COVER SHEET

1	2	9	9	8					

SEC Registration Number

RFM CORPORATION AND SUBSIDIARIES

(Company's Full Name)

RFM CORPORATE CENTER, CORNER PIONEER AND SHERIDAN STREETS MANDALUYONG CITY

(Business Address: No. Street City/Town/Province)

Enrique Oliver Rey-Matias	8-631-8101
(Contact Person)	(Company Telephone Number)

1	2	3	1

Month *Day*
(Calendar Year)

1	7	-	A	

(Form Type)

	6	3	0

Month *Day*
(Annual Meeting)

Not Applicable
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Article X
Amended Articles Number/Section

Total Amount of Borrowings

3,043
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 11 OF THE REVISED SECURITIES ACT AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2025**

2. SEC Identification Number **12998** 3. BIR Tax Identification Number **000-064-134-000**

4. Exact name of registrant as specified in its charter: **RFM CORPORATION**

5. **Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of Incorporation or organization — Industry Classification Code:

7. **RFM Corporate Center, Corner Pioneer and Sheridan Streets, Mandaluyong City** **1550**
Address of principal office — Postal Code

8. **(632) 631-81-01**
Issuer's telephone number, including area code

9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or SEC 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, P1.00 par value	**3,369,549,358 shares**

11. Are any or all of these securities listed in the Philippine Stock Exchange?
Yes [✓] No [ ]

All of RFM Corporation's common shares are listed at the Philippine Stock Exchange.

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

Yes [✓] No [ ]

b. has been subject to such filing requirements for the past 90 days.
Yes [✓] No [ ]

13. Aggregate value of the voting stock held by non-affiliates: **P 284 Million**

14. Documents incorporated by reference. **None**

PART I – BUSINESS AND GENERAL INFORMATION

Item 1 - Business

The RFM Group

RFM Corporation (the "Company") is a major player in the food and beverage industry in the Philippines, specifically in the processing and manufacture of flour, bread, flour-based products like pasta and cake mixes, sauces, milk and juice drinks, and ice cream.

The Company also operates non-food businesses, which include barging services (Rizal Lighterage Corporation) and leasing of commercial/office spaces that serves the internal requirement of the various operating divisions.

History and Business Development

RFM Corporation was incorporated on August 16, 1957 as Republic Flour Mills, Inc. to manufacture flour in the Philippines, a country which does not grow wheat, in order to contribute to the country's greater self-reliance in basic food. From its original business of flour milling, the Company diversified into poultry and livestock production and areas of food manufacturing that includes flour-based products, margarine, milk & juices, canned and processed meat, ice cream, and bottled mineral water.

After RFM established itself in the flour milling business, the Company, in 1963, commissioned new plant facilities to produce cooking oil and margarine. This was then followed by the establishment of a feed mill in 1965 to manufacture poultry and hog feeds, of which key raw materials – bran and pollard – were by-products of the flour operations.

In the early 1971, RFM integrated forward into hog and poultry breeding. It entered into a licensing agreement with Peterson Industries and H & N Layers to breed day-old chicks. The Company, though, divested from the hog operation in 1994, and in the poultry business in 2003 by way of property dividends to its shareholders.

In 1973, the Company signed an exclusive licensing agreement with Swift and Company of Illinois (now Armour Swift & Echrich of the ConAgra Group). This move initiated the entry of RFM into the business of chilled and canned meat processing using the "Swift" brand name. A continuous meat processing plant, the first in the country, was constructed in 1975. The "Swift" brand name was eventually purchased by RFM in 1987, allowing the Company the rights to its exclusive use in the Philippines. The "Swift" brand name is being shared by RFM and Swift Foods, Inc. in their production and sale of processed meat and chicken products, respectively.

From the 1970s to 1980s, RFM concentrated primarily on growing its established core businesses. It also introduced grocery items, such as cake mixes, hotcake mixes, and ingredient mixes during this period.

As RFM began to enter the 1990s, it envisioned itself to become a truly diversified Food Company catering to the Filipino taste. This goal was and continues to be implemented through two approaches: strategic acquisition of Filipino companies with strong local brands, and partnerships with internationally renowned food institutions.

This vision was first manifested in the purchase of Cosmos Bottling Corporation (Cosmos), a Filipino softdrinks company, in 1989, from the Wong Family. Then in 1990, RFM acquired the "Selecta" trademark from the Arce Family. RFM invested in new machinery under a new company, Selecta Dairy Products, Inc. (Selecta), to mass produce the locally famous ice cream flavors within international health standards. And in 1993, the Company ventured into the production of ready-to-drink (RTD) ultra-heat treated (UHT) milk and juices in tetra-packaged format using the brand names Selecta Moo and Sunkist, respectively.

In 1994, Swift, Selecta, and Cosmos conducted an initial public offering of its shares of stock through the Philippine Stock Exchange.

A year later, in 1995, the Company incorporated RFM Properties and Holdings, Inc. to consolidate its real estate assets as well as to break into the land and housing development business. The company was later renamed Philippine Townships, Inc. In 2008, the company was again renamed to Philtown Properties, Inc.

RFM continued to expand its businesses as it ventured into noodle manufacturing, tuna processing, bakeshop business with the acquisition of the Rolling Pin trademark, food franchising with the use of Little Ceasar's Pizza brand of the USA, and thrift banking under Consumer Bank.

The Asian Financial Crisis of 1997, however, put a halt to the business expansion of RFM. The ensuing economic slowdown, more cutthroat market competition, and the dearth of capital financing weighed heavily on the financial operations of the Company. Furthermore, the US$83.7M bond, which it obtained in 1996, became due in 2001, and its payment forced RFM to sell many of its operating subsidiaries, including Consumer Bank which was sold to Philippine Bank of Communications, and Cosmos which was sold to Coca-Cola Inc. and San Miguel Corporation.

In 2003, the company's common shares from Swift Foods, Inc. were declared as property dividends to its stockholders. Likewise, the company's common shares from Philtown Properties, Inc. (formerly Philippine Townships, Inc.), the property company, were declared as property dividends in tranches in 2008, 2009 and 2012. However, the company remains committed in liquidating its landholdings through the development of middle income housing enclaves. It also builds condominium projects in saleable areas in Fort Bonifacio, Rockwell, and Taft.

The remaining business, nevertheless, gives RFM the foundation to build on. Within the Parent Company, the original business of flour making continues; as well as branded food products such as Swift processed chilled and canned meats like hotdogs, vienna sausage, and corned beef, Sunkist Juices, Selecta Milk, Fiesta Pasta Noodles, White King Hot Cake, Butterfresh Margarine, among others. The ice cream business remains profitable and is presently co-owned with Unilever Philippines, under a new corporate name, Magnum RFM Ice Cream, Inc.

In late 2012, RFM entered into a Trademark and Asset Purchase Agreement with The Pacific Meat Company, Inc. (PMCI). The terms of this agreement includes RFM's sale of the "Swift" brand, together with finished goods and raw material inventories, the goodwill of the business connected with the trademarks used for its canned, pouch flexible heat sterilized, refrigerated, chilled and frozen meat products, and certain machinery and equipment, as well as all product formulations, processes, know-how and other technical information relating to the production of meat products.

Early 2014, RFM purchased the Royal pasta trademark and inventory stocks from Unilever Philippines, Inc. (ULP). The company believes this would allow RFM to tighter its market leadership in the pasta category.

The Group and the Products

Food Businesses

RFM Corporation (Parent Company)

RFM Corporation operates two major business segments:

- Institutional segment, which primarily manufactures and sells flour, bakery and other bakery products to institutional customers; and
- Consumer segment, that manufactures and sells ice cream, milk and juices, pasta products, and flour and rice-based mixes.

See table on sales.

Magnum RFM Ice Cream, Inc. (formerly Unilever RFM Ice Cream, Inc.)

Magnum RFM Ice Cream, Inc. (MRIC) (formerly Unilever RFM Ice Cream, Inc. [URIC]) is a 50% joint venture of the Parent Company and The Magnum Ice Cream Company HoldCo 1 Netherlands B.V., following the global separation of the Ice Cream business from Unilever Group completed on December 6, 2025. MRIC is engaged in manufacturing, distributing, marketing, selling, importing, exporting and dealing in ice cream, ice cream desserts and ice cream novelties and similar food products.

RFM Foods Philippines Corporation

Established in 1991 as RFM-Indofood Philippines Corporation, then a joint venture company between RFM Corporation and Indofood of the Salim Group of Indonesia, the company's main product lines were instant noodles of various flavors and packaging. The Company, however, ceased operations in October 2000 due to operating losses. The company has been renamed RFM Foods Philippines Corporation and remains dormant.

Southstar Bottled Water Company, Inc.

Southstar Bottled Water Company, Inc. (Southstar) was incorporated in 1992 to manufacture and distribute all kinds and classes of bottled water, carbonated water, drinking water, fluoridated water, mineral water, natural water, purified water, spring water, well water, flavored water, as well as bottling equipment, purification equipment, coolers, dispensers, water treatment plants, water bottling plants, bottles, crates, including their accessories, attachments, spare parts and any merchandise of similar nature. Southstar, however, suspended its operations due to sustained operating losses.

Engrain – RFM Pacific, Inc.

Engrain – RFM Pacific Inc. (ERPI) is a joint venture owned 50% - 50% by RFM Corporation and Engrain LLC. It was incorporated in June 2013 to engage in the business of selling, marketing and distributing wholesale enzyme-enhanced flour and products for the Philippines and Asia Pacific market.

FWBC Holdings, Inc.

FWBC Holdings, Inc., is 83.38% owned by RFM Corporation and organized in 2001 to hold and manage Filipinas Water Bottling Corporation (FWBC). FWBC is involved in the processing and distribution of bottled mountain spring water. FWBC, however, ceased operations in June 2012 due to operating losses.

Non-Food Businesses

RFM Equities, Inc.

RFM Equities Inc. is a holding company that is 100% owned by RFM. It was organized in 1996 to hold and manage RFM Corporation's holdings in two small financial services subsidiaries – Conglomerate Securities and Financing Corporation (CSFC) and RFM Insurance Brokers, Inc. (RIBI). CSFC provides consumer-financing services mainly to the managers and employees of the RFM Group. RIBI meanwhile services the insurance needs mainly of the RFM Group, affiliates and business partners. In January 2014, shares in both CSFC and RIBI had been sold.

Rizal Lighterage Corporation

Rizal Lighterage Corporation (RLC) is a barging company that is 93.51% owned by RFM Corporation. It is primarily engaged in providing lighterage and cargo handling services.

WS Holdings, Inc.

WS Holdings, Inc. is 60% owned by RFM Corporation and 40% owned by Unilever Philippines, Inc. It was incorporated and registered with the Securities and Exchange Commission in 1999 to invest in, purchase and own shares of stocks, bonds and other securities of obligations including real estate and personal property of any foreign or domestic corporation, or partnership, or association.

Selecta Wall's Land Corporation

Selecta Wall's Land Corporation was incorporated in 1999 to acquire, own, use, develop and hold for investment all kinds of real estate. RFM Corporation owns 35% of this company.

Contribution to Sales

The Group is primarily engaged in manufacturing, milling, and marketing of food and beverage products. The Group operates its business through the business units identified below. Information as to the relative contribution of the divisions and business to total sales are as follows:

Business Unit	**Products**	**Brands**	**Contribution to Sales**
Institutional Group	Flour Products	Republic Special, Cinderella, Hi-Pro Majestic, Señorita, Pantastic, Altar Bread, Customized Flour, All-Purpose Flour, Cake Flour	23.94%
	Hamburger buns, English muffins		
Consumer Group	Flour-based and rice-based products	White King All-Purpose Flour, White King Hotcake Mixes, White King Native Mixes, White King Baking Mixes, White King Bowl Mixes	75.84%
	Pasta	Fiesta Spaghetti, Fiesta Elbow Macaroni, Fiesta Salad Macaroni, Royal Spaghetti, Royal Elbow Macaroni, Royal Salad Macaroni, Royal Linguine, and Royal Penne	
	Spaghetti Sauce	Fiesta Sweet Spaghetti Sauce, Fiesta 3-Cheese Spaghetti Sauce, Fiesta Filipino Style Spaghetti Sauce, Royal Sweet Style Spaghetti Sauce	
	Spaghetti and Sauce bundles	P119 Fiesta Sweet Spaghettipid, P119 Fiesta 3 Cheese Spaghettipid, P109 Fiesta Filipino Spaghettipid, P59 Sweet Spaghettipid, Fiesta Spartyghetti, Royal Sweet Celebration, and Royal Cheesy Celebration	
	Margarine	Selecta Butterfresh	

	RTD Juice, RTD Tea, RTD Milk and Choco Milk, RTD Flavored Milk and RTD Functional Drinks	Sunkist Premium Juice, Sunkist Tetra Juice Drink, Sunkist Juice Drink Doy Packs, Sunco Green Tea and Lemon Tea (Export only), Selecta Moo, Selecta Fortified Low Fat Choco, Selecta Fortified Low Fat Milk, Selecta Fortified Filled Milk, Selecta Fortified Vanilla Milk, Selecta Full Cream Milk, Choco Yey!	
	Ice Cream products	Selecta Supreme, Selecta Super Thick Classic, Selecta Birthday 3-in-1, Selecta Co-brand, Carte D'or, Magnum, Selecta Cornetto, Selecta Cornetto Disc, Selecta Ice Cream Sticks, Selecta Pinipig, Selecta Ice Cream Sandwich, Paddle Pop Watermelon	
Others			0.22%

Domestic and Export Sales

The amounts of revenue, profitability, and identifiable assets attributable to domestic and export operations for 2025, 2024 and 2023 in **Million Pesos** are as follows:

	2025	**%**	**2024**	**%**	2023	%
Sales						
Domestic	**22,050**	**99**	**21,446**	**99**	20,144	99
Foreign (Export)	**282**	**1**	**283**	**1**	273	1
	22,332		**21,729**		20,681	

	2025	**2024**	2023
Operating income			
Domestic	**1,789**	**1,734**	1,583
Foreign (Export)	**96**	**18**	60
	1,885	**1,752**	1,643

Total Assets (All Domestic)	**24,735**	**24,284**	23,008

Distribution Methods of the Products or Services

The company engages in different methods of distribution depending on the products/services to meet the needs of customers.

RFM Corporation sells its products through the following accounts: modern trade accounts, distributor accounts, secondary accounts, food service, institutional customers, flour dealers, flour end users and company stores. Modern trade and distributor accounts comprised of hypermarkets, supermarkets, groceries, convenience stores and wholesalers.

Status of New products, Market and Competition

In 2025, RFM remained one of the leading manufacturers in the pasta and sauce category, strengthening its two brands, Fiesta and Royal. While distribution, placement, and visibility of core SKUs continued to drive growth, RFM accelerated expansion through innovation — including the launch of Royal Pasta Kits and Royal Pinoy-Style Carbonara — while further scaling Fiesta Creamy Carbonara Sulit Pack. Together, these initiatives reinforced RFM's leadership and expanded its relevance across new consumers and occasions.

FIESTA

Fiesta to OWN CELEBRATION

Fiesta, the leading brand in the spaghetti market, continues to drive expansion by identifying new ways to excite and grow the pasta and sauce category.

In 2022, Fiesta successfully launched Fiesta Creamy Carbonara Sulit Pack, capitalizing on the fast-growing yet relatively unchallenged white sauce segment. The innovation redefined how white sauces are offered — transforming them from small, premium-priced packs into a convenient and sulit dish bundle sized perfectly for celebrations.

To build awareness and drive trial, Fiesta rolled out a series of digital campaigns highlighting the product's versatility and role in celebrations. Through innovative recipes such as Sisig Carbonara and Kesong Puti Carbonara, and partnerships with key influencers, the brand reinforced its relevance among Filipino households. These campaigns not only boosted trial and sales but also delivered engagement and view metrics exceeding industry benchmarks. Strong targeting, compelling messaging, and mouth-watering food visuals ensured maximum impact.

However, Fiesta's ambition goes beyond spaghetti and carbonara. The brand aims to own celebrations and become the top-of-mind choice for every Filipino gathering.

Looking ahead to 2026, Fiesta will continue expanding the rollout of Fiesta Creamy Carbonara by strengthening awareness and distribution through ATL and BTL efforts. At the same time, the brand is set to fuel further growth by launching new and innovative NPDs that authentically capture the spirit of Pinoy celebrations and expand the category even further.

ROYAL

Success in Expanding Royal's Pasta Equity to Other Products and new Target Markets

In 2023, Royal sustained growth by strengthening its dish bundle portfolio, driven largely by improved placement and visibility across key channels. However, to unlock long-term growth, Royal recognized the need to differentiate from Fiesta and move beyond a pure "celebration" positioning.
The brand saw a strong opportunity among evolving young millennials and young adults — consumers who are more adventurous in their food choices and increasingly drawn to bold, premium flavors such as truffle, creamy sauces, and Asian-inspired dishes. These consumers cook not only for big celebrations, but also for weekends and small gatherings with friends and family.

In response, Royal entered a new space with its first-ever All-in-One Pasta & Sauce Kit, delivering a convenient way to recreate restaurant-quality dishes at home.

• 2024: Launch of Royal Creamy Mushroom Truffle Pasta & Sauce Kit — a complete kit with all the ingredients needed for a premium pasta experience.

• 2025: Expansion with Royal Creamy Mushroom Pesto Pasta & Sauce Kit, strengthening its presence in the elevated, flavor-forward segment. Also taking advantage of the growing Pesto category. Another untapped category with only expensive offerings in the market.

These innovations repositioned Royal toward young adult home cooks seeking variety and indulgence beyond traditional spaghetti occasions.

Recognizing the rapid growth of the white sauce segment, Royal further expanded its portfolio with the Royal Pinoy-Style Carbonara Dish — positioned as the first carbonara sauce that truly tastes like home. Creamy, cheesy, savory, and priced accessibly at ₱99, the product delivers both convenience and strong Filipino taste appeal. Importantly, it continues Royal's strategic shift toward non-celebration occasions and everyday consumption.

All new product launches were supported by digital campaigns aimed at building awareness and driving trial among young adults.

Looking Ahead to 2026, Royal will continue expanding awareness and distribution of its new innovations while accelerating portfolio growth through additional variants and new product developments — further strengthening its equity beyond celebrations and solidifying its relevance among younger consumers.

SELECTA MILK & SUNKIST JUICE

Powering Through with Stronger NPDs in New Spaces

Selecta Milk has continuously shown sustained performance after growing by +8% in 2025, ahead of a flat category. Flavored Milk NPD had a breakout year delivering 118 million in sales after a successful launch campaign that saw the product becoming viral online for being a sought-after Ice Cup drink in 7Eleven. Selecta also shows continuous momentum in Non-Fat and Fresh segment with both brands bringing in +100M in growth value.

In 2026, Selecta is expected to stamp its milk expertise in the Young Adult market by reinforcing its campaign behind its new products and expanding into growing, trendy spaces. The unprecedented growth of café culture opened a gateway for Selecta to launch its very own Creamy Latte- a coffee flavored milk drink that allows consumers to enjoy their cafe quality drink on-the-go. The product was officially launched in March 2026 and is expected to be a pillar of growth for Selecta for the year. As summer is approaching, the team is also beefing up on the new Ice Cup Campaign which would highlight delicious, iced concoctions from Selecta Strawberry, Banana, Dolce and this year, Creamy Latte. And, to drive at-home consumption, the team is carefully testing the viability of 1 liter pack through its Strawberry variant. While continuing to create traction for these NPDs, expect that there are a few more in the pipeline ensuring Selecta's ability to play strong in new spaces.

With NPDs in place, the brand continues to anchor itself against its biggest line- Fortified Filled Milk in 2026. After a successful year in 2025 that saw the product continue to grow +7% on its biggest sku, the plan is to keep this growth on track by remaining steadfast in expanding the concept of value for money among consumers.

Purchases of Raw Materials and Supplies

RFM Corporation sources Raw, Packaging materials and OEM Spare Parts both domestic and overseas.

The Company imports Wheat from U.S., Australia and Canada, Tomato Paste and the latest Shiitake and Button Sliced Mushroom in Brine which coming from China.

Skimmed Milk Powder currently sourced from U.S. and New Zealand, while, Buttermilk Powder and Anhydrous Milk Fat mostly bought from Oceania region. Dairy products open for supplies from Indian origins and European regions.

Regain the importation of Spaghetti Pasta finished goods from Thailand, which were previously sourced from Turkey and U.A.E, including the most recent addition of special shaped pasta Linguine and Fusilli from Thailand.

Other imported materials and/or Spares procured from countries such as, but not limited to, U.S., Canada, Switzerland, Italy, United Kingdom, Germany, Netherlands, Australia, China, Singapore, Malaysia, Indonesia and Thailand.

Payment terms vary for each supplier. It ranges from Letter of Credit, Documents against Payment at Sight, Telegraphic Transfer and other applicable payment terms agreeable to both parties.

Customers

RFM Corporation has a wide range of products that cater to all socio-economic class and all age groups.

Its products are sold through hypermarkets, supermarkets, groceries, convenience stores, drug stores, wholesalers, distributors, institutional customers, food establishments, flour dealers, flour end users and the company store.

RFM Corporation is not dependent on any single or few customers that might have any material adverse effect on its business, except for the processing and exclusive sale of hamburger buns, muffins and hotcake to Golden Arches (McDonald's). These buns account for about 76% of the total sales of Bakery Division of RFM Corporation in 2025 and 74% in 2024.

Related Party Transactions

The Group, in the regular course of business, transact with related parties, which may consist but not limited to the following:

- Purchase of goods and services.
- Lease of the plant, property and equipment for manufacturing operations.
- Lease of office spaces as Lessor
- Distribution, sale and merchandising of RFM Group products.
- Service Agreement with The Magnum Ice Cream Company HoldCo 1 Netherlands B.V.,
  .

Trademark, Royalty and Patents

The trademark agreement indicates that MRIC can use "Selecta" licensed trademarks, trade names, logos, designs, symbols, words or devices other than the marks only upon approval of the Parent Company. This is an indication that the Parent Company has an indirect control on the activities being performed under the joint arrangement. The use of the trademark license by MRIC is under the control of the Parent Company. Accordingly, the main products produced by MRIC must conform to the quality standards of the Parent Company

On 01 January 1995, RFM entered into a Trademark License Agreement (TLA) with Sunkist Growers, Inc. (Sunkist). Under the said agreement, Sunkist grants RFM (a) exclusive right, without the right to sublicense, to use the Sunkist Trademark(s) and related Trade dress approved by Sunkist, in connection with the marketing, distribution and sale of licensed products in the Philippines; (b) exclusive right, without the right

to sublicense, to use the Know-How within the Philippines for the production and sale of Licensed Products; (c) the right and privilege to receive technical assistance regarding the implementation of Know-How; and (d) to make available Base Ingredients directly or through authorized Base Ingredients Suppliers to enable RFM to manufacture Licensed Products. For and in consideration of the rights granted above, RFM pays an annual royalty to Sunkist. The Amendment to the TLA was extended for another five (5) years or from 01 January 2005 to 31 December 2009. Another Amendment extending the TLA for another five years was signed by the Parties on 27 January 2010.

On 13 March 2009, Swift Foods, Inc. (SFI) re-assigned and returned to RFM all its rights and interests in the well-known Swift trademark. IPO registration of the mark has been transferred under RFM and a new Certificate of Registration has accordingly been issued to RFM.

In late 2012, RFM entered into a Trademark and Asset Purchase Agreement with The Pacific Meat Company, Inc. (PMCI). The terms of this agreement includes RFM's sale of the "Swift" brand, together with finished goods and raw material inventories, the goodwill of the business connected with the trademarks used for its canned, pouch flexible heat sterilized, refrigerated, chilled and frozen meat products, and certain machinery and equipment, as well as all product formulations, processes, know-how and other technical information relating to the production of meat products.

In January 2014, the Parent Company acquired the Royal trademark from a third party amounting to ₱2.10 billion (US$46.0 million). At time of acquisition, management assessed that the Royal pasta trademark has an indefinite useful life. 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.

As of December 31, 2025, there were no impairment indicators on trademark.

Need for Any Government Approval of Principal Products and Compliance with Environmental Laws

The Group complies with environmental laws and secures government approval for all its products. The Company has existing permits from various government agencies that include the Bureau of Food and Drug (BFAD) and the City Environment and Natural Resources Office (CENRO). The Company also complies with the requirements of Laguna Lake Development Authority (LLDA) for environmental sanitation purposes.

The Company believes that it has complied with all applicable environmental laws and regulations, and incurred about ₱572,083 and ₱610,300 during the years 2025 and 2024, respectively, for payment of annual permits and fees.

The Group has no knowledge of recent or impending legislation, the implementation of which can result in a material adverse effect on the business or financial condition.

