefore did not result in the derecognition of the affected financial liabilities.

Debt Covenants

The 2021 term loan agreement contains, among others, covenants that require the Company to comply with specified financial ratios which are current ratio (minimum of 1.0), debt-to-equity ratio (maximum of 2.33) and debt service coverage ratio (minimum of 1.25). Based on the 2023 amended loan agreement, the Company is required to comply with covenants such as debt-to-equity ratio (maximum of 2.33) and debt service coverage ratio (minimum of 1.25) in 2023. On December 15, 2023, the Company was able to secure a waiver from the bank for debt service coverage ratio. As at December 31, 2023, the Company did not meet the required debt to equity ratio. Consequently, total outstanding balance of long-term loan was classified as current liabilities in the 2023 statement of financial position. On April 5, 2024, the Company secured from the bank a one-time waiver of debt-to-equity financial covenant for the year ended December 31, 2023.

In November 2024, the Company was able to secure a waiver from the bank for current ratio and debt service coverage ratio. Hence, outstanding balance of long-term loan payable beyond the next financial year was reclassified to noncurrent as of December 31, 2024.

The future expected principal settlements of the Company's notes payable for the year ended December 31:

	2024	2023
Within one year	₱960,470,588	₱419,470,588
Beyond one year but less than five years	34,117,648	170,588,236
	₱994,588,236	₱590,058,824



Total interest expense on notes payable charged to statements of comprehensive income amounted to ₱61,530,178, ₱41,725,676 and ₱26,552,647 (including loan premium amortization, net of debt issue cost amortization, amounting to nil, ₱135,117 and ₱185,144, respectively) in 2024, 2023 and 2022, respectively.

12. Accounts Payable and Other Current Liabilities

	2024	2023
Accounts payable	₱69,381,581	₱29,408,231
Construction bond	8,472,249	7,040,369
Accrued expenses:		
Interest	3,771,292	1,830,682
Others	100,000	1,561,222
Withholding taxes payable	558,897	366,742
Due to a related party (see Note 20)	–	59,060
	₱82,284,019	₱40,266,306

Accounts payable, accrued expenses and other current liabilities are noninterest-bearing and are normally settled within the next financial year. Accounts payable includes the current portion of the unpaid purchase price of the land acquired in 2021 (see Note 9).

Construction bond represents deposit required from the tenants prior to the commencement of renovation works for respective leased property. These are refundable once the renovation has been completed normally within one year.

Accrued expenses are payable within 12 months from reporting period.

13. Leases

The Company entered into various non-cancellable lease contracts on its investment properties with various lessees.

The lease contracts provide for the payment by the lessee of a security deposit. These are shown under “Deposits on long-term leases” account in the statements of financial position and are recorded at their present values which amounted to ₱55,360,566 and ₱43,354,152 as at December 31, 2024 and 2023, respectively. Accretion of interest, included in “Interest expense” in the statements of comprehensive income, amounted to ₱876,744, ₱753,543 and ₱1,338,309 in 2024, 2023 and 2022, respectively.

Unearned rental income, which includes advance rental and excess of the principal amount of the long-term deposits over its present value and are amortized on a straight-line basis over the lease term, amounted to ₱6,019,545 and ₱7,813,299 as at December 31, 2024 and 2023, respectively.

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 ₱17,378,429, and ₱10,079,484 as at December 31, 2024 and 2023, respectively.

On March 29, 2023, the Company entered into a Memorandum of Agreement with Sunshine Star Holdings, Inc. (SSHI) for the pretermination of the lease contract effective October 31, 2022, to formalize the parties’ mutual understanding as to the necessary steps that will be undertaken as a



result of the pretermination. SSHI has notified the Company of its pretermination plan in November 2022 due to significant negative impact of the COVID 19 pandemic to the former's business. As at December 31, 2022, the parties had agreed in principle the pretermination of the lease contract but negotiations on certain terms of the final settlement are still being finalized, allowing both parties to reach an optimum solution to mitigate the impact to both parties' business operations. Accordingly, appropriate adjustments have been reflected in the 2022 financial statements. As a result of the pretermination of lease contract with a lessee in 2022, accrued rent receivable, security deposits and unearned rental income amounting to ₱84,687,354, ₱8,282,125 and (₱7,566,758), respectively, were derecognized resulting to pretermination loss - net of ₱85,402,721 shown separately in the 2022 statement of comprehensive income.

As a result of the COVID-19 pandemic, the Company provided rent concessions to its tenants in the form of deferment of payments, two-month rent-free periods and discounts in 2022. Certain lease agreements were also pre-terminated. The Company accounted for the deferment of payment, rent-free periods and discounts provided as "not a lease modification" since there were no substantive changes to the terms and conditions of the lease, while the shortening of lease period was treated as lease modifications. The rent concessions resulted to a reduction in rental income amounting to ₱2,655,475 in 2022. Lease termination resulted in a decrease in accrued rent amounting to ₱84,687,354 and rental income amounting to ₱2,220,836 in 2022.

The future minimum lease receivables under non-cancellable leases on its investment properties are as follows:

	2024	2023	2022
Year 1	₱189,956,062	₱172,151,475	₱95,340,812
Year 2	96,111,813	114,772,545	40,898,019
Year 3	46,249,150	54,139,194	30,790,233
Year 4	34,719,013	17,971,824	26,684,756
Year 5	9,317,621	11,198,188	9,844,652
More than 5 years	-	823,656	823,656
	₱376,353,659	₱371,056,882	₱204,382,128

14. Equity

Capital Stock

As at December 31, 2024 and 2023, the Company's capital stock consists of:

	Number of Shares	Amount
<u>Authorized</u>		
Common stock - ₱0.01 par value	30,000,000,000	₱300,000,000
Preferred stock - ₱100 par value	1,000,000	100,000,000
	30,001,000,000	₱400,000,000
<u>Issued and outstanding -</u>		
Common stock - ₱0.01 par value	25,000,000,000	₱250,000,000

The preferred stock are non-voting and non-convertible to common stock. Other features of the preferred stock shall be at the discretion of the Company's BOD at the time of such issuance.



Amendment of the Articles of Incorporation and Declaration of Stock Dividends

On March 27, 2023, the BOD has approved the amendment of the Articles of Incorporation (AOI), subject to the approval of the SEC. The amendment includes reclassifying one million (1,000,000) preferred shares with a par value of ₱100 per share to ten billion (10,000,000,000) common shares with a par value of ₱0.01 per share. It also includes 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. On November 9, 2023, the Company filed its application for the amendment of the AOI covering the reclassification of preferred shares to common shares. The said application was approved by the SEC on November 15, 2023. However, the Company's application for the increase in authorized capital stock is still pending approval by the SEC as at March 26, 2025.

On the same date, the BOD has approved the declaration of stock dividends in the total amount of ₱150,000,000 corresponding to 15,000,000,000 common shares. The stock dividend declaration was ratified during the Annual Stockholders' Meeting held last July 26, 2023. Such stock dividend distribution is subject to SEC's approval of the capital increase and the record date.

Basic/Diluted Earnings (Loss) Per Share

The computation of basic/diluted earnings (loss) per share follows:

	2024	2023	2022
Net income (loss) (a)	₱35,792,080	₱51,627,115	(₱45,981,667)
Weighted average number of shares (b)	25,000,000,000	25,000,000,000	25,000,000,000
Dilutive potential common shares - stock dividends	15,000,000,000	15,000,000,000	15,000,000,000
Weighted average number of common shares - diluted (c)	40,000,000,000	40,000,000,000	40,000,000,000
Per share amounts:			
Basic (a/b)	₱0.0014	₱0.0021	(₱0.0018)
Diluted (a/c)	₱0.0009	₱0.0013	(₱0.0011)

In 2024, 2023 and 2022, the Company considered the effect of stock dividends distributable since these are dilutive.

15. Direct Costs

	2024	2023	2022
Depreciation and amortization (see Note 9)	₱49,122,917	₱43,197,551	₱42,384,069
Real estate tax	21,026,028	21,089,511	21,089,511
Outside services	14,464,748	9,922,300	7,738,300
Communication, light and water	6,335,895	5,884,285	1,548,484
Repairs and maintenance	5,128,451	3,624,693	3,178,679
Insurance and others	2,144,267	1,521,302	1,360,031
	₱98,222,306	₱85,239,642	₱77,299,074



16. Operating Expenses

	2024	2023	2022
Taxes and licenses	₱29,899,462	₱6,161,046	₱3,839,249
Personnel costs (see Notes 17 and 18)	15,955,987	14,481,362	13,003,010
Commission	2,531,350	3,972,546	240,420
Professional fees	1,045,000	2,095,476	2,996,121
Depreciation and amortization (see Note 10)	1,003,442	1,171,169	1,279,002
Communication, light and water	996,418	369,310	174,688
Association dues	475,947	824,823	1,574,606
Repairs and maintenance	466,429	623,762	364,444
Entertainment, amusement and recreation	92,599	158,026	162,339
Rent (see Note 20)	-	526,684	516,619
Miscellaneous	5,270,419	1,853,851	1,267,521
	₱57,737,053	₱32,238,055	₱25,418,019

17. Personnel Costs

	2024	2023	2022
Salaries and wages	₱13,884,896	₱12,922,338	₱12,055,825
Retirement benefits cost (income) (see Note 18)	297,875	(62,017)	(48,438)
Others	1,773,216	1,621,041	995,623
	₱15,955,987	₱14,481,362	₱13,003,010



18. Retirement Benefits Cost

The Company established a defined benefit noncontributory retirement plan (the Retirement Plan) in 2011 covering all 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.

