COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

R	F	M		C	O	R	P	O	R	A	T	I	O	N												

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

R	F	M		C	O	R	P	O	R	A	T	E		C	E	N	T	E	R	,		P	I	O	N	E	E	R	
C	O	R	N	E	R		S	H	E	R	I	D	A	N		S	T	R	E	E	T	S	,		M	A	N	D	A
L	U	Y	O	N	G		C	I	T	Y																			

Form Type

A	A	F	S

Department requiring the report

S	E	C	

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
rfmcorporation.official@ rfm.com.ph	**(02) 8631-8101**	**+63-917-110-8532**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,043	**6/24**	**12/31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Enrique Oliver I. Rey-Matias	**eoirey-matias@rfm.com.ph**	**(02) 8631-8101**	**N/A**

CONTACT PERSON's ADDRESS

RFM Corporate Center, Pioneer corner Sheridan Streets, Mandaluyong 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.*

Eugenio, Mariella C. (CORP-Accounting)

From: eafs@bir.gov.ph
Sent: Wednesday, 15 April 2026 1:25 am
To: Eugenio, Mariella C. (CORP-Accounting)
Cc: Domingo, Ramoncito B. (FLOUR-Accounting)
Subject: Your BIR AFS eSubmission uploads were received

Hi RFM CORPORATION,

Valid files

- EAFS000064134TCRTY122025-01.pdf
- EAFS000064134RPTTY122025.pdf
- EAFS000064134OTHTY122025.pdf
- EAFS000064134TCRTY122025-02.pdf
- EAFS000064134ITRTY122025.pdf
- EAFS000064134AFSTY122025.pdf
- EAFS000064134TCRTY122025-03.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-AHG6GACC0ADH69L9HQZWY1X420P4123WN3**
Submission Date/Time: **Apr 15, 2026 01:24 AM**
Company TIN: **000-064-134**

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.

Rodriguez, Patricia Ann D. (CORP-Accounting)

From: Caballa, Evangeline L. (CORP-Finance)
Sent: 04/15/2026 11:40 am
To: Rodriguez, Patricia Ann D. (CORP-Accounting)
Subject: Fw: SEC eFast Initial Acceptance

From: noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>
Sent: Wednesday, April 15, 2026 11:34:05 AM
Subject: SEC eFast Initial Acceptance

Dear **RFM CORP.**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

SEC Registration No: 0000012998
Company Name: RFM CORP.
Document Code: AFS

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

REMINDER:

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2. General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF;) 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted

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

The Stockholders and the Board of Directors
RFM Corporation
RFM Corporate Center
Pioneer corner Sheridan Streets
Mandaluyong City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of RFM Corporation (the Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 31 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of RFM Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Ana Lea C. Bergado.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
Tax Identification No. 102-082-670
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 80470-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-063-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10765017, January 2, 2026, Makati City

April 8, 2026

RFM CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR PARENT COMPANY FINANCIAL STATEMENTS

The management of RFM Corporation is responsible for the preparation and fair presentation of the parent company's financial statements including the schedules attached therein, for the years ended December 31, 2025 and December 31, 2024, in accordance with the Philippine Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of parent company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company's 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 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 parent company's financial statements including the schedules attached therein, and submits the same to the stockholders or members.

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

Signed this 8th day of April 2026.

Jose Maria Concepcion III
Chairman of the Board / President & CEO

Enrique Oliver Rey-Matias
VP-Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 13 APR 2026 day of _____ 2026 affiant(s) exhibiting to me his/her Passport as follows:

Names	Passport Number	Date of Issue / Expiry	Place of Issue
Jose Maria Concepcion III	P6956061B	25 Jan 2023/ 25 Jan 2033	DFA, Manila
Enrique Oliver Rey-Matias	P9591666B	12 Apr 2022/ 11 Apr 2032	DFA, Manila

Doc No. 294
Page No. 60
Book No. I
Series of 2026

MITCHIE VANESSA T MAGOMNANG
Notary Public for and in Mandaluyong City
Notarial Commission No 0475-25
Commission expires on 31 December 2026
8th Floor RFM Corporate Center
Pioneer corner Sheridan Sts., Mandaluyong City
PTR No. 6039058, Jan. 5, 2026, Mandaluyong City
IBP Lifetime Member No 09975
Roll of Attorneys No 53187
MCLE Compliance No VIII-0023246
Valid until April 14, 2028

RFM CORPORATION

STATEMENT OF MANAGEMENT'S REPSONSIBILITY FOR PARENT COMPANY FINANCIAL STATEMENTS

The management of RFM Corporation is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of RFM Corporation complete and correct in all material aspects. Management likewise affirms that:

A. The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

B. Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax returns pursuant to accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue regulations No. 8-2007 and other relevant issuances;

C. The RFM Corporation has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed under oath by the following:

Jose Maria Concepcion III
Chairman of the Board / President & CEO

Enrique Oliver I. Rey-Matias
VP – Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 13 APR day of 2026 2026 affiant(s) exhibiting to me his/her Tax Identification Number as follows:

Names	TIN Number
Jose Maria Concepcion III	118-626-873
Enrique Oliver I. Rey-Matias	156-604-935

Doc No. 296
Page No. 61
Book No. I
Series of 2026

MITCHIE VANESSA T MAGOMNANG
Notary Public for and in Mandaluyong City
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Valid until April 14, 2028

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly notarized, in the City of Mandaluyong on 13 APR 2026.

RFM Corporation

By:

JOSE MARIA CONCEPCION III
Chairman of the Board / President & CEO

ENRIQUE OLIVER I. REY MATIAS
Vice President – CFO

SUBSCRIBED AND SWORN to before me this _____ day of 13 APR 2026 2026 affiants exhibiting their Passport as follows:

Names	Passport Number	Date of Issue / Expiry	Place of Issue
Jose Maria Concepcion III	P6956061B	25 Jan 2023/ 25 Jan 2033	DFA, Manila
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Doc No. 297
Page No. 61
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MCLE Compliance No VIII-0023246
Valid until April 14, 2028

RFM CORPORATION

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱1,563,804**	₱2,450,700
Receivables (Note 6)	**2,429,482**	2,049,112
Inventories (Note 7)	**1,769,360**	2,053,759
Financial assets at fair value through other comprehensive income (FVOCI) (Note 11)	**3,344,205**	2,446,900
Other current assets (Note 8)	**53,928**	59,773
Total Current Assets	**9,160,779**	9,060,244
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI) - net of current portion (Note 11)	**393,505**	581,829
Investments in subsidiaries, joint ventures and an associate (Note 12)	**442,302**	442,302
Property, plant and equipment (Note 9):		
At appraised value	**5,467,942**	4,854,505
At cost	**2,966,362**	3,202,214
Intangible assets (Note 10)	**2,030,240**	2,079,722
Net retirement asset (Note 22)	**1,267**	–
Other noncurrent assets	**17,581**	19,753
Total Noncurrent Assets	**11,319,199**	11,180,325
TOTAL ASSETS	**₱20,479,978**	₱20,240,569
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 13)	**₱4,324,077**	₱4,961,735
Lease liabilities (Note 14)	**5,680**	32,694
Income tax payable	**50,235**	-
Total Current Liabilities	**4,379,992**	4,994,429
Noncurrent Liabilities		
Net retirement liability (Note 22)	**–**	1,192
Lease liabilities (Note 14)	**–**	5,708
Deferred income tax liabilities - net (Note 23)	**891,526**	735,383
Total Noncurrent Liabilities	**891,526**	742,283
Total Liabilities	**5,271,518**	5,736,712
Equity		
Capital stock (Note 15)	**3,500,404**	3,500,404
Additional paid-in capital	**2,060,383**	2,060,383
Treasury stock (Note 15)	**(612,280)**	(612,280)
Other comprehensive income:		
Revaluation increment on land - net (Note 9)	**3,472,348**	3,012,270
Unrealized loss on financial assets at FVOCI (Note 11)	**(57,525)**	(50,947)
Equity reserve (Note 15)	**(4,120)**	(4,120)
Retained earnings (Note 15)	**6,849,250**	6,598,147
Total Equity	**15,208,460**	14,503,857
TOTAL LIABILITIES AND EQUITY	**₱20,479,978**	₱20,240,569

See accompanying Notes to Parent Company Financial Statements.

RFM CORPORATION

PARENT COMPANY STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31	
	2025	2024
REVENUES		
Sale of goods (Note 4)	**₱15,200,475**	₱14,691,785
Services and others (Notes 4, 14 and 21)	**29,200**	28,270
	15,229,675	14,720,055
COST OF GOODS SOLD (Note 16)	**(10,619,035)**	(10,459,686)
GROSS PROFIT	**4,610,640**	4,260,369
OPERATING EXPENSES		
Selling and marketing expenses (Note 17)	**(2,834,133)**	(2,859,486)
General and administrative expenses (Note 18)	**(556,571)**	(455,489)
OTHER INCOME (CHARGES)		
Dividend income (Note 12)	**646,392**	700,231
Interest income (Note 20)	**167,380**	144,241
Interest expense and financing charges (Note 20)	**(1,517)**	(2,423)
Other income - net (Note 20)	**36,222**	3,074
INCOME BEFORE INCOME TAX	**2,068,413**	1,790,517
PROVISION FOR INCOME TAX (Note 23)		
Current	**310,173**	236,554
Deferred	**3,867**	564
	314,040	237,118
NET INCOME	**₱1,754,373**	₱1,553,399
Basic/Diluted Earnings Per Share (Note 25)	**₱0.52**	₱0.46

See accompanying Notes to Parent Company Financial Statements.

RFM CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31	
	2025	2024
NET INCOME	**₱1,754,373**	₱1,553,399
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will be reclassified to income:		
Unrealized gain (loss) on financial asset at FVOCI (Note 11)	**(6,578)**	33,788
Items that will not be reclassified to income (loss):		
Remeasurement loss on defined benefit		
Retirement plan (Note 22)	**(4,334)**	(8,146)
Income tax effect (Note 23)	**1,084**	2,037
Revaluation increment on land (Note 9)	**613,438**	3,441
Income tax effect (Note 23)	**(153,360)**	(860)
	456,828	(3,528)
TOTAL COMPREHENSIVE INCOME	**₱2,204,623**	₱1,583,659

See accompanying Notes to Parent Company Financial Statements.