Research and Development Activities

The Company invests in Research and Development (R&D) which is necessary for corporate viability. R&D activities focus on customer and consumer satisfaction through innovation via new product development and/or improvement, in new or existing categories via line extensions and formulation review. The development process starts from idea generation/brainstorming that leads to prototype development. Market research activities such as focus group discussions and product tests are done to ensure we are guided by consumer insights and needs. Product standards and specifications are then established including process parameters, equipment/line efficiencies, packaging studies and shelf-life tests. Every product launched in the

market had undergone stringent quality control checks to ensure sensory acceptability, food safety and stability.

Aside from Product development, Packaging also plays a critical role in ensuring safety of our products, hence, the Company hired full-time Packaging Engineers to handle testing of various materials suitable for each product type. Stability tests and shelf-life studies as well as transit tests are part of the total development process. Furthermore, process audits are done to ensure that set standards are strictly being followed, aside from making process improvements for better efficiency.

The Innovation Team, composed of R&D, Marketing and Operations group constantly meet to check project status and monitor deliverables and timelines to ensure flawless execution of new product launches.
We are constantly updated on trends and new technologies to keep us ahead of competition.

The Team conducts regular trade checks for stocks availability and maintain freshness policy.
With reference to regulatory requirements, we have designated personnel doing transactions with the Food and Drug Administration (FDA) to comply with all market requirements, both for local and export markets.

For the last five years, the Company spent about ₱14.2 million in 2025, ₱12.5 million in 2024, ₱10.0 million in 2023, ₱11.7 million in 2022, ₱10.3 million in 2021, for research and development.

Employees

As of December 31, 2025, the Company had approximately 573 employees, of which 10 are executives, 57 managers, 132 supervisory staff and 374 were non-supervisory staff. The Company does not anticipate any significant increase in the number of its employees in year 2025.

About 11.34% of the total employees of the Company and its subsidiaries are members of various labor unions. The Company and its subsidiaries have collective bargaining agreements with these unions.

The Company believes that its relationship with its employees is generally good. The Company has not recently experienced any material interruption of operations due to labor disagreements. Labor-Management Councils (LCMs) regularly meet to discuss and resolve work-place issues and production matters.

The employees are covered by retirement plans per division. The plans are trusteed, noncontributory defined benefit pension plan covering substantially all permanent employees of the Company. The Company has no stock option plan.

Working Capital

The Company funds its working capital requirements through internally generated funds and from bank borrowings. The working capital finances the purchase of raw materials, inventory, salaries, administrative expenses, tax payments, and sales receivables until such sales receivables are converted into cash.

Major Business Risks

Like any other business, risks are always considered in the ability or inability to achieve the business objectives and execute strategy effectively. RFM Corporation and its subsidiaries perceive the following business risks:

Financial Risk Management Objectives and Policies

The Group's principal financial instruments include non-derivative instruments such as cash and cash equivalents, short term investments, accounts receivable, accounts payable and accrued liabilities and advances to and from related parties. The main purpose of these financial instruments includes raising funds for the Group's operations and managing identified financial risks. The Group has various other financial assets and financial liabilities such as other current receivables, other current assets and customers' deposits

which arise directly from its operations. The main risk arising from the use of financial instruments is credit risk, liquidity risk, interest rate risk and foreign exchange risk.

Credit risk
Credit risk arises from the risk of counterparties defaulting. Management is tasked to minimize credit risk through strict implementation of credit, treasury and financial policies. The Group deals only with reputable counterparties, financial institutions and customers. To the extent possible, the Group obtains collateral to secure sales of its products to customers. In addition, the Group transacts with financial institutions belonging to the top 25% of the industry, and/or those which provide the Group with long-term loans and/or short-term credit facilities.

The Group does not have significant concentration of credit risk and does not enter into financial instruments to manage credit risk.

The credit quality of financial assets is managed by the Group using internal credit ratings. Credit quality of cash in banks and cash equivalents and AFS financial assets are based on the nature of the counterparty and the Group's internal rating system.

Financial assets that are neither past due nor impaired are classified as "Excellent" account when these are expected to be collected or liquidated on or before their due dates, or upon call by the Group if there are no predetermined defined due dates. All other financial assets that are neither past due or impaired are classified as "Good" accounts.

Liquidity risk
Liquidity risk arises from the possibility that the Group may encounter difficulties in raising fund to meet commitments from financial instruments.

Management is tasked to minimize liquidity risk through prudent financial planning and execution to meet the funding requirements of the various operating divisions within the Group; 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. Working capital requirements, on the other hand, are adequately addressed through short-term credit facilities from financial institutions. Trade receivables are kept within manageable levels.

Interest rate risk
The Group's exposure to changes in interest rates relates primarily to the Group's short-term and long-term debt obligations.

Management is tasked to minimize interest rate risk by having a mix of variable and fixed interest rates on its loans. Presently, the Group's short-term and long-term debts and obligations are market-determined, with the long-term debts and obligations interest rates based on PDST-F-1 plus a certain spread.
There is no other impact on the Group's equity other than those affecting the statement of income.

MRIC is not expecting significant exposures to interest rate risk considering the short term maturities of its bank loans. There is no impact on the Groups equity other than those affecting the statement of income.

Foreign exchange risk
The Group's exposure to foreign exchange risk results from the Parent Company and MRIC's business transactions and financing agreements denominated in foreign currencies.

Management is tasked to minimize foreign exchange risk through the natural hedges arising from its export business and through external currency hedges. Presently, trade importations are immediately paid or converted into Peso obligations as soon as these are negotiated with suppliers. The Group has not done any external currency hedges in 2025 and 2024.

Market risks

Market risks stem from new and/or existing re-launched products and/or new packaging at low prices being introduced in the marketplace by competitors. To address these competitive pressures, the Company continues to develop new products in innovative packaging formats to keep a hold onto its consumers and increase market share. The strategy requires significant resources for market research, product development, marketing and promotions. Attendant risks are inventory overstocks, spoilage, and warehousing costs if the new product launched on the market fails to take off. To manage these risks the Company has established a system where successful indicators in the target market are closely monitored and supported by effective supply chain management.

Technological changes

RFM Corporation has been in the flour manufacturing sector for several decades, and its operating mills are older than many of its competitors, which have more modern equipment and, thus, better rated operating yields. To meet these challenges, the Company continues to provide sufficient repairs and maintenance on its equipment and continually upgrades sections of its facilities to remain at par with the modern machinery. Recent installations are a Buhler blending system which allowed for more efficiency in product mixing and customization; and a Buhler carousel packing and weighing system provides very accurate weighing of flour in bags. Likewise, in 2017, the Flour group were able to upgrade Mill II to increase production of All Purpose Flour and transfer some of the capacity of Mill 1B for production of pasta flour. In 2018, it upgraded Mill 1B to improve efficiency, yield and flour absorption. In addition, the Company spends in research and development, particularly in the areas of process engineering and wheat mixtures to produce higher flour yields.

In 2008, the Company invested in a new Buhler C-line Pasta Machine to service its growing market in spaghetti noodles, under the Fiesta brand. The machine incorporates the patented Polymatik Extrusion Technology, which is presently one of the most advanced in raw material mixing processes, and produces pasta that is firmer, brighter, and with excellent heat tolerance. Further expanding the capacity of the pasta line, the Company invested and installed Pasta Line 3 in 2014. This is to support the growing volume of the Pasta business.

Improvements, upgrades, and regular maintenance and repairs of its Aseptic Production Line allow the Milk and Juice Division to produce good quality ready-to-drink milk and chocolate-flavored milk. Later part of 2016, a new manufacturing line in Stand-Up pouch format for milk was installed, this is to provide new package format for milk in the market.

When PET line was discontinued its operations as part of the rationalizing RFM products in the basis of its profitability contributions to the total business, the area where the PET line is located was used to install the Spaghetti Sauce manufacturing lines last 2016. Sauce line capacity expanded last 2017 to 3 lines and last 2018 to 4 lines and in 2nd quarter of 2020, the 5th and 6th lines was fully operational to support the growing market volume. The company spend around P 91 million for the expansion with upgrade on older lines.

Technological advances in manufacturing sector contributed to hectic product competition in the market, RFM recognizes the need to update its technology for a more reliable quality and higher productivity. In 2011 and 2012, the Milk and Juice Division invested in improving and replacing its line instrumentation system which resulted in fast and more accurate product quality monitoring which ensures that every package conforms to the quality standards. In 2013, the Milk and Juice Division production line was transferred to our Laguna factory compound, upgrading it production processes through major overhauling of the machinery and installation of new and more efficient utilities. The production facility was rebuilt and upgraded to further improve compliance with the requirements of Good Manufacturing Practices. The Company invested P150 Million in this transfer and upgrading. Later part of 2016, a new manufacturing line in Stand-Up pouch format for milk was installed, this is to provide new package format for milk in the market. However, to provide focus and synergy to milk business, driven by market changes and consumer preferences, the milk stand-up

pouch format was discontinued. In the last 2 years, 2023 and 2024, a retort sterilizing technology was adapted using stand up pouches to cater for white sauces food processing as part of sauce line expansion.

In 2017, the major sterilizing equipment for Milk has been replaced with latest equipment which is designed for higher reliability of milk processing. In 2019, the company invested P 436M for expansion of milk processing and packaging line with upgraded technology and started its operations on 4th quarter of 2020. In last quarter of 2022, the company invested P 445M to further expand the milk processing and packaging lines and started its operation in December 2023.

In 2023, the company invested P 1.1 B in a new manufacturing facility of Bread Buns using upgraded equipment and as part of expanding capacity of Bread Buns in Pasig Plant. The Plant started its commercial operation last July 2024.

Collaboration with technical experts in the field of food science and technology as well as manufacturing has been extended to foreign and local business partners to be updated in the latest food trends, equipment and raw materials sourcing. It has its sources of technological information via attendance to seminars, conferences, conventions, journal subscription and internet access to further enhance its research and development skills and manufacturing processes.

Labor

Like other firms in the food and beverage industry, the Company also partakes of the usual risks of labor unrest and grievances.

On 3 September 2018, the Company was impleaded in a complaint filed before the National Labor Relations Commission ("NLRC") NCR, Quezon City by a certain Larry Vic I. Ramos who was an employee of SP Deloraya Job Contracting & Consultancy Services, Inc. ("SP Deloraya"), a third-party contractor which provides manpower services to the Company's Private Label Manufacturing Division. The complainant claimed that he was illegally dismissed and demanded payment of his wages, 13th month pay and regularization, among others. The Company argued that there exists no employer-employee relationship between the complainant and the Company, the complainant being the employee of its co-respondent SP Deloraya. That granting but without conceding that the complainant's abovementioned claims are legitimate, it is the complainant's employer who shall be made answerable to said claims. This being so, the inclusion of the Company and its officers in the case at bar is undoubtedly malicious, tainted with bad faith and misplaced. On 27 December 2018, the Labor Arbiter rendered a decision dismissing the above mentioned complaint yet holding the Company solidarily liable with SP Deloraya for the payment of Complainant's 13th month pay. Complainant elevated the matter on appeal to the NLRC, which denied the same. On 09 September 2019, Complainant filed a Petition for Certiorari at the Court of Appeals (CA) against the resolution of the NLRC and this was decided in favor of the Company. The complainant then filed a Petition for Review on Certiorari before the Supreme Court where the case is still pending.

Moreover, on 07 July 2022, the Company received a complaint for alleged illegal dismissal filed by Ms. Ronalie Romentas. The complainant was also an employee of SP Deloraya. The Company argued that there is no employer-employee relationship between RFM and Romentas, and that granting but without conceding that Romentas' above-mentioned claims are legitimate, it is her employer who shall be made answerable to said claims. On 31 May 2023, the Labor Arbiter rendered its Decision dismissing Romentas' claims against RFM and ordering SP Deloraya to pay 13th month pay and service incentive leave. On appeal, the NLRC in its Decision dated 30 April 2024, modified the LA Decision in favor of the complainant. Both RFM and complainant filed separate Petitions for Certiorari with the Court of Appeals (CA) against the decision of the NLRC. The CA, in a Consolidated Decision dated 27 November 2025, affirmed the Decision dated 30 April 2024 of the NLRC. The Company filed a Partial Motion for Reconsideration before the CA.

Item 2 – Properties

RFM Corporation owns a flour milling plant with a daily rated capacity of 930 metric tons per day, and is in Barangay Pineda, Pasig City. A pasta plant with a rated capacity of 3,000 kgs per hour per spaghetti line (2

lines) and 2,450 kgs per hour for macaroni line (1 line) is also located at RFM Pioneer Plant, Barangay Pineda, Pasig City. A sauce line (6 lines) located in Cabuyao, Laguna with a rated capacity of 192,000 kilograms per day. A milk and juice plant located in Cabuyao, Laguna, and has a rated capacity of 11.58 million packs per month. The milk and juice Tetra plant currently has eight (8) production Filling lines, two of which were already sold last year since it is already nearing end of full support from Tetra. Then five (5) are owned. Lines are running at 18 hours operation per line for 25 days. The new Bun Plant located in Maguyam, Silang Cavite has a rated capacity of 9,000 trays per day and operates 26 days a month.

In accordance with various loan agreements, the Company and its subsidiaries are restricted from performing certain corporate acts without the prior approval of the creditors, the more significant of which relate to entering a corporate merger or consolidation, acting as guarantor or surety of obligation and acquiring treasury stocks. The Company and its subsidiaries are also required to maintain certain financial ratios. As of December 31, 2025, the why, including its subsidiaries are in compliance with terms and conditions of these agreements.

A. Institutional Division

Description	LOCATION	CONDITION
Land – 32,547 sq. m.	Pineda, Pasig City	
Flour Mills Plant/Building/Silos/ Warehouse	Pineda, Pasig City	In good working condition
Flour Mills-Furniture & Office Equipment	Pineda, Pasig City	In good working condition
Flour Mills - Machinery and Equipment	Pineda, Pasig City	In good working condition
Bun and Muffin Line	Fairlane, Pasig City	In good working condition
Spice Mix Building	Fairlane, Pasig City	In good working condition
Warehouse Loading bay	Fairlane, Pasig City	In good working condition
New Bun Line	Maguyam, Silang Cavite	In good working condition
Spaghetti Sauce Line	Cabuyao, Laguna	In good working condition

B. Consumer Division

Description	LOCATION	CONDITION
Pasta Plant/Office/Conference Room/Die Washing Room	Pineda, Pasig City	In good working condition
Pasta Plant – Furniture & Office Equipment	Pineda, Pasig City	In good working condition
Pasta Plant – Long goods line	Pineda, Pasig City	In good working condition
Pasta Plant – Long goods line	Pineda, Pasig City	In good working condition
Pasta Plant – Short goods line	Pineda, Pasig City	In good working condition
Pasta Plant – RM/PM Warehouse	Pineda, Pasig City	In good working condition
Pioneer CDC Warehouse	Pineda, Pasig City	In good working condition

Owned Properties

Description	LOCATION	CONDITION
Milk & Juices Tetra Machines	Cabuyao Laguna (transferred from Manggahan, Pasig City)	In good working condition
Doy Milk lines	Cabuyao Laguna	In good condition, converted to White Sauce line
Spaghetti Sauce line	Cabuyao Laguna	In good condition
Fiesta Warehouse	Cabuyao Laguna	In good condition
New Warehouse E	Cabuyao Laguna	In good condition
Pioneer Business Park Building	Fairlane, Pasig City	Two (2) storey Building
Land & Improvements	Cabuyao, Laguna	In good working condition
Building & Improvements	Cabuyao, Laguna	In good working condition
Machinery & Equipment	Cabuyao, Laguna	In good working condition

C. Corporate Division

RFM Building	Corner Pioneer & Sheridan Streets, Mandaluyong City	Eight (8)-storey building with Penthouse

Item 3 – Legal Proceedings

Lawsuits and legal actions are in the ordinary course of the Company's business. However, the Company or any of its subsidiaries is not currently involved in any material pending litigation or legal proceeding that could be expected to have a material adverse effect on the Company's financial position or its result of operations.

Item 4 – Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of this calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – Market for Issuer's Common Equity and Related Stockholders' Matters

(1) Market Information

RFM shares are traded at the Philippine Stock Exchange (PSE). As of December 31, 2025, the total number of issued and outstanding shares of the Company is 3,369,549,358 common shares.

The following are the high and low prices per common share for each quarter within the last three calendar years:

2025	High	Low
First Quarter	4.20	4.15
Second Quarter	4.28	4.25
Third Quarter	4.34	4.20
Fourth Quarter	4.85	4.75

2024	High	Low
First Quarter	3.32	3.26
Second Quarter	3.89	3.71

Third Quarter	3.87	3.85
Fourth Quarter	3.90	3.85

2023	High	Low
First Quarter	3.38	3.24
Second Quarter	3.25	3.10
Third Quarter	3.15	3.08
Fourth Quarter	3.00	2.99

All shares of the Company are listed in the Philippines Stock Exchange.

The price of RFM shares as of last trading date – April 8, 2026 was ₱5.30.

(2) Holders

As of December 31, 2025, there are a total of 3,043 shareholders of RFM common stock. Filipinos owned 2,832,949,268 common shares or 84.08% while the foreigners owned 536,600,090 common shares or 15.92%.

Below are the top 20 stockholders of common shares as of December 31, 2025:

Name	**No. of shares held**	**% to Total**
1. Triple Eight Holdings, Inc	745,157,196	22.11
2. Horizons Realty, Inc.	650,139,738	19.29
3. PCD Nominee Corporation (Foreign)	536,360,776	15.92
4. PCD Nominee Corporation (Filipino)	467,793,246	13.88
5. BJS Development Corporation	311,210,184	9.24
6. RPMC Resources, Inc.	201,982,966	5.99
7. FEATI University	112,011,350	3.32
8. Chilco Holdings, Inc.	72,750,760	2.16
9. Concepcion Industries, Inc	71,384,424	2.12
10. S & A Industrial Corporation	59,474,114	1.77
11. Select Two Corporation	49,499,612	1.47
12. Republic Commodities Corporation	33,115,616	0.98
13. Macric Incorporated	23,302,412	0.69
14. Lace Express Inc.	23,278,716	0.69
15. Monaco Express Corporation	23,278,552	0.69
16. Sole Luna, Inc.	22,305,308	0.66
17. Foresight Realty Development Corporation	19,215,194	0.57
18. Hyland Realty Corporation	11,919,518	0.35
19. Argon Group Holdings	11,919,518	0.35
20. Joseph Server, Jr. or Estelita L. Server	5,445,166	0.16

There are no securities to be issued in connection with an acquisition, business combination or other reorganization.

(3) Dividends

(a) Dividend per Share

On January 5, 2023 the BOD approved the declaration of ₱0.103871 regular cash dividend per share or a total of ₱350 million to its stockholders. The dividends were paid on February 14, 2023.

On June 14, 2023 the BOD approved the declaration of ₱0.089033 regular cash dividend per share or a total of ₱300 million to its stockholders. The dividends were paid on July 25, 2023.

On October 10, 2023 the BOD approved the declaration of ₱0.059355 regular cash dividend per share or a total of ₱200 million to its stockholders. The dividends were paid on November 21, 2023.

On January 24, 2024 the BOD approved the declaration of ₱0.074194 regular cash dividend per share or a total of ₱250 million to its stockholders. The dividends were paid on March 5, 2024.

On April 11, 2024 the BOD approved the declaration of ₱0.074194 regular cash dividend per share or a total of ₱250 million to its stockholders. The dividends were paid on May 22, 2024.

On August 2, 2024 the BOD approved the declaration of ₱0.089033 regular cash dividend per share or a total of ₱300 million to its stockholders. The dividends were paid on September 13, 2024.

On October 22, 2024 the BOD approved the declaration of ₱0.148388 regular cash dividend per share or a total of ₱500 million to its stockholders. The dividends were paid on December 2, 2024.

On January 8, 2025 the BOD approved the declaration of ₱0.05936 regular cash dividend per share or a total of ₱200 million to its stockholders. The dividends were paid on February 18,2025.

On April 10, 2025 the BOD approved the declaration of ₱0.05936 regular cash dividend per share or a total of ₱200 million to its stockholders. The dividends were paid on May 26,2025.

On July 16, 2025, the BOD approved the declaration of ₱0.08903 regular cash dividend per share or a total of ₱300 million to its stockholders. The dividends were paid on August 20, 2025.

On September 17, 2025, the BOD approved the declaration of ₱0.08903 regular cash dividend per share or a total of ₱300 million to its stockholders. The dividends were paid on October 22, 2025.

On November 10, 2025, the BOD approved the declaration of ₱0.14839 regular cash dividend per share or a total of ₱500 million to its stockholders. The dividends were paid on December 19, 2025.

(b.) Dividends Restriction

The Parent Company's retained earnings as of December 31, 2025 is restricted to the extent of the amount of the undistributed equity in net earnings of an associate and treasury shares included in its retained earnings amounting to ₱6,493 million. These will only be available for declaration as dividends when these are actually received.

Item 6 – Management Discussion and Analysis of Financial Conditions and Results of Operations for Year 2025

Introduction

This discussion summarizes the significant factors affecting the consolidated operating results and financial condition of RFM Corporation and its Subsidiaries for the period December 31, 2024. The following discussion should be read in conjunction with the attached audited consolidated financial statements of the Company as of December 31, 2025 and 2024, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2025. All necessary adjustments to present the Company's consolidated financial position as of December 31, 2025 and 2024 and the results of operations and cash flow for the years then ended have been made.

Year ended December 31, 2025 vs. 2024

Management Report on Operations

RFM Corporation recorded net revenues of ₱22.33 billion in 2025, reflecting a 3% increase from ₱21.73 billion in 2024. Growth was driven by steady performance across both the Consumer and Institutional segments, which expanded by 3% and 1%, respectively.

Gross profit rose by 3% to ₱7.77 billion, broadly in line with revenue growth, indicating stable margins despite cost pressures. Operating expenses were kept largely under control, increasing by only 1%.

As a result, net operating income increased by 8% to ₱1.89 billion, reflecting improved operating leverage. Supported by higher other income and stronger core operations, net income after tax grew by 14% to ₱1.62 billion, demonstrating solid earnings momentum for the year.

Financial Position

Analysis of Balance Sheet Accounts

As of December 31, 2025, total assets stood at ₱24.74 billion, up 2% from ₱24.28 billion in 2024. The increase was primarily driven by appraisal and higher financial assets at FVOCI. Total liabilities declined by 1% to ₱9.41 billion, mainly due to the settlement and timing of trade and other payables. Total equity increased by 4% to ₱15.33 billion, supported by the year's earnings and uplift in revaluation increment, reinforcing the Group's strong financial position.

Year ended December 31, 2024 vs. 2023

Management Report on Operations

RFM Corporation reported a revenue of Php21.73 billion for 2024, which is a 5% increase from last year's Php20.69 billion. This was mainly driven by Consumer segment's revenue by 8%. The group's net income for 2024 increase at Php1.42 billion sustaining positive effects of lower input cost and operating leverage.

Financial Position

Analysis of Balance Sheet Accounts

As of December 31, 2024, the Group's total assets increased from last year's Php23.01 billion to Php24.28 billion with significant growth in receivables and financial assets. The company invested heavily in property, plant, and equipment, showing a focus on expansion. The total liabilities increased from last year's Php8.35 billion to Php9.53 billion due to the timing of payments for outstanding payables.

Key Performance Indicators

For the full fiscal years 2025, 2024 & 2023 the Company's and majority-owned subsidiaries' top five (5) key performance indicators are as follows:

In Millions	**December 2025**	December 2024	December 2023
Revenues	**22,332**	21,729	20,681
Operating Margin	**1,885**	1,752	1,508
Net Income	**1,618**	1,420	1,266
EBITDA	**2,694**	2,508	2,113
Current Ratio	**1.32**	1.27	1.25

(a) Revenue Growth

The Group reported net revenues of ₱22.33 billion, an increase of 3% from ₱21.73 billion in 2024. The increase was attributable to higher sales volumes and minimal price adjustments across both the Consumer and Institutional segments.

(b) Operating Margin

Operating expenses increased by 1% to ₱5.89 billion, primarily due to higher general and administrative expenses, partially offset by lower selling and marketing expenses. As a result, net operating income increased by 8% to ₱1.89 billion.

(c) Net Income

Net income after tax increased by 14% to ₱1.62 billion (2024: ₱1.42 billion), primarily driven by higher operating income and an increase in other income, partially offset by higher income tax expense.

(d) EBITDA

The Group's EBITDA improvement primarily from better net operating margins partially offset by the slight increase in the company's depreciation.

(e) Current Ratio

The Group's Current Ratio increased from 1.27 to 1.32 primarily due to higher Financial Asset at FVOCI from last year's Php2.45 billion to Php3.44 billion combined with lower Payables and Accrued liabilities.

Causes for Any Material Changes from Period to Period of FS, which shall include vertical and horizontal analyses of any material item

Please refer to the discussions under Results of Operations and Financial Position for the year ended December 31, 2025 vs. 2024 year ended December 31, 2024 vs. 2023.