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 asset as at December 31, 2024 and 2023 are as follows:

	Net Retirement Cost (Income) in Profit or Loss in the Statements of Comprehensive Income				Remeasurements in Other Comprehensive Income						
	Balance at Beginning of Year	Current Service Cost	Net Interest	Subtotal	Actuarial Loss (Gain) Excluding Amount included in Net Interest	Actuarial Changes Arising from Changes in Financial Assumptions	Actuarial Changes Arising from Experience	Actuarial Changes Arising from in demographic assumptions	Effect of Asset Ceiling	Subtotal	Balance at End of Year
December 31, 2024											
Present value of defined benefit obligation	₱9,456,888	₱482,068	₱575,924	₱1,057,992	₱-	(₱12,775)	(₱43,240)	₱-	₱-	(₱56,015)	₱10,458,865
Fair value of plan assets	(13,151,681)	-	(800,937)	(800,937)	1,754,091	-	-	-	-	1,754,091	(12,198,527)
Asset ceiling	670,279	-	40,820	40,820	-	-	-	-	(515,520)	(515,520)	195,579
Net defined benefit asset	(₱3,024,514)	₱482,068	(₱184,193)	₱297,875	₱1,754,091	(₱12,775)	(₱43,240)	₱-	(₱515,520)	₱1,182,556	(₱1,544,083)
December 31, 2023											
Present value of defined benefit obligation	₱7,940,238	₱412,250	₱571,697	₱883,947	₱-	₱644,930	(₱112,227)	₱-	₱-	₱532,703	₱9,456,888
Fair value of plan assets	(22,543,905)	-	(1,623,161)	(1,623,161)	11,015,385	-	-	-	-	11,015,385	(13,151,681)
Asset ceiling	8,016,620	-	577,197	577,197	-	-	-	-	(7,923,538)	(7,923,538)	670,279
Net defined benefit asset	(₱6,587,047)	₱412,250	(₱474,267)	(₱62,017)	₱11,015,385	₱644,930	(₱112,227)	₱-	(₱7,923,538)	₱3,624,550	(₱3,024,514)



The Retirement Plan Trustee, as appointed by the Company, is responsible for the general admission of the Retirement Plan and the management of the retirement fund. The Retirement Plan Trustee may seek the advice of counsel and appoint an investment manager or managers to the retirement fund, an independent accountant to audit the fund and an actuary to value the fund.

Major categories of plan assets as at December 31 follow:

	2024	2023
Cash in banks	₱584,637	₱441,293
Investments in equity securities	11,613,890	12,710,388
	₱12,198,527	₱13,151,681

The carrying amount of the plan assets represents their fair values as at December 31, 2024 and 2023.

Investments in equity securities can be transacted through the Philippine Stock Exchange. The Company has no material transactions with the retirement plan nor does the plan have investments in the Company's shares.

Movements in accumulated remeasurement gains on retirement benefits, net of deferred taxes are as follows:

	2024	2023
Beginning balance	₱5,949,704	₱8,668,117
Remeasurement in other comprehensive income:		
Actuarial gain (loss) on defined benefit obligation	56,015	(532,703)
Remeasurement gain on plan assets	(1,754,091)	(11,015,385)
Effect of asset ceiling	515,520	7,923,538
	(1,182,556)	(3,624,550)
Income tax effect	295,639	906,137
	(886,917)	(2,718,413)
Ending balance	₱5,062,787	₱5,949,704

The latest actuarial valuation of the plan is as at December 31, 2024. The principal actuarial assumptions used to determine retirement benefits cost at the beginning of the year were as follows:

	2024	2023
Discount rate	6.11%	6.09%
Salary increase rate	5.00%	5.00%

Movements in the principal actuarial assumptions may result to an increase or decrease in the year-end defined benefit obligation (DBO). As such, the following sensitivity analysis shows the effects of 100 basis points (bps) movement in the discount and salary increase rates as at December 31:

		2024	
		Increase (decrease) in DBO in % in ₱	
Discount rate	+100 bps	(5.70%)	(₱597,384)
	-100 bps	6.50%	683,602
Salary increase rate	+100 bps	6.50%	684,360
	-100 bps	(5.80%)	(608,707)



		2023	
		Increase (decrease) in DBO in % in ₱	
Discount rate	+100 bps	(6.2%)	(₱585,158)
	-100 bps	7.1%	670,145
Salary increase rate	+100 bps	7.1%	670,752
	-100 bps	(6.3%)	(596,142)

The Retirement Plan Trustee has no specific matching strategy between plan assets and plan liabilities.

The average duration of the defined benefit obligation at the end of the period is 6.1 and 6.8 years as at December 31, 2024 and 2023, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2024	2023
Year 1	₱4,805,237	₱1,612,880
Year 2	772,636	3,131,380
Year 3	59,754	771,509
Year 4	72,623	58,973
Year 5	88,153	71,573
Year 6 - 10	2,406,151	2,300,921

The Company is not required to pre-fund the future defined benefits payable under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Retirement Fund to support the defined benefits are at the Company's discretion. However, in the event a defined benefit claim arises and the Retirement Fund is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the Retirement Fund.

The Company has no expected contribution in the next financial period.

19. Income Taxes

The provision for current income tax represents regular corporate income tax.

The reconciliation of income tax computed at the statutory income tax rate with the provision for income tax follows:

	2024	2023	2022
Provision for (benefit from) income tax at statutory tax rate	₱12,670,874	₱20,739,466	(₱10,472,551)
Additions to (reductions in) income tax resulting from: Gain on sale and fair value changes of financial assets at FVTPL	205,457	10,319,539	14,527,453
Nondeductible expenses	2,483,473	687,184	707,488

(Forward)



	2024	2023	2022
Rental income from deposits on long-term lease	(P422,047)	(P278,236)	(P401,070)
Dividend income exempt from tax	(41,285)	(98,597)	(267,140)
Interest expense on notes payable - premium amortization	-	(33,779)	(46,286)
Interest income subjected to final tax	(5,055)	(4,827)	(2,718)
	P14,891,417	P31,330,750	P4,091,462

The Company's net deferred tax liabilities as at December 31 follow:

	2024	2023
Deferred tax liabilities:		
Accrued rent	(P4,344,607)	(P2,519,871)
Net retirement plan asset	(386,021)	(756,129)
	(4,730,628)	(3,276,000)
Deferred tax assets:		
Advance rental	905,387	1,243,902
Provisions for expected credit losses and others	-	262,420
	905,387	1,506,322
Net deferred tax liabilities	(P3,825,241)	(P1,769,678)

As at December 31, 2024 and 2023, the Company did not recognize deferred tax asset on fair value loss on financial assets at FVTPL amounting to P40,600,000 as management believes 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.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

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 computed for MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

20. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Company, including holding companies, and fellow subsidiaries are related entities of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities. Receivables from and payables to related parties are normally settled in cash.



The Company's transactions with its related parties follow:

	Amount/Volume			Outstanding Balance		Terms and Conditions
	2024	2023	2022	2024	2023	
Parent						
Liberty Flour Mills, Inc.						
Land and building acquisition (see Note 9)	P-	P980,000,000	P-	P-	(P851,200,000)	On demand; Unsecured
Lease						
Rent expense (see Note 16)	-	526,684	516,619	-	(59,060)	On demand; Unsecured
Rent income (see Note 13)	2,508,793	-	-	152,263	-	Unsecured
Security deposit	592,698	-	-	(592,698)	-	
Administrative expenses	473,690	-	-	-	-	
Deposit (see Note 9)	-	(130,000,000)	130,000,000	-	-	On demand; Unsecured
Payable for working capital support	-	-	-	(568,400,000)	-	
Affiliate*						
Parity Values, Inc.						
Deposit	220,000,000	-	-	220,000,000	-	Within 5 years; On demand; Unsecured
Development rights (see Note 9)	-	37,730,000	-	-	-	5.25% interest per annum
Deposit				P220,000,000	P-	
Due from (to) a related party** (Note 12)				P152,263	(P59,060)	
Security deposit (Note 13)				(P592,698)	P-	
Payable to a related party (Note 9)				(P568,400,000)	(P851,200,000)	

*Parent Company's stockholder

**Due from a related party is recognized as part of rent receivable (see Note 5)

Lease

In 2023, rental expense for office space covers a period of one year and is renewable upon mutual agreement unless terminated by the parties concerned.

In 2024, rental income for office space covers a period of two years and is renewable upon mutual agreement unless terminated by the parties concerned. Security deposit related to the lease amounted to P592,698 as at December 31, 2024 is presented under "Deposits on long-term leases" account in the statements of financial position.

Key Management Personnel

Compensation of key management personnel follows:

	2024	2023	2022
Short-term employee benefits	P2,910,368	P2,702,896	P2,282,925
Post-employment benefits and others	224,540	612,532	1,175,871
	P3,134,908	P3,315,428	P3,458,796

Retirement Fund

The Company has no transaction with the retirement fund as at December 31, 2024 and 2023.

21. Financial Risk Management Objectives and Policies

The Company's financial instruments consist mainly of cash in banks, investments in equity securities and trade receivables/payables, refundable deposits, and borrowings. The main risks arising from the use of these financial instruments are credit risk, equity price risk and liquidity risk.



Credit Risk

Credit risk represents the loss that the Company would incur if the 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 lessees and counterparties. The Company requires its lessees to pay at least three months security deposit to cover unpaid obligations and liabilities at the termination of the lease. It is also the Company's policy to require its lessees to pay their accounts on or before due date without the need of demand.

The maximum credit exposure of the Company is the carrying amount of the receivables as disclosed in Note 5. There are no significant concentrations of credit risk within the Company. With respect to credit risk arising from the other financial assets of the Company, which comprise cash in banks and refundable deposits, the Company's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancements held over these assets.

The table below shows the maximum exposure to credit risk for the Company's financial assets at amortized cost, without taking account of any collateral and other credit enhancements:

	2024	2023
Cash in banks*	₱31,114,667	₱34,522,167
Receivables**	11,812,773	13,706,254
Refundable deposits***	2,701,019	2,701,019
Total credit risk exposure	₱45,628,459	₱50,929,440

*excluding cash on hand amounting to ₱17,500 and ₱13,500 in 2024 and 2023, respectively.