RFM CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

(Amounts in Thousands)

	Capital Stock (Note 15)	Additional Paid-in Capital	Treasury Stock	Revaluation Increment on land - net (Note 9)	Unrealized Loss on Financial Assets At FVOCI (Note 11)	Equity Reserve	Retained Earnings (Note 15)	Total
As of January 1, 2025	**₱3,500,404**	**₱2,060,383**	**(₱612,280)**	**₱3,012,270**	**(₱50,947)**	**(₱4,120)**	**₱6,598,147**	**₱14,503,857**
Net income	–	–	–	–	–	–	**1,754,373**	**1,754,373**
Other comprehensive income (loss):								
Remeasurement gain on defined benefit retirement plan	–	–	–	–	–	–	**(3,251)**	**(3,251)**
Revaluation increment on land	–	–	–	**460,079**	–	–	–	**460,079**
Unrealized gain on financial asset at FVOCI	–	–	–	–	**(6,578)**	–	–	**(6,578)**
Total comprehensive income for the year	–	–	–	**460,079**	**(6,578)**	–	**1,751,122**	**2,204,623**
Cash dividends (Note 15)	–	–	–	–	–	–	**(1,500,020)**	**(1,500,020)**
As of December 31, 2025	**₱3,500,404**	**₱2,060,383**	**(₱612,280)**	**₱3,472,349**	**(₱57,525)**	**(₱4,120)**	**₱6,849,249**	**₱15,208,460**
As of January 1, 2024	₱3,651,021	₱2,060,383	(₱758,777)	₱3,009,689	(₱84,735)	(₱4,120)	₱6,350,857	₱14,224,318
Net income	–	–	–	–	–	–	1,553,399	1,553,399
Other comprehensive income (loss):								
Remeasurement loss on defined benefit retirement plan	–	–	–	–	–	–	(6,109)	(6,109)
Revaluation increment on land	–	–	–	2,581	–	–	–	2,581
Unrealized gain on financial asset at FVOCI	–	–	–	–	33,788	–	–	33,788
Total comprehensive income for the year	–	–	–	2,581	33,788	–	1,547,290	1,583,659
Cash dividends (Note 15)	–	–	–	–	–	–	(1,300,000)	(1,300,000)
Retirement of treasury shares	(150,617)	–	146,497	–	–	–	–	(4,120)
As of December 31, 2024	₱3,500,404	₱2,060,383	(₱612,280)	₱3,012,270	(₱50,947)	(₱4,120)	₱6,598,147	₱14,503,857

See accompanying Notes to Parent Company Financial Statements.

RFM CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,068,413**	₱1,790,517
Adjustments for:		
Depreciation and amortization (Notes 9 and 10)	**431,901**	405,589
Retirement benefits cost (Note 22)	**18,953**	17,419
Interest expense and financing charges (Note 20)	**1,517**	2,423
Loss (gain) on sale and write-off of property, plant and equipment	**(210)**	15,995
Gain on maturity of financial assets at FVOCI (Note 11)	**(23,934)**	(1,269)
Interest income (Note 20)	**(167,380)**	(144,241)
Dividend income (Note 12)	**(646,392)**	(700,231)
Operating income before working capital changes	**1,682,868**	1,386,202
Decrease (increase) in:		
Receivables	**(338,507)**	(437,191)
Inventories	**284,399**	626,383
Other current assets	**(1,996)**	48,354
Increase (decrease) in accounts payable and other current liabilities	**(674,999)**	747,900
Net cash generated from operations	**951,975**	2,371,648
Retirement contributions including benefits paid out of Company's operating funds (Note 22)	**(25,746)**	(27,959)
Interest paid	**(68)**	(83)
Interest received	**75,588**	92,641
Income taxes paid, including creditable withholding taxes	**(252,096)**	(182,463)
Net cash from operating activities	**749,443**	2,253,784
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in other noncurrent assets	**2,172**	(10,160)
Dividends received	**604,529**	729,232
Additions to:		
Property, plant and equipment (Note 9)	**(193,416)**	(611,213)
Computer software (Note 10)	**(6,297)**	(32,046)
Financial assets at FVOCI (Note 11)	**(4,935,833)**	(1,750,637)
Proceeds from maturity of financial assets at FVOCI (Note 11)	**4,336,000**	670,000
Proceeds from sale of property, plant and equipment	**53,356**	7,409
Net cash used in investing activities	**(139,489)**	(997,415)

(Forward)

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid (Notes 13, 15 and 30)	**(₱1,462,679)**	(₱1,288,446)
Payment of interest and principal portion of lease liability (Notes 14 and 30)	**(34,171)**	(30,984)
Cash used in financing activities	**(1,496,850)**	(1,319,430)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(886,896)**	(63,061)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**2,450,700**	2,513,761
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 5)	**₱1,563,804**	₱2,450,700

See accompanying Notes to Parent Company Financial Statements.

RFM CORPORATION

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

(Amounts in Thousands, Except Number of Shares or When Otherwise Indicated)

1. Corporate Information and Authorization for Issuance of the Parent Company Financial Statements

Corporate Information

RFM Corporation (the Company) was incorporated on August 16, 1957 and registered with the Philippine Securities and Exchange Commission (SEC). On July 9, 2007, the Philippine SEC approved the extension of the Company's corporate life from August 22, 2007 to October 13, 2056. However, under the Revised Corporation Code of the Philippines, the Company shall have a perpetual corporate life. The Company is a public company under Section 17.2 of the Securities Regulation Code (SRC) and its shares are listed on the Philippine Stock Exchange (PSE) since 1966. The Company is mainly involved in the manufacturing, processing and selling of wheat, flour and flour products, pasta, milk, juices, and other food and beverage products. The principal office of the Company is RFM Corporate Center, Pioneer corner Sheridan Streets, Mandaluyong City.

Authorization for the Issuance of the Parent Company Financial Statements

The parent company financial statements of the Company as at and for the years ended December 31, 2025 and 2024 were authorized for issuance by the Board of Directors (BOD) on April 8, 2026.

2. Basis of Preparation, Statement of Compliance and Summary of Material Accounting Policy Information

Basis of Preparation

The parent company financial statements have been prepared using the historical cost basis, except for the Company's parcels of land which are stated at appraised values, net retirement liability which is measured at present value of the defined benefit obligations less fair value of the plan assets and financial assets at FVOCI which are measured at fair values. The parent company financial statements are presented in Philippine peso (₱), which is the Company's functional currency. All values are rounded off to the nearest thousand (₱000), except for the number of shares or when otherwise indicated.

Statement of Compliance

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The parent company financial statements are the Company's separate financial statements prepared in compliance with Philippine Accounting Standards (PAS) 27, *Separate Financial Statements*. These financial statements are prepared for submission to the Philippine Bureau of Internal Revenue. The Company also prepares and issues, for the same period, consolidated financial statements which are prepared in accordance with the financial reporting framework as allowed by SEC which represents PFRS Accounting Standards except PFRS 11, *Joint Arrangements,* with respect to the Company's investment in Magnum RFM Ice Cream, Inc. (MRIC). These financial statements are filed with SEC and may be obtained at its office at 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City or at the Company's principal office address.



Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to PAS 21*, Lack of exchangeability*
  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

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

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements to have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- 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 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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*

Summary of Material Accounting Policy Information

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

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy.

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by 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.

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

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.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and which are subject to an insignificant risk of changes in value.

Financial Instruments

Date of recognition

The Company recognizes a financial asset or a financial liability in the parent company statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place are recognized on the settlement date.

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. The Company's financial assets and financial liabilities consist of amortized cost, at FVOCI and other financial liabilities.

Initial recognition of financial instruments

All financial instruments are initially recognized at fair value. Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Instruments - Classification and Subsequent Measurement

The Company classifies and measures financial assets at FVTPL unless these are measured at FVOCI or at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing those financial assets.



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

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
- 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

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.

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (FVOCI)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition

As of December 31, 2025 and 2024, the Company's financial assets consist of financial assets at amortized cost and FVOCI with recycling of cumulative gains and losses.

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

As of December 31, 2025 and 2024, the Company's financial assets at amortized cost include cash and cash equivalents and trade and other receivables.

Financial assets at FVOCI
Financial assets at FVOCI include debt securities. After initial measurement, financial assets at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of investment securities at FVOCI are excluded, net of tax as applicable, from the reported earnings and are included in the parent company statement of comprehensive income as 'Unrealized gain (loss) on financial assets at FVOCI'.

The effective yield component of debt securities at FVOCI, as well as the impact of restatement on foreign currency denominated debt securities at FVOCI, is reported in the parent company statement of income. Interest earned on holding debt securities as FVOCI are reported as 'Interest income' using the effective interest rate (EIR) method. When the debt securities at FVOCI are disposed of, the



cumulative gain or loss previously recognized in the parent company statement of comprehensive income is recognized in the parent company statement of income. The ECL arising from impairment of such investments are recognized in OCI with a corresponding charge to 'Provision for credit losses' in the parent company statement of income.

Initial recognition and measurement of financial liabilities
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 other financial liabilities, net of directly attributable transaction costs. As of December 31, 2025 and 2024, the Company's financial liabilities include accounts payable and other current liabilities (excluding payables to government agencies) and lease liabilities.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Subsequent measurement - other financial liabilities
This category pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. These include liabilities arising from operations. These financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the EIR method of amortization (or accretion) for any related premium, discount and any directly attributable transaction cost.

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

For cash and cash equivalents and short-term cash investments, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from Standard and Poor's and Moody's to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. The Company considers a debt investment security to have a low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

For trade 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 key inputs in the model include the Company's definition of default and historical data of three years for the origination, maturity date and default date. The Company considers trade receivable in default when contractual payments are already past due for a certain number of days, which depends on the normal customer arrangements and business terms which varies across relevant business segment/sub-segment of the Company, ranging from 90 days to 360 days, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default. However, in certain cases, the Company may also consider a trade receivable 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.

For nontrade and other receivables and advances to related parties, 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).

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Determining the stage for impairment
At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

This policy is applicable to Company's financial assets except for trade receivables, for which the Company applies a simplified approach in calculating ECLs.

Write-off policy
The Company writes-off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the parent company statement of income.

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 primarily derecognized when:

- the Company's rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the 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) has transferred substantially all the risks and rewards



of the asset, or (b) has neither transferred or retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. 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, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the parent company statement of financial position if, and only if, there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing the product to its present location and condition are accounted for as follows:

Finished goods	determined using the moving average method; cost includes direct materials, direct labor and a proportion of manufacturing overhead costs based on normal operating capacity
Goods in process	applicable allocation of fixed and variable overhead costs
Raw materials, spare parts and supplies	purchase cost using the moving average method

NRV of finished goods and goods in process is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. For raw materials, NRV is the current replacement cost. In case of spare parts and supplies, NRV is the estimated realizable value of the inventories when disposed of at their condition at the reporting date. An allowance for inventory obsolescence is provided for slow-moving, obsolete, defective and damaged inventories based on physical inspection and management evaluation.

Other Current Assets
Other current assets include prepaid expenses, deposit on purchases of inventories, tax credits and input VAT.

Prepaid expenses. These are expenses paid in advance and recorded as asset before they are utilized. Prepaid expenses that are expected to be realized for no more than 12 months after the reporting date are classified as current assets; otherwise, these are classified as other noncurrent assets.

Deposit on purchases of inventories. This account comprises of advance payments to suppliers for payments on goods to be purchased in connection with the Company's operations. These are reclassified as part of inventory upon delivery of the related asset.

Investments in Subsidiaries, Joint Ventures and an Associate
The Company's investments in subsidiaries, joint ventures and an associate are accounted at cost in the parent company financial statements, less any impairment in value.

Property, Plant and Equipment
Property, plant and equipment, except land, are stated at cost less accumulated depreciation and amortization, and any impairment in value.

Land is stated at fair value based on a valuation performed by accredited independent appraisers. Any increase, as a result of revaluation of land, is credited to "Revaluation increment on land" account, net of deferred income tax effect, and presented under the equity section of the parent company statement of financial position.

Revaluation of land is made periodically such that the carrying amount does not differ materially from that which would be determined using the fair value at the reporting date. For subsequent revaluations, any resulting increase in the assets' carrying amount as a result of the revaluation is credited to "Revaluation increment on land" account, net of deferred income tax effect, in the parent company statement of comprehensive income.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Land improvements	10 to 20
Silos, buildings and improvements	10 to 30
Machinery and equipment	10 to 25
Transportation and delivery equipment	5
Office furniture and fixtures	2 to 5

Leasehold improvements recognized under "Silos, buildings and improvements" are depreciated over the life of the assets or the lease term, whichever is shorter.