The Company is not aware of the following

(i) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

(ii) All material off-balance sheet transaction, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Seasonal Aspects that has Material Effect on the FS

There is no material effect with the seasonal aspect of certain raw materials specifically wheat on the financial statements.

External Audit Fees and Services

The Group incurred an aggregate audit fee of ₱4.8 million for 2025, excluding out-of-pocket expenses. The engagement involves the examination of the Company's financial statements in accordance with generally accepted auditing standards. It includes on a test basis review and evaluation of system, documentation, and procedures to ascertain that adequate internal controls are in place. Also, they provide updates on latest regulatory or compliance requirement with government agencies such as Securities and Exchange Commission and other government agencies.

The audit committee's approval policies and procedures for external auditors are:

1. Statutory audit of the company's annual financial statements

    a. The Audit Committee ensures that the services of the external auditor conform with the provision of the company's manual of corporate governance specifically articles 2.3.4.1; 2.3.4.3 and 2.3.4.4

    b. The Audit Committee assesses the quality of prior year audit work services, scope, and deliverables and makes a determination of the reasonableness of the audit fee based on the proposed audit plan for the current year.

    c. The Audit Committee approved the final audit plan and scope of audit presented by the external auditor before the conduct of audit. The final audit plan was already the output after the conclusion of the series of pre-audit planning with Management.

    d. The Audit Committee reports to the Board the approved audit plan.

2. For services other than annual financial statements audit:

    a. The Audit Committee evaluates the necessity of the proposed services presented by Management taking into consideration the following:

        i. The effectiveness of company's internal control and risk management arrangement, systems and procedures, and management degree of compliance.

        ii. The effect and impact of new tax and accounting regulations and standards.

        iii. Availability of in-house technical expertise.

        iv. Cost benefit of the proposed undertaking.

    b. The Audit Committee approves and ensures that other services provided by the external auditor shall not be in conflict with the functions of the external auditor for the annual audit of its financial statements.

The aggregated fees billed in 2025, 2024 and 2023 for each of the professional services rendered by the Group's external auditors are summarized as follows:

Nature of Audit	FIRM	RFM	RLC	REI	FWBC	WSHI	SWLC	MRIC	TOTAL
2025									
External Audit	SGV	2,800	30	24	-	-	-	-	**2,854**
External Audit	KPMG	-	-	-	-	150	150	1,626	**1,926**
External Audit	G. IDALO	-	-	-	21	-	-	-	**21**
Other assurance services	SGV	803	-	-	-	-	-	-	**803**
Actuarial Valuation	ISI	76	-	-	-	-	-	-	**76**
Land Appraisal	CAI/RAAC	80	-	-	-	-	-	-	**80**
TOTAL		**3,759**	**30**	**24**	**21**	**150**	**150**	**1,626**	**5,760**

Nature of Audit	FIRM	RFM	RLC	REI	FWBC	WSHI	SWLC	URICI	TOTAL
2024									
External Audit	SGV	2,800	30	24	-	-	-	-	**2,854**
External Audit	KPMG	-	-	-	-	150	150	1,339	**1,639**
External Audit	F. BELINARIO	-	-	-	21	-	-	-	**21**
Actuarial Valuation	ISI	74	-	-	-	-	-	-	**74**
Land Appraisal	CAI	20	-	-	-	-	-	-	**20**
TOTAL		**2,894**	**30**	**24**	**20**	**150**	**150**	**2,678**	**4,608**

Nature of Audit	FIRM	RFM	RLC	REI	FWBC	WSHI	SWLC	URICI	TOTAL
2023									
External Audit	SGV	2,450	25	20	-	-	-	-	**2,495**
External Audit	KPMG	-	-	-	-	75	75	900	**1,050**
External Audit	F. BELINARIO	-	-	-	20	-	-	-	**20**
Actuarial Valuation	ISI	73	-	-	-	-	-	-	**73**
Land Appraisal	CAI	28	-	-	-	-	-	-	**28**
TOTAL		**2,551**	**25**	**20**	**20**	**75**	**75**	**900**	**3,666**

Item 7 – Financial Statements

The consolidated financial statements and schedules listed are filed as part of previously submitted form 17-A.

Item 8 – Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There is no event in the past five (5) years wherein the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Company regularly adopts New Statement of Financial Accounting Standards (SFAS)/ International Accounting Standards (IAS) where applicable.

PART III - CONTROL ON COMPENSATION AND INFORMATION

Item 9 – Directors and Executive Officers of the Issuer

(1) List of Directors, Including Independent Directors, and Executive Officers (as of 31 December 2025)

Name of Director/ Executive Officer	*Position*	*Age*	*Term as Director*
Jose Ma. A. Concepcion III	Chairman of the Board / President & CEO	67	38
Ernest Fritz D. Server	Vice Chairman of the Board	82	36
John Marie A. Concepcion	Director	63	37
Ma.Victoria Herminia C. Young	Director/ SVP & GM, Consumer Group	66	18
Francisco A. Segovia	Director	71	38
Jose Ma. Christian O. Concepcion IV	Director	38	5
Maria Victoria Catherine C. Puno	Director	32	2
Lilia R. Bautista	Independent Director	90	18
Felicisimo M. Nacino, Jr.	Independent Director	73	27
Emmanuel O. Bautista	Independent Director	65	3
Enrique Oliver I. Rey-Matias	Director/VP-Finance & Chief Finance Officer/Concurrent General Manager, Flour Group/Compliance Officer	54	1
Atty. Mitchie Vanessa T. Magomnang	Corporate Secretary/ AVP & Head of Legal and Labor Relations/ Risk Management Officer	49	NA
Philip V. Prieto	Assistant Treasurer	67	NA
Melchor B. Bacsa	VP & Head of Supply Chain, Consumer Group	64	NA
Adenawer P. Torres	VP for Sales	58	NA
Victor Patrick S. Gutierrez	VP & Head, Consumer Sales and Marketing	45	NA
Stephen James O. Uy	AVP & Head of SBU, Flour Group	35	NA
Evangeline L. Caballa	AVP & Group Controller	39	NA

As provided in the Company's amended Articles of Incorporation, eleven (11) directors were elected to its Board of Directors during the last Annual Stockholders' Meeting and three (3) of whom are independent. The officers, on the other hand, were elected during the Organizational Meeting following the Annual Stockholders' Meeting, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been qualified and elected or appointed. The Company has an Audit Committee composed of three (3) directors, two (2) of whom are independent.

The following sets forth certain information as to the directors and executive officers of the Company as of December 31, 2025:

Directors

Jose Ma. A. Concepcion III
67 years old
Filipino

Born on 23 June 1958, has a Bachelor's degree in Business Management from Dela Salle University. He is currently the Chairman of the Board of Directors of RFM Corporation as well as its President and Chief Executive Officer. He first became a director of the Corporation on 30 October 1986, was elected President and Chief Executive Officer in 1989, and first elected as Chairman on 30 June 2021, replacing his father, Jose S. Concepcion, Jr. He previously held similar positions in the various subsidiaries (present and former) of the company such as RFM Equities, Inc., RFM Insurance Brokers, Inc., Rizal Lighterage Corporation, Cabuyao Logistics & Industrial Center, Inc., Interbake Commissary Corporation, Filipinas Water Bottling Co., Inc., and Invest Asia Corporation. He concurrently holds the position of Chairman of the Board of Magnum RFM Ice Cream, Inc. (MRICI) and a Co-Chairman of Integrated Global Low-Temperature, (IGLO) Philippines, Inc., a cold-chain company. He is also a director of Concepcion Industries Inc., the largest air-conditioner and refrigerator manufacturer in the country. In 2016, he was appointed by the President of the Philippines as Presidential Consultant for Entrepreneurship, a position which he also previously held in 2005 until 2010. He was an awardee of the Ten Outstanding Young Men of the Philippines (TOYM) in 1995 and Time Global 100 List of Young Leaders for the New Millennium in 1994. He is associated with major business and industry and various socio-civic associations. He is the founding Trustee of the Philippine Center for Entrepreneurship – Go Negosyo. Presently, he is the Chairman of the ASEAN Business Advisory Council (ABAC) and the Private Sector Advisory Council Lead for Jobs.

Ernest Fritz D. Server
82 years old
Filipino

Born on 08 July 1943, has a Bachelor of Arts degree in Economics from the Ateneo de Manila University and a Master's degree in Business Administration from the Wharton School of the University of Pennsylvania. He is the Vice-Chairman of the Board of Directors of RFM Corporation. He is also a Vice-Chairman of Philtown Properties, Inc., and a Director of RFM Equities, Inc. He is the President of Superior Las Pinas, Inc., Capital Mediaworks, Inc., and Vicinetum Holdings, Inc. He is also a trustee of TOSP Foundation, Inc. He is a member of the Board of Directors of BJS Development Corporation, Phil. Stratbase Consultancy, Inc., ABS-CBN Convergence, Inc., Seacage Industries, Inc., and 818 Aqua Farms, Inc. and Chairman of Westview Properties, Inc. and Arrakis Holding, Inc. He served as President of Philam Fund, Philippine Home Cable Holdings, Inc., Trans-Pacific Properties, Inc. and United Housing Corporation. He served as Chairman of Intercity Properties, Inc. and Vice Chairman of Commercial Bank of Manila, Consumer Bank, Cosmos Bottling, Co. He also served as a Director of Farmingtown, Rizal Lighterage Corporation, RFM Insurance Brokers, Inc. and Psi Technologies. He first became a director of the Corporation on 27 October 1988. He is a member of the Audit Committee of the Corporation.

John Marie A. Concepcion
63 years old
Filipino

Born on 13 January 1962, has a degree in Business Administration from Seattle University, Washington, U.S.A. He was the Chief Executive Officer & Managing Director of Unilever RFM Ice Cream, Inc until his retirement in 2023. He is the director and treasurer of Selecta Wall's Land Corporation (SWLC). He likewise served as the Marketing Adviser for the Corporation's Consumer Group until 31 December 2023. He became a director of RFM Corporation on 29 October 1987.

Ma. Victoria Herminia C. Young
66 years old
Filipino

Born on 4 August 1959, has a Bachelor of Science Degree in Management and Marketing from Assumption College. She is currently Senior Vice-President and General Manager of Consumer Group handling the R&D, Logistics, White King Division, Milk & Juice Division, Sales Division, Operations Division, Exports Division

and subsidiary company Bevco Philippines. She was the President of Interbake Commissary Corporation, a former subsidiary of the Corporation. She is a Trustee and President of TOSP Foundation, Inc. She is also a Trustee of Soul Mission Org. and Ronald McDonald House of Charities. She was appointed as Senior Vice President for the Consumer Group of the Corporation in January 2014.

Francisco A. Segovia
71 years old
Filipino

Born on 17 January 1954, has a Bachelor of Science degree in Business Management from the Ateneo De Manila University. He is President of Segovia & Corporation, Inc., Fritz International Philippines, Inc., Horseworld, Inc., Big A. Aviation Corporation, Intellicon, Inc., Regina Realty/Chilco Holdings, Araneta Institute of Agriculture, Republic Dynamics Corporation and Republic Consolidated Corporation. He is a director of RFM Equities, Inc., and Philtown Properties, Inc. He first became a director of the Corporation on 30 October 1986.

Felicisimo M. Nacino, Jr.
73 years old
Filipino

Born on 09 May 1952, has a Bachelor of Arts degree in Economics and a Master's degree in Business Administration, both from the University of the Philippines. He previously served as the Executive Vice-President & Chief Operating Officer of the Corporation and currently serves as Director of Unilever-RFM Ice Cream, Inc., and other companies in the RFM Group. He first became a director of RFM Corporation on 30 March 1995 and served until June 2020. He was then re-elected as an independent director in 2022. He is currently a member of the Audit Committee of the Corporation.

Jose Ma Christian O. Concepcion IV
38 years old
Filipino

Born on 13 January 1987, he finished high school at La Salle Greenhills and acquired his college degree in Business Entrepreneurship from Entrepreneurs School of Asia, otherwise known as Thames International. He is the founder and owner of Ono Poke Food Shop. He is also an incumbent director of Kettle Foods Corporation. He first became a director of RFM Corporation on 29 July 2020.

Maria Victoria Catherine C. Puno
32 years old
Filipino

Born on 4 June 1993, holds a strong academic background and has extensive work experience in the Philippines and New York. She completed her secondary education at Assumption College San Lorenzo, earned her bachelor's degree from De La Salle University, and later obtained a Master's in Business Administration (MBA) from INSEAD. Before joining RFM, she built a diverse career in the consumer and cosmetics sector, gaining valuable experience in local and global markets. She first became a director of the Corporation on 26 June 2024. She also serves as the Assistant Vice-President & Head of Marketing of the Consumer Group.

Lilia R. Bautista
90 years old
Filipino

Born on 16 August 1935, is an Independent Director of the Company since September 2006. She was also an independent director of Transnational Diversified Group. She is currently a professional lecturer at the Philippine Judicial Academy and the Dean of the College of Law of Jose Rizal University since 2012. She previously held several positions including as a Member of the Appellate Body of the World Trade Organization, Chairman, Securities and Exchange Commission, Ex-Officio Member, Anti-Money Laundering Council, Senior DTI Undersecretary & Special Trade Negotiator and subsequently acting DTI Secretary. Ex-officio member of the Monetary Board, Chairman of the Board of Investments, National Development Company and other DTI agencies. She was appointed Ambassador to the United Nations and other international agencies in Geneva, Switzerland. She holds an L.L.B., University of the Philippines, LLM, University of Michigan (Dewitt Fellow), M.B.A., University of the Philippines, and attended special courses in corporate finance and reorganization, New York University and Investment negotiation course, Georgetown University. She is presently the Chairwoman of the Audit Committee.

Emmanuel O. Bautista
65 years old
Filipino

Born on 18 August 1960, has a Master's degree in Business Administration from Georgetown University, Washington D.C., and a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He is currently the Chairman of Regis Partners, Inc., and had served in the Boards of Directors of the Philippine Stock Exchange, the Securities Clearing Corp. of the Philippines, and AIG Phils., Inc. He is also a member of the Board of Advisers of Ateneo's John Gokongwei School of Management, and serves as a Trustee of the ABS-CBN Foundation. He joined RFM Corporation as an Independent Director in October 2023.

Enrique Oliver I. Rey-Matias
54 years old
Filipino

Born on 26 December 1971, has a Bachelor of Science degree major in Business Economics from the U.P School of Economics magna cum laude and a Master's degree in Business Management from the Asian Institute of Management. Prior to joining RFM, he worked for eight years at the Philippine as well as Southeast and South Asian operations of Liwayway Marketing Corporation (Oishi) as Vice President – Finance. He was appointed as Chief Finance Officer and Treasurer of the Corporation, effective November 2015. He also worked at the Bangko Sentral ng Pilipinas and at the Philippine Senate President's Office. He was elected as a first-time director in June 2025.

Executive Officers

Management is comprised of owner-managers and professional managers. Mr. Jose Maria A. Concepcion III is the President and Chief Executive Officer of RFM Corporation, and is also a major shareholder. He joined the Company in 1980 as a route salesman, and occupied positions in sales and marketing before he became President and Chief Executive Officer in 1989.

Atty. Mitchie Vanessa T. Magomnang
49 years old
Filipino

Born on 7 November 1976, has a Juris Doctor degree and graduated as *Class Salutatorian* in April 2006 from Mindanao State University Marawi City. She was admitted to the Philippine Bar in 2007. Prior to taking up law studies, she graduated *Cum Laude* from the same university in 1997 with the degree of Bachelor of Science in Accountancy. She is also a Certified Public Accountant. She was the Head of Legal of Philtown Properties, Inc., Attorney II at the Bureau of Internal Revenue and Chief-of-Staff in the House of Representatives before joining the Company in 2016 as Legal Counsel.

Philip V. Prieto
67 years old
Filipino

Born on 20 August 1958, has a Bachelor's of Arts degree from the University of San Francisco. He is currently the Assistant Treasurer of RFM Corporation. He joined the Corporation in 1995 as the Purchasing Manager of Cosmos Bottling Corporation when this was still owned by RFM Corporation. He was also the General Manager of Invest Asia Corporation.

Melchor B. Bacsa
64 years old
Filipino

Born on 6 January 1961, a Licensed Chemical Engineer, has a Bachelor of Science Degree in Chemical Engineering from the Adamson University. Prior to joining RFM Corporation, he was the Director for Operations, Branded Consumer Foods Division from 2008 to 2010 at Universal Robina Corporation, where he started his career in 1983. He also held top positions in professional organizations namely Production Management Association of the Philippines (PROMAP) and First Cavite Industrial Estate Association (FCIEA). He joined the company in January 2011 as Vice President and Head of Operations and Exports Division.

Adenawer P. Torres
58 years old
Filipino

Born on June 27, 1967, has a Bachelor of Science in Commerce Degree, Major in Business Management from the University of the Assumption, Pampanga. He has 29 years of extensive experience in Sales, Trade Marketing and Product Distribution in various industries like consumer goods, pharmaceuticals, automotive oil and banking. Prior to joining RFM Corporation for the first time back in 2008, he was the National Key Accounts Manager/ Modern Trade Head from 2005 to 2008 at General Mills Foods, Inc, where he was instrumental in driving the growth in the local market of popular international brands Pillsbury, Green Giant and Betty Crocker. He previously served as a Sales Consultant of Kettle Foods Corporation before rejoining RFM Corporation as Vice President for Sales.

Victor Patrick S. Gutierrez
45 years old
Filipino

Born on 29 April 1980, has a Bachelor of Science degree in Management major in Communications Technology Management from Ateneo de Manila University. He joined RFM as a consultant for Sales and Marketing in 2017 until 2019. He rejoined the company in July 2021 from PT Mayora where he was Business Unit Head in the Philippines for biscuits and confectionery. He was the Vice-President, Dairy and Coffee – Marketing and Product Development of San Miguel Purefoods from May 2015 to June 2017. He also worked at Unilever Philippines and Monde Nissin Corporation.

Stephen James O. Uy
35 years old
Filipino

Born on 3 January 1990, has a Bachelor of Science degree in Management major in Communications Technology Management at the Ateneo De Manila University in October 2011. Prior to joining the Corporation, he was a Trading Analyst at All Asian Countertrade from 2012 to 2015. He joined RFM in March 2015 as Senior Management Trainee of Flour Group and was appointed as Head of Materials Management and Sales in April 2016.

Evangeline L. Caballa
39 years old
Filipino

Born on 4 July 1986, has a Bachelor of Science in Accountancy at the University of Santo Tomas in May 2007, she passed her CPA licensure in the same year. Prior to joining the Corporation, she was an Analyst at Accenture. She first joined RFM as General Accounting Supervisor in 2009 up to 2013. She moved to Chevron Holding Inc. in 2013 as its Sr. Trade Accountant. She rejoined RFM in 2014 as Corporate Accounting Manager and was promoted to Group Controller in September 2015.

(2) Significant Employees

There is no person other than the executive officers, who are expected by the Corporation to make significant contribution to the business.

(3) Family Relationships

Jose Ma. A. Concepcion III, John Marie A. Concepcion, and Ma. Victoria Herminia C. Young are siblings while Francisco A. Segovia is their cousin. Jose Ma. A. Concepcion III is the father of Jose Ma. Christian O. Concepcion IV and Maria Victoria Catherine C. Puno.

(4) Involvement in Certain Legal Proceedings

To the best knowledge and information of the Corporation, the nominees for Director, its present Board of Directors and its Executive Officers are not, presently or during the last five years, involved or have been involved in any legal proceeding involving themselves and/or their properties before any court of law or administrative body in and out of the country that are material to their ability and/or integrity. Likewise, the said persons have not been convicted by final judgment of any offense punishable by the laws of the Republic of the Philippines or the laws of any other country.

Item 10 – Executive Compensation

Information as to the aggregate compensation paid or accrued during the last two fiscal years, and the estimated amount to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four other most highly compensated executive officers follows:

(In Million Pesos)

Name	Position	Year	Compensation	Bonus	Others
Jose Ma. A. Concepcion III Ma.Victoria Herminia C. Young Enrique Oliver I. Rey-Matias Victor Patrick S. Gutierrez Melchor B. Bacsa	President & CEO SVP & GM - Consumer Group VP & CFO VP & Head, Consumer Group Sales & Marketing VP & Head, Consumer Group Supply Chain	2026 (Projected)	₱81.07		
All officers and directors as a group unnamed		2026 (Projected)	₱48.28		

(In Million Pesos)

Name	Position	Year	Compensation	Bonus	Others
Jose Ma. A. Concepcion III Ma.Victoria Herminia C. Young Enrique Oliver I. Rey-Matias Victor Patrick S. Gutierrez Melchor B. Bacsa	President & CEO SVP & GM - Consumer Group VP & CFO VP & Head, Consumer Group Sales & Marketing VP & Head, Consumer Group Supply Chain	2025	₱78.78		
All officers and directors as a group unnamed		2025	₱44.37		

(In Million Pesos)

Name	Position	Year	Compensation	Bonus	Others
Jose Ma. A. Concepcion III Ma.Victoria Herminia C. Young Enrique Oliver I. Rey-Matias Victor Patrick S. Gutierrez Melchor B. Bacsa	President & CEO SVP & GM - Consumer Group VP & CFO VP & Head, Consumer Group Sales & Marketing VP & Head, Consumer Group Supply Chain	2024	₱69.67		
All officers and directors as a group unnamed		2024	₱35.12		

Compensation of Directors and Officers

(a) Standard Arrangement.

The Board of Directors and members of the Compensation, Corporate Governance and Audit Committees are entitled to a per diem of Ten Thousand (Php10,000.00) for every meeting, except that the Chairman of the Compensation Committee and Corporate Governance Committee are entitled to a per diem amounting to Twenty Thousand (Php20,000.00) each. Additionally, the Chairman of the Audit Committee is entitled to a remuneration of Fifty Thousand Pesos (Php50,000.00) a month.

(b) Other Arrangement

There is no director providing any service or other arrangements for a fee, to the Company, other than those disclosed herein.

Employment Contracts

The registrant's executive officers are entitled to transportation and other benefits, bonus scheme, and retirement plan.

1. Transportation Benefits
   a. An executive officer is assigned a vehicle which he may purchase, at market value, after six (6) years, or return the same to the Corporation in exchange for a replacement vehicle.
   b. All expenses related to the registration, comprehensive insurance, repairs and maintenance of the assigned vehicle are paid by the Corporation.
   c. Reimbursement of gasoline expenses up to a certain amount of liters per month.

2. Bonus Scheme
   Based on individual performance and attainment of the specific objectives of the Company's business plan, bonus is given in accordance with company policy.

3. Retirement Plan
   Availment of the retirement benefit is provided after the individual has rendered at least five (5) years of service with the Company at 25% of basic pay per year of service. The value increases by 5% per additional year of service up to a maximum of 125%.

4. Other Benefits
   a. Hospitalization Plan: A hospitalization plan is provided for the executive officers and his immediate dependents in accordance with company policy.
   b. Vacation Leave: 15 days per year, accumulated up to 30 days but not encashable.
   c. Sick Leave: 15 days per year, accumulated up to 45 days but not encashable.
   d. Executive Check-up: Once every four (4) years; SPEC 24 KSAT blood test every two (2) years.

Warrants and Options Outstanding: Repricing

There are no outstanding warrants or stock options held by the directors or executive officers. As such, there are no price or stock warrants or options that are adjusted or amended. There were no material transactions during the past three (3) years between the Corporation and its executive officers other than the regular employment agreements.

Item 11 – Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2025, the direct and indirect-beneficial owners in excess of 5% of the common shares of RFM Corporation are set forth in the table below.