**excluding advances to officers and employees and advances to others amounting to ₱50,985 and ₱56,700 in 2024 and 2023, respectively.

***presented under Other noncurrent assets in the statements of financial position.

The following tables summarize the credit quality of the Company's financial assets at amortized cost per category as at December 31:

	2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	
Low	₱33,815,686	₱11,812,773	₱-	₱45,628,459
Moderate	-	-	-	-
High	-	-	-	-
Gross carrying amount	33,815,686	11,812,773	-	₱45,628,459
ECL	-	-	-	-
Carrying amount	₱33,815,686	₱11,812,773	₱-	₱45,628,459

	2023			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	
Low	₱42,842,754	₱7,037,005	₱-	₱49,879,759
Moderate	-	1,049,681	-	1,049,681
High	-	-	-	-
Gross carrying amount	42,842,754	8,086,686	-	50,929,440
ECL	-	1,049,681	-	1,049,681
Carrying Amount	₱42,842,754	₱7,037,005	₱-	₱49,879,759



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 and refundable deposits, 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 Company's rent receivables using a provision matrix as at December 31:

	2024				Total
	Current	1-30 days	31-90 days	More than 90 days	
Rent receivables -					
Expected credit loss rate	-	-	-	-	
Estimated total gross carrying amount at default	₱11,660,510	532,854	45,287	27,406	₱11,812,773
Expected credit loss	-	-	-	-	-
	2023				Total
	Current	1-30 days	31-90 days	More than 90 days	
Rent receivables -					
Expected credit loss rate	-	-	-	47.91%	
Estimated total gross carrying amount at default	₱698,664	₱6,122,943	₱108,538	₱1,156,541	₱8,086,686
Expected credit loss	-	-	-	1,049,681	1,049,681

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 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 are as follows:

	2024	
	Increase (Decrease) in Market Price	Increase (Decrease) in Profit or Loss/Equity
Financial assets at FVTPL	2% (2%)	₱172,336 (172,336)
Financial assets at FVOCI	11% (11%)	15,680,850 (15,680,850)
	2023	
	Increase (Decrease) in Market Price	Increase (Decrease) in Profit or Loss/Equity
Financial assets at FVTPL	13% (13%)	₱10,684,885 (10,684,855)
Financial assets at FVOCI	18% (18%)	22,786,992 (22,786,992)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay its obligations when they fall due under normal and stress circumstances. The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The tables below summarize the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments as at December 31:

	2024			
	Less than 3 Months	3 to 12 Months	1 to 5 Years	Total
Financial Assets at amortized cost:				
Cash	₱31,132,167	₱-	₱-	₱31,132,167
Receivables	11,785,367	27,406	-	11,812,773
Other noncurrent assets	-	-	2,701,019	2,701,019
Financial assets at FVTPL	8,616,795	-	-	8,616,795
Financial assets at FVOCI	-	-	139,684,188	139,684,188
	51,534,329	27,406	142,385,207	193,946,942
Financial Liabilities				
Notes payable, including interest	-	964,241,880	34,117,648	998,359,528
Accounts payable and other current liabilities				
Accounts payable	23,348,497	54,993,964	-	78,342,461
Accrued expense, excluding accrued interest	100,000	-	-	100,000
Construction bond	8,472,249	-	-	8,472,249
Payable to a related party	-	568,400,000	-	568,400,000
Deposits on long-term leases	-	37,923,247	21,128,374	59,051,621
Other noncurrent liabilities	-	-	61,048,191	61,048,191
	31,920,746	1,625,559,091	116,294,213	1,773,774,050
Net Financial Assets (Liabilities)	₱19,613,583	(₱1,625,531,685)	₱26,090,994	(₱1,579,827,108)



	2023			
	Less than 3 Months	3 to 12 Months	1 to 5 Years	Total
Financial Assets at amortized cost:				
Cash	₱34,535,667	₱–	₱–	₱34,535,667
Receivables	12,071,335	1,634,919	–	13,706,254
Other noncurrent assets	–	–	2,701,019	2,701,019
Financial assets at FVTPL	27,065,842	–	–	27,065,842
Financial assets at FVOCI	–	–	126,594,399	126,594,399
	73,672,844	1,634,919	129,295,418	204,603,181
Financial Liabilities				
Notes payable, including interest	–	591,889,506	–	591,889,506
Accounts payable and other current liabilities				
Accounts payable	10,135,798	22,024,529	–	32,160,327
Accrued expense, excluding accrued interest	1,561,222	–	–	1,561,222
Construction bond	7,040,369	–	–	7,040,369
Due to related parties	59,060	–	–	59,060
Payable to a related party	–	–	851,200,000	851,200,000
Deposits on long-term leases	–	26,824,888	20,162,073	46,986,961
Other noncurrent liabilities	–	–	134,306,019	134,306,019
	18,796,449	640,738,923	1,005,668,092	1,665,203,464
Net Financial Assets (Liabilities)	₱54,876,395	(₱639,104,004)	(₱876,372,674)	(₱1,460,600,283)

Fair Value

The following are the Company's financial instruments whose carrying amounts are measured at fair value as at December 31:

	Carrying Value		Fair Value	
	2024	2023	2024	2023
Financial Assets				
Financial assets at FVTPL	₱8,616,795	₱27,065,842	₱8,616,795	₱27,065,842
Financial assets at FVOCI	139,684,188	126,594,399	139,684,188	126,594,399

The carrying values of cash in banks, receivables, accounts payable and other current liabilities approximate their fair values due to their short-term nature.

The fair value of deposits on long-term leases is estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. As at December 31, 2024 and 2023, the carrying values deposits on long-term leases were not materially different from their calculated fair values.

Fair Value Hierarchy

Below table presents the fair value measurement hierarchy of the Company's financial assets whose fair values are measured and disclosed as at December 31:

	2024			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Financial assets at FVTPL	₱8,616,795	₱8,616,795	₱–	₱–
Financial assets at FVOCI	139,684,188	139,684,188	–	–
Nonfinancial assets for which fair values are disclosed				
Investment properties	5,369,425,000	–	–	5,369,425,000



	2023			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Financial assets at FVTPL	₱27,065,842	₱27,065,842	₱-	₱-
Financial assets at FVOCI	126,594,399	126,594,399	-	-
Nonfinancial assets for which fair values are disclosed				
Investment properties	5,369,425,000	-	-	5,369,425,000

Financial assets at FVTPL and financial assets at FVOCI are carried at their fair values based on quoted market prices as at December 31, 2024 and 2023.

The disclosures on the fair value measurement hierarchy for investment properties carried at cost are presented in Note 9.

In 2024 and 2023, there were no reclassifications of financial instruments from and into Levels 1, 2 and 3.

22. Capital Management Policies

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio 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 in 2024 and 2023.

The Company monitors capital by having a daily monitoring of receipts and collections, regular release of disbursements to suppliers, monthly cash flow report preparation and monthly review of capital expenditure requirements. The Company at this point, with its healthy cash flow, is not looking for additional bank loans to finance its operations and renovations. The Company strives to earn a minimum return double the annual inflation rate. The Company is not subject to any externally imposed capital requirements.

The following are considered by the Company as capital as at December 31:

	2024	2023
Capital stock	₱250,000,000	₱250,000,000
Stock dividend distributable	150,000,000	150,000,000
Retained earnings	210,199,830	174,407,750
	₱610,199,830	₱574,407,750

23. Supplemental Disclosure of Cash Flow Information

- a. In 2023, noncash investing activity pertains to acquisition of land and building from the Parent Company in 2023 amounting to ₱890,000,000 which consists of the unpaid consideration amounting to ₱851,200,000.



- b. In 2022, noncash investing activity pertains to interest accretion amounting to ₱408,495 capitalized as part of cost of land.
- c. The changes in liabilities arising from financing activities follows:

2024					
	January 1	Cash flows	Loan Premium	Interest expense	December 31
Notes payable	₱590,195,077	₱404,529,412	₱-	₱-	₱994,724,489
Other noncurrent liability	127,753,908	(26,219,677)	-	-	101,534,231
Payable to a related party	851,200,000	(282,800,000)	-	-	568,400,000
Interest payable	1,830,682	(59,589,568)	-	61,530,178	3,771,292
	₱719,779,667	₱35,920,167	₱-	₱61,530,178	₱1,668,430,012

2023					
	January 1	Cash flows	Loan Premium	Interest expense	December 31
Notes payable	₱630,800,782	(₱40,470,588)	₱-	(₱135,117)	₱590,195,077
Other noncurrent liability	146,135,765	(18,381,857)	-	-	127,753,908
Payable to a related party	37,730,000	(37,730,000)	-	-	-
Interest payable	2,673,152	(42,703,263)	-	41,860,793	1,830,682
	₱817,339,699	(₱139,285,708)	₱-	₱41,725,676	₱719,779,667

2022					
	January 1	Cash flows	Loan Premium	Interest expense	December 31
Notes payable	₱580,456,514	₱50,529,412	₱-	(₱185,144)	₱630,800,782
Other noncurrent liability	164,517,622	(18,381,857)	-	-	146,135,765
Payable to a related party	37,730,000	-	-	-	37,730,000
Interest payable	3,045,000	(27,109,639)	-	26,737,791	2,673,152
	₱785,749,136	₱5,037,916	₱-	₱26,552,647	₱817,339,699

24. Supplementary Information Required Under Revenue Regulations 15-2010

RR 15-2010

The Company reported and/or paid the following types of taxes in 2024:

a. Value-added Tax (VAT)

The Company's rental income is subject to output value added tax (VAT) while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