Construction in progress are properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are carried at cost less any recognized impairment loss. Construction in progress are reclassified into appropriate class of property, plant and equipment when the relevant assets are completed and available for use.

Depreciation and amortization of an item of property, plant and equipment begin when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date the asset is derecognized.

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Property, plant and equipment are derecognized when either these are disposed of or when these are permanently withdrawn from use and there is no more future economic benefits expected from its use or disposal.

Upon disposal of land at appraised value, any revaluation increment relating to the land being sold is transferred to retained earnings.

Right of use assets
The Company's policy is to classify ROU assets as part of Property, Plant and Equipment account. The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU asset on warehouse is depreciated on a straight-line basis over two (2) years. ROU assets are subject to impairment.

Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the parent company statement of income in the year in which the expenditure is incurred.

The estimated useful lives of intangible assets are assessed as either finite or indefinite.

The Company's intangible assets consist of trademark and computer software that are amortized over forty (40) years and three (3) years, respectively, using the straight-line method. The amortization expenses on trademark and computer software are recognized in the expense category in the parent company statement of income consistent with its function.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the parent company statement of income when the asset is derecognized.

Impairment of Noncurrent Nonfinancial assets
The carrying values of property, plant and equipment, trademark, computer software and investments in subsidiaries, joint ventures and an associate are reviewed for impairment when event or charges in circumstances indicate that the carrying values may not be recoverable. Trademark is tested for impairment at least annually or when there is an identified indicator of impairment. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units (CGUs) are written down to their recoverable amounts. The recoverable amount of these noncurrent nonfinancial assets is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses, if any, are recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.

Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of an asset, but not, however, to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had there been no impairment loss recognized for the asset in prior years. A reversal of an impairment loss is recognized in the parent company statement of income.

Equity

Capital Stock

Capital stock is stated at par value for all shares issued and outstanding. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are charged to the "Additional paid-in capital" account.

Treasury Stock

Own equity instruments which are reacquired (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in the parent company statement of income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying value and the consideration, if reissued, is recognized in the "Additional paid-in capital" account. The cost of treasury stock sold or cancelled is determined on a first-in, first-out basis.

When the shares are retired, the capital stock account is reduced by its par value, and the excess of cost over par value upon retirement is debited to "Additional paid-in capital" to the extent of the specific or average additional paid-in capital when the shares were issued and to the retained earnings for the remaining balance.

Retained Earnings

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

Dividends on Common Shares

Cash and property dividends on common shares are recognized as liability and deducted from equity when approved and declared by the BOD of the Company.

Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting period.

Earnings per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is calculated in the same manner, adjusted for the effects of any potential dilutive common shares. Where the effect of the potential dilutive common shares would be anti-dilutive, basic and diluted earnings per share are stated at the same amount.

The Company does not have potential dilutive common shares in 2025 and 2024.



Revenue Recognition

Revenue from Contracts with Customers

The Company primarily derives its revenue from the sale of goods and rendering of services, respectively. 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.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. 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:

Sale of goods (Manufacturing)

The Company enters into a contract with a customer through an approved purchased order and trading terms agreement which constitute a valid contract as specific details such as the quantity, price, contract terms and their respective obligations are clearly identified in the contract.

Revenue from sale of goods is recognized at a point in time generally, on the time of delivery of the goods to the customer except for institutional division sales of flour and buns, which are recognized at the time the goods are dispatched from the warehouses.

Revenue recognized comprises of the invoice price of goods delivered after the deduction of estimated variable considerations and considerations paid/payable to customers. Variable considerations such as discounts, rebates, returns, sales incentives, and other adjustments are provided for in the period the related sales are recorded. Accumulated experience is used to estimate the provision for discounts, using the most likely amount method; revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Sale of services (Service)

Revenue, net of any incentives, is generally recognized over the time the services since as the entity performs, the customer simultaneously receives and consumes the benefits provided by the performance. The Company has determined that the output method used faithfully depicts the performance of the services.

Revenues outside the scope of PFRS 15:

Rent

Rent income is recognized on a straight-line basis over the terms of the lease.

Interest and financing income

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

Dividend income

Dividend income on investments in shares of stock is recognized when the Company's right to receive payment has been established.

Cost of Goods Sold

Cost of goods sold is recognized when the related goods are sold.



Selling and Marketing and General and Administrative Expenses
Selling and marketing expenses are costs incurred to sell or distribute the goods. It includes export and documentation processing and delivery, among others. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Short-term Employee Benefits
Short-term employee benefits include salaries and wages, vacation leave and sick leave benefits and other benefits that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related services. These are recognized in the parent company statement of income in the appropriate expense categories.

Retirement Benefits
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligations 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 contribution to the plan.

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

Retirement benefit costs comprise of the following:

(a) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
(b) Net interest expense or income, which is calculated by applying the discount rate to the net defined benefit liability or asset.

Service costs and net interest on the net defined benefit liability or asset are recognized as expense in the statement of comprehensive income.

Re-measurements comprising of 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 in the parent company statement of comprehensive income and transferred to retained earnings in the period in which they arise. Re-measurements are not reclassified to the parent company statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. 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 due 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.

Leases
The Company determines at contract inception whether a contract is, or contains, a lease by assessing whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



The Company as a lessee
Lease liabilities
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of its leases of other equipment's that are considered of low value (i.e., below ₱100,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Company as a Lessor
Leases where the Company does not transfer substantially all the risks and benefits of the ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leases asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency Transactions and Translations
Transactions denominated in foreign currencies are recorded using the foreign exchange rate at the date of the transaction. Outstanding monetary assets and monetary liabilities denominated in foreign currencies are translated using the closing foreign exchange rate at the reporting date. All differences are taken to the parent company statement of income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

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

Deferred income tax is recognized on differences between the carrying amounts of assets and liabilities in the parent company financial statements and their corresponding tax bases (known as temporary differences). Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and carryforward



benefits of unused tax credit from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) [excess MCIT], and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carryforward benefits of unused excess MCIT and NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced 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 income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to 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 the reporting date.

Deferred income tax relating to items recognized outside of the parent company statement of income is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Segment Reporting
The Company's operating businesses are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Provision 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 (i.e., more likely than not) 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The expense relating to any provision is presented in the statement of income, net of reimbursement. If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingent assets and liabilities are not recognized in the parent company financial statements but are disclosed in the notes to the parent company financial statements.

Events After the Reporting Date
Events after the reporting date that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the parent company financial statements Events after the reporting date that are not adjusting events are disclosed in the notes to parent company financial statement when material.

3. Management's Use of Significant Accounting Judgments and Estimates

The preparation of the parent company financial statements in compliance with PFRS Accounting Standards requires the Company to exercise judgment, make accounting estimates and use assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. The judgments, estimates and assumptions are based on management's evaluation of relevant facts and

circumstances as of the date of the parent company financial statements. Actual results could differ from the estimates and assumptions used. The effect of any change in estimates or assumptions is reflected in the parent company financial statements when they become reasonably determinable.

Judgment

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements.

Determination of useful life of trademark

The assessment of indefinite useful life is performed annually to determine whether the indefinite useful life continues to be appropriate. Effective January 1, 2024, in view of the change in the expected pattern of economic benefits from the asset, the Company revised its estimate of the useful life of trademark from indefinite to forty (40) years.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of trademark

The Company reviews for impairment the carrying value of trademark when events or changes in circumstances indicate that the carrying value may be impaired. With the change in useful life from indefinite to finite in 2024, the Company assessed that there is a need to test the carrying value of the trademark for impairment on the year of change.

For purposes of impairment testing of trademark, the most appropriate valuation approach used is based on the circumstances relevant to the Company and based on the extent of available information. Management has determined that the recoverable amount of trademark is fair value less cost of disposal wherein fair value is determined using the relief from royalty method. The fair value of the trademark was calculated using discount rate, revenue growth rates, budgeted brand support and royalty savings rate arising from the ownership of the trademark. The key assumptions used to determine the fair value are further discussed in Note 10.

As of December 31, 2025, there were no impairment indicators on trademark. As of December 31, 2024, no impairment losses were recognized for trademark based on the impairment testing performed. The carrying value of trademark is disclosed in Note 10.

Valuation of land under revaluation basis

The Company's parcels of land are carried at revalued amounts, which approximate their fair values at the date of the revaluation, less any subsequent accumulated impairment losses. The revaluation is performed by professionally qualified appraisers and uses the Sales Comparison Approach (see Note 9). Revaluations are made on a regular basis to ensure that the carrying amounts do not differ materially from those which would be determined using fair values at the reporting date.

The carrying value of land is disclosed in Note 9.

Estimation of expected credit losses
ECLs are derived from unbiased and probability-weighted estimates of expected loss and 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 the original effective interest rate, or an approximation thereof. 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.

The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Company defines a financial instrument as in default when a customer is more than 120 days past due on its contractual obligations. 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.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Refer to Note 6 for the ECL recognized on the Company's receivables.

Recognition of deferred income tax assets
Deferred income tax assets are recognized for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred income tax assets recognized by the Company are disclosed in Note 23.

4. Segment Information and Revenue from Contracts with Customers

Segment Information
The Company's management reports its operating business segments into the following:

(a) The institutional business segment primarily manufactures flour, bread products, pasta, and rice-based mixes, but only sells flour and bread products.
(b) The consumer business segment manufactures milk and juices, and sells the latter together with pasta and rice-based mixes.

The operating businesses are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. All operating business segments used by the Company meet the definition of reportable segment.



Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the parent company financial statements.

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment. Segment liabilities include all operating liabilities and consist principally of trade, wages and taxes currently payable and accrued expenses.

Intersegment transactions, i.e., segment revenues and segment expenses, include transfers between business segments and are eliminated in the parent company financial statements.

The Company does not have a single external customer from which revenue generated amounted to 10% or more of the total revenue of the Company.