Title of Class	Name and address record/beneficial owner	Name of Beneficial Owner and relationship with Record Owner	Citizenship	Amount and nature of record/beneficial ownership (Shares)	Percent of Class
Common	Triple Eight Holdings, Inc. # 18 Gen. Capinpin St., San Antonio Village, Pasig City	Triple Eight Holdings, Inc.	Filipino	745,157,196 "r"	22.11
Common	Horizons Realty, Inc. RFM Corporate Center, Pioneer cor. Sheridan Sts., Mandaluyong	Horizons Realty, Inc.	Filipino	650,139,738 "r"	19.29

Common	PCD Nominee Corporation GF MKSE Bldg., Ayala Ave., Makati City (Foreign)		Foreign	536,360,776 "r"	15.92
Common	PCD Nominee Corporation GF MKSE Bldg., Ayala Ave., Makati City (Filipino)		Filipino	467,793,246	13.88
Common	BJS Development Corporation 1869 P. Domingo Street Makati City	BJS Development Corp.	Filipino	311,210,184 "r"	9.24
Common	RPMC Resources, Inc. FEATI University Bldg., Carlos Palanca, Helios St., Sta. Cruz, Manila	RPMC Resources, Inc.	Filipino	201,982,966	5.99

List of person or persons acting together to direct the voting or disposition of the shares held by:

I. Horizons Realty, Inc.
1. Ma. Victoria A. Concepcion
2. Jose Ma. A. Concepcion III
3. Ma. Victoria Herminia C. Young
4. Luis Bernardo A. Concepcion
5. John Marie A. Concepcion
6. Ma. Lourdes Celine C. Lebron
7. Ma. Victoria Ana C. Monasterio
8. Mary Elizabeth C. Santos
9. Michelle Marie C. Reyes

II. Triple Eight Holdings Inc.
1. Jose Ma. A. Concepcion III
2. Marissa O. Concepcion
3. Ma. Luisa Margarita O. Concepcion
4. Jose Christian O. Concepcion IV
5. Margarita O. Villareal

III. BJS Development Corporation
1. Hanz Joseph Banzhaf
2. Ernest Fritz Server, Jr.
3. Christine Michelle Server
4. Anne Liesel S. Quital
5. Christopher Mark B. Server
6. Catherine Anne Server
7. Ann Christine B. De Jesus
8. Sylvia Alexandra Banzhaf

IV. RPMC Resources, Inc.
1. Gloria M. Alberto
2. Francisco A. Segovia
3. Steven Cesar G. Virata
4. Jowina M. Segovia
5. Cesar F. Domingo
6. Tristan H. Macapanpan
7. Euney Marie J. Mata-Perez

(b) Security Ownership of Management

The direct and indirect shareholdings of directors and officers as of December 31, 2025 are as follows:

Title of Class	Name and Address of Beneficial Owner	Position	Citizenship	Direct	Indirect	Total Direct & Indirect Shares	Percent of Class
Common	Jose Ma. A. Concepcion III	Chairman of the Board / President & CEO	Filipino	2,640	836,501,696	836,504,336	24.82
Common	Ernest Fritz D. Server	Vice Chairman of the Board	Filipino	564,834	205,064	769,898	0.02
Common	Ma. Victoria Herminia C. Young	Director/ SVP & GM, Consumer Group	Filipino"	10	20,866,448	20,866,458	0.62
Common	John Marie A. Concepcion	Director	Filipino	369,974	49,619,612	49,989,586	1.48
Common	Jose Ma. Christian O. Concepcion IV	Director	Filipino"	1,060,000	0	1,060,000	0.03
Common	Maria Victoria Catherine C. Puno	Director	Filipino"	1,060,000	0	1,060,000	0.03
Common	Enrique Oliver I. Rey-Matias	Director/ VP-Finance & Chief Finance Officer/ Concurrent General Manager, Flour Group/Compliance Officer	Filipino	150,000	0	150,000	0
Common	Francisco A. Segovia	Director	Filipino	62,010	74,990,760	75,052,770	2.23
Common	Lilia R. Bautista	Independent Director	Filipino	2,000	0	2,000	0
Common	Felicisimo M. Nacino, Jr.	Independent Director	Filipino	2,000	0	2,000	0
Common	Emmanuel O. Bautista	Independent Director	Filipino	10,000	0	10,000	0
Common	Philip V. Prieto	Assistant Treasurer	Filipino	122	0	122	0
Common	Stephen James O. Uy	AVP & Head of SBU, Flour Group	Filipino	22,500	0	22,500	0

(b) Voting Trust Holders of 5% or More

To the extent known to the Corporation, there are no persons holding more than 5% of the Corporation's stocks of a class under a voting trust or similar agreement.

(c) Changes in Control

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

Item 12 – Certain Relationships and Related Transactions

The Company and its subsidiaries have no transaction involving a director, executive officer, or stockholder, nor members of their immediate family, who owns ten percent (10%) or more of total outstanding shares of the Company that are not in the ordinary course of the business of the Company.

The Parent Company is engaged in the manufacture and sale of flour, juices, milk, pasta and other flour products.

The Parent Company wholly or partially owns its subsidiaries where the basis of management control lies, as follows:

	Percentage of Ownership	
	2025	2024
RFM Equities, Inc. (REI)	**100.00**	100.00
RFM Foods Philippines Corporation (RFM Foods)**	**100.00**	100.00
Southstar Bottled Water Company, Inc. (Southstar)**	**100.00**	100.00
Swift Tuna Corporation (Swift Tuna)**	**100.00**	100.00
Rizal Lighterage Corporation (RLC)	**93.51**	93.51
FWBC Holdings, Inc.**	**83.38**	83.38
Filipinas Water Bottling Company, Inc. (FWBC)**	**44.88**	44.88
RFM Canning and Marketing, Inc. (RFM Canning)**	**70.00**	70.00
WS Holdings, Inc. (WHI)	**60.00**	60.00

***Dormant*

Significant related party transactions are as follows:

		2025		2024				
Related Parties	Transaction	**Amount**	**Outstanding receivable (payable)**	Amount	Outstanding receivable (payable)	Consolidated Statement of Financial Position Account	Terms	Conditions
Entities under common major shareholder group								
Philtown	Advances	**₱–**	**₱107,689**	₱–	₱107,689	Advances to related parties (Note 6)	Non-interest-bearing	Secured by a property of Philtown; due and demandable; fully impaired
Republic Consolidated Corporation	Purchase of services	**–**	**(22,542)**	–	(22,542)	Trade Payables (Note 14)	Non-interest-bearing, collectible in 60 days	Unsecured
Others	Advances to related parties	**7,357**	**34,991**	18,048	27,634	Advances to related parties (Note 6)	Non-interest bearing	Unsecured, no impairment
-do-	Trade Receivables	**-**	**-**	(24,566)	–	Trade Receivables (Note 6)	Non-interest bearing	Unsecured, no impairment
-do-	Trade Payable	**(3,373)**	**(11,365)**	4,789	(7,992)	Trade Payables (Note 14)	Non-interest bearing	Unsecured
-do-	Advances from Related Parties	**(70,895)**	**(123,937)**	(35,352)	(53,042)	Advances from related parties (Note 14)	Non-interest bearing	Unsecured

The Company has no material transactions (that may not be available from others) with other parties falling outside the definition of "related parties".

Transactions with Promoters.
None.

PART V - EXHIBITS AND SCHEDULES

Item 14 - Exhibits and Reports on SEC Form 17-C

(a) Exhibits on SEC Form 17-C

See accompanying Index to exhibits on pages 44.

The following exhibit is filed as a separate section of this report:

Subsidiaries of the Registrant are contained in the information on the Notes to Consolidated financial statements on pages 1 and 2 of filed Audited Financial Statement that is filed as part of this form 11-A.

(b) Reports on SEC Form 17-C

Date Reported	Item no.	Meeting/ Date	Subject
8 January 2025	09	8 January 2025	Board approval of cash dividend amounting to Php200 Million
8 January 2025	09	8 January 2025	Press Release - RFM Approves Php200 million Cash Dividend to Kick Off 2025 Dividend Payments
27 January 2025	09	27 January 2025	Certificate of Attendance of Directors in the Board Meetings of the Corporation for January 2024 to December 2024
10 April 2025	09	10 April 2025	Board approval of cash dividend amounting to Php200 Million
10 April 2025	09	10 April 2025	Press Release - RFM Approves 2nd Php200 million Cash Dividend for 2025 Dividend Payments Series
10 April 2025	09	10 April 2025	Notice and Agenda of 2024 Annual Stockholders' Meeting of RFM Corporation
21 May 2025	09	21 May 2025	Death of Director of RFM Corporation, Mr. Burton Joseph D. Server, Jr.
25 June 2025	09	25 June 2025	Results of the 2025 Annual Stockholders' Meeting of RFM Corporation: 1. List of elected directors for 2025: Jose Ma. A. Concepcion III Ernest Fritz Server John Marie A. Concepcion Ma. Victoria Herminia C. Young Jose Ma. Christian O. Concepcion IV Maria Victoria Catherine C. Puno

			Francisco A. Segovia Enrique Oliver I. Rey-Matias Lilia R. Bautista as Independent Director Felicisimo M. Nacino, Jr. as Independent Director Emmanuel O. Bautista as Independent Director External Auditor: The appointment of RFM Corporation's External Auditor was delegated to the Board of Directors.
25 June 2025	09	25 June 2025	Results of the 2025 Organizational Meeting of RFM Corporation: 1. List of elected officers for 2025: Jose Ma. A. Concepcion III – Chairman of the Board / President & Chief Executive Officer Ernest Fritz Server – Vice Chairman of the Board Ma. Victoria Herminia C. Young – SVP & General Manager, Consumer Group Enrique Oliver I. Rey-Matias – VP & CFO/ Concurrent General Manager, Flour Group/Compliance Officer Atty. Mitchie Vanessa T. Magomnang – AVP & Head-Legal & Labor Relations/ Corporate Secretary/ Risk Management Officer Melchor B. Bacsa – VP & Head of Supply Chain, Consumer Group Philip V. Prieto – Assistant Treasurer Victor Patrick S. Gutierrez – VP & Head, Consumer Sales and Marketing Adenawer P. Torres – VP for Sales Stephen James O. Uy – AVP & Head of SBU, Flour Group Evangeline L. Caballa – AVP & Group Controller Maria Victoria Catherine C. Puno – AVP & Head of Marketing, Consumer Group 2. In Organizational Meeting, the following were appointed: AUDIT COMMITTEE Chairperson : Lilia R. Bautista Member : Felicisimo M. Nacino, Jr. Ernest Fritz D. Server
16 July 2025	09	16 July 2025	Board approval of cash dividend amounting to Php300 Million
16 July 2025	09	16 July 2025	Press Release - RFM Corporation declares Php300Million Cash Dividend

17 September 2025	09	17 September 2025	Board approval of cash dividend amounting to Php300 Million
18 September 2025	09	18 September 2025	Press Release - RFM Declares Another Php300 million Cash Dividend for 2025
28 October 2025	09	28 October 2025	Invitation to Investors' Briefing
10 November 2025	09	10 November 2025	Board approval of cash dividend amounting to Php500 Million
10 November 2025	09	10 November 2025	Press Release – RFM Corporation declares Php500 million Cash Dividend

Rodriguez, Patricia Ann D. (CORP-Accounting)

From: Caballa, Evangeline L. (CORP-Finance)
Sent: 04/15/2026 1:56 pm
To: Rodriguez, Patricia Ann D. (CORP-Accounting)
Subject: FW: SEC eFast Initial Acceptance

Importance: High

From: noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>
Sent: Wednesday, 15 April 2026 1:55 pm
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: SEC_Form_17-A

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 or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

RFM CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED COMPANY FINANCIAL STATEMENTS

The management of RFM Corporation is responsible for the preparation and fair presentation of the consolidated company's financial statements including the schedules attached therein, for the years ended December 31, 2025, December 31, 2024 and December 31, 2023, in accordance with the Philippine Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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. 295
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

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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IBP Lifetime Member No 09975
Roll of Attorneys No 53187
MCLE Compliance No VIII-0023246
Valid until April 14, 2028

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	0	1	2	9	9	8

COMPANY NAME

R	F	M		C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I
E	S																												

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	N/A

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



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

Opinion

We have audited the consolidated financial statements of RFM Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025 and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with the financial reporting framework as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Accounting for the investment in Magnum-RFM Ice Cream, Inc. (MRIC)

The Group has 50% ownership in MRIC as of December 31, 2025. This investment is accounted for using the proportionate consolidation method as allowed by the Philippine Securities and Exchange Commission. This is a key audit matter because MRIC contributed significantly to the consolidated assets, consolidated liabilities, consolidated revenues and consolidated net income of the Group as of and for the year ended December 31, 2025.

The Group's disclosures about its investment in MRIC are included in Note 11 to the consolidated financial statements.

Audit Response

We sent instructions to the statutory auditors of MRIC to perform an audit on the financial information of MRIC for the purpose of the Group's consolidated financial statements. These instructions cover their scope of work, risk assessment procedures, audit strategy and reporting requirements. We discussed with MRIC's statutory auditors about their key audit areas, planning and execution of audit procedures, significant areas of estimation and judgment, and results of their work, for the year ended December 31, 2025.

We reviewed the working papers of the statutory auditors of MRIC, focusing on the procedures for the significant accounts such as revenues, receivables and inventories. We also obtained the financial information of MRIC from its statutory auditors and recomputed the Group's proportionate share in the assets, liabilities and net income of MRIC as of and for the year ended December 31, 2025. We reviewed the accounting policies of MRIC and considered any differences noted in our review of consolidation adjustments with regards to the Group's proportionate share in the assets, liabilities and net income of MRIC. We also reviewed the Group's disclosures with respect to its investment in MRIC.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the financial reporting framework as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is 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 AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱2,384,739**	₱3,162,514
Receivables (Note 6)	**3,077,420**	2,652,174
Inventories (Note 7)	**2,160,167**	2,542,644
Financial assets at fair value through other comprehensive income (FVOCI) (Note 9)	**3,344,205**	2,446,900
Other current assets (Note 8)	**185,027**	123,831
Total Current Assets	**11,151,558**	10,928,063
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI) - net of current portion (Note 9)	**393,505**	581,829
Investments in joint ventures and an associate (Note 10)	**113,276**	136,063
Property, plant and equipment (Note 12):		
At appraised value	**5,482,091**	4,868,654
At cost	**5,027,519**	5,136,125
Intangible assets (Note 13)	**2,220,802**	2,270,284
Deferred income tax assets - net (Note 23)	**237,853**	211,425
Other noncurrent assets	**108,515**	151,147
Total Noncurrent Assets	**13,583,561**	13,355,527
TOTAL ASSETS	**₱24,735,119**	₱24,283,590
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans (Note 15)	**₱1,000,000**	₱950,000
Accounts payable and other current liabilities (Note 14)	**7,279,169**	7,573,104
Lease liabilities (Note 29)	**113,088**	82,706
Income tax payable	**74,351**	12,801
Total Current Liabilities	**8,466,608**	8,618,611
Noncurrent Liabilities		
Net retirement obligation (Note 22)	**16,518**	17,827
Lease liabilities - net of current portion (Note 29)	**11,540**	132,548
Deferred income tax liabilities - net (Note 23)	**915,506**	759,363
Total Noncurrent Liabilities	**943,564**	909,738
Total Liabilities	**9,410,172**	9,528,349

(Forward)

	December 31	
	2025	2024
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Note 16)	**₱3,500,404**	₱3,500,404
Additional paid-in capital (Note 16)	**2,060,383**	2,060,383
Treasury stock (Note 16)	**(612,280)**	(612,280)
Equity reserve (Note 16)	**(23,237)**	(23,237)
Unrealized loss on financial assets at FVOCI (Note 9)	**(57,525)**	(50,947)
Revaluation increment on land - net (Note 12)	**3,472,348**	3,012,270
Retained earnings (Note 16)	**7,006,013**	6,889,573
	15,346,106	14,776,166
Non-controlling Interests	**(21,159)**	(20,925)
Total Equity	**15,324,947**	14,755,241
TOTAL LIABILITIES AND EQUITY	**₱24,735,119**	₱24,283,590

See accompanying Notes to Consolidated Financial Statements.

RFM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31		
	2025	2024	2023
REVENUE (Notes 4 and 17)			
Manufacturing	**₱22,299,520**	₱21,697,396	₱20,643,995
Services and others (Note 29)	**32,056**	31,487	36,977
	22,331,576	21,728,883	20,680,972
COST OF SALES AND SERVICES (Note 17)	**(14,560,396)**	(14,175,124)	(13,924,464)
GROSS PROFIT (Note 17)	**7,771,180**	7,553,759	6,756,508
OPERATING EXPENSES			
Selling and marketing (Note 18)	**(4,083,476)**	(4,142,243)	(3,712,610)
General and administrative (Notes 17 and 19)	**(1,802,490)**	(1,659,031)	(1,535,047)
OTHER INCOME (CHARGES)			
Interest income (Note 20)	**170,783**	148,571	90,359
Interest expense (Note 20)	**(84,444)**	(83,447)	(75,960)
Equity in net earnings of an associate (Note 10)	**12,143**	12,125	12,444
Other income - net	**118,023**	49,395	107,700
INCOME BEFORE INCOME TAX	**2,101,719**	1,879,129	1,643,394
PROVISION FOR INCOME TAX (Note 23)			
Current	**506,967**	480,718	342,694
Deferred	**(23,101)**	(21,877)	34,326
	483,866	458,841	377,020
NET INCOME	**₱1,617,853**	₱1,420,288	₱1,266,374
Net income attributable to:			
Equity holders of the Parent Company	**₱1,618,087**	₱1,423,599	₱1,266,651
Non-controlling interests	**(234)**	(3,311)	(277)
	₱1,617,853	₱1,420,288	₱1,266,374
Basic/Diluted Earnings Per Share (Note 25)	**₱0.48**	₱0.42	₱0.38

See accompanying Notes to Consolidated Financial Statements.

RFM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET INCOME	**₱1,617,853**	₱1,420,288	₱1,266,374
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to profit and loss:			
Unrealized gain (loss) on financial assets at FVOCI (Note 9)	**(6,578)**	33,788	43,543
Income tax effect	**–**	–	–
	(6,578)	33,788	43,543
Items that will not be reclassified to profit and loss:			
Remeasurement gain (loss) on defined benefit retirement plan (Note 22)	**(2,170)**	(13,594)	(25,295)
Income tax effect	**543**	3,399	6,324
	(1,627)	(10,195)	(18,971)
Revaluation increment on land (Note 12)	**613,437**	3,441	1,019,516
Income tax effect	**(153,359)**	(860)	(254,879)
	460,078	2,581	764,637
Total Other Comprehensive Income	**451,873**	26,174	789,209
TOTAL COMPREHENSIVE INCOME	**₱2,069,726**	₱1,446,462	₱2,055,583
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱2,069,960**	₱1,449,773	₱2,055,860
Non-controlling interests	**(234)**	(3,311)	(277)
	₱2,069,726	₱1,446,462	₱2,055,583

See accompanying Notes to Consolidated Financial Statements.

RFM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	**Additional Paid-in Capital** (Note 16)	**Treasury Stock** (Note 16)	**Equity Reserve**	**Unrealized Gain on Financial Assets at FVOCI** (Note 9)	**Revaluation Increment on Land** (Note 12)	**Retained Earnings** (Note 16)	**Subtotal**	**Non-controlling Interests**	**Total Equity**
As of January 1, 2025	**₱3,500,404**	**₱2,060,383**	**(₱612,280)**	**(₱23,237)**	**(₱50,947)**	**₱3,012,270**	**₱6,889,573**	**₱14,776,166**	**(₱20,925)**	**₱14,755,241**
Net income for the year	–	–	–	–	–	–	**1,618,087**	**1,618,087**	**(234)**	**1,617,853**
Other comprehensive income	–	–	–	–	**(6,578)**	**460,078**	**(1,627)**	**451,873**	**–**	**451,873**
Total comprehensive income for the year	–	–	–	–	**(6,578)**	**460,078**	**1,616,460**	**2,069,960**	**(234)**	**2,069,726**
Cash dividends	–	–	–	–	–	–	**(1,500,020)**	**(1,500,020)**	–	**(1,500,020)**
As of December 31, 2025	**₱3,500,404**	**₱2,060,383**	**(₱612,280)**	**(₱23,237)**	**(₱57,525)**	**₱3,472,348**	**₱7,006,013**	**₱15,346,106**	**(₱21,159)**	**₱15,324,947**

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Treasury Stock (Note 16)	Equity Reserve	Unrealized Gain on Financial Assets at FVOCI (Note 9)	Revaluation Increment on Land (Note 12)	Retained Earnings (Note 16)	Subtotal	Non-controlling Interests	Total Equity
As of January 1, 2024	₱3,651,021	₱2,060,383	(₱758,777)	(₱23,237)	(₱84,735)	₱3,009,689	₱6,776,169	₱14,630,513	(₱17,614)	₱14,612,899
Net income for the year	–	–	–	–	–	–	1,423,599	1,423,599	(3,311)	1,420,288
Other comprehensive income (loss)	–	–	–	–	33,788	2,581	(10,195)	26,174	–	26,174
Total comprehensive income for the year	–	–	–	–	33,788	2,581	1,413,404	1,449,773	(3,311)	1,446,462
Cash dividends	–	–	–	–	–	–	(1,300,000)	(1,300,000)	–	(1,300,000)
Retirement of treasury stock	(150,617)	–	146,497	–	–	–	–	(4,120)	–	(4,120)
As of December 31, 2024	₱3,500,404	₱2,060,383	(₱612,280)	(₱23,237)	(₱50,947)	₱3,012,270	₱6,889,573	₱14,776,166	(₱20,925)	₱14,755,241

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Treasury Stock (Note 16)	Equity Reserve	Unrealized Gain On Financial Assets at FVOCI (Note 9)	Revaluation Increment on Land (Note 12)	Retained Earnings (Note 16)	Subtotal	Non-controlling Interests	Total Equity
As of January 1, 2023	₱3,651,021	₱2,060,383	(₱758,777)	(₱23,237)	(₱128,278)	₱2,245,052	₱6,378,488	₱13,424,652	(₱17,337)	₱13,407,315
Net income for the year	–	–	–	–	–	–	1,266,651	1,266,651	(277)	1,266,374
Other comprehensive income (loss)	–	–	–	–	43,543	764,637	(18,971)	789,209	–	789,209
Total comprehensive income for the year	–	–	–	–	43,543	764,637	1,247,680	2,055,860	(277)	2,055,583
Cash dividends	–	–	–	–	–	–	(849,999)	(849,999)	–	(849,999)
As of December 31, 2023	₱3,651,021	₱2,060,383	(₱758,777)	(₱23,237)	(₱84,735)	₱3,009,689	₱6,776,169	₱14,630,513	(₱17,614)	₱14,612,899

See accompanying Notes to Consolidated Financial Statements.

RFM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱2,101,719**	₱1,879,129	₱1,643,394
Adjustments for:			
Depreciation and amortization (Notes 12, 13 and 20)	**808,770**	755,813	604,148
Interest expense (Notes 15, 20 and 29)	**84,444**	83,447	75,960
Unrealized foreign exchange loss (gain) - net	**(12,602)**	25,731	6,074
Loss on sale of property, plant and equipment (Note 12)	**–**	25,623	7,152
Gain on maturity of FA at FVOCI (Note 9)	**(23,934)**	(1,269)	(9,377)
Provision for (reversal of) impairment loss on property, plant and equipment (Note 12)	**(2,822)**	(1,000)	3,112
Equity in net earnings of an associate (Note 10)	**(12,143)**	(12,125)	(12,444)
Retirement expense (Note 22)	**22,266**	21,416	17,493
Interest income (Notes 5, 9 and 20)	**(170,783)**	(148,571)	(90,359)
Operating income before working capital changes	**2,794,915**	2,628,194	2,245,153
Decrease (increase) in:			
Receivables	**(429,435)**	(566,259)	(249,637)
Inventories	**382,477**	613,767	(148,894)
Other current assets	**(26,026)**	2,815	107,723
Increase (decrease) in accounts payable and other current liabilities	**(339,646)**	1,146,530	831,182
Net cash generated from operations	**2,382,285**	3,825,047	2,785,527
Retirement contributions including benefits paid out of Group's operating funds (Note 22)	**(25,745)**	(27,959)	(26,157)
Interest paid	**(61,856)**	(74,589)	(76,082)
Interest received	**83,180**	38,454	73,956
Income taxes paid including creditable withholding taxes	**(437,955)**	(411,595)	(384,467)
Net cash from operating activities	**1,939,909**	3,349,358	2,372,777
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment including land (Notes 12 and 30)	**(644,406)**	(975,935)	(1,570,649)
Computer software (Note 13)	**(57,001)**	(32,046)	(18,659)
Financial assets at FVOCI (Note 9)	**(4,935,833)**	(1,750,637)	(522,271)
Proceeds from maturity of financial assets at FVOCI (Note 9)	**4,336,000**	670,000	540,000
Proceeds from sale of property and equipment	**107,933**	8,410	1,691
Decrease in long-term prepayments and other noncurrent assets	**–**	7,624	–
Dividends received (Note 10)	**34,930**	9,580	22,372
Net cash used in investing activities	**(1,158,377)**	(2,063,004)	(1,547,516)

(Forward)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of dividends (Note 30)	**(₱1,454,309)**	(₱1,288,317)	(₱853,241)
Bank loans (Notes 15 and 30)			
Availments	**1,875,000**	14,750,000	14,335,000
Payments	**(1,825,000)**	(14,697,500)	(14,437,500)
Payment of interest and principal portion of lease liabilities (Notes 29 and 30)	**(167,600)**	(147,307)	(83,080)
Net cash used in financing activities	**(1,571,909)**	(1,383,124)	(1,038,821)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**12,602**	(25,731)	(6,074)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(777,775)**	(122,501)	(219,634)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,162,514**	3,285,015	3,504,649
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱2,384,739**	₱3,162,514	₱3,285,015

See accompanying Notes to Consolidated Financial Statements.