- Net Sales/Receipts and Output VAT declared in the Company's VAT returns

	Net Sales/Receipts	Output VAT
Vatable net sales/receipts:		
Rental income	₱255,661,872	₱30,679,425
Common area service income	11,531,213	1,383,746
Others	585,110	70,213
Exempt sales/receipts	8,483,435	-
Total	₱276,261,630	32,133,384
Application of input VAT	-	(32,133,384)
Balance at December 31	₱276,261,630	₱-

Exempt sales/receipts pertains to those rendered to persons or entities whose exemptions are provided under special laws or international agreements to which the Philippines is a signatory.



b. Input VAT

Balance at January 1	₱15,752,345
Current year's domestic purchases/payments of importations	–
Capital goods not subjected to amortization	94,346,361
Capital goods subjected to amortization	1,059,969
Goods lodged under cost of goods sold and other accounts	206,373
Services lodged under cost of goods sold	1,528,573
Services lodged under other accounts	2,436,448
	115,330,069
Application against output VAT	(32,133,384)
Input VAT allocable to VAT-exempt sales	(127,792)
Balance at December 31	₱83,068,893

c. Other Taxes and Licenses

Documentary stamp tax on:	
Purchase of building	₱14,700,000
Bank loans	6,721,212
Real estate taxes	21,026,028
License and permits fees	8,478,250
	₱50,925,490

d. Withholding Taxes

	Taxes on Compensation and Benefits	Expanded Withholding Taxes
Balances at January 1	₱220,396	₱146,346
Additions	1,826,600	12,625,191
Applications/Remittances	(1,755,491)	(12,504,145)
Balances at December 31	₱291,505	₱267,392

e. Tax Assessments

On February 24, 2025, the Company received a Final Assessment Notice (FAN) covering deficiency income tax, value-added tax, expanded withholding taxes and fringe benefit taxes amounting to ₱70,207,261.





Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
LFM Properties Corporation
3rd Floor, Liberty Building
A. Arnaiz Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of LFM Properties Corporation (the Company) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 26, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company'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 financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic 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 financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

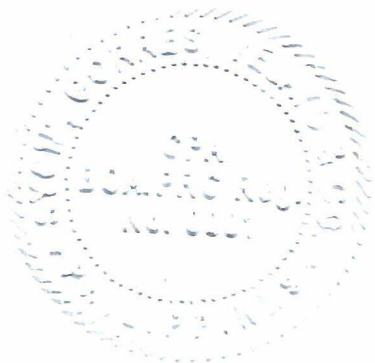
Tax Identification No. 301-422-247

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

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

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

March 26, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
LFM Properties Corporation
3rd Floor, Liberty Building
A. Arnaiz Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of LFM Properties Corporation (the Company) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 26, 2025. Our audits were made for the purpose of forming an opinion on the basic 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 Company'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 financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

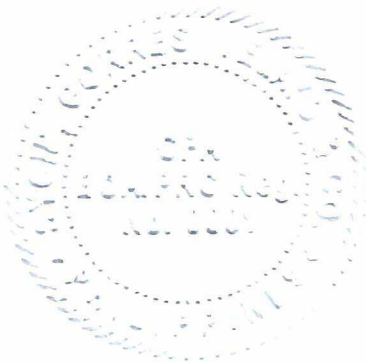
Tax Identification No. 301-422-247

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

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

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

March 26, 2025



LFM Properties Corporation
(A Subsidiary of Liberty Flour Mills, Inc.)

INDEX TO THE SUPPLEMENTARY SCHEDULES

December 31, 2024

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****ANNEX A: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION****DECEMBER 31, 2024**

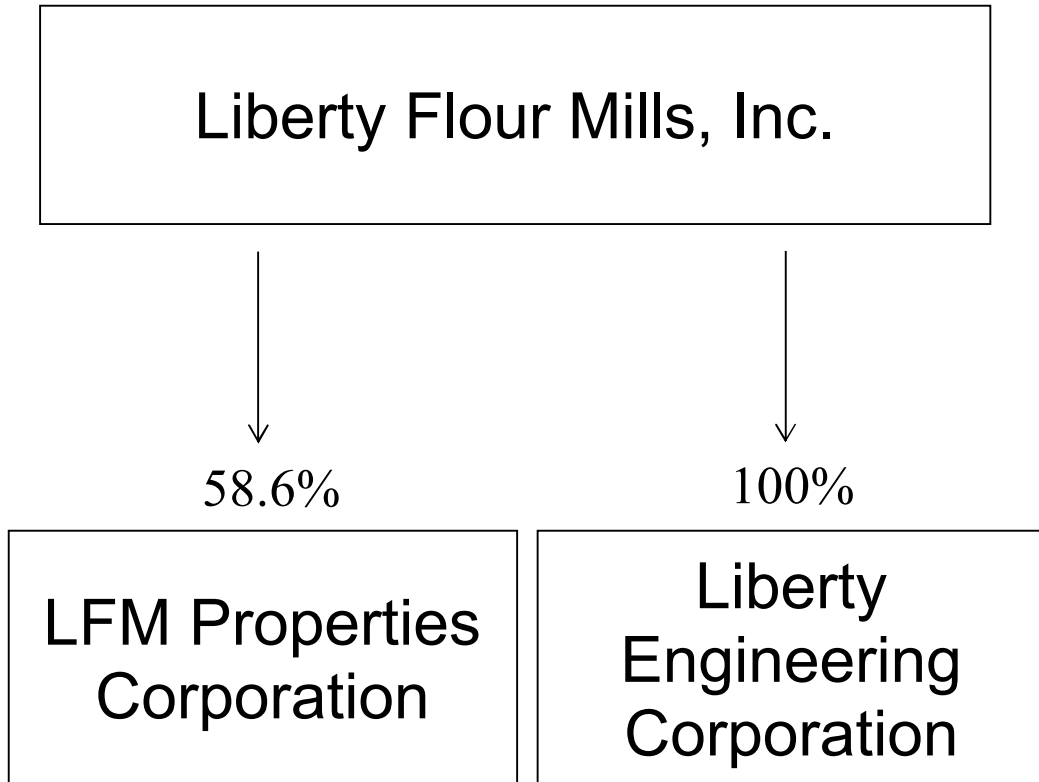
	Amount
Unappropriated retained earnings, beginning	₱178,087,752
Add: Category A: Items that are directly credited to unappropriated retained earnings	—
Less: Category B: Items that are directly debited to unappropriated retained earnings	—
Unappropriated retained earnings, as adjusted	<u>178,087,752</u>
Add: Net income for the current year	35,792,080
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	—
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	—
Add. Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting (net of tax): Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	501,748
Sub-total	<u>501,748</u>
Adjusted Net Income	36,293,828
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	600,935
Sub-total	<u>600,935</u>
Total retained earnings, end of the reporting period available for dividend	₱214,982,515

LFM PROPERTIES CORPORATION

(A Subsidiary of Liberty Flour Mills, Inc.)

ANNEX B: MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP

DECEMBER 31, 2024



LFM PROPERTIES CORPORATION

(A Subsidiary of Liberty Flour Mills, Inc.)

ANNEX C: SCHEDULE A. FINANCIAL ASSETS

DECEMBER 31, 2024

	Name of Issuing Entity and Association of each issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Value based on Market Quotation at End of Reporting Period	Income Received and Accrued
<i>Financial Assets at Amortized Cost</i>					
Cash	N/A	N/A	₱31,132,167	N/A	₱20,219
Receivables:					
Rent receivable	N/A	N/A	11,812,773	N/A	9,741
Other noncurrent assets					
Refundable deposits	N/A	N/A	2,701,019	N/A	–
			45,645,959		29,960
<i>Financial Assets at FVTPL</i>					
Equity investments	Enex Energy Corporation	300,000	1,500,000	1,500,000	₱–
Equity investments	Security Bank Corporation	35,000	3,045,000	3,045,000	105,000
Equity investments	Philex Mining Corporation	1,000,000	2,790,000	2,790,000	20,000
Equity investments	PXP Energy Corporation	150,000	430,500	430,500	–
Equity investments	Cebu Landmasters, Inc.	223,000	590,950	590,950	40,140
Equity investments	Lepanto Construction Mining Co. "A"	3,545,455	237,545	237,545	–
Equity investments	Universal Rightfield Property Holdings, Inc.	600,000	22,800	22,800	–
			8,616,795	8,616,795	165,140
<i>Financial Assets at FVOCI</i>					
Equity investments	Philippine Bank of Communications	8,965,609	139,684,188	139,684,188	–
			139,684,188	139,684,188	–
Total Financial Assets			₱193,946,942	₱148,300,983	₱195,100

LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****ANNEX C: SCHEDULE B. AMOUNT RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)****December 31, 2024**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
N/A	₱-	₱-	₱-	₱-	₱-	₱-	₱-

The Company does not have receivables from individual directors, officers, employees and principal stockholders aggregating above one million pesos (₱1.0 million) or 1% of total assets, whichever is less, as at December 31, 2024.

LFM PROPERTIES CORPORATION

(A Subsidiary of Liberty Flour Mills, Inc.)

ANNEX C: SCHEDULE C. AMOUNT RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

December 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
N/A	P-	P-	P-	P-	P-	P-	P-

LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****ANNEX C: SCHEDULE D. LONG - TERM DEBT****December 31, 2024**

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption “Current portion of notes payable” in related Statement of Financial Position	Amount shown under Caption “Notes payable – net of current portion” in related Statement of Financial Position
Five-year secured term loan	₱290,000,000	₱68,235,294	₱17,058,824
Five-year secured term loan	290,000,000	68,235,294	17,058,824
Total	₱580,000,000	₱136,470,588	₱34,117,647

LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****ANNEX C: SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES****December 31, 2024**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-Current	Balance at End of Period
			Amounts Collected	Amounts Written off			
<i>Affiliate</i> N/A	P-	P-	P-	P-	P-	P-	P-

The Company has no noncurrent indebtedness to related parties as of December 31, 2024.

LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****ANNEX C: SCHEDULE F. Guarantees of Securities of Other Issuers****December 31, 2024**

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amounts Owned by Person for which Statement is Filed	Nature of Guarantee
N/A	N/A	₱-	₱-	N/A

The Company does not have guarantees of securities of other issuing entities as at December 31, 2024.

LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****ANNEX C: SCHEDULE G. CAPITAL STOCK****DECEMBER 31, 2024**

Title of Issue	Number of Shares Authorized	Number of Shares Outstanding	Number of Shares Reserved	Number of Shares held by Related Parties	Number of Shares held by Directors and Officers	Number of shares held by others
Common	40,000,000,000	25,000,000,000	–	18,825,964,932	10	6,174,035,058

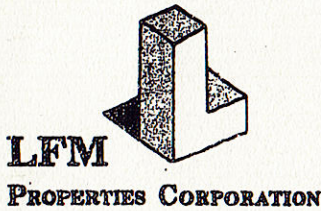
LFM PROPERTIES CORPORATION**(A Subsidiary of Liberty Flour Mills, Inc.)****SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS (Annex 68-E)****DECEMBER 30, 2024, 2023 and 2022**

	Formula	2024	2023	2022
Current Ratio	Total current assets/ Total current liabilities	0.06	0.08	0.49
Acid Test Ratio	(Cash and cash equivalents + Receivable) / Total current liabilities	0.03	0.03	0.18
Solvency Ratio	(Net income + Depreciation)/ Total liabilities	0.049	0.058	(0.003)
Debt-to-Equity Ratio	Total liabilities/Total equity	3.52	3.66	2.29
Asset-to-Equity Ratio	Total assets/Total equity	4.52	4.66	3.29
Interest Rate Coverage Ratio	Income before interest expense and tax/Interest expense	1.78	2.90	(0.50)
Return on Equity	Net income/Total equity	0.07	0.11	(0.12)
Return on Assets	Net income/Total assets	0.02	0.02	(0.04)
Net Profit Margin	Net income/Revenue	0.13	0.27	(0.20)
Debt Service Coverage Ratio	Earnings before interest expense, income tax, depreciation and amortization / Total debt service (interest expense + principal payments)	0.85	0.95	0.18

LFM PROPERTIES CORPORATION

**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION
DECEMBER 31, 2024**

	December 31	
	2024	2023
Audit Services	₱750,000	₱700,000



MARCH 26, 2025

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of LFM Properties Corporation is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2024, 2023 and 2022, in accordance with 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 but 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 and submits the same to the stockholders.

SyCip Gorres Velayo & Co., independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature [Handwritten Signature]
Name of Chairman : John Carlos Uy

Signature [Handwritten Signature]
Name of President : Jose S. Jalandoni

Signature [Handwritten Signature]
Name of Vice President and Treasurer : William L. Ang

SUBSCRIBED AND SWORN to before me this APR 14 2025 with the presentation of the following:

DOC NO. 341
PAGES OF 70
BOOK NO. XVI
SERIES OF 1115

[Handwritten Signature]
ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No. M-110
(Ren) (2025 - 2026)
Until December 31, 2026
PTR No.10467471; 01-03-2023; Makati City
IBP Lifetime No. 013595; 12-27-2013; I.C.
Roll No. 37226
MCLF Compliance No. VIII-0012754-08-27-2024
3650 Devita St., Tejeros, Makati City


Browser address bar: <https://eafs.bir.gov.ph/eafs/fileUploadSuccess.shtml?tc=AFS-0-7LELB68606J5G9FKFMNPM4ZNP0MY2QNRVP&ts=Apr+15%2C+2025+0...>

BUREAU OF INTERNAL REVENUE
AFS eSUBMISSION

HYDELIZA DE GUZMAN
LFMPROPERTIES

- Home
- Profile
- File Upload**
- Transactions
- Sign Out

File Upload



All files successfully uploaded

Transaction Code:
AFS-0-7LELB68606J5G9FKFMNPM4ZNP0MY2QNRVP

Submission Date/Time:
Apr 15, 2025 07:43 AM

[Back To Upload](#)

Your BIR AFS eSubmission uploads were received [inbox x](#)

eafs@bir.gov.ph
to me ▾

Hi LFM PROPERTIES CORPORATION,

Valid files

- EAFS004656232ITRTY122024.pdf
- EAFS004656232TCRTY122024-01.pdf
- EAFS004656232AFSTY122024.pdf
- EAFS004656232TCRTY122024-03.pdf
- EAFS004656232TCRTY122024-02.pdf
- EAFS004656232OTHY122024.pdf
- EAFS004656232RPPTY122024.pdf

Invalid file

- <None>

Transaction Code: AFS-0-7LELB68606J5G9FKFMNPM4ZNP0MY2QNRVP
Submission Date/Time: Apr 15, 2025 07:43 AM
Company TIN: 004-656-232

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET

SEC Registration Number

A	S	O	9	5	0	1	2	5	6	1
---	---	---	---	---	---	---	---	---	---	---

Company Name

L	F	M		P	R	O	P	E	R	T	I	E	S		C	O	R	P	O	R	A	T	I	O	N				

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

3	R	D		F	L	O	O	R		L	I	B	E	R	T	Y		B	U	I	L	D	I	N	G			
8	3	5		A.		A	R	N	A	I	Z		A	V	E	N	U	E		M	A	K	A	T	I			
C	I	T	Y																									

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

finance@lfmproperty.com
--

Company's Telephone Number/s

(02) 8893-7790

Mobile Number

--

No. of Stockholders

437

Annual Meeting Month/Day

May 29

Fiscal Year Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

William L. Ang

Email Address

williamlimang@gmail.com

Telephone Number/s

(02) 8893-7790

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.

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the unaudited interim financial statement of LFM Properties Corporation (the "Company") for the three (3) months ended March 31, 2025 which is attached hereto as Annex "A" and which is hereby incorporated by reference to form an integral part of the Report. Likewise, attached as Annex "B" is the Company's Statement of Changes in Stockholder's Equity for the three (3) months ended March 31, 2025 and as compared to same period for the year 2024, and the Company's basis for the computation of Basic Earnings per share.

The interim 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 Company generated total gross revenues of ₱57.3 million for the first quarter ended March 31, 2025, a decrease of 12% from ₱65 million total gross revenues for the first quarter ended March 31, 2024 this is primarily due to vacant units in the Liberty Plaza Building, which the company is actively seeking new tenants.

Cost of rental services amounted to ₱25.2 million versus to ₱26.6 million last year, with a decrease of 5% or ₱1.4 million primarily due to decrease in communication light and water.

General and administrative expenses amounted to ₱17.7 million, an increase of 85% versus last year's of ₱9.6 million. The increase is primarily due to ₱7.9 million increase in taxes licenses from documentary stamp taxes paid for the availment and renewal of loans.

Other income (expenses) net amounted to (₱14.7) million, down by ₱1.3 million or 10% from same period last year. The decrease was mainly due to ₱6.3 million increase in Interest expense offset by ₱5.0 million fair value changes of financial assets as of March 31, 2025.

Financial Condition

Total Assets of the Company as of March 31, 2025 stood at ₱2.260 billion, a decrease of ₱3.0 million from ₱2.263 billion as of December 31, 2024.

Cash and cash equivalents reported at ₱12.9 million.

The increase in Receivables by ₱2.2 million or 18% is due to uncollected receivables as of March 31, 2025.

Other Current Assets increased by 31% or ₱14.3 million. The increase is primarily due to prepayments of real estate tax.

The decrease in Investment Properties - net by ₱12.3 million was primarily due to depreciation of existing Investment Properties.

Total Liabilities of the Company as of March 31, 2025 amounted to ₱1.755 billion a slight decreased of ₱7.0 million from 2024 of ₱1.762 billion.

Total Equity stood at ₱505.0 million as of March 31, 2025, versus ₱501.0 million as of December 31, 2024. The Company generated net loss of ₱1.0 million during the three months ended March 31, 2025 or 108% decrease from same period last year, primarily because of the vacant units in the Liberty Plaza Building and high interest expense.

The Company has no knowledge of any trends, events or uncertainties which are reasonably expected to have a material impact on the net sales or revenues of the Company. There are no seasonal aspects which had a material effect on the Company's financial condition or results of operation.

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

Accounts Receivable – The increase in account is mainly attributed to uncollected receivables which the company is actively working to collect.

Financial Assets at FVPL – The increase is a result of mark to market adjustment at March 31, 2025.

Other current assets – The increase is attributable to prepayments of real estate tax.

Financial assets at fair value through other comprehensive income (FVOCI) – The increase is due to mark to market adjustment at March 31, 2025.

Accounts payable and other current liabilities – The decrease is due payments payables to suppliers as of March 31, 2025.

Notes payable – The Increase is due to availment of the loan to pay related party payable and other payables.

Unearned rental income current and non current – The increase is due to advance payment of rental fee received from new tenants.

Deposits on longterm lease current and non current - The increase is due to collection of deposit from new tenants.

Other non current liabilities - The decrease is due to payments to suppliers.

Retained earnings – The slight decrease is due primarily net loss posted during the first quarter.

Performance Indicators

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

	March 31, 2025	December 31, 2024
Net Book Value per share *1	0.0202	0.0200
Debt to Equity Ratio *2	3.47:1	3.52:1
Asset to Equity Ratio *3	4.47:1	4.52:1
	March 31, 2025	March 31, 2024
Return on Equity*4	(0.19%)	2.45%
Operating Margin *5	25%	44%

*1 –/ Total equity divided by total Common Shares outstanding

*2 – Total liabilities divided by Total equity

*3 – Total assets divided by Total equity

*4 – Net income divided by Total equity

*5 – Operating income divided by Total revenues

As at March 31, 2025, there were no events identified that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

As at March 31, 2025, the Company has no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period.