Information with regards to the Company's significant business segments follows:

	December 31, 2025					
	Consumer Business	**Institutional Business**	**Unallocated Corporate Balances**	**Total**	**Eliminations**	**Total**
Net Sales						
External sales	**₱9,850,268**	**₱5,350,207**	**₱29,200**	**₱15,229,675**	**–**	**₱15,229,675**
Results						
Interest income (expense) - net	**(₱1,415)**	**(₱17)**	**₱167,295**	**₱165,863**	**₱–**	**₱165,863**
Income from operations before provision for income tax	**₱740,496**	**₱452,938**	**₱874,979**	**₱2,068,413**	**₱–**	**₱2,068,413**
Provision for income tax	**–**	**–**	**(314,040)**	**(314,040)**	**–**	**(314,040)**
Net Income	**₱740,496**	**₱452,938**	**₱560,939**	**₱1,754,373**	**–**	**₱1,754,373**
Other Information						
Segment assets	**₱75,560,565**	**₱39,972,701**	**₱26,908,748**	**₱141,442,014**	**(₱125,134,653)**	**₱16,307,361**
Investments	**–**	**–**	**4,172,616**	**4,172,616**	**–**	**4,172,616**
Total Assets	**₱75,560,565**	**₱39,972,701**	**₱31,081,364**	**₱145,614,630**	**(₱125,134,653)**	**₱20,479,977**
Total Liabilities	**₱74,652,666**	**₱25,940,427**	**₱29,813,078**	**₱130,406,171**	**(₱125,134,653)**	**₱5,271,518**
Capital expenditures (Notes 9 and 10**)**	**₱112,021**	**₱88,998**	**₱54,343**	**₱255,362**	**₱–**	**₱255,362**
Depreciation and amortization (Notes 9 and 10**)**	**303,915**	**108,049**	**19,936**	**431,900**	**–**	**431,900**

	December 31,2024					
	Consumer Business	Institutional Business	Unallocated Corporate Balances	Total	Eliminations	Total
Net Sales						
External sales	₱9,387,710	₱5,304,075	₱28,270	₱14,720,055	₱–	₱14,720,055
Results						
Interest income (expense) – net	(₱2,317)	(₱10)	₱144,145	₱141,818	₱–	₱141,818
Income from operations before provision for income tax	₱394,295	₱526,059	₱870,163	₱1,790,517	₱–	₱1,790,517
Provision for income tax	–	–	(237,118)	(237,118)	–	(237,118)
Net Income	₱394,295	₱526,059	₱633,045	₱1,553,399	₱–	₱1,553,399
Other Information						
Segment assets	₱47,457,926	₱ 53,517,509	₱27,330,302	₱128,305,737	(₱111,536,199)	₱16,769,538
Investments	–	–	3,471,031	3,471,031	–	3,471,031
Total Assets	₱47,457,926	₱ 53,517,509	₱30,801,333	₱131,776,768	(₱111,536,199)	₱20,240,569
Total Liabilities	₱66,990,463	₱ 21,334,387	₱ 28,948,061	₱117,272,911	(₱111,536,199)	₱5,736,712
Capital expenditures (Notes 9 and 10)	₱77,607	₱516,342	₱49,310	₱643,259	₱–	₱643,259
Depreciation and amortization (Notes 9 and 10)	162,129	176,533	66,927	405,589	–	405,589

Revenue from Contracts with Customers
The Company's revenues are from its sale of goods and rendering of services. The Company's revenues from its sale of goods are all recognized at a point in time while revenues from rendering of services are recognized over time following the output method (see Note 2).

The following table disaggregates the Company's revenues on sale of goods by segment for the year ended December 31, 2025 and 2024:

	2025	2024
Consumer business	**₱9,850,268**	₱9,387,710
Institutional business	**5,350,207**	5,304,075
Total revenue from contacts with customers	**₱15,200,475**	₱14,691,785

Management fees and service income are related to the rent income from lease of the main building and service fees received from MRIC (see Note 21).

5. Cash and Cash Equivalents

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

	2025	2024
Cash on hand and in banks	**₱1,057,545**	₱1,390,603
Cash equivalents	**506,259**	1,060,097
	₱1,563,804	₱2,450,700

Interest income earned from cash in banks and cash equivalents amounted to ₱1.19 million and ₱1.19 million for the years ended December 31, 2025 and 2024, respectively (see Note 20).

6. Receivables

	2025	2024
Trade:		
Third parties	**₱2,372,010**	₱2,036,434
Related parties (Note 21)	**18,637**	19,228
Dividends receivable (Note 21)	**201,996**	160,133
Nontrade	**95,036**	86,912
Advances to related parties (Note 21)	**154,845**	152,625
Advances to officers and employees	**13,123**	15,543
Other receivables	**7,944**	12,334
	2,863,591	2,483,209
Less allowance for doubtful accounts	**434,109**	434,097
	₱2,429,482	₱2,049,112

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

The movement in the allowance for doubtful accounts, which were determined using specific and collective impairment follows:

	2025				
	Trade Receivables	**Nontrade receivables**	**Advances to officers and employees**	**Advances to related Parties**	**Total**
At January 1	**₱269,944**	**₱51,607**	**₱4,857**	**₱107,689**	**₱434,097**
ECL Provisions (Note 18)	**12**	**–**	**–**	**–**	**12**
At December 31	**₱269,956**	**₱51,607**	**₱4,857**	**₱107,689**	**₱434,109**

	2024				
	Trade Receivables	Nontrade receivables	Advances to officers and employees	Advances to related Parties	Total
At January 1	₱269,937	₱51,607	₱4,857	₱106,996	₱433,397
ECL Provisions (Note 18)	7	–	–	693	700
At December 31	₱269,944	₱51,607	₱4,857	₱107,689	₱434,097

7. Inventories

	2025	2024
At NRV:		
Raw materials	**₱885,124**	₱866,773
Finished goods	**482,258**	523,471
Spare parts and supplies	**257,966**	215,917
	1,625,348	1,606,161
At cost:		
Raw materials in transit	**–**	260,124
Goods in process	**144,012**	187,474
	144,012	447,598
	₱1,769,360	₱2,053,759

Total cost of inventories stated at NRV as of December 31, 2025 and 2024 are as follows:

	2025	2024
Raw materials	**₱900,628**	₱867,524
Finished goods	**484,150**	525,363
Spare parts and supplies	**257,966**	215,917
	₱1,642,744	₱1,608,804

The cost of inventories recognized as cost of goods sold amounted to ₱8,483.76 million and ₱8,439.32 million for the years ended December 31, 2025 and 2024, respectively (see Note 16).

Movements in the allowance for inventory obsolescence are as follows:

	2025	2024
Balance at beginning of year	**₱2,643**	₱26,564
Provisions	**15,504**	–
Reversal of allowance	**(751)**	(22,257)
Write-off	**–**	(1,664)
Balance at end of year	**₱17,396**	₱2,643

8. **Other Current Assets**

	2025	2024
Prepaid expenses	**₱17,280**	₱25,946
Creditable withholding taxes	**15,916**	23,758
Deposits on purchases	**20,732**	10,069
	₱53,928	₱59,773

Deposit on purchases represent advances made to suppliers for direct materials and contractors of services.

9. Property, Plant and Equipment

	At Cost								
	Land at Appraised Value	Land Improvements	Silos, Buildings and Improvements	Machinery and Equipment	Transportation and Delivery Equipment	Office Furniture and Fixtures	Construction in Progress	ROU Assets Warehouse	Total
December 31, 2025:									
Appraised Values/Cost									
At January 1	**₱4,854,505**	**₱17,324**	**₱1,638,798**	**₱5,405,834**	**₱157,888**	**₱210,126**	**₱88,927**	**₱63,837**	**₱7,582,734**
Additions	–	–	6,846	15,592	18,189	53,184	99,605	–	193,416
Disposal	–	–	–	–	(2,910)	(45,356)	(7,735)	–	(56,001)
Reclassification	–	(2,973)	2,973	87,836	–	–	(87,836)	–	–
Revaluation	613,437	–	–	–	–	–		–	
At December 31	5,467,942	14,351	1,648,617	5,509,262	173,167	217,954	92,961	63,837	7,720,149
Accumulated Depreciation									
At January 1	–	16,177	982,423	3,021,247	118,273	195,445	–	26,599	4,360,164
Depreciation (Notes 16, 17 and 18)	–	–	71,317	250,453	13,827	8,607	–	31,918	376,122
Disposal	–	–	–	–	(2,603)	(252)	–	–	(2,855)
Reclassification	–	(1,826)	1,826	–	–	–	–	–	–
At December 31	–	14,351	1,055,566	3,271,700	129,497	203,800	–	58,517	4,733,431
Accumulated impairment loss	–	–	–	20,356	–	–	–	–	20,356
Net Book Values	**₱5,467,942**	**₱–**	**₱593,051**	**₱2,217,206**	**₱43,670**	**₱14,154**	**₱92,961**	**₱5,320**	**₱2,966,362**

	At Cost								
	Land at Appraised Value	Land Improvements	Silos, Buildings and Improvements	Machinery and Equipment	Transportation and Delivery Equipment	Office Furniture and Fixtures	Construction in Progress	ROU Assets Warehouse	Total
December 31, 2024:									
Appraised Values/Cost									
At January 1	₱4,851,064	₱17,324	₱1,368,840	₱4,444,018	₱136,297	₱144,852	₱869,365	₱63,728	₱7,044,424
Additions	–	–	3,440	563,634	30,820	12,217	1,102	63,837	675,050
Disposal	–	–	–	(50,285)	(9,229)	–	–	(63,728)	(123,242)
Reclassification	–	–	266,518	448,467	–	53,057	(768,042)	–	–
Write-off	–	–	–	–	–	–	(13,498)	–	(13,498)
Revaluation	3,441	–	–	–	–	–	–	–	–
At December 31	4,854,505	17,324	1,638,798	5,405,834	157,888	210,126	88,927	63,837	7,582,734
Accumulated Depreciation									
At January 1	–	16,220	913,203	2,875,802	118,306	137,999	–	58,415	4,119,945
Depreciation (Notes 16, 17 and 18)	–	–	69,220	236,713	8,744	6,966	–	31,912	353,555
Disposal	–	(43)	–	(40,788)	(8,777)	–	–	(63,728)	(113,336)
Reclassification	–	–	–	(50,480)	–	50,480	–		–
At December 31	–	16,177	982,423	3,021,247	118,273	195,445	–	26,599	4,360,164
Accumulated impairment loss	–	–	–	20,356	–	–	–	–	20,356
Net Book Values	₱4,854,505	₱1,147	₱656,375	₱2,364,231	₱39,615	₱14,681	₱88,927	₱37,238	₱3,202,214

The Construction in progress (CIP) as of December 31, 2025 includes the installation of Retrofit Pasta Control System for Pasta Division Line 1 to 3 and bundling machines, and conversion of Milk line 3 for Milk and Juice Division. While CIP as of December 31, 2024 includes the installment of the bread production line of the Bakery Division and fired boiler for the Milk and Juice Division.

Land
As of December 31, 2025 and 2024, the aggregate fair values of land amounted to ₱5,467.94 million and ₱4,854.51 million, respectively. The fair values of land were determined on December 31, 2025 and 2024, respectively, using the Sales Comparison Approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may be considered. Factors such as the property location, desirability, neighborhood, utility, size, terrain, bargaining allowance, and the time element are involved in estimating the market value of the land. The valuation is performed by an SEC-accredited independent appraisers, namely, Cuervo Appraiser Inc. and Royal Asia Appraisal Corporation. The appraisal reports for December 31, 2025 fair values were dated February 18 and 20 and March 3 and 24, 2026. The appraisal reports for December 31, 2024 fair values were March 20 and December 19, 2024. Gain from the revaluation of the land amounting to ₱613.44 million and ₱3.44 million was recognized in 2025 and 2024, respectively.

The cost of these parcels of land amounted to ₱852.3 million as of December 31, 2025 and 2024, respectively.

The fair value has been categorized as Level 3 fair value measurement based on the inputs to valuation technique used. The significant unobservable valuation input used is price per square meter ranging from ₱7,000 to ₱177,000 as of December 31, 2025 and ₱5,500 to ₱105,000 as of December 31, 2024, respectively. Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis.