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

Corporate Information

RFM Corporation (the Parent Company) was incorporated on August 16, 1957 and registered with the Philippine Securities and Exchange Commission (SEC). On July 9, 2007, the 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 Parent 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 Parent 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 Parent Company and its subsidiaries (details presented in Note 2) are collectively referred to herein as the Group.

The principal office address of the Parent Company is RFM Corporate Center, Pioneer corner Sheridan Streets, Mandaluyong City.

Authorization for the Issuance of the Consolidated Financial Statements

The consolidated financial statements of RFM Corporation and its subsidiaries (the Group) as of December 31, 2025 and 2024 and for each of the three years ended December 31, 2025 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 consolidated financial statements of the Group have been prepared using the historical cost basis, except for the Group'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 consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company and its subsidiaries' functional currency. All values are rounded off to the nearest thousand pesos (₱000), except for the number of shares or when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with the financial reporting framework as allowed by the SEC which represents Philippine Financial Reporting Standards (PFRS) Accounting Standards except PFRS 11, *Joint Arrangements*, with respect to the Parent Company's investment in Magnum RFM Ice Cream, Inc. (MRIC) (see Note 11).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025.

The consolidated subsidiaries, which are all incorporated in the Philippines, and the effective percentages of ownership as of December 31, 2025, 2024 and 2023 follow:

Entity	Nature of Business	Percentage of ownership
RFM Equities, Inc. (REI)	Holding	100.00
RFM Foods Philippines Corporation (RFM Foods)*	Food retailer	100.00
Southstar Bottled Water Company, Inc. (Southstar)*	Bottled water business	100.00
Swift Tuna Corporation (Swift Tuna)*	Manufacturing	100.00
Rizal Lighterage Corporation (RLC)	Barging services	91.62
FWBC Holdings, Inc.*	Holding company	83.38
RFM Canning and Marketing, Inc. (RFM Canning)*	Canning services	70.00
WS Holdings, Inc. (WHI)	Holding company	60.00
Filipinas Water Bottling Company, Inc. (FWBC)*	Bottled water manufacturing	44.88

**Dormant*

The Group's proportionate share in MRIC is also included in the consolidated financial statements. See details in Notes 10 and 11.

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 Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

At each reporting date, management analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed per the Group'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 Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy 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 Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame 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 Group's financial assets and financial liabilities consist of amortized cost, at FVOCI and other financial liabilities.

Initial recognition and classification 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 Group 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 Group'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 Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

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

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 Group's financial assets consist of financial assets at amortized cost and FVOCI with recycling of cumulative gains and losses.



Financial asset 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 Group'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 consolidated 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 consolidated statement of income. Interest earned on holding debt securities as FVOCI are reported as 'Interest income' in the consolidated statement of 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 consolidated statement of comprehensive income is recognized in the consolidated 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 consolidated 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 Group's financial liabilities include accounts payable and other current liabilities (excluding payables to government agencies), bank loans 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 Group 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 Group expects to receive, discounted at an approximation of the original effective interest rate.



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

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables 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 and varies across relevant business segment/sub-segment of the Group, 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 Group may also consider trade receivables to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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 Group 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 Group 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 Group's financial assets except for trade receivables, for which the Group applies a simplified approach in calculating ECLs.

Write-off policy
The Group 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 Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the consolidated statement of income.

Derecognition of Financial Assets and Financial Liabilities

Financial asset
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 Group's right to receive cash flows from the asset has expired; or
- the Group 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 Group could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, 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 the consolidated statement of income.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group 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 Group 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 Group's operations. These are reclassified as part of inventory upon delivery of the related asset.

Investments in Joint Ventures and Associate
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

An associate is an entity over which the Group has significant influence.

The Group's investments in joint venture and associate are accounted for using the equity method except for its investment in MRIC, a joint venture, which is accounted for using the proportionate consolidation method as permitted by the SEC. This method involves consolidating a proportionate share of the joint venture's assets, liabilities, income and expenses with similar items in the Group's consolidated financial statements on a line-by-line basis (see Note 11).

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of income reflects the Group's share of the financial performance of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income under "Other income (charges)" and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair



value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

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 consolidated 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 consolidated 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 40
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 are 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 Group's policy is to classify ROU assets as part of Property, Plant and Equipment account. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets on warehouses and plant and equipment are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term, as follows:

	Number of Years
ROU assets - Land and Warehouse	2 to 30
ROU assets - Plant and Equipment	1 to 5

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 accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated 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 years and three 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 consolidated statement of income when the asset is derecognized.

Goodwill
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU), or group of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount of the CGU or group of CGUs to which goodwill has been allocated, an impairment loss is recognized. Impairment

losses relating to goodwill cannot be reversed in future periods. The Group performs its impairment test of goodwill annually every reporting date.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

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 changes in circumstances indicate that the carrying values may not be recoverable. Goodwill is tested for impairment at least annually or when there is an identified indicator of impairment. If any such indication exists or where the carrying value exceeds the recoverable amount, the assets or cash-generating units (CGUs) are written down to their recoverable amount. 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 consolidated statement of income in those expense categories consistent with the function of the impaired asset.

The Group determines whether it is necessary to recognize an impairment loss on its investment in an associate and joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investments in the associate and joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss in the consolidated statement of income.

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 consolidated statement of income.

Equity

Capital Stock

Capital stock is stated at par value for all shares issued and outstanding. When the Parent 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 consolidated statement of income on the purchase, sale, issue or cancellation of the Group'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.

Equity Reserve
Equity reserve includes effect of merger with subsidiaries with non-controlling interest and the Parent Company.

Retained Earnings
Retained earnings represent the cumulative balance of periodic net income or loss, dividend distribution, effect 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 Parent 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 Group 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 Group does not have potential dilutive common shares in 2025, 2024 and 2023.

Revenue Recognition
Revenue from Contracts with Customers
The Group primarily derives its revenue from the sale of goods and rendering of services from manufacturing and service operations, 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 Group expects to be entitled in exchange for those goods or services.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Group 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 Group enters into a contract with customer through approved purchased orders and trading term agreements which constitute valid contracts as specific details such as the quantity, price, contract terms and their respective obligations are clearly identified in the contracts.

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 Group has determined that the output method used faithfully depicts the performance of the services.

Revenue not in scope under 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 Group's right to receive the payment is established, which is the date when the dividend declaration is approved by the investee's BOD and/or the stockholders.

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



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

Retirement benefit costs comprise the following:

(a) Service costs comprising of 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, which include current service costs, past service costs and gains or losses on non-routine settlements, are recognized as expense in statements of comprehensive income. Past service costs are recognized when plan amendments or curtailments occur.

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 consolidated statement of comprehensive income and transferred to retained earnings in the period in which they arise. Re-measurements are not reclassified to the consolidated 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 Group, nor can they be paid directly to the Group. 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 Group 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 in exchange for consideration.

The Group as a lessee

Lease liabilities

At the commencement date of the lease, the Group 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 Group 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 Group 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 its leases of other

equipment that are considered of low value. 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 Group as lessor
Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. A lessor shall recognize lease payments from operating leases as income 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 leased 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 consolidated 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 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 the consolidated statement of income is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Segment Reporting
The Group'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 Group 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 consolidated 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 asset and liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements.

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

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

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires the Group to exercise judgment, make accounting estimates and use assumptions that affect the amounts reported in the consolidated 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 consolidated 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 consolidated financial statements when they become reasonably determinable.

Judgment
In the process of applying the Group'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 consolidated 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 Group 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 and goodwill
The Group 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 and goodwill, the most appropriate valuation approach used is based on the circumstances relevant to the Group and based on the extent of available information. The Group determined that the recoverable amount of the trademark is fair value less cost of disposal wherein fair value is determined using the relief from royalty method. The recoverable amount of the trademark was calculated using cashflow projections from financial budgets, 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 13.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. The Group determined that the recoverable amount of the goodwill is VIU. VIU calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used and the expected future cash in-flows and the growth rates. Assessments require the use of estimates and assumptions such as discount rates, revenue growth rates, maintenance capital expenditures and projected operating expenses. If the recoverable amount of the unit exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU shall be regarded as not impaired. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount of the CGU or group of CGUs to which goodwill has been allocated, an impairment loss is recognized. The key assumptions used to determine the recoverable amount are further discussed in Note 13.

No impairment losses were recognized for goodwill in 2025, 2024 and 2023. 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 values of trademark and goodwill are disclosed in Note 13.

Valuation of land under revaluation basis
The Group'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 12). 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.

Refer to Note 12 for the carrying value of land.



Leases - Estimating the Incremental Borrowing Rate (IBR)
The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as risk-free interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit risk rating).

Refer to Note 29 for the Group's lease liabilities.

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 Group 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.

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

Recognition of deferred income tax assets
The Group reviews the carrying amounts of deferred income tax assets at each reporting date and adjusts the balance of deferred income tax assets to the extent that it is probable that the Group will be able to utilize the tax benefits arising from these deferred income tax assets and that sufficient future taxable profits are available for the utilization of the deferred income tax assets recognized.

Refer to Note 23 for the Deferred income tax assets recognized.

4. Segment Information and Revenue from Contracts with Customers

The Group's management reports its operating business segments into the following: (a) consumer business, (b) institutional business, and (c) other operations. The consumer business segment manufactures ice cream products, milk and juices, and sells the latter together with pasta and rice-based mixes. The institutional business segment primarily manufactures flour and bread products, pasta and rice-based mixes but only sells flour and bread products. Other segments consist of lighterage, office space leasing and other services shown in aggregate as "Other operations". These are the operating segments reported to the chief operating decision maker.

The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. All operating business segments used by the Group meet the definition of reportable segment under PFRS 8, *Segment Reporting*.

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 consolidated 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, net of allowances and provisions. Segment

liabilities include all operating liabilities and consist principally of trade, wages and taxes currently payable and accrued liabilities.

Intersegment transactions, i.e., segment revenues and segment expenses, include transfers between business segments. Those transfers are eliminated in consolidation and reflected in the "eliminations" column.

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

Information with regard to the Group's significant business segments follows:

	2025						
	Consumer Business	**Institutional Business**	**Other Operations**	**Unallocated Corporate Balances**	**Total**	**Eliminations** (Note 17)	**Consolidated**
Net Sales							
External sales	**₱16,949,313**	**₱5,350,207**	**₱2,856**	**₱29,200**	**₱22,331,576**	**₱–**	**₱22,331,576**
Intersegment sales	**–**	**–**	**16,544**	**–**	**16,544**	**(16,544)**	**–**
	₱16,949,313	**₱5,350,207**	**₱19,400**	**₱29,200**	**₱22,348,120**	**(₱16,544)**	**₱22,331,576**
Results							
Interest and other financial charges - net	**(₱80,945)**	**(₱17)**	**₱6**	**₱167,295**	**₱86,339**	**₱–**	**₱86,339**
Equity in net earnings of an associate	**₱–**	**₱–**	**₱5,060**	**₱–**	**₱5,060**	**₱7,083**	**₱12,143**
Income before income tax	**₱1,421,538**	**₱452,938**	**(₱8,430)**	**₱874,979**	**₱2,741,025**	**(₱639,306)**	**₱2,101,719**
Provision for income tax	**(169,826)**	**-**	**-**	**(314,040)**	**(483,866)**	**-**	**(483,866)**
Net income	**₱1,251,712**	**₱452,938**	**(₱8,430)**	**₱560,939**	**₱2,257,159**	**(₱639,306)**	**₱1,617,853**
Other information							
Segment assets	**₱80,110,159**	**₱38,963,262**	**₱75,531**	**₱26,794,286**	**₱145,943,238**	**(₱125,051,709)**	**₱20,891,529**
Investments	**-**	**-**	**61,616**	**4,172,616**	**4,234,232**	**(390,642)**	**3,843,590**
Consolidated Total Assets	**₱80,110,159**	**₱38,963,262**	**₱137,147**	**₱30,966,902**	**₱150,177,470**	**(₱125,442,351)**	**₱24,735,119**
Consolidated Total Liabilities	**₱78,814,221**	**₱25,930,987**	**₱343,943**	**₱29,705,412**	**₱134,794,563**	**(₱125,384,391)**	**₱9,410,172**
Capital expenditures	**₱564,354**	**₱88,998**	**₱–**	**₱54,343**	**₱707,695**	**₱–**	**₱707,695**
Depreciation and amortization	**670,380**	**108,049**	**10,405**	**19,936**	**808,770**	**–**	**808,770**

	2024						
	Consumer Business	Institutional Business	Other Operations	Unallocated Corporate Balances	Total	Eliminations (Note 17)	Consolidated
Net Sales							
External sales	₱16,393,321	₱5,304,075	₱3,217	₱28,270	₱21,728,883	₱–	₱21,728,883
Intersegment sales	–	–	13,684	–	13,684	(13,684)	–
	₱16,393,321	₱5,304,075	₱16,901	₱28,270	₱21,742,567	(₱13,684)	₱21,728,883
Results							
Interest and other financial charges - net	(₱79,014)	(₱10)	₱3	₱144,145	₱65,124	₱–	₱65,124
Equity in net earnings of an associate	₱–	₱–	₱5,052	₱–	₱5,052	₱7,073	₱12,125
Income before income tax	₱1,219,579	₱526,059	(₱43,517)	₱870,166	₱2,572,287	(₱693,158)	₱1,879,129
Provision for income tax	(221,723)	–	–	(237,118)	(458,841)	–	(458,841)
Net income	₱997,856	₱526,059	(₱43,517)	₱633,048	₱2,113,446	(₱693,158)	₱1,420,288
Other information							
Segment assets	₱51,554,264	₱53,517,509	₱93,702	₱27,330,302	₱132,495,777	(₱111,376,979)	₱21,118,798
Investments	–	–	61,608	3,471,031	3,532,639	(367,847)	3,164,792
Consolidated Total Assets	₱51,554,264	₱53,517,509	₱155,310	₱30,801,333	₱136,028,416	(₱111,744,826)	₱24,283,590
Consolidated Total Liabilities	₱70,678,253	₱21,334,387	₱349,119	₱28,948,061	₱121,309,820	(₱111,781,471)	₱9,528,349
Capital expenditures	₱442,329	₱516,342	₱–	₱49,310	₱1,007,981	₱–	₱1,007,981
Depreciation and amortization	502,913	176,533	9,440	66,927	755,813	–	755,813

	2023						
	Consumer Business	**Institutional Business**	**Other Operations**	**Unallocated Corporate Balances**	**Total**	**Eliminations** (Note 17)	**Consolidated**
Net Sales							
External sales	₱15,128,193	₱5,515,802	₱1,413	₱35,564	₱20,680,972	₱–	₱20,680,972
Intersegment sales	–	–	18,195	10,224	28,419	(28,419)	–
	₱15,128,193	₱5,515,802	₱19,608	₱45,788	₱20,709,391	(₱28,419)	₱20,680,972
Results							
Interest and other financial charges - net	(₱79,267)	₱12	₱16	₱90,212	₱10,973	₱3,426	₱14,399
Equity in net earnings of an associate	₱–	₱–	₱5,185	₱–	₱5,185	₱7,259	₱12,444
Income before income tax	₱993,832	₱479,618	(₱4,796)	₱892,183	₱2,360,837	(₱717,443)	₱1,643,394
Provision for income tax	(247,953)	–	–	(128,283)	(376,236)	(784)	(377,020)
Net income	₱745,879	₱479,618	(₱4,796)	₱763,900	₱1,984,601	(₱718,227)	₱1,266,374

(Forward)

	2023						
	Consumer Business	Institutional Business	Other Operations	Unallocated Corporate Balances	Total	Eliminations (Note 17)	Consolidated
Other information							
Segment assets	₱43,531,885	₱48,759,028	₱140,545	₱26,253,520	₱118,684,978	(₱97,672,486)	₱21,012,492
Investments	–	–	61,740	2,304,277	2,366,017	(370,524)	1,995,493
Consolidated Total Assets	₱43,531,885	₱48,759,028	₱202,285	₱28,557,797	₱121,050,995	(₱98,043,010)	₱23,007,985
Consolidated Total Liabilities	₱43,315,249	₱36,731,557	₱347,920	₱26,061,237	₱106,455,963	(₱98,060,877)	₱8,395,086
Capital expenditures	₱846,581	₱721,866	₱–	₱20,861	₱1,589,308	₱–	₱1,589,308
Depreciation and amortization	416,331	164,343	9,568	13,906	604,148	–	604,148

Revenue from Contracts with Customers

The Group's revenues are from its sale of goods and rendering of services. The Group'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 Group's revenues on sale of goods by segment for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Consumer business	**₱16,949,313**	₱16,393,321	₱15,128,193
Institutional business	**5,350,207**	5,304,075	5,515,802
Total revenue from contracts with customers	**₱22,299,520**	₱21,697,396	₱20,643,995

Total revenue recognized from services rendered in 2025, 2024, and 2023 amounted to ₱32.06 million, ₱31.49 million and ₱36.98 million, respectively.

5. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	**₱1,878,480**	₱2,102,417
Cash equivalents	**506,259**	1,060,097
	₱2,384,739	₱3,162,514

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term investments made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term investment rates. Interest income earned from cash in banks and cash equivalents amounted to ₱4.59 million, ₱5.52 million, and ₱1.73 million in 2025, 2024 and 2023, respectively (see Note 20).

6. Receivables

	2025	2024
Trade receivables -		
Third parties	**₱3,151,344**	₱2,758,540
Nontrade receivables	**262,166**	224,622
Advances to related parties (Note 21)	**142,680**	135,323
Advances to officers and employees	**13,390**	15,963
Other receivables	**35,433**	45,308
	3,605,013	3,179,756
Less: Allowance for ECL	**527,593**	527,582
	₱3,077,420	₱2,652,174

Trade receivables are noninterest-bearing and are generally on a 30 to 60 days term.

Nontrade receivables consist of dividends, among others.

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

	2025					
	Trade Receivables	**Nontrade receivables**	**Advances to officers and employees**	**Advances to Related Parties**	**Other receivables**	**Total**
At January 1	**₱269,945**	**₱111,235**	**₱4,857**	**₱107,689**	**₱33,856**	**₱527,582**
ECL Provisions (Note 19)	**11**	–	–	–	–	**11**
At December 31	**₱269,956**	**₱111,235**	**₱4,857**	**₱107,689**	**₱33,856**	**₱527,593**

	2024					
	Trade Receivables	Nontrade receivables	Advances to officers and employees	Advances to Related Parties	Other receivables	Total
At January 1	₱269,938	₱111,235	₱4,857	₱69,875	₱33,856	₱489,761
ECL Provisions (Note 19)	7	–	–	37,814	–	37,821
At December 31	₱269,945	₱111,235	₱4,857	₱107,689	₱33,856	₱527,582

7. Inventories

	2025	2024
At NRV:		
Finished goods	**₱885,591**	₱1,044,610
Spare parts and supplies	**290,429**	231,668
Raw materials	**74,146**	138,214
	1,250,166	1,414,492
At cost:		
Raw materials	**900,628**	867,524
Raw materials in transit	**8,218**	258,954
Goods in process	**1,155**	1,674
	910,001	1,128,152
	₱2,160,167	₱2,542,644

Total cost of inventories stated at NRV are as follows:

	2025	2024
Finished goods	**₱1,137,769**	₱1,221,484
Raw materials	**102,306**	154,175
Spare parts and supplies	**292,184**	233,423
	₱1,532,259	₱1,609,082

The cost of inventories recognized as cost of goods sold amounted to ₱11,253.10 million, ₱11,140.74 million, and ₱11,385.50 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 17).

Movements in the allowance for losses and inventory obsolescence are as follows:

	2025	2024
Balance at beginning of year	**₱194,590**	₱155,140
Provisions (Note 17)	**98,596**	84,753
Reversal of allowance (Note 17)	**(10,342)**	(22,257)
Write-offs	**(751)**	(23,046)
Balance at end of year	**₱282,093**	₱194,590

In 2025 and 2024, the Group wrote off inventories amounting to ₱0.75 million and ₱23.05 million, respectively. In 2025 and 2024, the Group sold its inventories which resulted to a reversal of allowance amounting to ₱10.34 million and ₱22.26 million, respectively.

8. Other Current Assets

Other current assets consist of:

	2025	2024
Prepaid expenses	**₱76,794**	₱59,781
Deposits on purchases	**32,737**	16,218
Creditable withholding taxes	**18,143**	25,605
Input VAT	**3,566**	3,911
Others	**53,787**	18,316
	₱185,027	₱123,831

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

Others include advances given to key customers to ensure full alignment and execution of the strategic joint business plan of MRIC and the customers. It also includes amount collectible from sale of sundry and scrap materials.

9. Financial Assets at FVOCI

Financial assets at FVOCI
The Group'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.

In 2025 and 2024, the Group did not sell FVOCI investments. Additionally, the Group recognized interest income amounting to ₱166.19 million, ₱143.05 million, and ₱88.63 million in interest coupon payments from various government and corporate bond instruments for the years ended December 31, 2025, 2024, and 2023, 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 (loss) 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 the end of the 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 years ended December 31, 2025, 2024, and 2023 the nominal interest rates of government securities range from 2.7% to 3.90%, 2.10% to 3.90%, and 2.63% to 4.90%, respectively, while effective interest rates range from 3.38% to 4.88%, 2.66% to 4.99%, and 2.66% to 4.71%, respectively.

b) For the years ended December 31, 2025, 2024, and 2023, the nominal and effective interest rates of private debt security are nil, nil, and 2.81%, respectively.

10. **Investments in Joint Venture and an Associate**

	2025	2024
Cost	**₱141,313**	₱141,313
Accumulated equity in net earnings		
Beginning of year	**(5,250)**	(7,795)
Equity in net earnings for the year	**12,143**	12,125
Dividends received	**(34,930)**	(9,580)
End of year	**(28,037)**	(5,250)
Carrying value	**₱113,276**	₱136,063

Summarized financial information of Selecta Walls Land Corporation (SWLC), an associate, as of and for the years ended December 31, 2025 and 2024 follow:

	2025	2024
Current assets (includes cash amounting to ₱27.81 million and ₱49.98 million as of December 31, 2025 and 2024, respectively)	**₱28,193**	₱50,116
Noncurrent assets	**224,416**	224,587
Current liabilities (includes income tax payable amounting to nil and ₱1.00 million as of December 31, 2025 and 2024, respectively)	**696**	22,830
Noncurrent liabilities	**–**	–
Revenue	**26,930**	26,930
Interest income	**28**	50
Expenses	**(2,797)**	(2,885)
Provision for income tax	**(3,923)**	(3,897)
Net income	**₱20,238**	₱20,198

The carrying amount of the investment is computed as follows:

	2025	2024
Equity	**₱179,372**	₱217,350
Beneficial interest (Note 11)	**60%**	60%
Share of the Group	**107,623**	130,410
Premium paid	**2,528**	2,528
Carrying amount of the investment	**₱110,151**	₱132,938

Dividends received from SWLC amounted to ₱34.93 million, ₱9.58 million, and ₱22.37 million in 2025, 2024 and 2023, respectively.

SWLC's primary purpose is to acquire, own, use, develop and hold for investment all kinds of real estate and its s registered office address and principal place of business is Manggahan Light Industrial Compound, Bo. Manggahan, Pasig City.

Engrain-RFM Pacific, Inc.

In 2013, the Parent Company entered into a joint arrangement with Engrain LLC to form a new corporation named Engrain-RFM Pacific, Inc., the primary purpose of which is to sell, market, distribute at wholesale enzyme-enhanced flour-based products for the Philippines and Asia Pacific market. The Parent Company has a 50% equity interest in the said arrangement. The Parent Company has accounted for its investment in Engrain-RFM Pacific, Inc. as a joint venture under PFRS 11.

Engrain-RFM Pacific, Inc. has not yet started commercial operations. Cost of investment in Engrain-RFM Pacific, Inc. amounted to ₱3.13 million as of December 31, 2025 and 2024.

Engrain-RFM Pacific, Inc.'s principal place of business is the same as with the Parent Company.

11. Interest in Joint Venture Proportionately Consolidated

Magnum RFM Ice Cream, Inc. (MRIC), formerly Unilever RFM Ice Cream, Inc. (URICI), is a 50% joint venture of the Parent Company and Unilever Philippines, Inc. (UPI). In December 2025, following the global separation of the ice cream business from Unilever Group, The Magnum Ice Cream Company HoldCo 1 Netherlands B.V. took over UPI's ownership in MRIC. MRIC is engaged in manufacturing, distributing, marketing, selling, importing, exporting and dealing in ice cream, ice cream desserts and ice cream novelties and similar food products. Based on the buy-out formula as stipulated in the shareholders' agreement between the Parent Company and its joint venture partner, the estimated value of the Parent Company's 50% ownership interest in MRIC amounted to ₱8,460.83 million and ₱9,026.24 million as of December 31, 2025 and 2024, respectively.