As at March 31, 2025, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

MARKETPRICE

	Stock	High	Low
Q1	LPC	0.0590	0.0320

PART II – FINANCIAL DISCLOSURES

Financial Instruments and Financial Risk Disclosure

The Company's financial instruments consist mainly of cash in banks, investments in equity securities and trade receivables/payables and borrowings. The main risks arising from the use of these financial instruments are credit risk, equity price risk and liquidity risk.

a. Credit Risk

Credit risk represents the loss that the Company would incur if the 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 lessees and counterparties. The Company requires its lessees to pay at least three months security deposit to cover unpaid obligations and liabilities at the termination of the lease. It is also the Company's policy to require its lessees to pay their accounts on or before due date without the need of demand.

The maximum credit exposure of the Company is the carrying amount of the receivables. There are no significant concentrations of credit risk within the Company. With respect to credit risk arising from the other financial assets of the Company, which comprise cash in banks, the Company's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancements held over these assets.

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.

b. 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 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.

d. Liquidity Risk

Liquidity risk is the risk that the Company will not be able 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 following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

a. Financial assets at FVPL

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

b. Financial assets at FVOCI

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

c. Deposits on long-term leases

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

d. Other financial assets and financial liabilities

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

PART III - OTHER INFORMATION

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

PART III - OTHER INFORMATION

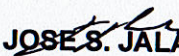
All other information which requires disclosure under the full Disclosure Rules of the Securities and Exchange Commission has been previously filed by the Company under SEC Form 17-C

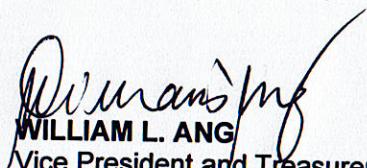
SIGNATURE

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.

LFM PROPERTIES CORPORATION

By:


JOSE S. JALANDONI
President


WILLIAM L. ANG
Vice President and Treasurer

ANNEX "A"

LFM PROPERTIES CORPORATION

3RD FLOOR LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY

LFM PROPERTIES CORPORATION**BALANCE SHEET****AS OF MARCH 31, 2025**

(With comparative figures for year ended December 31, 2024 and three months ended March 31, 2024)

	March 31, 2025	Audited December 2024	March 31, 2024
ASSETS			
Current Assets			
Cash	12,947,454	31,132,167	33,425,446
Receivables	14,040,389	11,863,758	12,036,347
Financial assets at fair value through profit or loss	12,267,691	8,616,795	8,946,336
Accrued rent - current portion	9,157,520	8,664,841	1,957,760
Other current assets	60,511,049	46,160,676	58,394,385
Total Current Assets	108,924,103	106,438,237	114,760,273
Noncurrent Assets			
Investment properties	1,714,022,903	1,726,275,994	1,762,366,702
Financial assets at fair value through other comprehensive income	144,884,241	139,684,188	127,670,272
Accrued rent - net of current portion	9,863,172	8,713,588	8,225,286
Property and equipment	361,849	350,551	854,006
Net retirement plan asset	1,544,083	1,544,083	3,024,514
Other noncurrent assets	280,197,886	280,197,886	361,375,298
Total noncurrent Assets	2,150,874,134	2,156,766,290	2,263,516,079
TOTAL ASSETS	2,259,798,237	2,263,204,527	2,378,276,352
LIABILITIES & EQUITY			
Current Liabilities			
Current portion of notes payable	1,164,356,710	960,474,357	921,474,357
Accounts payable and other current liabilities	68,844,369	82,284,019	46,099,801
Payable to a related party	368,400,000	568,400,000	627,200,000
Current portion of deposits on long-term leases	38,230,933	36,912,365	38,046,069
Current portion of unearned rental income	7,839,664	4,618,167	5,217,145
Income tax payable	-	-	9,329,606
Total Current Liabilities	1,647,671,676	1,652,688,908	1,647,366,978
Noncurrent Liabilities			
Deposits on long-term leases - net of current portion	20,585,887	18,448,201	13,567,685
Unearned rental income - net of current portion	2,397,992	1,401,379	2,837,688
Deferred income tax liability	3,825,241	3,825,241	1,769,677
Notes payable -net of current portion	34,250,132	34,250,132	136,603,073
Other noncurrent liability	46,049,949	51,818,876	110,901,445
Total Noncurrent Liabilities	107,109,201	109,743,829	265,679,569
Total Liabilities	1,754,780,877	1,762,432,737	1,913,046,547
STOCKHOLDERS' EQUITY			
Capital stock	250,000,000	250,000,000	250,000,000
Stock dividend attributable	150,000,000	150,000,000	150,000,000
Other components of equity:			
Fair value changes on financial assets at FVOCI	(109,290,774)	(114,490,827)	(126,504,743)
Accumulated rereasurement gains on defined benefit plan	5,062,787	5,062,787	5,949,705
Retained Earnings	209,245,347	210,199,830	185,784,844
Total Equity	505,017,360	500,771,790	465,229,806
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,259,798,237	2,263,204,527	2,378,276,352

LFM PROPERTIES CORPORATION
STATEMENT OF INCOME AND EXPENSES
FOR THE QUARTER ENDED MARCH 31, 2025

	March 31, 2025	March 31, 2024
Rental Income	57,285,588	65,070,369
Direct Costs		
Depreciation and amortization	12,317,046	12,416,386
Real estate tax	5,424,027	5,256,507
Outside services	3,667,634	3,511,759
Repairs and maintenance	2,513,309	2,786,789
Communication, light and water	603,797	2,083,587
Insurance and others	711,602	538,875
Total	25,237,415	26,593,903
Gross Income	32,048,173	38,476,466
Operating Expenses		
Personnel costs	2,872,863	2,439,944
Taxes and licenses	13,006,437	5,097,884
Association dues	323,695	276,463
Depreciation and amortization	40,131	87,105
Commission	-	1,056,000
Professional fees	573,700	180,000
Repairs and maintenance	407,328	102,978
Telephone, Telegraph and Postage	43,662	43,662
Transportation and Travel	15,801	1,895
Office Supplies	14,745	44,551
Miscellaneous	421,885	246,974
Operating Expenses	17,720,247	9,577,456
Other income (charges)		
Interest expense	(18,416,550)	(12,098,345)
Gain (Loss) on sale of financial assets at FVTPL	-	7,302,646
Fair value changes of financial assets at fair value through profit or loss	3,650,895	(8,623,492)
Dividend income	20,000	20,000
Interest income	2,897	4,917
Other income	69,865	62,178
	(14,672,893)	(13,332,096)
Income before Income Tax	(344,967)	15,566,914
Provision for Income Tax	609,516	4,189,820
Net Income (Loss)	(954,483)	11,377,094

LFM PROPERTIES CORPORATION**STATEMENTS OF CASH FLOWS**

For quarter ended March 31,2025 (With comparative figures for the quarter ended March 31,2024)

	January 1 to March 31, 2025	January 1 to March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(344,967)	15,566,914
Adjustments for:		
Depreciation and amortization	12,357,177	12,503,491
Fair value changes of financial assets at fair value through profit or loss	(3,650,895)	8,623,492
Interest expense	18,416,550	12,098,345
Dividend income	(20,000)	(20,000)
Loss (gain) on financial assets at FVTL	-	(7,302,646)
Interest income	(2,897)	(4,917)
Operating income before working capital changes	26,754,968	41,464,679
Decrease (increase) in:		
Receivables	(2,176,631)	676,926
Accrued rent	(1,642,263)	(103,561)
Other current assets	(14,350,373)	(10,990,733)
Increase (decrease) in:		
Accounts payable and other current liabilities	4,937,825	10,284,957
Deposits on long-term leases and other noncurrent liabilities	(2,375,692)	5,239,884
Unearned rental income	4,218,110	(1,257,669)
Cash generated from operations	15,365,944	45,314,483
Income tax paid, including creditable withholding taxes	(609,517)	(2,353,814)
Interest received	2,897	4,917
Net cash provided by operating activities	14,759,324	42,965,586
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits	-	(280,000,000)
Proceeds from sale of financial assets at fair value through P&L	-	16,798,660
Additions to investment properties	(63,955)	(7,331,643)
Additions to property and equipment	(51,429)	(199,914)
Dividend received	20,000	20,000
Net cash used in investing activities	(95,384)	(270,712,897)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bank loans	238,000,000	507,000,000
Payments of		
Notes payables	(34,117,647)	(39,117,647)
Interest	(18,416,550)	(12,098,345)
Payable to related party	(200,000,000)	(224,000,000)
Other Non-current Liability	(18,314,457)	(5,146,920)
Net cash generated from financing activities	(32,848,654)	226,637,088
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,184,713)	(1,110,222)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	31,132,167	34,535,667
CASH AND CASH EQUIVALENTS AT END MONTH	12,947,454	33,425,446

UNAUDITED FINANCIAL STATEMENTS

MARCH 31, 2025

LFM PROPERTIES CORPORATION NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2025

1. Basis of Financial Statement Preparation

The financial statements of the Company 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 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.

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

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 effective in 2023. 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 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

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 Company's financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

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

Deferred effectivity

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

3. Others

1. The same accounting policies and methods of computation are followed in the interim financial statements as of March 31, 2025 as compared with the audited financial statements as of December 31, 2024.