Analysis of depreciation of property, plant and equipment as a function of expense follows:

	2025	2024
Cost of goods sold (Note 16)	**₱278,085**	₱255,105
Selling and marketing expenses (Note 17)	**74,849**	78,291
General and administrative expenses (Note 18)	**23,188**	20,159
	₱376,122	₱353,555

10. Intangible Assets

The movement in intangible assets as of December 31 follows:

2025:

	Trademark	**Computer Software**	**Total**
Cost:			
At January 1	**₱2,080,932**	**₱57,578**	**₱2,138,510**
Addition	**–**	**6,297**	**6,297**
At December 31	**2,080,932**	**63,875**	**2,144,807**
Accumulated Amortization:			
At January 1	**52,023**	**6,765**	**58,788**
Amortization (Notes 17 and 18)	**52,023**	**3,756**	**55,779**
At December 31	**104,046**	**10,521**	**114,567**
Net Book Value	**₱1,976,886**	**₱53,354**	**₱2,030,240**

2024:

	Trademark	Computer Software	Total
Cost:			
At January 1	₱2,080,932	25,532	₱2,106,464
Addition	–	32,046	32,046
At December 31	2,080,932	57,578	2,138,510
Accumulated Amortization:			
At January 1	–	6,754	6,754
Amortization	52,023	11	52,034
At December 31	52,023	6,765	58,788
Net Book Value	₱2,028,909	₱50,813	₱2,079,722

Trademark

In January 2014, the Company acquired the Royal pasta trademark from a third party amounting to ₱2.10 billion (US$46.0 million). At the time of acquisition, management assessed that the Royal pasta trademark has an indefinite useful life (see Note 3). Consequently, the trademark is subject to impairment testing at least annually or when impairment indicators are identified.

In 2024, the management reassessed the useful life of trademark as finite rather than indefinite to be amortized over its useful life of forty (40) years. With the change in estimated useful life, management tested the carrying value of trademark for impairment.

Management has determined that the recoverable amount of trademark is fair value less cost of disposal wherein fair value is determined using the relief from royalty method. This method considers royalty savings accruing to the Company arising from the ownership of the trademark using revenue projections based on the financial budgets approved by the BOD covering 40-year explicit forecast period. Management assessed the costs of disposal, which mainly pertain to the cost of transferring the certificate of registration with the Intellectual Property Office and documentary stamp tax, to be insignificant.

Key assumptions used to determine the fair value as of and for the year ended December 31, 2024 follow:

Assumptions	2024	Description
Discount rate	12.86%	Pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. Management used discount rate based on weighted average cost of capital (WACC).
Growth rates	8% to 25%	Growth rates in revenues are based on the Parent Company's expectations of market developments and past historical performance. Growth rates used are highest on the immediately preceding years and flattens over the budget period. The growth rate used to project revenue in the long term is 8% in 2024 and 2023.
Royalty savings rate	5%	Royalty savings rate is based on the prevailing comparable past trademark royalty rate obtained from survey by independent third party.
Budgeted brand support	1%	Cash flow forecast for brand support is based on past experience and is approved by the Parent Company's BOD. Brand support is based on revenues.

As of December 31, 2024, the recoverable amount of the trademark is higher than its carrying value. Management believes that an increase in discount rate by 0.1% would cause the carrying value of the Royal Pasta trademark to equal the recoverable amount.

As of December 31, 2025, no impairment indicators were identified.

11. Financial Assets at FVOCI

The Company's financial assets at FVOCI consists of various government and corporate debt securities amounting to ₱3,737.71 million and ₱3,028.73 million as of December 31, 2025 and 2024, respectively. These securities have maturity terms ranging from less than a year to 4 years.

During 2025 and 2024, the Company recognized interest income amounting to ₱166.19 million and ₱143.05 million in interest coupon payments from various government instruments as of December 31, 2025 and 2024, respectively (see Note 20).

Rollforward analysis of debt securities at FVOCI with recycling as of December 31, 2025 and 2024 follows:

	2025	2024
At amortized cost:		
At beginning of year	**₱3,069,030**	₱1,937,333
Additions	**4,935,833**	1,750,637
Amortizations	**91,792**	51,060
Maturities	**(4,336,000)**	(670,000)
At end of year	**3,760,655**	3,069,030
Change in fair value of financial assets		
At beginning of year	**(40,301)**	(75,358)
Unrealized gain recognized in OCI	**(6,578)**	33,788
Transfer to profit and loss	**23,934**	1,269
At end of year	**(22,945)**	(40,301)
Balance at end of year	**3,737,710**	3,028,729
Less: Current portion	**3,344,205**	2,446,900
Noncurrent portion	**₱393,505**	₱581,829

The applicable interest rates of the securities are as follows:

a) For the year ended December 31, 2025 and 2024, the nominal interest rates of government securities range from 2.70% to 3.90% and 2.01% to 3.90%, respectively, while effective interest rates range from 3.38% to 4.88% and 2.66% to 4.99%, respectively.

b) For the year ended December 31, 2025 and 2024, the nominal interest rate and effective interest rate of private debt security is nil.

12. Investments in Subsidiaries, Joint Ventures and an Associate

a. The following are the Company's operating subsidiaries, joint ventures and an associate as of December 31, 2025 and 2024:

Entity	Nature of Business	Percentage of Ownership	Amount
Subsidiaries			
RFM Equities, Inc.	Holding	100.00	₱64,128
Rizal Lighterage Corporation	Barging services	93.51	21,230
WS Holdings, Inc.	Holding	60.00	38,533
Joint Ventures			
Magnum RFM Ice Cream, Inc.	Manufacturing	50.00	248,375
Engrain-RFM Pacific, Inc.	Manufacturing	50.00	3,125
Associate			
Selecta Walls Land Corporation	Land Holding	35.00	81,663
			457,054
Less: Allowance for impairment			14,752
			₱442,302

Dividend income earned from investments in subsidiaries, joint ventures and an associate amounted to ₱646.39 million and ₱700.23 million for the years ended December 31, 2025 and 2024, respectively.

b. The following are the Company's non-operating subsidiaries Philippines as of December 31, 2025 and 2024.

Entity	Nature of Business	Percentage of Ownership
RFM Foods Philippines Corporation	Food retailer	100.00
Southstar Bottled Water Company, Inc.	Bottled water business	100.00
Swift Tuna Corporation	Manufacturing	100.00
FWBC Holdings, Inc.	Holding	83.38
Filipinas Water Bottling Company, Inc.	Bottled water manufacturing	44.88
RFM Canning and Marketing, Inc.	Canning services	70.00

The Company's investments in subsidiaries on these dormant entities are fully impaired amounting to ₱101.55 million as of December 31, 2025 and 2024.

All the operating and non-operating subsidiaries of the Company are domiciled in the Philippines.

13. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accrued expenses	**₱3,504,007**	₱3,704,140
Trade:		
Third parties	**201,812**	726,862
Related parties (Note 21)	**29,597**	24,708
VAT payable	**201,330**	242,838
Customers' deposits	**212,200**	125,477
Dividends payable	**85,217**	47,876
Payable to government agencies	**4,370**	4,370
Advances from related parties (Note 21)	**36,762**	36,762
Other payables	**48,782**	48,702
	₱4,324,077	₱4,961,735

Trade payables are noninterest-bearing and are generally settled on 30- to 60-day terms.

Other payables include advances from officers and employees, other deferred credits, and cash bonds from distributors as security to retain their credit line.

Details of accrued expenses are as follow:

	2025	2024
Advertisements and promotions	**₱1,512,490**	₱1,393,813
Employee benefits	**850,523**	857,788
Freight, importation charges and other inventory	**89,608**	123,675
Manpower services	**200,288**	176,467
Utilities	**123,096**	148,209
Rentals	**54,690**	53,811
Commissions	**5,773**	11,391
Others	**667,539**	938,986
	₱3,504,007	₱3,704,140

Other accrued expenses consist of interest, royalties, importation and other accrued expenses.

14. Leases

Company as a lessor

The Company entered into lease agreements with third parties covering its office spaces for a period of one (1) to five (5) years, subject for renewal unless terminated by the Company. The leases generally provide for either (a) a fixed monthly rent, or (b) with an escalation rate of 5% to 10% per annum. The lease agreements generally provide fixed monthly rent. The Company records rental income on a straight-line basis over less non-cancellable lease term. Lease income recognized in 2025 and 2024 amounted to ₱22.81 million and ₱21.80 million, respectively under "Services and others" in the parent company statements of income.

Future minimum rental receivables under non-cancellable operating leases as of December 31 are as follows:

	2025	2024
Within one year	**₱18,877**	₱18,070
After one year but not more than five years	**3,933**	3,732
	₱22,810	₱21,802

Company as a lessee
The Company has lease contracts for various items of warehouses, equipment and vehicles. Leases of warehouses generally have lease terms between six (6) months and three (3) years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of office spaces, equipment's and vehicles used in its operations with lease terms of 12 months or less and other equipment considered as low value assets. The Company applies the 'short-term lease' and 'lease of low-value assets 'recognition exemptions for these leases.

Refer to Note 9 for the rollforward analysis of ROU Assets at December 31, 2025 and 2024.

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	**₱38,402**	₱5,549
Interest expense (Note 20)	**1,449**	2,355
Addition	**–**	63,837
Lease payments applied to:		
Principal portion	**(32,722)**	(30,984)
Interest portion	**(1,449)**	(2,355)
Balances at end of year	**5,680**	38,402
Less: Current portion of lease liabilities	**5,680**	32,694
Noncurrent portion of lease liabilities	**₱–**	₱5,708

In 2024, the additional lease pertains to the renewed lease contract of the warehouse.

The following are the amounts recognized in parent company statement of income:

	2025	2024
Depreciation expense of ROU assets (Note 9)	**₱31,919**	₱31,912
Interest expense on lease liabilities (Note 20)	**1,449**	2,355
Expenses relating to short term leases and of leases of low value asset:		
Short term leases (included in cost of goods sold and selling and marketing expenses)	**145,651**	109,018
Leases of low value assets (included in selling and marketing expenses and general and administrative expenses)	**5,213**	3,953
Total amount recognized in the parent company statement of income	**₱184,232**	₱147,238

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2025 and 2024:

	2025	2024
1 year	**₱5,679**	₱34,172
more than 1 years to 2 years	–	5,723
	₱5,679	₱39,895

15. Equity

Capital stock
As of December 31, 2025 and 2024, capital stock consists of the following:

	Number of Shares Issued and Outstanding	
	2025	2024
Issued	**3,500,403,866**	3,500,403,866
Less: Retirement of shares	**(4,120,492)**	(4,120,492)
Treasury stock	**(126,734,016)**	(126,734,016)
Issued and Outstanding	**3,369,549,358**	3,369,549,358

As of December 31, 2025 and 2024, the Company has 3,827,647,580 authorized common stock, respectively, with ₱1 par value. Issued and outstanding common stock of 3,369,549,358 and 3,369,549,358 are held by 3,043 and 3,071 shareholders as of December 31, 2025 and 2024, respectively.