On October 1, 2012, the Parent Company requested from the SEC for an exemptive relief from adoption of PFRS 11 on its investment in MRIC. On November 22, 2012, upon consideration of the Parent Company's justifications, the SEC approved that the Parent Company be relieved from the adoption of PFRS 11 on its investment in MRIC on the following grounds:

- Material impact

  The transition from the proportionate consolidation method to equity method in accounting for the Parent Company's interest in MRIC would materially affect the Parent Company's consolidated financial statement line items decreasing revenue, gross profit, net operating income, gross assets and gross liabilities.

- Peculiarities of the arrangement

  a. The trademark agreement indicates that MRIC can use "Selecta" licensed trademarks, trade names, logos, designs, symbols, words, or devices other than the marks only upon approval of the Parent Company. This is an indication that the Parent Company has an indirect control on the activities being performed under the joint arrangement.

     The use of the trademark license by MRIC is under the control of the Parent Company. Accordingly, the main products produced by MRIC must conform to the quality standards of the Parent Company.

  b. MRIC does not own any real property and instead, has a lease agreement with SWLC, the lessor. SWLC is 35% and 25% owned by the Parent Company and WS Holdings, Inc. (WSHI), respectively, and 40% owned by Unilever, a foreign corporation. WSHI is 60% owned by the Parent Company.

Presented below is the impact (in thousands) on the consolidated financial statements assuming an alternative accounting treatment is applied to the Parent Company's investment in MRIC:

Increase (Decrease) in	**2025**	2024
Consolidated Statements of Financial Position		
Cash and cash equivalents	**(₱814,873)**	(₱706,795)
Receivables	**(706,546)**	(654,692)
Inventories	**(392,631)**	(490,195)
Other current assets	**(109,169)**	(37,781)
Total Current Assets	**(2,023,219)**	(1,889,463)

(Forward)

Increase (Decrease) in	**2025**	2024
Property, plant and equipment - net (at cost)	**(₱1,984,639)**	(₱1,799,114)
Right of use assets - net*	**(142,489)**	(115,830)
Investment in associate and joint venture	**578,601**	688,464
Intangible assets	**(190,563)**	(190,563)
Deferred tax assets - net	**(193,651)**	(156,411)
Other noncurrent assets	**(88,111)**	(135,523)
Total Noncurrent Assets	**(2,020,852)**	(1,708,977)
Total Assets	**(₱4,044,071)**	(₱3,598,440)

**Shown as part of Property, plant and equipment in the face of consolidated financial statements.*

Decrease in	**2025**	2024
Bank loans	**(₱1,000,000)**	(₱950,000)
Accounts payable and other current liabilities	**(2,793,867)**	(2,442,153)
Lease liabilities	**(107,409)**	(44,303)
Income tax payable	**(24,116)**	(12,801)
Total Current Liabilities	**(3,925,392)**	(3,449,257)
Lease liabilities - net of current portion	**(100,894)**	(132,548)
Net retirement obligation	**(17,785)**	(16,635)
Total Noncurrent Liabilities	**(118,679)**	(149,183)
Total Liabilities	**(₱4,044,071)**	(₱3,598,440)

Increase (Decrease) in	**2025**	2024	2023
Consolidated Statements of Income			
Revenue	**(₱7,099,044)**	(₱7,005,610)	(₱6,578,544)
Cost of goods sold	**(3,927,020)**	(4,016,074)	(3,486,081)
Gross profit	**(3,172,024)**	(2,989,536)	(3,092,463)
Operating expenses	**(2,493,255)**	(2,133,702)	(2,086,491)
Income from operations	**(678,769)**	(855,834)	(1,005,972)
Other income (loss) - net	**2,272**	(30,550)	(30,973)
Provision for income tax	**(169,825)**	(221,722)	(247,953)
Net income	**(511,216)**	(603,562)	(727,046)
Share in the net income of the JV	**511,216**	603,562	727,046
	₱–	₱–	₱–

Summarized financial information (before any adjustments during consolidation) of MRIC (in thousands) as of and for the years ended December 31 follow:

Statements of Financial Position	**2025**	2024
Current assets (includes cash amounting to ₱1,629.74 million and ₱1,413.59 million as of December 31, 2025 and 2024, respectively)	**₱4,046,440**	₱3,778,925
Noncurrent assets	**4,817,775**	4,566,013
Current liabilities (includes income tax payable amounting to ₱48.23 million and ₱25.60 million as of December 31, 2025 and 2024, respectively)	**7,850,782**	6,983,291
Noncurrent liabilities (includes net retirement obligation amounting to ₱35.57 million and ₱33.26 million as of December 31, 2025 and 2024, respectively)	**237,356**	392,290

Statements of Comprehensive Income	**2025**	2024	2023
Revenue	**₱14,198,089**	₱14,011,221	₱13,157,089
Depreciation and amortization expense	**732,929**	681,564	665,632
Interest income	**6,795**	8,653	4,597
Interest expense	**151,985**	162,048	157,330
Provision for income tax	**339,652**	443,446	495,907
Net income	**₱1,022,431**	₱1,207,122	₱1,454,094
Other comprehensive income (loss) - remeasurement loss on net retirement obligation	–	–	5,600
Total comprehensive income	**₱1,022,431**	₱1,207,122	₱1,454,694

In 2025, 2024 and 2023, dividends received by the Parent Company from MRIC amounted to ₱616.34 million, ₱700.23 million, and ₱703.67 million, respectively.

12. Property, Plant and Equipment

As of December 31, 2025:

	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 Land and Building	ROU Assets Equipment	Total
At Cost										
At January 1	**₱4,868,654**	**₱17,324**	**₱2,022,199**	**₱8,462,089**	**₱166,354**	**₱313,583**	**₱363,958**	**₱462,275**	**₱–**	**₱ 11,807,782**
Additions	–	–	**6,846**	**221,934**	**18,190**	**53,183**	**344,253**	**46,580**	**7,806**	**698,792**
Write-off/disposal/others	–	–	–	**(135,344)**	**(2,910)**	**(45,356)**	**(7,735)**	–	–	**(191,345)**
Reclassification	–	**(2,973)**	**16,840**	**195,604**	–	–	**(209,471)**	–	–	–
Revaluation	**613,437**	–	–	–	–	–	–	–	–	–
At December 31	**5,482,091**	**14,351**	**2,045,885**	**8,744,283**	**181,634**	**321,410**	**491,005**	**508,855**	**7,806**	**12,315,229**
Accumulated Depreciation										
At January 1	–	**16,134**	**1,142,295**	**4,735,404**	**126,741**	**295,779**	–	**330,355**	–	**6,646,708**
Depreciation and amortization (Note 20)	–	–	**81,622**	**501,642**	**13,827**	**8,607**	–	**94,549**	**2,040**	**702,287**
Reclassification	–	**(1,783)**	**1,783**	–	–	–	–	–	–	–
Write-off/disposal/others	–	–	–	**(80,557)**	**(2,603)**	**(252)**	–	–	–	**(83,412)**
At December 31	–	**14,351**	**1,225,700**	**5,156,489**	**137,965**	**304,134**	–	**424,904**	**2,040**	**7,265,583**
Accumulated impairment loss:										
At January 1	–	–	–	**24,949**	–	–	–	–	–	**24,949**
Reversal of impairment	–	–	–	**(2,822)**	–	–	–	–	–	**(2,822)**
At December 31	–	–	–	**22,127**	–	–	–	–	–	**22,127**
Net Book Values at December 31	**₱5,482,091**	**₱–**	**₱820,185**	**₱3,565,667**	**₱43,669**	**₱17,276**	**₱491,005**	**₱83,951**	**₱5,766**	**₱5,027,519**

As of December 31, 2024:

	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 Land and Building	ROU Assets Equipment	Total
At Cost										
At January 1	₱4,865,213	₱17,324	₱1,752,241	₱7,292,064	₱144,763	₱246,000	₱1,095,703	₱452,665	₱7,902	₱11,008,662
Additions	–	–	3,440	729,853	30,820	14,526	197,296	73,338	69	1,049,342
Write-off/disposal/others	–	–	–	(207,509)	(9,229)	53,057	(14,842)	(63,728)	(7,971)	(250,222)
Reclassification	–	–	266,518	647,681	–	–	(914,199)	–	–	–
Revaluation	3,441	–	–	–	–	–	–	–	–	–
At December 31	4,868,654	17,324	2,022,199	8,462,089	166,354	313,583	363,958	462,275	–	11,807,782
Accumulated Depreciation										
At January 1	–	16,177	1,063,499	4,462,696	126,774	216,627	–	265,693	7,653	6,159,119
Depreciation and amortization (Note 20)	–	–	78,796	458,857	8,744	28,673	–	128,390	318	703,778
Write-off/disposal/others	–	(43)	–	(186,149)	(8,777)	50,479	–	(63,728)	(7,971)	(216,189)
At December 31	–	16,134	1,142,295	4,735,404	126,741	295,779	–	330,355	–	6,646,708
Accumulated impairment loss:										
At January 1	–	–	–	25,949	–	–	–	–	–	25,949
Impairment loss	–	–	–	(1,000)	–	–	–	–	–	(1,000)
At December 31	–	–	–	24,949	–	–	–	–	–	24,949
Net Book Values at December 31	₱4,868,654	₱1,190	₱879,904	₱3,701,736	₱39,613	₱17,804	₱363,958	₱131,920	₱–	₱5,136,125

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 ₱5,482.10 million and ₱4,868.65 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 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 dated March 20 and December 19, 2024. Gain from the revaluation of the land amounting to ₱613.46 million and ₱3.44 million was recognized in 2025 and 2024, respectively.

The Parent Company also purchased a land for the year 2023 amounting to ₱293.36 million. This was not revalued as purchase price is arm's length transaction and deemed to be equal to fair value.

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.

13. Intangible Assets

Intangible assets pertain to the following as at December 31:

2025

	Trademark	Goodwill	Computer Software	Total
Cost				
At January 1	**₱2,080,932**	**₱190,563**	**₱60,006**	**₱2,331,501**
Addition	–	–	**57,001**	**57,001**
At December 31	**2,080,932**	**190,563**	**117,007**	**2,388,502**
Accumulated Amortization				
At January 1	**52,023**	–	**9,194**	**61,217**
Amortization (Note 20)	**52,023**	–	**54,460**	**106,483**
At December 31	**104,046**	–	**63,654**	**167,700**
Net Book Values	**₱1,976,886**	**₱190,563**	**₱53,353**	**₱2,220,802**

2024

	Trademark	Goodwill	Computer Software	Total
Cost				
At January 1	₱2,080,932	₱190,563	₱27,960	₱2,299,455
Addition	–	–	32,046	32,046
At December 31	2,080,932	190,563	60,006	2,331,501
Accumulated Amortization				
At January 1	–	–	9,182	9,182
Amortization (Note 20)	52,023	–	12	52,035
At December 31	52,023	–	9,194	61,217
Net Book Values	₱2,028,909	₱190,563	₱50,812	₱2,270,284

Trademark

In January 2014, the Parent Company acquired the Royal 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 follows:

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.

Goodwill

Goodwill amounting to ₱190.56 million pertains to the Parent Company's investment in MRIC (see Note 2). Goodwill is subject to impairment testing at least annually or when impairment indicators are identified. Management has determined that the recoverable amount of the goodwill is value-in-use, which is based on a discounted cash flow model. The cash flow projections are based on financial projections approved by BOD covering a 5-year explicit forecast period, including a terminal value.

Key assumptions used to determine value-in-use as of and for the years ended December 31 follow:

Assumptions	**2025**	2024	Description
Discount rate	**11.98%**	10.35%	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	**4.50%**	4.0-5.0%	Growth rates in revenues are based on MRIC's expectations of market developments and past historical performance.
Operating expenses and maintenance capital expenditures			Are based on approved financial budgets by the BOD

As of December 31, 2025 and 2024, the recoverable amount of goodwill is higher than its carrying value. Management believes that a decrease in growth rate by 4.50% and 5.00% as of December 31, 2025 and 2024 would cause the carrying value of the CGU including goodwill to equal the recoverable amount.

14. Accounts Payable and Other Current Liabilities

	2025	2024
Accrued expenses	**₱3,905,659**	₱4,148,616
Trade payables:		
Third parties	**2,074,463**	2,081,043
Related parties (Note 21)	**33,907**	30,534
Advances from related parties (Note 21)	**123,937**	53,042
Withholding taxes and other government payables	**359,175**	371,182
Nontrade payables	**296,556**	296,730
Customer's deposit	**212,629**	125,906
Dividends payable	**88,458**	42,747
Other payables	**184,385**	423,304
	₱7,279,169	₱7,573,104

Trade payables are noninterest-bearing and are generally settled on 30-60 days' terms.

Other payables include other deferred credits, cash bonds from distributors as security to retain their credit line and non-trade purchases in the ordinary course of business.

Details of accrued expenses follow:

	2025	2024
Advertisements and promotions	**₱1,747,501**	₱1,834,428
Profit bonus	**554,025**	578,583
Payroll	**323,358**	304,669
Freight and handling	**208,424**	203,268
Manpower services	**217,848**	194,027
Utilities	**123,096**	148,209
Rentals	**54,690**	53,811
Interest	**2,299**	12,444
Commission	**5,773**	11,391
Importation	**16,333**	11,139
Accrued merchandising charges	**–**	4,397
Others	**652,312**	792,250
	₱3,905,659	₱4,148,616

Other accrued expenses mainly consist of accrued expenses for royalties, utilities and other payables.

15. Bank Loans

Bank loans represent the Group's proportionate share in the unsecured short-term loans of MRIC from local banks and lending investors bearing effective annual interest rates within the range of 6% in 2025 and 6% to 7% in 2024. The Group's share in the outstanding principal balance of these bank loans amounted to ₱1,000.00 million and ₱950.00 million as of December 31, 2025 and 2024, respectively. The loans have no covenants and collaterals.

The movements in bank loans are as follows:

	2025	2024
At January 1	**₱950,000**	₱897,500
Availments	**1,875,000**	14,750,000
Payments	**(1,825,000)**	(14,697,500)
	₱1,000,000	₱950,000

Interest expense on bank loans amounted to ₱54.85million, ₱58.50 million, and ₱52.90 million in 2025, 2024 and 2023, respectively (see Note 20).

16. Equity

Capital stock

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

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

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

Below is a summary of the capital stock movement of the Parent 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)
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 Parent 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 value from ₱10.00 to ₱2.00.
(c) This is the result of the conversion of Parent 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 a 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 Parent Company issued additional 340.00 million shares.
(h) Purchased 74.97 million treasury stock amounting to ₱313.68 million on various dates in 2016. Re-issued 70.81 million treasury stock amounting to ₱302.23 million on various dates in 2016 resulting in excess of issue price over the cost of treasury stock amounting to ₱8.71 million which is presented under "Additional paid-in capital" account in equity.

(i) Purchased 26.59 million treasury stock amounting to ₱121.80 million on various dates in 2017. Re-issued 27.86 million treasury stock amounting to ₱129.80 million on various dates in 2017 resulting in excess of issue price over the cost of treasury stock amounting to ₱2.14 million which is presented under "Additional paid-in capital" account in equity.
(j) Purchased 19.66 million treasury stock amounting to ₱92.76 million on various dates in 2018. Re-issued 4.20 million treasury stock amounting to ₱20.68 million on various dates in 2018 resulting in excess of cost of treasury stock over the issue price amounting to ₱0.22 million which is presented under "Additional paid-in capital" account in equity.
(k) Purchased 34.68 million treasury stock 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 Cabuyao Logistics and Industrial Center (CLIC), Interbake Commissary Corporation (ICC) and Invest Asia Corporation (IAC) (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 Parent 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 Parent Company accordingly reflected the reduction in its number of issued and treasury shares in the 2024 consolidated financial statements.

Retained earnings

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

Date of BOD Approval	Amount (in millions)	Type	Amount per share	Record date	Payment Date
January 08, 2025	₱200.00	Cash	₱0.05936	January 22, 2025	February 18, 2025
April 10, 2025	250.00	Cash	0.05936	April 29, 2025	May 26, 2025
July 16, 2025	300.00	Cash	0.08903	July 30, 2025	August 20, 2025
September 17, 2025	300.00	Cash	0.08903	October 01, 2025	October 22, 2025
November 10, 2025	250.00	Cash	0.14839	November 24, 2025	December 19, 2025
January 24, 2024	250.00	Cash	0.74194	February 7, 2024	March 5, 2024
April 11, 2024	250.00	Cash	0.74194	April 25, 2024	May 22, 2024
August 2, 2024	300.00	Cash	0.89033	August 16, 2024	September 13, 2024
October 22, 2024	500.00	Cash	0.148388	November 6, 2024	December 2, 2024
October 10, 2023	200.00	Cash	0.059355	October 24, 2023	November 21, 2023
June 14, 2023	300.00	Cash	0.089033	June 29, 2023	July 25, 2023
January 05, 2023	350.00	Cash	0.103871	January 19, 2023	February 14, 2023

The Group's retained earnings as of December 31, 2025 and 2024 is restricted for the payment of dividends to the extent of the cost of treasury stock, deferred income tax assets, accumulated equity in undistributed net earnings of an associate, partially consolidated joint venture (see Note 2) and consolidated subsidiaries. In accordance with Revised SRC Rule 68, Annex 68C, the retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to ₱6.17 billion and ₱6.08 billion, respectively.

Events After Reporting Date

Declaration of Dividends
On January 15, 2026, the Parent 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.

17. Sales Revenue, Cost of Sales and Services

Sales Revenue
The Group primarily derives its revenue from the sale of goods and rendering of services from its manufacturing and service operations.

Disaggregated revenue information
Set out below is the disaggregation of the Group's revenues from contracts with customers and revenues not covered under PFRS 15.

2025

	Consumer business	Institutional Business	Corporate	Others	Total
Sale of goods	₱16,949,313	₱5,350,207	₱–	₱–	₱22,299,520
Sale of services	–	–	29,200	2,856	32,056
	₱16,949,313	₱5,350,207	₱29,200	₱2,856	₱22,331,576

2024

	Consumer business	Institutional business	Corporate	Others	Total
Sale of goods	₱16,393,321	₱5,304,075	₱–	₱–	₱21,697,396
Sale of services	–	–	28,270	3,217	31,487
	₱16,393,321	₱5,304,075	₱28,270	₱3,217	₱21,728,883

2023

	Consumer business	Institutional business	Corporate	Others	Total
Sale of goods	₱15,128,193	₱5,515,802	₱–	₱–	₱20,643,995
Sale of services	–	–	35,564	1,413	36,977
	₱15,128,193	₱5,515,802	₱35,564	₱1,413	₱20,680,972

Sale of good pertain to contracts with costumers where goods are transferred at a point in time. On the other hand, sales of services are contracts with costumers where services are transferred over time.

Intersegment eliminating adjustments relate to sales of goods amounting to ₱16.54 million, ₱13.68 million, and ₱28.42 million in 2025, 2024 and 2023, respectively. There are no unsatisfied nor partially satisfied performance obligations in 2025, 2024 and 2023.

Cost of Sales and Services
This account consists of:

	2025	2024	2023
Raw materials used and changes in inventories (Note 7)	**₱11,253,096**	₱11,140,736	₱11,385,497
Utilities	**547,018**	516,581	377,657
Repairs and maintenance	**537,028**	455,689	291,711
Depreciation and amortization (Notes 20 and 29)	**494,181**	455,612	371,363
Personnel costs (Note 20)	**357,308**	338,424	295,534
Direct labor	**266,453**	228,904	12,664
Outside services	**213,770**	279,127	688,594
Rental (Note 29)	**150,650**	112,301	110,428
Freight and handling	**126,616**	130,300	71,842
Provision for inventory obsolescence (Note 7)	**98,596**	84,753	64,770
Taxes and licenses	**87,338**	80,165	41,317
Fuel and oil	**7,646**	6,122	96,574
Others (Note 7)	**420,696**	346,410	116,513
	₱14,560,396	₱14,175,124	₱13,924,464

Reclassification of Comparative Figures
Certain prior-year amounts have been reclassified to conform to the current-year presentation. Specifically, ₱313.76 million of general and administrative expenses previously included in 'Cost of Sales and Services' for the year ended December 31, 2024, have been reclassified to "General and administrative expense" to better reflect the nature of the costs. This reclassification had no effect on previously reported net income or cash flows.

18. Selling and Marketing Expenses

This account consists of:

	2025	2024	2023
Advertisements	**₱1,456,576**	₱1,738,086	₱1,594,159
Freight and handling	**1,443,557**	1,345,790	1,259,019
Outside services	**679,504**	617,064	514,047
Personnel costs (Note 20)	**128,183**	119,860	100,954
Depreciation and amortization (Notes 20 and 29)	**126,872**	130,314	57,205
Rental (Note 29)	**109,892**	79,704	95,646
Transportation and travel	**11,627**	8,996	9,956
Other expenses	**127,265**	102,429	81,624
	₱4,083,476	₱4,142,243	₱3,712,610

In addition, "Provision for expected credit losses" amounting to ₱13.61 million in 2024 and ₱63.40 million in 2023 previously included in "Selling and Marketing Expenses" have been reclassified to "General and administrative expenses" to also better reflect the nature of the costs. This reclassification had no effect on previously reported net income or cash flows.

Other expenses include utilities, repairs and maintenance and other miscellaneous expenses.

19. General and Administrative Expenses

This account consists of:

	2025	2024	2023
Royalty and service fees (Note 24)	**₱590,873**	₱521,179	₱308,709
Personnel costs (Note 20)	**507,158**	423,713	441,069
Depreciation and amortization (Notes 20 and 29)	**187,717**	169,887	175,580
Outside services	**109,541**	125,797	98,074
Repairs and maintenance	**68,596**	76,870	57,171
Transportation and travel	**66,694**	31,473	32,275
Taxes and licenses	**46,224**	52,779	76,200
Director's fees	**32,893**	19,163	21,664
Utilities	**30,186**	43,720	32,896
Rental (Note 29)	**24,850**	34,300	7,292
Advertising and promotion	**23,477**	16,003	10,930
Office supplies	**12,068**	8,274	3,503
Professional fees	**9,574**	12,312	69,605
Representation and entertainment	**7,367**	26,558	3,791
Provision for expected credit losses (Note 6)	**11**	37,821	102,065
Others	**85,261**	59,182	94,223
	₱1,802,490	₱1,659,031	₱1,535,047

Other expenses include insurance, donations and other miscellaneous expenses.

20. **Other Income (Charges)**

Interest Income
This account consists of:

	2025	2024	2023
Interest income on:			
Investment in FVOCI (Note 9)	**₱166,189**	₱143,049	₱88,625
Cash and cash equivalents (Note 5)	**4,594**	5,522	1,734
	₱170,783	₱148,571	₱90,359

Personnel Costs
This account consists of:

	2025	2024	2023
Salaries and wages	**₱857,070**	₱650,307	₱598,797
Retirement benefits costs (Note 22)	**22,266**	21,416	17,493
Other employee benefits	**113,313**	210,274	221,267
	₱992,649	₱881,997	₱837,557

Depreciation and amortization of Property, Plant and Equipment, and Computer Software and Trademark

This account consists of:

	2025	2024	2023
Property, plant and equipment (Note 12)	**₱702,287**	₱703,778	₱604,080
Trademark (Note 13)	**52,023**	52,023	–
Computer software (Note 13)	**54,460**	12	68
	₱808,770	₱755,813	₱604,148

Distribution of the above amounts follows:

	2025	2024	2023
Cost of sales and services (Note 17)	**₱494,181**	455,612	₱371,363
General and administrative expenses (Note 19)	**187,717**	169,887	175,580
Selling and marketing expenses (Note 18)	**126,872**	130,314	57,205
	₱808,770	₱755,813	₱604,148

Interest Expense
This account consists of:

	2025	2024	2023
Interest expense on bank loans (Note 15)	**₱54,853**	₱58,497	₱52,895
Interest expense on lease liabilities (Note 29)	**22,588**	24,882	22,999
Others	**7,003**	68	66
	₱84,444	₱83,447	₱75,960

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 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 Group's transactions and account balances with related parties follows:

		2025		2024				
Related Parties	Transaction	**Amount**	**Outstanding receivable (payable)**	Amount	Outstanding receivable (payable)	Consolidated Statement of Financial Position Account	Terms	Conditions
Entities under common major shareholder group								
Philtown	Advances	**₱–**	**₱107,689**	₱–	₱107,689	Advances to related parties (Note 6)	Non-interest-bearing	Secured by a property of Philtown; due and demandable; fully impaired
Republic Consolidated Corporation	Purchase of services	**–**	**(22,542)**	–	(22,542)	Trade Payables (Note 14)	Non-interest-bearing, collectible in 60 days	Unsecured
Others	Advances to related parties	**7,357**	**34,991**	18,048	27,634	Advances to related parties (Note 6)	Non-interest bearing	Unsecured, no impairment
-do-	Trade Receivables	**-**	**-**	(24,566)	–	Trade Receivables (Note 6)	Non-interest bearing	Unsecured, no impairment
-do-	Trade Payable	**(3,373)**	**(11,365)**	4,789	(7,992)	Trade Payables (Note 14)	Non-interest bearing	Unsecured
-do-	Advances from Related Parties	**(70,895)**	**(123,937)**	(35,352)	(53,042)	Advances from related parties (Note 14)	Non-interest bearing	Unsecured

The consolidated statements of financial position as of December 31, 2025 and 2024 include the following amounts resulting from transactions with related parties:

	2025	2024
Advances to related parties (Note 6)	**₱142,680**	₱135,323
Trade payables - related parties (Note 14)	**(33,907)**	(30,534)
Advances from related parties (Note 14)	**(123,937)**	(53,042)

Significant transactions with subsidiaries and joint venture which have been eliminated in the consolidation:

a. Distribution services provided by the Parent 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 ₱18.65 million in 2023. The agreement was terminated effective December 31, 2023.

b. The Parent Company engages RLC for its lighterage requirements. Service fees to RLC amounted to ₱20.43 million, ₱16.9 million, and ₱19.60 million in 2025, 2024 and 2023, respectively.