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

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

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

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

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

7. There are no contingent liabilities and contingent assets.

ANNEX "B"

LFM PROPERTIES CORPORATION

3RD FLOOR LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY

STATEMENT OF CHANGES
IN STOCKHOLDER'S EQUITY
MARCH 31, 2025

LFM PROPERTIES COPORATION
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
March 31, 2025

Other Components of Equity

	Capital Stock	Stock Dividends Distributable	Fair Value Changes on Financial assets at FVOCI	Accumulated Remeasurement Gains on Defined Benefit Plan	Retained Earnings	Total
Balances at January 1, 2025	250,000,000	150,000,000	(114,490,827)	5,062,787	210,199,830	500,771,790
Net Income	-	-	-	-	(954,483)	(954,483)
Other comprehensive income	-	-	5,200,053	-	-	5,200,053
Balances at March 31, 2025	250,000,000	-	(109,290,774)	5,062,787	209,245,347	505,017,360
Balances at January 1, 2024	250,000,000	150,000,000	(127,580,616)	5,949,705	174,407,750	452,776,839
Net Loss	-	-	-	-	11,377,094	11,377,094
Other comprehensive income	-	-	1,075,873	-	-	1,075,873
Balances at March 31, 2024	250,000,000	-	(126,504,743)	5,949,705	185,784,844	465,229,806

LFM PROPERTIES CORPORATION**BASIS FOR COMPUTATION OF BASIC/DILLUTED EARNINGS PER SHARE**

	2025	2024
Net (loss) for the first quarter	(954,483)	11,377,094
Divided by weighted average number of shares	25,000,000,000.00	25,000,000,000.00
Basic/diluted earnings per share	(0.0000)	0.0005

LFM PROPERTIES CORPORATION
Accounts receivables
As of March 31, 2025

	TOTAL	1-3 Months	4-6 Months	7 Months - 1 Year	Above 1 Year
Trade and other receivables	14,040,389	13,298,080	562,182	180,127	-

COVER SHEET

SEC Registration Number

A	S	O	9	5	0	1	2	5	6	1
---	---	---	---	---	---	---	---	---	---	---

Company Name

L	F	M		P	R	O	P	E	R	T	I	E	S		C	O	R	P	O	R	A	T	I	O	N				

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

3	R	D		F	L	O	O	R		L	I	B	E	R	T	Y		B	U	I	L	D	I	N	G			
8	3	5		A.		A	R	N	A	I	Z		A	V	E	N	U	E		M	A	K	A	T	I			
C	I	T	Y																									

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

<u>finance@lfmproperty.com</u>

Company's Telephone Number/s

(02) 8893-7790

Mobile Number

--

No. of Stockholders

438

Annual Meeting Month/Day

May 28

Fiscal Year Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

William L. Ang

Email Address

williamlimang@gmail.com

Telephone Number/s

(02) 8893-7790

Mobile Number

-

Contact Person's Address

Liberty Building, 835 A. Arnaiz Avenue, Makati City
--

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

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

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

1. For the quarterly period ended: **June 30, 2025**
2. Commission identification number: **ASO95012561**
3. BIR Tax Identification No: **004-656-232-V**
4. Exact name of registrant as specified in its charter: **LFM PROPERTIES CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila**
6. Industry Classification Code: (SEC Use Only)
7. **3rd Floor Liberty Building, A. Arnaiz Avenue, Makati City** **1229**
Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code: **(632) 8893-7790**
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	25,000,000,000
---------------	-----------------------

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

Yes [] No []

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

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

12. Indicate by check mark whether the registrant:

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

Yes [] No []

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

Yes [] No []

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the unaudited interim financial statement of LFM Properties Corporation (the "Company") for the six (6) months ended June 30, 2025 which is attached hereto as Annex "A" and which is hereby incorporated by reference to form an integral part of the Report. Likewise, attached as Annex "B" is the Company's Statement of Changes in Stockholder's Equity for the six (6) months ended June 30, 2025 and as compared to same period for the year 2024, and the Company's basis for the computation of Basic Earnings per share.

The interim 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 Company generated total gross revenues of ₱114 million for the second quarter ended June 30, 2025, a decrease of 12% from ₱129 million total gross revenues for the second quarter ended June 30, 2024. The decline is primarily due to vacant units in the Liberty Plaza Building. The company's operations team is actively negotiating several new lease agreements scheduled to begin on various dates this year.

Cost of rental services amounted to ₱50 million versus to ₱51 million last year, with a slight decrease of 2% or ₱1 million primarily due to decrease in communication light and water.

General and administrative expenses amounted to ₱29.8 million, an increase of 84% versus last year's of ₱16.2 million. The increase is primarily due to ₱12.9 million increase in taxes licenses particularly to transfer taxes paid for the Liberty building acquired from the parent company and documentary stamp taxes paid for the availment and renewal of loans.

Other income (expenses) net amounted to (₱34.9) million, down by ₱3.2 million or 10% from same period last year. The decrease was mainly due to ₱8.3 million increase interest expense due to availment of loan during the period offset by ₱5 million increase in fair value changes of financial assets as of June 30, 2025.

Financial Condition

Total Assets of the Company as of June 30, 2025 stood at ₱2.069 billion, a decrease of 9% or ₱194 million from ₱2.2263 billion as of December 31, 2024, the decrease is primarily due to ₱220 million deposit to vendor that was refunded to the company during the period.

Cash and cash equivalents reported at ₱51.7million an increased of 66% or ₱20.5 million.

Receivables is at ₱16.6 million or ₱4.7 million higher than of last year's of ₱11.9 million.

Other Current Assets increased by 7% or ₱3.4 million, the increase is attributable to unutilized creditable withholding taxes.

The decrease in Investment Properties - net by ₱24.1 million was primarily due to depreciation of existing Investment Properties

Total Liabilities of the Company as of June 30, 2025 amounted to ₱1.553 billion decreased by 12% or ₱209 million from 2024 of ₱1.762 billion. The decrease is primarily due to payment of liability to a related party net of loan availments.

Total Equity stood at ₱516.2 million as of June 30, 2025, versus ₱500.8 million as of December 31, 2024, the increase is primarily due to ₱17.6 million fair value changes on financial assets at FVOCI offset by net loss of ₱2.1 million during the six months period ended June 30, 2025.

The Company has no knowledge of any trends, events or uncertainties which are reasonably expected to have a material impact on the net sales or revenues of the Company. There are no seasonal aspects which had a material effect on the Company's financial condition or results of operation.

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

Accounts Receivable – The increase in account is mainly attributed to delay of payments of some tenants at month end. These receivables are immediately collected in the following month.

Financial Assets at FVPL – The increase is a result of selling marketable of securities during the second quarter and mark to market adjustment at June 30, 2025.

Other current assets – The increase is mainly attributable the increase is attributable to unutilized creditable withholding taxes.

Accounts payable and other current liabilities – The decrease is due to payments of payables to suppliers as of June 30, 2025.

Notes payable – The Increase is due to availment of the loan to pay related party payable and other payables.

Unearned rental income current and non current – The increase is due to advance payment of rental fee received from new tenants.

Deposits on longterm lease current and non current - The decrease is a result of refunds issued for deposits from previous tenants, offset by the deposits collected from new tenants.

Other non current liabilities - The decrease is due to payments to suppliers.

Retained earnings – The slight increase is due primarily due to ₱17.6 million fair value changes on financial assets at FVOCI offset by a net loss of ₱2.1 million during the six months period ended June 30, 2025.

Performance Indicators

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

	June 30, 2025	December 31, 2024
Net Book Value per share *1	0.0206	0.0200
Debt to Equity Ratio *2	3.01:1	3.52:1
Asset to Equity Ratio *3	4.01:1	4.52:1

	June 30, 2025	June 30, 2024
Return on Equity*4	(0.41%)	4.72%
Operating Margin *5	30%	48%

*1 – Total equity divided by total Common Shares outstanding

*2 – Total liabilities divided by Total equity

*3 – Total assets divided by Total equity

*4 – Net income divided by Total equity

*5 – Operating income divided by Total revenues

As at June 30, 2025, there were no events identified that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

As at June 30, 2025, the Company has no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period.

As at June 30, 2025, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

MARKETPRICE

	Stock	High	Low
Q1	LPC	0.0590	0.0320
Q2	LPC	0.0470	0.0380

PART II – FINANCIAL DISCLOSURES

Financial Instruments and Financial Risk Disclosure

The Company's financial instruments consist mainly of cash in banks, investments in equity securities and trade receivables/payables and borrowings. The main risks arising from the use of these financial instruments are credit risk, equity price risk and liquidity risk.

a. Credit Risk

Credit risk represents the loss that the Company would incur if the 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 lessees and counterparties. The Company requires its lessees to pay at least three months security deposit to cover unpaid obligations and liabilities at the termination of the lease. It is also the Company's policy to require its lessees to pay their accounts on or before due date without the need of demand.

The maximum credit exposure of the Company is the carrying amount of the receivables. There are no significant concentrations of credit risk within the Company. With respect to credit risk arising from the other financial assets of the Company, which comprise cash in banks, the Company's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancements held over these assets.