Below is the summary of capital stock movement of the Company:

Year	Date of Transaction	Common Stock Transactions	
1993		185,800,356	
1994	August 3,1994	93,304,663	(a)
1995	April 7, 1995	1,116,420,076	(b)
1997	February 25, 1997	5,950,650	(c)
1998		20,042,392	(c)
1999		1,804,979	(c)
2000	July 21, 2000	229,582,173	(d)
2000	December 14, 2000	45,252,983	(d)
2001	Various	21,950,505	(c)
2002	Various	195,891,163	(c)
2006	March 17, 2006	47,857,244	(d)
2007	June 28, 2007	1,963,857,184	(e)
2008	July 29, 2008	(767,310,502)	(f)
2014	March 24, 2014	340,000,000	(g)
2016	Various	(74,973,600)	(h)
2016	Various	70,810,600	(h)
2017	Various	(26,592,400)	(i)
2017	Various	27,864,600	(i)

(Forward)



Year	Date of Transaction	Common Stock Transactions	
2018	Various	(19,655,200)	(j)
2018	Various	4,200,000	(j)
2019	Various	(34,676,500)	(k)
2019	Various	5,181,000	(k)
2019	Various	4,120,492	(l)
2020	Various	(87,133,500)	(m)
2024	May 20, 2024	–	(n)
		3,369,549,358	

(a) On July 28, 1994, the SEC approved the Company's declaration of a 50% stock dividend.
(b) On April 7, 1995, the SEC approved a 5-for-1 stock split for the common stock, effectively reducing the par from ₱10.00 to ₱2.00.
(c) This is the result of the conversion of Company's preferred shares to common shares. Conversion of shares was made at various dates within the year.
(d) Information on the offer price is not available since the shares were not issued in relation to the public offering.
(e) On June 28, 2007, the SEC approved the 2-for-1 stock split for the common stock, effectively reducing the par value from ₱2.00 to ₱1.00.
(f) On July 29, 2008, the company retired its shares amounted to ₱991.76 million.
(g) On March 24, 2014, the Company issued additional 340.00 million shares.
(h) Purchased 74.97 million shares into treasury amounting to ₱313.68 million on various dates in 2016. Re-issued 70.81 million treasury shares amounting to ₱302.23 million on various dates in 2016 resulting in excess of issue price over the cost of treasury shares amounting to ₱8.71 million which is presented under "Additional paid-in capital" account in equity.
(i) Purchased 26.59 million shares into treasury amounting to ₱121.80 million on various dates in 2017. Re-issued 27.86 million treasury shares amounting to ₱129.80 million on various dates in 2017 resulting in excess of issue price over the cost of treasury shares amounting to ₱2.14 million which is presented under "Additional paid-in capital" account in equity.
(j) Purchased 19.66 million shares into treasury amounting to ₱92.76 million on various dates in 2018. Re-issued 4.20 million treasury shares amounting to ₱20.68 million on various dates in 2018 resulting in excess of cost of treasury shares over the issue price amounting to ₱0.22 million which is presented under "Additional paid-in capital" account in equity.
(k) Purchased 34.68 shares into treasury amounting to ₱167.24 million on various dates in 2019. Re-issued 5.18 million treasury shares amounting to ₱24.23 million on various dates in 2019 resulting in excess of cost of treasury shares over the issue price amounting to ₱1.16 million which is presented under "Additional paid-in capital" account in equity.
(l) This is the result of issuance of shares of the Parent Company, as a consideration for the merger, 4,120,492 shares were issued to the minority shareholders and 146,496,952 shares were considered as treasury shares.
(m) Purchased 87.13 million shares into treasury amounting to ₱382.86 million on various dates in 2020.
(n) Buyback of the 4,120,492 shares and thereafter, cancellation or retirement.

Equity reserve
On July 31, 2018, the Board of Directors (BOD) of the Parent Company approved the upstream merger among the Parent Company (the Surviving Corporation) and certain subsidiaries (the Absorbed Corporations). On January 31, 2019, the SEC has approved the said merger.

As a result of merger, the Parent Company has acquired the net assets including previous share of noncontrolling interest and possessed all the right, privileges and immunities of the Absorbed Corporations. All properties and receivables due to the Absorbed Corporations shall be taken and deemed to be transferred to and vested in the Parent Company without further act or deed.

The Parent Company considered the legal merger as, in substance, the redemption of shares in the subsidiaries, in exchange for the underlying assets of such subsidiaries. As a result, the acquired assets and assumed liabilities of the Absorbed Corporations were recognized at the carrying amounts in the consolidated financial statements as of the date of the merger. This includes any goodwill, intangible assets, or purchase price allocation adjustments that were recognized when the subsidiaries were originally acquired, less the related amortization, depreciation or impairment losses, as applicable, as well as the revaluation increment on the property, plant and equipment, of the Absorbed Corporations.

The 146,496,952 shares (excluding the 4,120,492 shares issued to minority shareholders) issued by the Parent Company was classified as treasury shares as of December 31, 2023. The difference between the consideration paid by the Parent Company and the net assets acquired of the Absorbed Corporations was accounted for as "Equity Reserve" in the parent company statements of financial position.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

On May 3, 2023, the BOD resolved and approved to retire the 146,496,952 treasury shares by decreasing Company's authorized capital stock. The BOD has likewise resolved and approved to buyback the 4,120,492 shares that went to the minority shareholders and thereafter cancel or retire them. The Company has already secured the Certificate of Approval of Decrease of Capital Stock and the Certificate of Filing of Amendment Articles of Incorporation both dated May 20, 2024, duly issued by the SEC. With the approval, the Company accordingly reflected the reduction in its number of issued and treasury shares in the 2024 parent company financial statements.

Retained earnings
The details of the Company's declaration of cash dividends follow:

Date of Board Approval	Amount (in millions)	Amount per share	Record date	Payment date
January 08, 2025	₱200.00	₱0.05936	January 22, 2025	February 18, 2025
April 10, 2025	200.00	0.05936	April 29, 2025	May 26, 2025
July 16, 2025	300.00	0.08903	July 30, 2025	August 30, 2025
September 17, 2025	300.00	0.08903	October 1, 2025	October 22, 2025
November 10, 2025	500.00	0.14839	November 24, 2025	December 19, 2025
January 24, 2024	250.00	0.74194	February 7, 2024	March 5, 2024
April 11, 2024	250.00	0.74194	April 25, 2024	May 22, 2024
August 2, 2024	300.00	0.89033	August 16, 2024	September 13, 2024
October 22, 2024	500.00	0.148388	November 6, 2024	December 2, 2024

16. Cost of Goods Sold

This account consists of:

	2025	2024
Raw materials used and changes in inventories (Note 7)	**₱8,483,764**	₱8,439,318
Repairs and maintenance	**442,101**	375,279
Utilities	**397,902**	364,414
Outside services	**212,541**	278,225

(Forward)

	2025	2024
Depreciation and amortization (Note 9)	**₱278,085**	₱255,105
Direct labor	**266,453**	228,904
Personnel costs (Note 19)	**205,414**	201,630
Taxes and licenses	**61,098**	54,786
Rental (Note 14)	**40,464**	32,165
Others	**231,213**	229,860
	₱10,619,035	₱10,459,686

Others include provision for doubtful accounts, professional fees, transportation, insurance, representation, entertainment and miscellaneous expenses.

17. Selling and Marketing Expenses

This account consists of:

	2025	2024
Advertisement and promotions	**₱1,030,714**	₱1,222,947
Outside services	**679,504**	617,064
Freight and handling	**620,077**	578,173
Depreciation and amortization (Note 9)	**126,872**	130,314
Personnel costs (Note 19)	**128,183**	119,860
Rental (Note 14)	**109,892**	79,704
Taxes and licenses	**32,247**	27,036
Utilities	**10,392**	10,165
Transportation and travel	**11,627**	8,996
Commissions	**6,348**	6,022
Others	**78,277**	59,205
	₱2,834,133	₱2,859,486

18. General and Administrative Expenses

This account consists of:

	2025	2024
Personnel costs (Note 19)	**₱298,144**	₱233,216
Outside services	**35,204**	35,452
Representation and entertainment	**7,178**	26,274
Utilities	**20,380**	21,928
Taxes and licenses	**16,808**	21,867
Depreciation and amortization (Note 9)	**26,943**	20,170
Directors' fees	**32,893**	19,163
Professional fees	**9,058**	11,660
Office supplies	**11,893**	8,008
Fuel and oil	**5,895**	7,213

(Forward)

	2025	2024
Transportation and travel	**₱3,478**	₱3,472
Rental (Note 14)	**508**	1,102
Provision for expected credit losses (Note 6)	**12**	700
Others	**88,177**	45,264
	₱556,571	₱455,489

Other expenses include insurance, repairs and maintenance, donations and other miscellaneous expenses.

19. Personnel Costs

This account consists of:

	2025	2024
Salaries and wages	**₱500,775**	₱470,500
Retirement benefit cost (Note 22)	**18,952**	17,419
Other employee benefits	**112,014**	66,787
	₱631,741	₱554,706

The distribution of the above amounts follows:

	2025	2024
General and administrative expenses (Note 18)	**₱298,144**	₱233,216
Cost of goods sold (Note 16)	**205,414**	201,630
Selling and marketing expenses (Note 17)	**128,183**	119,860
	₱631,741	₱554,706

20. Other Income and Expenses

Interest Income

	2025	2024
Cash and cash equivalents (Note 5)	**₱1,191**	₱1,192
Investment in FVOCI (Note 11)	**166,189**	143,049
	₱167,380	₱144,241

Interest Expense and Financing Charges

	2025	2024
Interest expense on lease liability (Note 14)	**₱1,449**	₱2,355
Others	**68**	68
	₱1,517	₱2,423

Other Income (Loss) - net

	2025	2024
Foreign exchange gain (loss) - net	**₱12,602**	(₱11,437)
Gain (loss) on sale of property, plant and equipment (Note 9)	**210**	(2,497)
Others - net	**23,410**	17,008
	₱36,222	₱3,074

21. Related Party Transactions

Related party relationship exists when the party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other related party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

Terms and Conditions of Transactions with Related Parties
There have been no guarantees provided or received for any related party receivables or payables. These accounts are non-interest bearing, generally unsecured and will be settled in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company's transactions and account balances with related parties follows:

		2025		2024				
Related Parties	Transaction	**Amount**	**Outstanding receivable (payable)** (Notes 6 and 13)	Amount	Outstanding receivable (payable) (Notes 6 and 13)	Statement of Financial Position Account	Terms	Conditions
Joint venture								
MRIC	Management service income	**₱536**	**₱4,633**	~~₱~~–	₱5,227	Trade receivables	Noninterest-bearing, collectible on demand	Unsecured, no impairment
	Dividend income	**646,392**	**201,996**	700,231	160,133	Dividend receivables	-do-	-do-
	Commission Income	–	–	–	–	Trade receivables	-do-	-do-
-do-	Service fees	–	–	–	593	Trade payables	Noninterest-bearing	Unsecured
Subsidiaries								
FWBC	Sale of goods	–	**13,835**	–	13,834	Trade receivables	Noninterest-bearing, collectible within 60 days	Unsecured, fully impaired

(Forward)

Related Parties	Transaction	2025 Amount	2025 Outstanding receivable (payable) (Notes 6 and 13)	2024 Amount	2024 Outstanding receivable (payable) (Notes 6 and 13)	Statement of Financial Position Account	Terms	Conditions
Subsidiaries								
RLC	Purchases of Services	**₱–**	**₱(2,755)**	₱–	(₱2,759)	Trade payables	-do-	Unsecured
REI	Current advances	**–**	**(36,762)**	–	(36,762)	Advances from related parties	Non-interest bearing	Unsecured
Entities under major shareholder group								
RFM Canning	Current advances	**–**	**34,813**	–	34,813	Advances to related parties	Noninterest-bearing	Unsecured, no impairment
Philtown	Current advances	**–**	**107,689**	–	107,689	-do-	-do-	Fully secured - with collateral of real properties, fully impaired
Republic Consolidated	Purchase of services	**–**	**56**			Trade payables	-do-	Unsecured
		–	**–**					
		–	**(22,542)**	–	(22,542)			
Others	Purchase of services	**–**	**1,800**			Trade payables	-do-	-do-
		–	**(4,461)**	–	–			
-do-	Advances			–	–	Advances from related parties	-do-	-do-
-do-	Current advances	**203**	**10,326**	–	10,123	Advances to related parties	-do-	Unsecured, no impairment
-do-	Sale of goods	**–**	**168**	–	167	Trade receivables	-do-	-do-

The parent company statements of financial position for the years ended December 31, 2025 and 2024 include the following amounts resulting from transactions with related parties:

	2025	2024
Trade receivables (Note 6)	**₱18,637**	₱19,228
Dividends receivable (Note 6)	**201,996**	160,133
Advances to related parties (Note 6)	**154,845**	152,625
Trade payables (Note 13)	**(29,597)**	(24,708)
Advances from related parties (Note 13)	**(36,762)**	(36,762)

Significant transactions of the Company with subsidiaries and joint venture are as follows:

a. Distribution services provided by the Company to MRIC for the export of frozen dairy dessert/mellorine whereby MRIC pays service fees equivalent to 7% of the total net sales value of goods distributed. Service fees amounted to nil and nil for the years ended December 31, 2025 and 2024, respectively.

b. The Company utilizes RLC for its lighterage requirements. Service fees charged by RLC amounted to ₱20.43 million and ₱16.90 million for the years ended December 31, 2025 and 2024, respectively.