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

	2025	2024
Salaries and other short-term benefits	**₱123,150**	₱118,180
Retirement benefits costs	**8,474**	7,881
	₱131,624	₱126,061

22. Retirement Benefits

The Parent Company and joint venture have funded, noncontributory defined benefit retirement plans (the Plans) covering substantially all their permanent employees.

The most recent actuarial valuation was carried out for the retirement plan of the Parent Company and joint venture as of December 31, 2025.

a. Retirement Benefit Cost

The components of retirement benefit cost recognized in the consolidated statements of income for the years ended December 31 follow:

	2025	2024	2023
Current service cost	**₱22,102**	₱20,191	₱18,755
Net interest cost	**164**	(73)	(1,262)
Effects of curtailment	**–**	1,298	–
Retirement benefits costs	**₱22,266**	₱21,416	₱17,493

b. Net Retirement Obligation

The details of the net retirement obligation recognized in the consolidated statements of financial position as of December 31 follow:

	2025	2024
Defined benefit obligation	**₱391,230**	₱355,846
Fair value of plan assets	**(374,712)**	(338,019)
Net retirement obligation	**₱16,518**	₱17,827

Movement in net retirement obligation follow:

	2025	2024
January 1	**₱17,827**	₱11,235
Retirement benefit cost	**22,266**	21,416
Remeasurement loss	**2,170**	13,594
Actual contribution	**(24,106)**	(26,100)
Benefits paid out of Group's operating funds	**(1,639)**	(1,859)
Transfer	**–**	(459)
Net retirement obligation	**₱16,518**	₱17,827

Changes in the present value of the defined benefit obligation follow:

	2025	2024
January 1	**₱355,846**	₱325,325
Current service cost	**22,102**	20,191
Interest cost	**21,346**	16,285
Effect of curtailment	**–**	1,298
Transfer	**–**	(1,429)
Remeasurement loss (gain) due to:		
Experience adjustments	**2,043**	12,093
Changes in financial assumptions	**(5,225)**	(130)
Benefits paid out of the plan assets	**(3,245)**	(15,928)
Benefits paid out of Group's operating funds	**(1,639)**	(1,859)
December 31	**₱391,228**	₱355,846

Changes in the fair value of plan assets follow:

	2025	2024
January 1	**₱338,019**	₱314,090
Contributions	**24,106**	26,100
Asset return included in net interest cost	**21,182**	16,358
Benefits paid out of the plan assets	**(3,245)**	(15,928)
Remeasurement loss	**(5,352)**	(1,631)
Transfer	**–**	(970)
December 31	**₱374,710**	₱338,019

Breakdown of the plan assets follow:

	2025	2024
Investments in:		
Debt securities other than bonds	**₱–**	₱9,947
Equity securities	**7,760**	7,344
Corporate bonds	**218,714**	217,651
Unit investment trust fund	**130,324**	90,672
Others	**9,720**	9,719
Cash and cash equivalents	**6,100**	538
Receivables	**2,166**	2,250
	374,784	338,121
Payables	**(74)**	(102)
	₱374,710	₱338,019

The plan assets are held by trustee banks. The investing decisions of these plan assets are made by the authorized officers of the Group.

The principal assumptions used in determining the defined benefit obligation of the Group follow:

	2025	2024	2023
Discount rate	**6.10% to 6.36%**	6.00% to 6.10%	7.16% to 7.20%
Future annual increase in salary rate	**5.00% to 5.50%**	5.00% to 5.50%	5.00% to 5.50%
Turnover rate	A scale ranging from 21% at age 18 to 0% at age 65		

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

	2025	2024
One year and less	**₱140,682**	₱116,389
Between 1 and 5 years	**111,486**	111,985
Between 5 and 10 years	**172,662**	154,878
Between 10 and 15 years	**174,825**	150,737
Between 15 and 20 years	**175,649**	155,578
Beyond 20 years	**342,511**	318,874
Total expected payments	**₱1,117,815**	₱1,008,441

The average duration of the defined benefit plan obligations as of December 31, 2025 and 2024 ranges from 8.83 to 9.03 years and 9.08 to 9.44 years, respectively.

The Group expects to contribute ₱28.54 million to the retirement fund in 2026.

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, 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**	**(₱20,799)**	+100	(₱19,708)
	-100	**22,719**	-100	20,993
Salary increase rate	**+100**	**24,562**	+100	23,208
	-100	**(21,648)**	-100	(19,905)
Turnover rate	**+2000**	**(1,653)**	+2000	(1,892)
	-2000	**1,862**	-2000	2,160

23. **Income Taxes**

a. The Group's net deferred tax assets and net liabilities as shown in the consolidated statements of financial position follow:

	2025	2024
Deferred tax assets - net	**₱237,853**	₱211,425
Deferred tax liabilities - net	**(915,506)**	(759,363)
	(₱677,653)	(₱547,938)

b. The components of the Group's deferred income taxes follow:

	2025	2024
Deferred income tax recognized in profit or loss:		
Deferred income tax assets on:		
Provision for profit bonus	**₱138,506**	₱144,646
Allowances/provisions for:		
ECL	**131,898**	131,896
Inventory obsolescence	**70,523**	48,648
Impairment loss on property, plant and equipment	**5,532**	6,237
Accrued advertisements and promotions	**79,085**	54,974
Lease liability - net	**8,728**	20,834
Unamortized past service cost	**24,160**	20,869
Others	**17,234**	23,591
	475,666	451,695
Deferred income tax liabilities on:		
Net retirement obligation	**(43,534)**	(42,664)
	432,132	409,031

(Forward)

	2025	2024
Deferred income tax recognized in equity:		
Deferred income tax asset on cumulative actuarial losses on defined benefit plan	**₱47,664**	₱47,121
Deferred income tax liability on revaluation increment on land	**(1,157,449)**	(1,004,090)
	(1,109,785)	(956,969)
Net deferred income tax liabilities	**(₱677,653)**	(₱547,938)

c. 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 Group's effective income tax rate for the years ended December 31 follows:

	2025	2024	2023
Provision for income tax at the statutory income tax rate	**₱525,430**	₱469,782	₱410,849
Additions to (reductions in) income tax resulting from:			
Nontaxable equity in net earnings of an associate	**(3,036)**	(3,031)	(3,111)
Interest income subjected to final tax	**(42,696)**	(37,143)	(22,590)
Nondeductible expenses and others	**4,168**	29,233	(8,128)
Provision for income tax	**₱483,866**	₱458,841	₱377,020

24. Contracts and Commitments

The Parent 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 Parent Company agreed to pay a fixed amount of royalty every year, as stipulated in the agreements. Unpaid royalty, included under "Accrued expenses" account, amounted to ₱2.12 million and ₱1.72 million as of December 31, 2025 and 2024, respectively (see Note 14).

MRIC has a service agreement with Unilever IP Holdings which MRIC pays a service fee equivalent to a certain % of third-party net sales of all agreed products and total net sales of all agreed product less packaging material cost. MRIC also has an existing service agreement with Unilever Philippines Inc., whereby the latter render certain administrative support, back office and related services to the MRIC.

25. Earnings Per Share

The Group does not have potentially dilutive common shares in 2025, 2024 and 2023. Therefore, the basic/dilutive earnings per share are the same.

	2025	2024	2023
Net income attributable to equity holders of the Group (a)	**₱1,618,087**	₱1,423,599	₱1,266,651
Weighted average number of common shares outstanding (b)	**3,369,549,358**	3,369,549,358	3,369,549,358
Basic/diluted earnings per share (a/b)	**₱0.48**	₱0.42	₱0.38

26. Financial Instruments

The following table summarizes the carrying values of the Group's financial assets and financial liabilities as of December 31:

	2025	2024
Financial Assets		
Cash on hand	**₱220**	₱138,356
Cash in banks and cash equivalents	**2,384,519**	3,024,158
Trade receivables, net of ECL	**2,810,671**	2,417,878
Advances to related parties and nontrade receivables, net of ECL	**255,438**	210,537
Advances to officers and employees, net of ECL	**8,534**	11,107
Other receivables	**2,777**	12,652
	5,462,159	5,814,688
Financial assets at FVOCI	**3,737,710**	3,028,729
	₱9,199,869	₱8,843,417
Other Financial Liabilities		
Bank loans	**₱1,000,000**	₱950,000
Accounts payable and other current liabilities*	**6,794,410**	7,148,880
Advances from related parties	**123,937**	53,042
Lease liabilities	**124,628**	215,254
	₱8,042,975	₱8,367,176

**Exclusive of government payables and other nonfinancial liabilities amounting to ₱359.18 million and ₱371.18 million as of December 31, 2025 and 2024, respectively*

Cash, cash equivalents, trade receivables, nontrade receivables, advances to officers and employees, other receivables, accounts payable and accrued liabilities, bank loans 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 value of the investments as of December 31, 2025 and 2024 amounted to ₱3,737.71 million and ₱3,028.73 million, was 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

The Group's principal financial instruments include non-derivative instruments such as cash and cash equivalents, short-term cash investments, financial assets at FVOCI, accounts receivable, bank loans, accounts payable and accrued liabilities, and advances to and from related parties. The main purpose of these financial instruments includes raising funds for the Group's operations and managing identified financial risks. The Group has various other financial assets and financial liabilities such as other current receivables, other current assets and customers' deposits which arise directly from its operations. The main risk arising from the use of financial instruments is credit risk, liquidity risk, interest rate risk and foreign exchange risk.

Credit risk
Credit risk arises from the risk of counterparties defaulting. Management is tasked to minimize credit risk through strict implementation of credit, treasury and financial policies. The Group deals only with reputable counterparties, financial institutions and customers. To the extent possible, the Group obtains collateral to secure sales of its products to customers. In addition, the Group transacts with financial institutions belonging to the top 25% of the industry, and/or those which provide the Group with long-term loans and/or short-term credit facilities.

The Group does not have significant concentrations of credit risk and does not enter into financial instruments to manage credit risk. The Group's gross maximum exposure to credit risk is equal to the carrying amount of its financial assets, before taking into account any collateral and other credit enhancements.

Set out below is the information about the credit risk exposure on the Group'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	**₱2,384,739**	**₱3,737,710**	**₱1,654,776**	**₱891,367**	**₱333,837**	**₱69,566**	**₱124,878**	**₱21,785**	**₱55,135**	**₱3,151,344**
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	₱3,162,514	₱3,028,729	₱1,746,704	₱378,472	₱199,327	₱165,178	₱86,118	₱117,301	₱65,440	₱2,758,540
Expected credit loss	₱–	₱–	₱8,251	₱4,138	₱13,490	₱30,887	₱45,798	₱101,941	₱65,440	₱269,945

Credit quality of cash in banks, cash equivalents and short-term cash investments are based on the nature of the counterparty and the Group's internal rating system.

Financial assets that are neither past due nor impaired are classified as "Excellent" account when these are expected to be collected or liquidated on or before their due dates, or upon call by the Group if there are no predetermined defined due dates. All other financial assets that are neither past due or impaired are classified as "Good" accounts.

Liquidity risk
Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations as they fall due. The Group manages liquidity risk by maintaining sufficient cash and cash equivalents, monitoring cash flow requirements, and managing working capital levels to support its operations.

The following tables show the maturity profile of the Group's undiscounted cash flows from financial assets used for liquidity purposes and other financial liabilities as of December 31, 2025 and 2024.

As of December 31, 2025:

	Less than 1 year	1 to less than 5 years	More than 5 years	Total
Financial Assets				
Cash on hand	**₱220**	**₱–**	**₱–**	**₱220**
Cash in banks and cash equivalents	**2,384,519**	**–**	**–**	**2,384,519**
Trade receivables	**3,151,344**	**–**	**–**	**3,151,344**
Financial assets at FVOCI	**3,344,205**	**393,505**	**–**	**3,737,710**
	₱8,880,288	**₱393,505**	**₱–**	**₱9,273,793**
Financial Liabilities				
Bank loans	**₱1,000,000**	**₱–**	**₱–**	**₱1,000,000**
Accounts payable and other current liabilities*	**6,918,347**	**–**	**–**	**6,918,347**
Lease liabilities**	**11,540**	**169,632**	**226,176**	**407,348**
	₱7,929,887	**₱169,632**	**₱226,176**	**₱8,325,695**

**Exclusive of government payables and other nonfinancial liabilities amounting to ₱359.18 million and ₱371.18 million as of December 31, 2025 and 2024, respectively.*
*** Including interest expense.*

As of December 31, 2024:

	Less than 1 year	1 to less Than 5 years	More than 5 years	Total
Financial Assets				
Cash on hand	₱138,356	₱–	₱–	₱138,356
Cash in banks and cash equivalents	3,024,158	–	–	3,024,158
Trade receivables	2,758,540	–	–	2,758,540
Financial assets at FVOCI	2,446,900	581,829	–	3,028,729
	₱8,367,954	₱581,829	₱–	₱8,949,783
Financial Liabilities				
Bank loans	₱950,000	₱–	₱–	₱950,000
Accounts payable and other current liabilities*	7,201,922	–	–	7,201,922
Lease Liabilities**	132,538	139,506	259,200	531,244
	₱8,284,460	₱139,506	₱259,200	₱8,683,166

** Exclusive of government payables and other nonfinancial liabilities amounting to ₱371.18.22 as of December 31, 2024*
*** Including interest expense.*

Interest rate risk
The Group's exposure to changes in interest rates relates primarily to the Group's short-term and long-term debt obligations.

Management is tasked to minimize interest rate risk by having a mix of variable and fixed interest rates on its loans. As of December 31, 2025 and 2024, the Group's share in MRIC's outstanding bank loans include only short-term loans from local banks and lending investors (see Note 15). MRIC is not expecting significant exposures to interest rate risk considering the short-term maturities of its bank loans.

There is no other impact on the Group's equity other than those affecting the statement of income.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group'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 Group's other comprehensive income.

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

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

Foreign exchange risk
The Group's exposure to foreign exchange risk results from the Group's and MRIC's business transactions and financing agreements denominated in foreign currencies.

Management is tasked to minimize foreign exchange risk through the natural hedges arising from its export business and through external currency hedges. Presently, trade importations are immediately paid or converted into Peso obligations as soon as these are negotiated with suppliers. The Group has not done any external currency hedges in 2025 and 2024.

A reasonably possible change of –/+1% in 2024 and –/+1% in 2023 in United States dollar (US$) exchange rate at December 31, 2025 and 2024 would lead to the following income before income tax movements in the Group's consolidated statements of income:

December 31, 2025:

		Increase (decrease) in income before income tax	
	Peso equivalent of US dollar denominated assets/liabilities	**US dollar weakened by 1% against Philippine peso**	**US dollar strengthened by 1% against Philippine peso**
Cash and cash equivalents	**₱231,256**	**(₱23,126)**	**₱23,126**
Trade receivables	**78,508**	**(7,851)**	**7,851**
Trade payables	**3,824**	**382**	**(382)**
	₱313,588	**(₱30,595)**	**₱30,595**

December 31, 2024:

		Increase (decrease) in income before income tax	
	Peso equivalent of US dollar denominated assets/liabilities	US dollar weakened by 1% against Philippine peso	US dollar strengthened by 1% against Philippine peso
Cash and cash equivalents	₱306,680	₱47,422	(₱47,422)
Trade receivables	68,722	(687)	687
Trade payables	3,836	38	(38)
	₱379,238	₱46,773	(₱46,773)

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 Group's equity other than those affecting the consolidated statements of income.

28. Capital Management

It is the objective of the Group to maintain a capital base that adequately services the needs of its present and future operations. 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 Group:

	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	**7,006,033**	6,889,573
	₱11,954,540	₱11,838,080

29. Leases and Other Matters

Leases

The Group as lessor

The Group 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 Group. 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 Group records rental income on a straight-line basis over less non-cancellable lease term. Lease income recognized in 2025, 2024 and 2023 amounted to ₱22.81 million, ₱21.80 million, and ₱20.08 million, respectively under "Services and others" in the consolidated statement 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

The Group as lessee
The Group has lease contracts for various items of warehouses, fleets and depots. Leases of warehouses generally have lease terms between six (6) months and three (3) years. There are several lease contracts that include extension and termination options and variable lease payments.

a. 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.

b. 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.

c. Lease agreement with Selecta Wall's Land Corporation for a parcel of land for a period of fifty (50) years from April 1, 1999 until March 30, 2049 with an option to exercise a unilateral and irrevocable option to extend the lease for an additional term of twenty-five (25) years. Total lease payments every year is ₱26.93 million.

d. Various lease agreements for MRIC's depots around the Philippines with a monthly rental ranging from ₱0.15 million to ₱6.32 million and terms ranging from 2 years to 10 years.

e. Numerous leases of fleet (e.g., leases of company cars and vans) used on the movement of products and daily operations. The lease contracts shall be for a period of five (5) years without option to renew. Monthly rental fee is ranging from ₱0.01 million to ₱0.05 million.

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

The following are the amounts recognized in consolidated statement of income for 2025, 2024 and 2023:

	2025	2024	2023
Depreciation expense of right-of-use assets (Note 12)	**₱96,589**	₱128,708	₱91,786
Interest expense on lease liabilities (Note 20)	**22,588**	24,882	22,999
Expenses relating to:			
Short-term leases included in cost of goods sold and selling and marketing expenses (Notes 17 and 18)	**255,837**	221,026	205,718
Leases of low-value assets included in selling and marketing expenses and general and administrative expenses (Notes 18 and 19)	**29,555**	5,279	7,648
Total amount recognized in consolidated statement of income	**₱404,569**	₱379,895	₱328,151

The rollforward analysis of lease liabilities as of December 31, 2025 and 2024 follow:

	2025	2024
At January 1	**₱215,254**	₱289,154
Additions	**54,386**	73,407
Interest expense	**22,588**	24,882
Lease payments applied to:		
Principal portion	**(145,012)**	(147,307)
Interest portion	**(22,588)**	(24,882)
At December 31	**124,628**	215,254
Less: Current portion of lease liabilities	**113,088**	82,706
Noncurrent portion of lease liabilities	**₱11,540**	₱132,548

Future minimum rental payments under non-cancellable operating leases as of December 31, 2025, 2024 and 2023 follow:

	2025	2024	2023
Within one year	**₱128,946**	₱132,538	₱83,305
After one year but not more than five years	**59,310**	139,506	136,172
After five years	**245,736**	259,200	272,665
	₱433,992	₱531,244	₱492,142

30. **Notes to Statement of Cash Flows**

Noncash investing activity
In 2025 and 2024, the Group has non-cash additions to property, plant and equipment amounting to ₱54.39 million and ₱73.41 million arising from additional right-of -use assets (see Note 12).

Noncash financing activity
On May 3, 2023, the BOD resolved and approved to buyback the 4,120,492 shares for a total of ₱4.12 million that went to the minority shareholders and thereafter cancel or retire them. The amount payable to the minority shareholders is still outstanding as of December 31, 2024 and is considered as a noncash financing activity.

Changes in liabilities arising from financing activities

December 31, 2025

	Dividends payable	**Lease Liabilities**	**Bank Loans**
Beginning of the year	**₱42,747**	**₱215,254**	**₱950,000**
Cash flows	**(1,454,289)**	**(167,600)**	**50,000**
Dividend declaration	**1,500,000**	**–**	**–**
Amortization of interest expense	**–**	**22,588**	**–**
Addition	**–**	**54,386**	**–**
End of year	**₱88,458**	**₱124,628**	**₱1,000,000**

December 31, 2024

	Dividends payable	Lease Liabilities	Bank Loans
Beginning of the year	₱31,064	₱289,154	₱897,500
Cash flows	(1,288,317)	(172,189)	52,500
Dividend declaration	1,300,000	–	–
Amortization of interest expense	–	24,882	–
Addition	–	73,407	–
End of year	₱42,747	₱215,254	₱950,000

December 31, 2023

	Dividends payable	Lease Liabilities	Bank Loans
Beginning of the year	₱34,306	₱356,608	₱1,000,000
Cash flows	(853,241)	(106,079)	(102,500)
Dividend declaration	849,999	–	–
Amortization of interest expense	–	22,999	–
Addition	–	15,626	–
End of year	₱31,064	₱289,154	₱897,500

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

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

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of RFM Corporation and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

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

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of RFM Corporation and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards except PFRS 11, *Joint Arrangements*, with respect to the Parent Company's investment in Magnum RFM Ice Cream, Inc., as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

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 of SEC covered institutions
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 AND SUBSIDIARIES

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December 31, 2025, 2024 and 2023
Consolidated Statements of Changes in Equity for the years ended
December 31, 2025, 2024 and 2023
Consolidated Statements of Cash Flows for the years ended
December 31, 2025, 2024 and 2023
Notes to Consolidated Financial Statements

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* *These schedules, which are required by SRC Rule68, have been omitted because they either are not applicable or does not exceed 5% of the total assets shown in the related Consolidated Balance Sheet.*

RFM CORPORATION AND SUBSIDIARIES
Schedule A. Financial Assets
For the year ended December 31, 2025
(Amounts in Million Pesos unless otherwise stated)

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Balance Sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents	–			7
BDO Unibank, Inc.	1,187	1,187	Not applicable	
Philippine Bank of Communications	216	216	Not applicable	
Security Bank	80	80	Not applicable	
Maybank Philippines, Inc.	111	111	Not applicable	
CTBC Bank	1	1	Not applicable	
China Banking Corporation	6	6	Not applicable	
Union Bank of the Philippines, Inc.	75	75	Not applicable	
Bank of the Philippine Islands	13	13	Not applicable	
Robinsons Bank Corporation	45	45	Not applicable	
Philippine National Bank	5	5	Not applicable	
Mizuho Bank, Ltd.	16	16	Not applicable	
The Metropolitan Bank & Trust Company	121	121	Not applicable	
Asia United Bank	4	4	Not applicable	
Others	506	506	Not applicable	28
Financial Assets at FVOCI				141
Bank of the Philippine Islands	3,385		Not applicable	
BDO Unibank, Inc.	353			

RFM CORPORATION AND SUBSIDIARIES
Schedule C. Amounts Receivable/Payable from Related Parties which are eliminated during the Consolidation of Financial Statements
For the year Ended December 31, 2025
(Amounts in Million Pesos unless otherwise stated)

Name and Designation of Debtor	Balance at the beginning of period	Additions	Amounts Collected	Amounts Written Off	Current	Non-current	Balance at the end of period
RFM Foods Philippines Corporation	145	-	-	-	-	-	145
Filipinas Water Bottling Company, Inc.	13	1	-	-	-	-	14
Intercompany Balances, net	**158**	**1**	**-**	**-**	**-**	**-**	**159**

RFM CORPORATION AND SUBSIDIARIES
Schedule D. Intangible Assets - Other Assets
For the year Ended December 31, 2025
(Amounts in Million Pesos unless otherwise stated)

Name and Designation of Debtor	Beginning Balance	Additions at Cost	Charged to Cost and Expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Goodwill	191	-	-	-	-	191
Trademark	2,029	-	(52)	-	-	1,977
Computer Software	50	57	(54)			53
Total	2,270	57	(106)	-	-	2,221

RFM CORPORATION AND SUBSIDIARIES
Schedule H. CAPITAL STOCK
For the year Ended December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Balance Sheet caption	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shared Held By		
				Related Parties	Directors, Officers and Employees	Others
Common stock – P1 par value	3,827,647,580	3,500,403,866	-	-	957,052,212	2,543,351,654
Treasury shares	-	(130,854,508)			-	(130,854,508)
	3,827,647,580	3,369,549,358	-	-	957,052,212	2,412,497,146