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.

b. 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 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.

d. Liquidity Risk

Liquidity risk is the risk that the Company will not be able 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 following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

a. Financial assets at FVPL

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

b. Financial assets at FVOCI

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

c. Deposits on long-term leases

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

d. Other financial assets and financial liabilities

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

PART III - OTHER INFORMATION

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

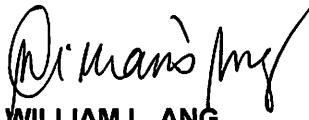
SIGNATURE

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

LFM PROPERTIES CORPORATION

By:


JOSE B. JALANDONI
President


WILLIAM L. ANG
Vice President and Treasurer

ANNEX "A"

LFM PROPERTIES CORPORATION

3RD FLOOR LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY

UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2025

LFM PROPERTIES CORPORATION
BALANCE SHEET

As of June 30, 2025

(With comparative figures for year ended December 31, 2024 and six months ended June 30, 2024)

	June 30, 2025	Audited December 2024	June 30, 2024
ASSETS			
Current Assets			
Cash	51,671,429	31,132,167	19,146,610
Receivables	16,606,839	11,863,758	17,793,303
Financial assets at fair value through profit or loss	11,456,888	8,616,795	8,118,509
Accrued rent - current portion	8,703,020	8,664,841	673,398
Other current assets	49,606,106	46,160,676	44,960,404
Total Current Assets	138,044,282	106,438,237	90,692,224
Noncurrent Assets			
Investment properties	1,702,105,136	1,726,275,994	1,750,111,604
Financial assets at fair value through other comprehensive inc	157,256,782	139,684,188	130,359,955
Accrued rent - net of current portion	9,181,422	8,713,588	11,954,391
Property and equipment	328,557	350,551	637,006
Net retirement plan asset	1,544,083	1,544,083	3,024,514
Other noncurrent assets	60,697,887	280,197,886	301,375,298
Total noncurrent Assets	1,931,113,867	2,156,766,290	2,197,462,768
TOTAL ASSETS	2,069,158,149	2,263,204,527	2,288,154,992
LIABILITIES & EQUITY			
Current Liabilities			
Current portion of notes payable	1,190,489,195	960,474,357	861,474,357
Accounts payable and other current liabilities	76,468,139	82,284,019	34,012,630
Payable to a related party	200,000,000	568,400,000	627,200,000
Current portion of deposits on long-term leases	39,616,888	36,912,365	29,901,574
Current portion of unearned rental income	5,462,738	4,618,167	10,140,986
Income tax payable	-	-	532,200
Total Current Liabilities	1,512,036,960	1,652,688,908	1,563,261,747
Noncurrent Liabilities			
Deposits on long-term leases - net of current portion	14,904,222	18,448,201	24,464,925
Unearned rental income - net of current portion	3,027,631	1,401,379	2,837,688
Deferred income tax liability	3,825,241	3,825,241	1,769,678
Notes payable -net of current portion	-	34,250,132	102,485,426
Other noncurrent liability	19,114,489	51,818,876	114,196,032
Total Noncurrent Liabilities	40,871,583	109,743,829	245,753,749
Total Liabilities	1,552,908,543	1,762,432,737	1,809,015,496
STOCKHOLDERS' EQUITY			
Capital stock	250,000,000	250,000,000	250,000,000
Stock dividend attributable	150,000,000	150,000,000	150,000,000
Other components of equity:			
Fair value changes on financial assets at FVOCI	(96,918,233)	(114,490,827)	(123,815,060)
Accumulated remeasurement gains on defined benefit plan	5,062,787	5,062,787	5,949,705
Retained Earnings	208,105,052	210,199,830	197,004,851
Total Equity	516,249,606	500,771,790	479,139,496
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,069,158,149	2,263,204,527	2,288,154,992

LFM PROPERTIES CORPORATION
STATEMENT OF INCOME AND EXPENSES
FOR THE QUARTER ENDED June 30, 2025

	April 1 to June 30, 2025	January 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2024
Rental Income	56,767,307	114,052,895	64,109,412	129,179,781
Direct Costs				
Depreciation and amortization	12,321,361	24,638,407	12,501,496	24,917,882
Real estate tax	5,424,027	10,848,054	5,256,507	10,513,014
Outside services	3,711,532	7,379,166	3,555,481	7,067,240
Repairs and maintenance	2,158,907	4,672,216	902,034	3,688,823
Communication, light and water	683,945	1,287,742	2,008,787	4,092,374
Insurance and others	658,750	1,370,352	501,026	1,039,901
Total	24,958,522	50,195,937	24,725,331	51,319,234
Gross Income	31,808,785	63,856,958	39,384,081	77,860,547
Operating Expenses				
Personnel costs	3,632,366	6,505,229	3,468,873	5,908,817
Taxes and licenses	6,121,697	19,128,134	1,111,496	6,209,380
Association dues	5,220	328,915	82,872	359,335
Depreciation and amortization	42,987	83,118	102,888	189,993
Commission	486,528	486,528	1,214,400	2,270,400
Professional fees	1,229,064	1,802,764	180,000	360,000
Repairs and maintenance	48,613	455,941	96,497	199,475
Telephone, Telegraph and Postage	43,663	87,325	46,960	90,622
Transportation and Travel	2,712	18,513	2,616	4,511
Office Supplies	33,442	48,187	92,669	137,220
Entertainment, amusement and recreat	3,359	3,359	2,400	2,400
Miscellaneous	420,946	842,831	214,529	461,503
Operating Expenses	12,070,597	29,790,844	6,616,200	16,193,656
Other income (charges)	37,029,119	79,986,781	31,341,531	67,512,890
Interest expense	(19,788,722)	(38,205,272)	(17,822,965)	(29,921,310)
Gain (Loss) on sale of financial assets	-	-	-	7,302,646
Fair value changes of financial assets at fair value through profit or loss	(810,802)	2,840,093	(827,827)	(9,451,319)
Dividend income	92,640	112,640	92,640	112,640
Interest income	4,270	7,167	6,263	11,180
Other income	265,619	335,484	172,078	234,256
	(20,236,995)	(34,909,888)	(18,379,811)	(31,711,907)
Income before Income Tax	(498,807)	(843,774)	14,388,070	29,954,984
Provision for Income Tax	641,488	1,251,004	3,168,063	7,357,883
Net Income (Loss)	(1,140,295)	(2,094,778)	11,220,007	22,597,101

LFM PROPERTIES CORPORATION**STATEMENTS OF CASH FLOWS**

For quarter ended June 30, 2025 (With comparative figures for the quarter ended June 30, 2024)

	January 1 to June 30, 2025	January 1 to June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(843,774)	29,954,984
Adjustments for:		
Depreciation and amortization	24,721,525	25,107,875
Fair value changes of financial assets at fair value through profit or loss	(2,840,093)	9,451,319
Interest expense	38,205,272	29,921,310
Dividend income	(112,640)	(112,640)
Loss (gain) on financial assets at FVTL	-	(7,302,646)
Interest income	(7,167)	(11,180)
Operating income before working capital changes	59,123,123	87,009,022
Decrease (increase) in:		
Receivables	(4,743,081)	(5,080,030)
Accrued rent	(506,013)	(2,548,305)
Other current assets	(3,945,431)	2,443,249
Increase (decrease) in:		
Accounts payable and other current liabilities	(2,164,908)	11,080,533
Deposits on long-term leases and other noncurrent liabilities	(5,565,901)	3,551,389
Unearned rental income	7,470,823	3,666,172
Cash generated from operations	49,668,612	100,122,030
Income tax paid, including creditable withholding taxes	(1,251,004)	(14,319,282)
Interest received	7,167	11,180
Net cash provided by operating activities	48,424,775	85,813,928
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through P&L	-	16,798,660
Additions to property and equipment	(467,549)	(7,331,643)
Additions to other non current assets	(61,125)	(332,199)
Decrease (increase) in other non current assets	220,000,000	(220,000,000)
Dividend received	112,640	112,640
Net cash used in investing activities	219,583,966	(210,752,542)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bank loans	264,000,000	507,000,000
Payment to :		
Notes payables	(68,235,294)	(133,235,294)
Interest	(38,205,272)	(29,921,310)
Payable to related party	(368,400,000)	(224,000,000)
Other Non-current Liability	(36,628,914)	(10,293,840)
Net cash generated from financing activities	(247,469,480)	109,549,556
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,539,261	(15,389,058)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	31,132,167	34,535,667
CASH AND CASH EQUIVALENTS AT END MONTH	51,671,429	19,146,610

LFM PROPERTIES CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2025

1. Basis of Financial Statement Preparation

The financial statements of the Company 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 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.

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

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 effective in 2023. 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 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

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 Company's financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

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

Deferred effectivity

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

3. Others

1. The same accounting policies and methods of computation are followed in the interim financial statements as of June 30, 2025 as compared with the audited financial statements as of December 31, 2024.
2. The business operation of the company for the interim period is continuous, there is no cycle and it is not seasonal.
3. There are no unusual items that affected assets, liabilities, equity and cash flows.
4. There are no changes in estimates of amounts reported in prior financial years.
5. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
6. There are no changes in the composition of this issuer during the interim period. There are no business combinations, no acquisition or disposal of subsidiaries and long term investments, no restructuring and no discontinuing operations.
7. There are no contingent liabilities and contingent assets.

ANNEX "B"

LFM PROPERTIES CORPORATION

3RD FLOOR LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY

STATEMENT OF CHANGES
IN STOCKHOLDER'S EQUITY
JUNE 30, 2025

LFM PROPERTIES CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
As of June 30, 2025

Other Components of Equity

	Capital Stock	Stock Dividends Distributable	Fair Value Changes on Financial assets at FVOCI	Accumulated Remeasurement Gains (Losses) on Defined Benefit Plan	Retained Earnings	Total
Balances at January 1, 2025	250,000,000	150,000,000	(114,490,827)	5,062,787	210,199,830	500,771,790
Net Loss	-	-	-	-	(2,094,778)	(2,094,778)
Other comprehensive income	-	-	17,572,594	-	-	17,572,594
Balances at June30, 2025	250,000,000	150,000,000	(96,918,233)	5,062,787	208,105,052	516,249,606
Balances at January 1, 2024	250,000,000	150,000,000	(127,580,616)	5,949,705	174,407,750	452,776,839
Net Loss	-	-	-	-	22,597,101	22,597,101
Other comprehensive income	-	-	3,765,556	-	-	3,765,556
Balances at June 30, 2024	250,000,000	150,000,000	(123,815,060)	5,949,705	197,004,851	479,139,496

LFM PROPERTIES CORPORATION**BASIS FOR COMPUTATION OF BASIC/DILLUTED EARNINGS PER SHARE**

	2025	2024
Net (loss) for the second quarter	(2,094,778)	22,597,101
Divided by weighted average number of shares	25,000,000,000	25,000,000,000
Basic/diluted earnings per share	(0.0001)	0.00090

LFM PROPERTIES CORPORATION
Accounts Receivables
As of June 30, 2025

	TOTAL	1-3 Months	4-6 Months	7 Months - 1 Year	Above 1 Year
Trade and other receivables	16,606,839	16,354,938	146,899	105,002	-
	16,606,839	16,354,938	146,899	105,002	-