Compensation of key management personnel of the Company by benefit type follows:

	2025	2024
Salaries and other short-term benefits	**₱123,150**	₱104,790
Retirement benefits costs	**8,474**	3,960
	₱131,624	₱108,750

In 2025 and 2024, the Company has allowance on expected credit losses on its advances to related parties amounting to ₱49.31 million and ₱49.31 million, respectively (see Note 6).

22. Retirement Benefits

The Company's retirement fund is a noncontributory defined benefit plan covering all regular employees which is in compliance with Republic Act 7641, *Retirement Pay Law*. Benefits are based on the employee's years of service and final plan salary. The Company's latest actuarial valuation report is as at December 31, 2024.

a. Retirement Benefit Costs

The components of retirement benefit cost recognized in the parent company statements of income for the years ended December 31, 2025 and 2024:

	2025	2024
Current service cost	**₱19,684**	₱17,872
Net interest income	**(731)**	(453)
Retirement benefits cost	**₱18,953**	₱17,419

Portions recognized in:

	2025	2024
Cost of goods sold (Note 16)	**₱8,298**	₱7,784
Selling and marketing expenses (Note 17)	**5,871**	5,230
General and administrative expenses (Note 18)	**4,784**	4,405
	₱18,953	₱17,419

b. Net Retirement Liability (Asset)

The details of the net retirement liability (asset) recognized in the parent company statement of financial position as of December 31, 2025 and 2024.

	2025	2024
Present value of defined benefit obligations	**₱334,655**	₱301,911
Fair value of plan assets	**335,922**	300,719
Net retirement liability (asset)	**(₱1,267)**	₱1,192

Changes in the present value of the defined benefit obligation:

	2025	2024
January 1	**₱301,912**	₱275,284
Current service cost	**19,684**	17,872
Interest cost	**18,191**	13,447
Remeasurement loss (gain) due to:		
Experience adjustments	**4,197**	6,235
Changes in financial assumptions	**(4,725)**	(130)
Benefits paid from retirement fund	**(2,965)**	(8,938)
Benefits paid out of Company's funds	**(1,639)**	(1,859)
December 31	**₱334,655**	₱301,911

Changes in the fair value of plan assets:

	2025	2024
January 1	**₱300,719**	₱271,698
Interest income included in net interest cost	**18,922**	13,900
Contributions	**24,107**	26,100
Benefits paid	**(2,965)**	(8,938)
Remeasurement loss	**(4,861)**	(2,041)
December 31	**₱335,922**	₱300,719

Changes in net retirement liability (asset):

	2025	2024
January 1	**₱1,192**	₱3,586
Retirement benefits cost	**18,953**	17,419
Remeasurement loss	**4,334**	8,146
Contribution	**(24,107)**	(26,100)
Benefits paid out of Company's funds	**(1,639)**	(1,859)
December 31	**(₱1,267)**	₱1,192

The following table presents the breakdown of the plan assets:

	2025	2024
Assets		
Investments in:		
Bonds	**65.14%**	62.79%
Debt securities other than bonds	**31.01%**	33.22%
Real estate	**2.93%**	3.23%
Cash and cash equivalents	**0.19%**	0.04%
Receivables	**0.65%**	0.75%
	100.02%	100.03%
Liabilities	**0.02%**	0.03%
	100.00%	100.00%

The plan assets are held by a trustee bank. The investing decisions of these plan assets are made by the authorized officers of the Company.

As of December 31, 2025 and 2024, the principal assumptions used in determining retirement obligations of the Company follow:

	2025	2024
Discount rate per annum	**6.36%**	6.10%
Future annual increase in salary	**5.00%**	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2025 and 2024, assuming if all other assumptions were held constant:

	2025		2024	
	Increase/ (Decrease) in Basis Points	**Effect on Defined Benefit Retirement Obligation**	Increase/ (Decrease) in Basis Points	Effect on Defined Benefit Retirement Obligation
Discount rate	+100	**(₱17,065)**	+100	(₱15,933)
	-100	**19,551**	-100	18,296
Salary increase rate	+100	**21,168**	+100	19,702
	-100	**(18,819)**	-100	(17,478)

The following are expected payments to be made out of the defined benefit plan obligations in the future years:

	2025	2024
One year and less	**₱137,997**	₱113,833
Between 1 and 5 years	**93,187**	94,619
Between 5 and 10 years	**139,132**	126,038
Between 10 and 15 years	**174,825**	150,737
Between 15 and 20 years	**175,649**	155,578
Beyond 20 years	**342,509**	318,874

The average duration of the defined benefit plan obligations as of December 31, 2025 and 2024 is 8.83 years and 9.08 years, respectively.

The Parent Company expects to contribute ₱25.85 million to the retirement fund in 2025.

The cumulative remeasurement losses on the defined benefit plan recognized in retained earnings follow:

	2025	2024
Cumulative remeasurement loss on defined benefit plan	**₱140,836**	₱136,502
Tax effect	**(35,209)**	(34,126)
	₱105,627	₱102,376

23. Income Taxes

a. The provision for current income tax represents RCIT.

b. A reconciliation of the provision for income tax computed at the statutory income tax rate based on income before income tax to the provision for income tax computed at the Company's effective income tax rate follows:

	2025	2024
Provision for income tax at the statutory income tax	**₱517,103**	₱447,630
Additions to (reductions in) income tax resulting from:		
Dividend income exempted from income tax	**(161,598)**	(175,058)
Interest income subjected to final tax	**(41,845)**	(36,060)
Nondeductible portion of interest expense and other expenses	**380**	606
Provision for income tax	**₱314,040**	₱237,118

c. The components of the Company's net deferred income tax liabilities as of December 31 follow:

	2025	2024
Deferred income tax items recognized in profit or loss		
Deferred income tax assets on:		
Provision for profit bonus	**₱138,506**	₱144,646
Allowance for:		
Expected credit losses	**108,527**	108,524
Inventory obsolescence	**4,349**	661
Unamortized past service cost	**10,134**	12,362
Lease liability	**1,420**	9,601
Others	**5,089**	5,089
	268,025	280,883

(Forward)

	2025	2024
Deferred income tax liabilities on:		
Accrued retirement benefits	**(₱35,525)**	(₱33,827)
ROU asset	**(1,330)**	(9,310)
Others	**(456)**	(3,165)
	(37,311)	(46,302)
	230,714	234,581
Deferred income tax items recognized in OCI:		
Revaluation increment on land (Note 9)	**(1,157,449)**	(1,004,090)
Cumulative actuarial loss on defined benefit plan	**35,209**	34,126
	(1,122,240)	(969,964)
Total net deferred income tax liabilities	**(₱891,526)**	(₱735,383)

24. **Contracts and Commitments**

a. The Company entered into license agreements with Sunkist Growers, Inc., Rovio Entertainment Ltd., and Turner Broadcasting System Asia Pacific, Inc. whereby the licensors granted the Company the non-exclusive license to manufacture, market, distribute and sell the licensed products. The Company agreed to pay a fixed amount of royalty every year, as stipulated in the agreements. Unpaid royalties, included under "Accrued expenses" account, amounted to ₱2.12 million and ₱1.72 million as of December 31, 2025 and 2024, respectively (see Note 13).

b. The Company entered into the following non-cancellable lease agreements:

- Lease of warehouse space to Edenfield Resources & Development Corp. located at Molson Park, C.A. Yulo Ave., Canlubang Industrial Park, Calamba, Philippines with a monthly rental fee of ₱2.33 million with 5% annual escalation clause. The lease contract shall be for a period of three (3) years and commenced on March 1, 2017 and to expire on February 28, 2020 and was renewed for another two (2) years upon mutual agreement prior to expiration of the lease term. The contract was further renewed for another two (2) years commencing on March 1, 2022 until February 28, 2024 with 3% annual escalation clause. Thereafter, the contract was renewed for another two (2) years. On March 1, 2026, the lease contract was renewed for another (2) years with 3% escalation clause.

- Sublease of warehouse space from Fast Services Corporation located at Bldg. 2 PPFC Compound, Brgy. Pulo, Cabuyao Laguna. The sublease shall be for a term of one (1) year commencing on July 1, 2020 and expiring on June 30, 2021, renewable for another two (2) years, subject to mutual agreements on the terms and conditions. The contract was renewed for another two (2) years and the monthly rental fee is ₱4.18 million with 4% annual escalation clause beginning 2021. Thereafter, the contract was renewed for another 3 years from July 1,2024 to March 31, 2027.

25. **Earnings Per Share**

	2025	2024
Net income (a)	**₱1,754,373**	₱1,553,399
Weighted average number of common shares outstanding (b)	**3,369,549,358**	3,369,549,358
Basic/diluted earnings per share (a/b)	**₱0.52**	₱0.46

The Company does not have potentially dilutive common shares as of December 31, 2025 and 2024. Therefore, basic/dilutive earnings per share are the same.

26. Financial Instruments

	2025	2024
Financial Assets		
Cash and cash equivalents	**₱1,563,804**	₱2,450,700
Trade receivables, net of ECL	**2,069,369**	1,734,396
Advances to related parties and nontrade receivables, net of ECL	**141,906**	131,562
Dividends receivable	**201,996**	160,133
Advances to officers and employees, net of ECL	**8,267**	10,687
Other receivables	**7,944**	12,334
	3,993,286	4,499,812
Financial assets at FVOCI	**3,737,710**	3,028,729
	₱7,730,996	₱7,528,541
Other Financial Liabilities		
Accounts payable*	**₱365,410**	₱848,148
Accrued expenses	**3,504,005**	3,704,140
Advances from related parties	**36,762**	36,762
Lease liabilities	**5,680**	38,402
	₱3,911,857	₱4,627,452

**Exclusive of payables to government agencies and customers' deposits amounting to ₱409.16 million and ₱363.95 million as of December 31, 2025 and 2024, respectively.*

Cash in banks, cash equivalents, trade receivables, nontrade receivables, advances to officers and employees, advances to related parties, other receivables, accounts payable and accrued liabilities, and advances from related parties. The carrying amounts of these instruments approximate their fair values due to their short-term maturities and demand features.

Financial Assets at FVOCI. The fair values of the investments as of December 31, 2025 and 2024 amounted to ₱3,737.71 million and ₱3,028.73 million, respectively, were determined by reference to level 2 quoted market bid prices of bonds with similar terms and nature at the close of business on the reporting date.

Lease liabilities. The fair value is equivalent to the carrying value which approximates the present value of cash that would be required to fully settle the liability as at reporting date.

27. Financial Risk Management Objectives and Policies

General Objectives, Policies and Processes

The BOD has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The BOD receives monthly reports from the Company's Finance Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the BOD is to set polices that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Financial Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks, which result from its operating, investing and financing activities. The Company's principal financial instruments comprise of cash on hand and in banks, cash equivalents, trade and other payables, and advances from related parties. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and financial liabilities arise directly from operations.

Company policies and guidelines cover credit risk, liquidity risk and foreign currency risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's results and financial position. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The receivable balances are monitored on an ongoing basis with the result that the Company's exposure to impairment is not significant.

Customer credit risk is managed by managing and analyzing the credit risk for each new customer before standard payment and delivery terms and conditions are offered. Outstanding receivables are regularly monitored. The credit quality of the Company's financial assets that are neither past due nor impaired is considered to be good quality and expected to be collectible without incurring any credit losses. Credit risk from balances with banks is managed by ensuring that the Company' deposit arrangements are with reputable and financially sound counterparties.

Set out below is the information about the credit risk exposure on the Company's financial assets using provision matrix as of December 31, 2025 and 2024:

December 31, 2025:

			Trade receivables							
				Days past due						
	Cash in banks and cash equivalents	**Financial Assets at FVOCI**	**Current**	**< 30 days**	**<30-60 days**	**<61-90 days**	**<91-365 days**	**>365 days**	**Impaired Financial Assets**	**Total**
Expected credit loss rate	**–%**	**–%**	**0.28%-2.31%**	**0.46%-5.50%**	**2.02%-16.01%**	**7.70%-40.82%**	**19.64%-78.27%**	**80%-100%**		
Estimated total gross carrying amount at default	**₱1,563,804**	**₱3,737,710**	**₱957,338**	**₱889,081**	**₱330,003**	**₱67,813**	**₱79,487**	**₱11,790**	**₱55,135**	**₱2,390,647**
Expected credit loss	**₱–**	**₱–**	**₱17,613**	**₱42,496**	**₱57,302**	**₱25,704**	**₱62,026**	**₱9,680**	**₱55,135**	**₱269,956**

December 31, 2024:

			Trade receivables							
				Days past due						
	Cash in banks and cash equivalents	Financial Assets at FVOCI	Current	< 30 days	<30-60 days	<61-90 days	<91-365 days	>365 days	Impaired Financial Assets	Total
Expected credit loss rate	–%	–%	0.01%-0.09%	0.01%-1.18%	0.01%-5.55%	0.06%-21.52%	3.27%-44.26%	52.63%-100%		
Estimated total gross carrying amount at default	₱2,450,700	₱3,028,729	₱1,065,174	₱376,186	₱195,493	₱163,425	₱82,638	₱107,306	₱65,440	₱2,055,662
Expected credit loss	₱–	₱–	₱8,251	₱4,138	₱13,489	₱30,887	₱45,798	₱101,941	₱65,440	₱269,944

Liquidity risk
This represents the risk or difficulty in raising funds to meet the Company's commitment associated with financial obligation and daily cash flow requirement. The Company is exposed to the possibility that adverse exchanges in the business environment and/or its operations would result to substantially higher working capital requirements and the subsequent difficulty in financing additional working capital.

The Company's approach to manage its liquidity profile are: through prudent financial planning and execution to meet the funding requirements of the various operating divisions with the Company; through long-term and short-term debts obtained from financial institutions; through strict implementation of credit and collection policies, particularly in containing trade receivables; and through capital raising, including equity, as may be necessary.

The following table summarizes the maturity profile of the Company's financial liabilities as at December 31, 2025 and 2024 respectively, based on the contractual undiscounted payments.

December 31, 2025

	Less than 1 year	**1 to less than 2 years**	**Total**
Financial Liabilities			
Account payable and other current liabilities*	**₱3,906,177**	**₱–**	**₱3,906,177**
Lease liabilities	**5,680**	**–**	**5,680**
	₱3,911,857	**₱–**	**₱3,911,857**

**Exclusive of payables to government agencies and customers' deposits amounting to ₱417.9 million.*

December 31, 2024

	Less than 1 year	1 to less than 2 years	Total
Financial Liabilities			
Account payable and other current liabilities*	₱4,584,930	₱–	₱4,584,930
Lease liabilities	34,172	5,723	39,895
	₱4,619,102	₱5,723	₱4,624,825

** Exclusive of payables to government agencies and customer deposits amounting to ₱372.69 million.*

The Company's other financial liabilities may be settled using cash and cash equivalents aggregating to ₱1,563.80 million and ₱2,450.70 million and trade and other receivables amounting to ₱2,429.48 million and ₱2,049.11 million as of December 31, 2025 and 2024, respectively.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency). The principal currency risks to which the Company is exposed involve the U.S. Dollar (US$).

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2025		2024	
	US Dollar	**Philippine Peso equivalent**	US Dollar	Philippine Peso equivalent
Cash in bank	**$1,661**	**₱97,572**	$4,994	₱288,894
Receivables	**1,038**	**60,997**	1,241	71,786
	$2,699	**₱158,569**	$6,235	₱360,680

The Company is exposed to foreign exchange currencies. The following table demonstrates the sensitivity to reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Company's profit before tax.

The results of the model are constrained by the fact that only monetary items which are denominated in USD are included in the analysis.

	Change in foreign currency rates	**Effect on profit before tax**	
		2025	2024
Cash in bank	+10%	**₱9,757**	₱28,889
	-10%	**(9,757)**	(28,889)
Receivables	+10%	**6,100**	7,179
	-10%	**(6,100)**	(7,179)

The exchange rate of the Peso to the US Dollar is ₱58.79 and ₱57.85 as of December 31, 2025 and 2024, respectively.

There is no other impact on the Company's equity other than those affecting the parent company statements of income.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Parent Company's exposure to the risk of changes in market interest rates relates primarily to the Parent Company's short and long-term government debt securities with floating discount rates.

The following table demonstrates the sensitivity to reasonably possible change in the discount rates of government securities, with all other variables held constant, of the Parent Company's other comprehensive income.

	Change in discount rates	**Effect on other comprehensive income**	
		2025	2024
Investment in FVOCI	+5%	**(₱8,383)**	(₱6,793)
	-5%	**8,421**	6,824

The discount rates of government securities held by the Company as of December 31, 2025 and 2024 ranges from 4.50% to 5.26% and 2.66% to 4.71%, respectively.

28. Capital Management

It is the objective of the Company to maintain a capital base that adequately services the needs of its present and future operations while keeping within the capital level required by creditors. The capital base is also sufficient to address present and future uncertainties and risks inherent in the business and changes in the economic conditions. Payment of dividends, return of capital, or issuance of shares to increase capital shall be made accordingly and as may be necessary. No changes were made in the objectives, policies and processes as of December 31, 2025 and 2024.

The table below summarizes the total capital considered by the Company:

	2025	2024
Capital stock	**₱3,500,404**	₱3,500,404
Additional paid-in capital	**2,060,383**	2,060,383
Treasury stock	**(612,280)**	(612,280)
Retained earnings	**6,849,250**	6,598,147
	₱11,797,757	₱11,546,654

29. Events After the Reporting Date

Declaration of Dividends
On January 15, 2026, the Company's BOD declared cash dividends amounting to ₱300 million or ₱0.08903 per share to stockholders of record as of January 29, 2026. The cash dividends were paid on February 24, 2026.

On April 8, 2026, the Parent Company's BOD approved another ₱300 million cash dividends or ₱0.08903 per share payable on May 20, 2026 to stockholders of record as of April 23, 2026.

30. Notes to Statement of Cash Flows

Noncash investing activity
In 2025 and 2024, the Company has non-cash additions to property, plant and equipment amounting to ₱63.84 million and ₱63.84 million arising from additional right-of -use assets (see Note 9).

Changes in liabilities arising from financing activities

December 31, 2025

	Dividends payable	**Lease Liabilities**
Beginning of the year	**₱47,876**	**₱38,402**
Dividend declaration	**1,500,020**	**–**
Cash flows	**(1,462,679)**	**(34,171)**
Amortization of interest expense	**–**	**1,449**
Addition	**–**	**–**
End of year	**₱85,217**	**₱5,680**

December 31, 2024

	Dividends payable	Lease Liabilities
Beginning of the year	₱36,322	₱5,549
Dividend declaration	1,300,000	–
Cash flows	(1,288,446)	(33,339)
Amortization of interest expense	–	2,355
Addition	–	63,837
End of year	₱47,876	₱38,402

31. Supplementary Tax Information Required Under RR 15-2010

In compliance with the requirements set forth by RR No. 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended December 31, 2025:

a. Value-Added Tax (VAT)

The table below shows the net sales/receipts and output VAT declared in the Company's VAT returns.

	Net sales	Output VAT
VATable sales	₱14,909,386	₱1,789,126
Zero-rated sales[1]	281,993	–
Exempt sales[2]	572,076	–
	₱15,763,455	₱1,789,126

1. Zero-rated sales arising from sale of goods from Philippines to foreign countries which are payable in acceptable foreign currency are subject to VAT zero-rating pursuant to section 106 (A) (2) of the National Internal Revenue Code of 1997, as amended.

2. Exempt sales pertain to sales of pollard (fish feeds), which are exempt from VAT pursuant to Section 109 (3) of NIRC of 1997, as amended.

The table below shows the movements of input VAT for the year ended December 31, 2025:

At January 1	₱–
Excess from previous period to be carried over	–
Current year's domestic purchases/payments or importations for:	
Domestic purchase of goods other than capital goods	382,133
Domestic purchase of services	529,634
Importations	180,352
Input tax allocable to Exempt Sales	(5,204)
Deferred input tax amortization	–
	1,086,916
Less: Application against output VAT	1,789,126
At December 31, 2025	₱–

b. Importations

Landed cost of imports	₱1,109,971
Customs duties	134,855
	₱1,244,826

c. Other Taxes and Licenses

Real estate taxes	₱29,643
Business taxes	43,199
Taxes and licenses	6,967
Vehicle registration	278
Documentary stamp tax	–
	₱80,087

d. Withholding Taxes

Compensation and benefits	₱59,044
Expanded withholding taxes	147,996
Fringe benefit tax	3,717
Final withholding taxes	72,249
	₱283,006

Tax Assessment and Cases

As at December 31, 2025, the Company has no pending final assessment notices. The Company is not aware of any tax case under preliminary investigation, litigation and/or prosecution in courts or bodies outside the Bureau of Internal Revenue.

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
RFM Corporation
RFM Corporate Center
Pioneer corner Sheridan Streets
Mandaluyong City

We have audited the accompanying parent company financial statements of RFM Corporation (the Company) as at December 31, 2025 and for the year ended, on which we have rendered the attached report dated April 8, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Company has 3,004 stockholders each owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
Tax Identification No. 102-082-670
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 80470-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-063-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10765017, January 2, 2026, Makati City

April 8, 2026

A member firm of Ernst & Young Global Limited