Reconciliation of Retained Earnings for Dividend Declaration

For the reporting period ended December 31, 2025

(Amounts in Thousand Pesos unless otherwise stated)

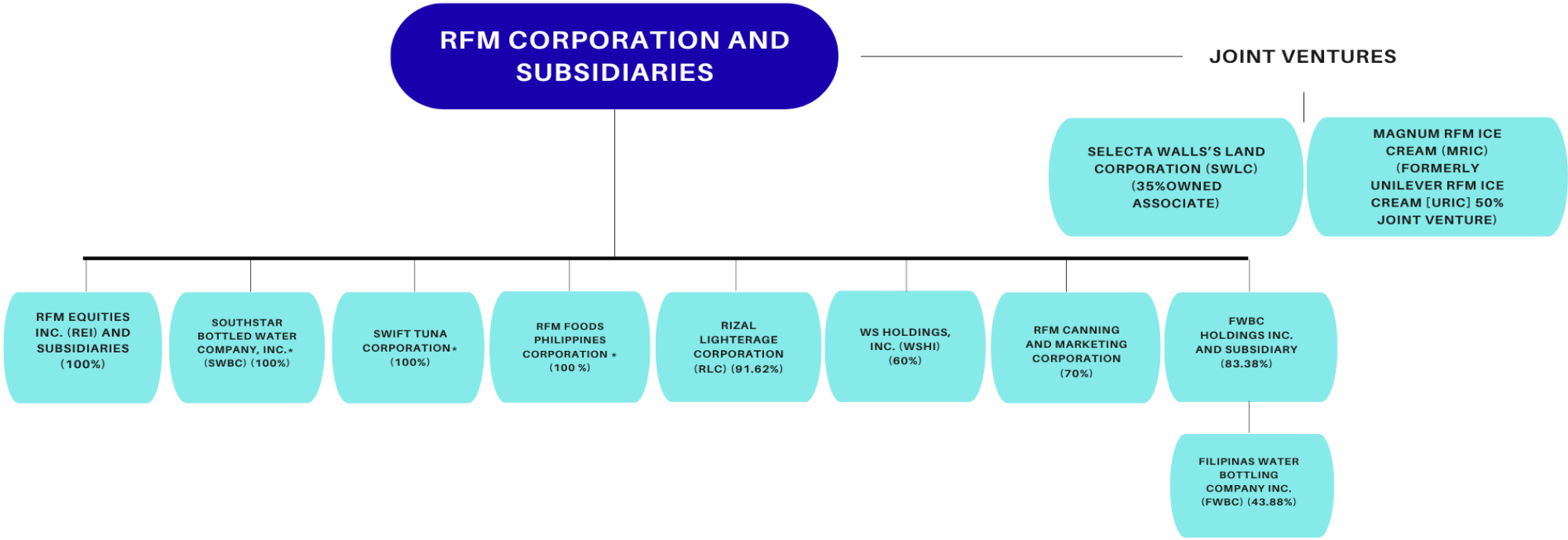
RFM Corporation

RFM Corporate Center, Pioneer cor. Sheridan Sts., Mandaluyong City

Unappropriated Retained Earnings, beginning of reporting period		**6,222,877**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Treasury Shares		
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(1,500,020)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(1,500,020)
Unappropriated Retained Earnings, as adjusted		**4,722,857**
Add: Net income actually earned/realized during the period		**1,754,373**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/ joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Sub-total		-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustments (mark-tomarket gains) of financial instruments at fair value through profit or loss (FVTPL)	-	

Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Subtotal		-
Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total	-	-
Adjusted Net Income/Loss		**1,754,373**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)		
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	12,859	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liabilities, set-up of asset and asset retirement obligations and set-up concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Remeasurement loss on defined benefit retirement plan	3,250	
Treasury shares		
Sub-total		**16,109**
Total Retained Earnings, end of the reporting period available for Dividends		**6,493,339**

RFM CORPORATION AND SUBSIDIARIES
Schedule J. Conglomerate Mapping
As of December 31, 2025



RFM CORPORATION AND SUBSIDIARIES
Schedule K. External Auditor Fee-Related Information
For the year Ended December 31, 2025
(Amounts in Million Pesos unless otherwise stated)

	2025	2024
Total Audit Fees	2,800	2,800
Non-audit service fees:	-	-
Other assurance services	803	-
Tax services	-	-
All other services	-	-
Total non-audit services	803	-
Total audit and non-audit services	**3,603**	**2,800**

Audit and non-audit fees of other related entities

	2025	2024
Audit fees	2,001	1,714
Non-audit service fees:	-	-
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total non-audit services	-	-
Total audit and non-audit fees of other related entities	**2,001**	**1,714**

RFM CORPORATION AND SUBSIDIARIES
Schedule L. Financial Soundness Indicators

			Years ended December 31	
		Formula	**2025**	2024
1	Current Ratio	*Current Assets/Current Liabilities*	**1.32**	1.27
2	Debt-to-Equity Ratio	*Total Liabilities/Shareholders' Equity*	**0.61**	0.65
3	Asset-to-Equity Ratio	*Total Assets/Shareholders' Equity*	**1.61**	1.65
4	Interest Rate Coverage Ratio	*Earnings Before Interest and Taxes (EBIT)/ Interest Expense*	**22.33**	21.00
5	Gross Profit Rate	*Gross Profit/Net Sales×100*	**34.80%**	33.32%
6	Net Income Rate	*Net Income/Net Sales×100*	**7.24%**	6.54%

RFM Corporation
Sustainability Report

Contextual Information

Company Details	
Name of Organization	RFM Corporation
Location of Headquarters	RFM Corporate Center Pioneer Corner Sheridan Sts. Mandaluyong City
Location of Operations	RFM Corporation and its subsidiaries operate manufacturing plants and selling warehouses in the Philippines particularly in Metro Manila (Pasig) and in Laguna (Cabuyao and Silang).
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	The Economic section covers all aspects of RFM Corporation's ("RFM" or "the Company" in this report) operations and includes the activities of Magnum RFM Ice Cream Inc. (MRIC), which operates as part of a joint venture. In contrast, the Environmental and Social sections have a more limited scope. These focused on RFM's fully operational plants in 2024, located in Pasig (Flour, PCMD and PLMD). In Laguna (CLIC – MJ and SSL) and Silang (Bakery), as outlined in each respective segment. As RFM advances in its sustainability journey, the scope of its disclosures will continue to expand.
Business Model, including Primary Activities, Brands, Products, and Services	RFM Corporation proudly delivers top-quality products to satisfy a diverse range of consumer needs through its main segment: 1. Institutional: • **Flour Milling and Marketing**: Known for premium flour brands (both hard and soft) like RFM Republic Special and Cinderella and more for both commercial and institutional clients and offers by-products such as pollard. 2. Consumer • **Bread Bun Supplier**: Trusted partner providing fresh, high-quality bread buns to leading fast-food chains. • **Pasta and Pasta Sauces**: Creators of exceptional pasta and sauces under iconic brands like Royal and Fiesta.

	• **Flour Mixes and Rice-Based Delights**: Makers of well-loved products such as hotcake and brownie mixes under the White King brand, as well as traditional local rice-based dishes. • **UHT Milk and Juice Beverages**: Producers of Selecta Milk products and franchise holders for Sunkist juice drinks. • **Ice Cream Excellence**: Makers of the renowned Selecta ice cream, created through an innovative joint venture. RFM Corporation combines tradition and innovation, bringing beloved brands to Filipino households while supporting businesses nationwide. The company's operations extend beyond retail & distribution, tapping into institutional markets through its food services division (still under consumer segment). This focuses on catering to large-scale clients such as restaurants, schools and other organizations requiring bulk supplies. By leveraging this division, the company can establish strong partnerships and meet the unique demands of institutional accounts, including customized packaging, specialized product lines, and competitive pricing. Additionally, the company has a global reach by exporting its products to various countries. This international presence allows it to diversify revenue streams and capitalize on global market opportunities. Exporting also fosters brand recognition and growth in regions with high demand for its offerings. By adhering to international standards and tailoring products to suit the preferences of different cultures, the company strengthens its competitiveness in the global marketplace. Beyond its food and beverage operations, RFM Corporation is also involved in non-food ventures, including barging services through Rizal Lighterage Corporation and leasing commercial and office spaces to meet the internal needs of its various operational divisions
Reporting Period	January 1 to December 2025
Highest Ranking Person responsible for this report	Enrique Oliver I. Rey-Matias Compliance Officer / CFO & VP Finance

Materiality Process

The materiality process is a crucial step in sustainability reporting for organizations in the Philippines. This enabled RFM to identify and concentrate on the most important environmental, social, and governance (ESG) issues that affect both its stakeholders and its business operations. By engaging with local stakeholders—such as employees, customers, investors, and communities—and assessing these issues, the company was able initially establish its sustainability strategies and align these with stakeholder needs and address specific challenges and opportunities relevant to the Philippine context.

RFM's sustainability journey began by going through the following steps:

1. Preparation: Setting the Foundation

- *Understanding Materiality:* Identification of the most important environmental, social, and governance (ESG) issues that impact the Company and its stakeholders.
- *Identification and Understanding Frameworks*: Familiarization with global standards like the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB).

2. Identification of Potential Topics

- *Brainstorming of Internal Issues*: Identification of the Company's social, environmental, and economic impacts.
- *Benchmarking*: Analyze peers or competitors' reports to identify relevant Environmental, Social, and Governance (ESG) topics that are common in the industry.
- Cross-referencing of material topics with internationally recognized ESG guidelines) to ensure that important global issues are considered.

3. Engagement of Stakeholders

- Identification of key stakeholders (employees, customers, investors, communities, etc.) affected by or influencing the company and conduct of surveys and interviews to gather and understand their perspectives or concerns on critical ESG issues.

4. Assessment and Prioritization of Topics

- *Impact Assessment*: Evaluation of each topic based on its significance to stakeholders and its impact on the Company's business operations.
- *Creation of a Matrix*: "materiality matrix" to plot topics based on their importance/relevance to stakeholders and to the Company.

5. Validation of Findings

- Sharing of prioritized list with senior management or key decision-makers to confirm alignment with business goals and making adjustments of priorities based on senior management's inputs

6. Development of Strategies and Report

- Use your list of material topics to guide your sustainability strategy and initiatives.
- Communicating the results in the sustainability report, providing clear descriptions of the topics and the Company's approach to address them.

7. Review and Improve

- Gathering feedback from stakeholders on the materiality process and on the report.
- Updating of materiality assessment to reflect changing priorities or emerging trends.

This process ensures that sustainability initiatives are effective, impactful, and tailored to the country's unique cultural, social, and economic landscape, while supporting clear and transparent reporting.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount		Units In Millions
	2025	2024	
Direct economic value generated (revenue)	22,332	21,729	PhP
Direct economic value distributed:			
a. Operating costs	20,446	19,976	PhP
b. Employee wages and benefits	993	882	PhP
c. Payments to suppliers, other operating costs	14,472	12,571	Php
d. Dividends given to stockholders and interest payments to loan providers	1,500	1,300	PhP
e. Taxes given to government	1,066	1,121	PhP
f. Investments to community (e.g., donations, CSR)	11.20	9.79	PhP

Direct Economic Value Generated and Distributed

RFM provides quality food products at competitive prices to consumers so that consumers can generate savings and extra disposable income for other necessities . RFM as an organization remains firmly committed to generating economic value while upholding sustainable and responsible business practices. During the reporting period, direct economic value was generated through revenues from core operations and other income streams. This value was strategically distributed among key stakeholders, including payments for operating expenses, employee wages and benefits, community investments, and contributions to government through taxes.

By balancing financial performance with social and environmental responsibilities, the Company demonstrates its commitment to creating long-term, shared value for its stakeholders—namely shareholders and investors, customers, suppliers and business partners, regulators, host communities, and employees. RFM's flour division also provides regular free trainings for would be bakers or bakers across the country.

Risks Related to Economic Performance and Strategies

The Company's economic performance is influenced by a range of internal and external factors that may affect its ability to achieve financial and sustainability objectives. Key risks include:

- **Market Volatility and Competition**: While RFM has good market shares in the categories it competes in, the mission of providing affordable quality food to Filipinos expose RFM to margin volatility if input peices and competition pricing move against it. Fluctuations in commodity prices, foreign exchange rates, and demand for key products usually impact revenues and margins. RFM mitigate these risks thru continuous innovation and market responsiveness.
- **Regulatory Changes**: Evolving local and international regulations, including environmental policies, usually increase compliance costs and necessitate adjustments in business strategies. RFM adheres to compliance of these regulations and tries to anticipate changes.

- **Raw Materials**: With a significant portion of the cost of goods being imported overseas, RFM tries to mitigate supply chain, price volatility and shocks to input sources by multiple sourcing and leveraging the Company's strong balance sheet to secure inventories when needed.
- **Climate-Related Financial Risks**: in the Company's ice cream and other consumer businesses, adverse weather conditions significantly influence sales and logistics, as with other companies.
- **Economic Downturns**: Macroeconomic instability, including global recessions and geopolitical tensions, may reduce consumer demand and disrupt supply chains, adversely affecting financial performance.

To mitigate these risks, the Company implements strategies focused on market diversification, supply chain resilience, operational efficiency, and regulatory compliance. These measures support the Company's ability to sustain growth while maintaining its commitment to long-term value creation and sustainability.

Climate-related Risks and Opportunities

1. **Governance**

   RFM Corporation takes a proactive approach to managing climate-related risks and opportunities through its Corporate Governance structure. The company recognizes the growing importance of sustainability in its operations and has embedded climate-related concerns within its risk management framework. Top management regularly scans risks and actively leverages the Company's strong balance sheet to secure raw materials and resources to mitigate risks.

   The Board plays a crucial role in overseeing the identification, assessment, and management of climate-related risks. RFM's senior management and board members are tasked with reviewing and guiding the company's strategies and policies, ensuring that environmental sustainability and climate-related impacts are integral to decision-making processes. Regular reviews and updates on sustainability strategies are conducted to ensure they are in line with best practices and emerging regulatory requirements.

   Management is directly involved in assessing the organization's environmental impact and opportunities for improvement, focusing on integrating energy-efficient practices and reducing the carbon footprint. Management continuously evaluates operations for potential environmental risks and takes action to minimize adverse impacts. Furthermore, they are committed to driving long-term sustainability, such as reducing energy consumption and leveraging renewable energy sources. As a food company that mainly uses electricity and LPG in manufacturing, there is a conscious effort to shift to cleaner fuels like the shift from bunker to LPG.

2. **Strategy**

   RFM recognizes that climate-related risks, such as the growing demand for energy, environmental regulations, and changing consumer expectations around sustainability, can impact its operations. The company also sees opportunities in energy-efficient practices and sustainable growth strategies, which can drive both environmental benefits and long-term profitability.

   - ✓ **Short-Term Risks:** Immediate challenges include managing energy consumption as production volumes increase. The risk of operational inefficiencies due to increased energy demand and environmental regulations requires ongoing monitoring.

- ✓ **Medium-Term Risks:** The expansion of production facilities may lead to increased environmental impact. Shifts in consumer preferences toward sustainability may also drive product demand for greener and more energy-efficient solutions.
- ✓ **Long-Term Risks:** Long-term climate risks may involve more stringent regulatory requirements, climate-related supply chain disruptions, and evolving consumer expectations for sustainability.

3. Risk Management

RFM Corporation has established a robust risk management framework that actively addresses climate-related challenges while emphasizing environmental sustainability. By routinely evaluating the impact of its operations, the company prioritizes energy efficiency, operational optimization, and adherence to environmental regulations.

Using internal assessments, monitoring trends, and measuring its environmental footprint, RFM Corporation identifies climate-related risks proactively. This ensures strategic management of factors such as energy use, emissions control, and sustainable operations, keeping environmental goals at the forefront. Anticipating the impact of incoming typhoons or prevalence of el nino or la nina to operations, delivery of raw materials and finished goods is an essential activity of management.

4. Metrics and Targets

RFM Corporation actively tracks and manages climate-related risks and opportunities through key performance indicators (KPIs) such as energy consumption (from LPG, electricity, diesel, and gasoline) and emissions reduction metrics. These tools enable the company to monitor its sustainability progress and assess its environmental impact effectively.

The company has set clear and measurable targets to minimize energy consumption and carbon emissions. Initiatives include reducing LPG usage by optimizing pre-production heating times and lowering electricity consumption through energy-saving practices. Furthermore, RFM is committed to scaling up solar energy utilization at its plants to lessen its environmental footprint further.

Through consistent tracking of energy use and reduction efforts, RFM underscores its dedication to sustainability. These initiatives showcase the company's resolve to integrate environmental responsibility into its operations while achieving its broader climate-related objectives. By setting and pursuing tangible goals, RFM positions itself as a leader in sustainable business practices and environmental stewardship.

RFM has been actively refining its land and water transportation usage to make them more efficient and fuel efficient. The Company's water treatment plants are regularly tested and improved to ensure compliance to regulations. RFM contributes to the dredging of the Pasig river and also participate in tree planting and estero cleaning and rehabilitation.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
	2025	
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	52%	%

RFM Corporation integrates local sourcing into its sustainability strategy, recognizing its role in supporting inclusive economic growth and strengthening community resilience. The Company prioritizes procuring materials and services from local suppliers wherever feasible, while maintaining quality, cost efficiency, and supply reliability. RFM's international supplier partners like the carton package of RFM's milk has an aggressive carbon reduction program while wheat suppliers in North America are constantly upgrading their planting practices to reduce emissions.

Local Sourcing Practices
RFM actively engages with local suppliers to build long-term partnerships that contribute to the development of domestic industries and supply chains. Local truckers and shippers as well as local labor are essential components of the Company's local sourcing initiatives.

Performance Monitoring
The proportion of procurement spending directed to local suppliers is tracked as a key sustainability metric. This enables the Company to assess its contribution to local economic development and identify opportunities to further increase local participation within its supply chain.

Supplier Engagement and Development
RFM collaborates with suppliers and stakeholders to strengthen local sourcing capabilities through continuous engagement, capacity building, and alignment with responsible business practices. These efforts support the development of a more resilient and sustainable supplier base. RFM regularly touches base with its key input suppliers on new developments in their carbon footprint reduction programs.

Commitment and Continuous Improvement
The Company remains committed to increasing the share of local procurement in the coming years through targeted initiatives and strategic partnerships especially with the growing requirements for sugar and local flavors.

By embedding sustainability into its sourcing decisions, RFM Corporation reinforces its commitment to responsible business practices and long-term value creation for both the economy and the communities it serves.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
	2025	
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	%
Percentage of directors and management that have received anti-corruption training	No Available Data	%

Commitment to Integrity and Transparency

Integrating anti-corruption policies into sustainability reporting is vital for fostering transparency, ethical conduct, and long-term corporate integrity. By prioritizing these measures, organizations demonstrate a clear commitment to responsible governance and sustainable development.

RFM Corporation maintains a strict zero-tolerance policy toward corruption. We believe that the highest standards of integrity, fairness, and honesty are the essential foundations of our success. To uphold these values, all new hires undergo a comprehensive ethics orientation during onboarding to ensure they understand our expectations from day one.

Our **Code of Business Conduct and Ethics** serves as a definitive guide for all personnel, providing clear protocols on:

- Anti-corruption and bribery prevention
- Conflicts of interest
- Gift and hospitality policies
- Legal and regulatory compliance
- Whistleblowing and reporting mechanisms

Incidents of Corruption

Disclosure	Quantity		Units
	2025	2024	
Number of incidents in which directors were removed or disciplined for corruption	0	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	#

RFM Corporation remains steadfast in its long-term commitment to corporate success, competitiveness, and profitability. The Company balances these objectives with a rigorous adherence to ethical standards, prioritizing the interests of its stakeholders while upholding the highest levels of honesty and integrity in all functions.

The Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics embodies the Company's core values: **integrity, honesty, impartiality, and professionalism.** This framework serves as a strategic compass for directors, officers, and employees, ensuring that operations respect human rights, data privacy, and fair competition. As a cornerstone of RFM's governance, this policy addresses critical operational areas, including:

- Product and service quality
- Occupational health and safety
- Environmental stewardship
- Business integrity

Accountability and Protection Mechanisms

To maintain a culture of transparency and ethical conduct, the Company utilizes two primary oversight policies:

- **Anti-Fraud and Whistleblowing Policy:** This is a vital tool for addressing misconduct—whether illegal, non-compliant, or harmful—by any internal or external party. The policy upholds strict whistleblower confidentiality within legal bounds and ensures robust protections against retaliation or harassment.
- **Conflict-of-Interest Policy:** This policy mandates that all officers and employees prioritize the Company's interests above personal or financial considerations. It requires the immediate disclosure of potential conflicts to management for resolution; where resolution is not feasible, the Company takes necessary administrative actions, including duty adjustments or termination.

The Company acknowledges that corruption is a substantial threat to its long-established reputation and brand equity. RFM maintains a **strict zero-tolerance policy** toward bribery and corruption, recognizing that allegations of such conduct can severely harm market share and consumer trust.

This policy applies to all internal and external stakeholders, underscoring the requirement for legal and ethical conduct in alignment with the **Anti-Fraud and Whistleblowing Policy** and the **Code of Business Principles**.

Stakeholder Expectations and Compliance

RFM expects all stakeholders—including shareholders, investors, regulators, customers, suppliers, and employees—to uphold these high standards. To ensure ongoing adherence, the Company regularly reviews these policies and conducts **annual refresher sessions**, reinforcing its unwavering dedication to ethical business practices and corporate integrity.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity (Consolidated)		Units
	2025	2024	
Energy consumption (renewable sources)	N/A	N/A	GJ
Energy consumption (gasoline)	282.15	286.25	GJ
Energy consumption (LPG)	1,130,761.12	1,167,933,373,793	GJ
Energy consumption (diesel)	7,132.64	4,490.79	GJ
Energy consumption (electricity)	37,986,554.27	42,584,797.07	kWh

Breakdown of 2025 by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	MJ & SSL	PLMD	BAKERY	FLOUR	TOTAL	
Energy consumption (renewable sources)	N/A	N/A	N/A	N/A	N/A	N/A	GJ
Energy consumption (gasoline)	N/A	N/A	N/A	N/A	282.15	282.15	GJ
Energy consumption (LPG)	962,995.00	64,818.31	10,439.81	92,508.00	N/A	1,130,761.12	GJ
Energy consumption (diesel)	N/A	2,107.43	4,581.88	436.00	7.33	7,132.64	GJ
Energy consumption (electricity)	7,828,708.00	9,410,829.37	93,920.00	2,626,378.00	18,026,718.90	37,986,554.27	kWh

Operational Energy Requirements

RFM Corporation requires significant energy inputs to support manufacturing processes and sanitation activities across its facilities. Continuous and reliable access to electricity and fuel-based energy sources—such as LPG, diesel, and gasoline—is critical to maintaining product quality, upholding food safety standards, and ensuring operational efficiency.

Energy Consumption Performance and Fuel Consumption Profile

The Company achieved a notable reduction in energy use during the current reporting period:

- Electricity Consumption: In 2025, total consumption reached 37,986,554.27 kWh, a decrease from the 42,584,797.07 kWh recorded in 2024. This reduction is primarily attributed to equipment optimization initiatives and plant-wide energy conservation programs.
- Fuel Utilization: To support production at optimal capacity, the Company utilized 1,130,761.12 GJ of LPG, 7,132.64 GJ of diesel, and 282.15 GJ of gasoline.

These inputs enable the Company to maintain output while it progressively transitions toward more efficient and environmentally preferable fuel sources.

Environmental Impact and Responsibility (Energy Management Initiatives)
RFM recognizes that its energy consumption contributes to environmental impacts through resource depletion and carbon emissions. As product demand grows, the Company remains committed to managing these requirements through enhanced efficiency and sustainable practices.

To mitigate energy-related risks, the Company implements comprehensive management measures, including:

- **Continuous Monitoring:** Real-time tracking of energy use across all facilities.
- **Proactive Maintenance:** Regular servicing of boilers, chillers, and production equipment to prevent efficiency losses.
- **Fuel Transition:** The strategic shift from bunker fuel to **LPG** at the CLIC plant for milk and sauce production has significantly improved energy efficiency and reduced the facility's emission profile.

Performance Monitoring and Continuous Improvement
The Company conducts ongoing energy performance assessments to identify further opportunities for conservation. These initiatives support the reduction of operational impacts while ensuring consistent production output and compliance with environmental regulations. Through these sustained efforts, RFM Corporation reinforces its commitment to responsible manufacturing and long-term environmental stewardship.

Reduction of energy consumption

Disclosure	Quantity	Units
	2025	
Energy reduction (renewable sources)	N/A	GJ
Energy reduction (gasoline)	(4.10)	GJ
Energy reduction (LPG)	(9,135,219,938,014.99)	GJ
Energy reduction (diesel)	2,681.85	GJ
Energy reduction (electricity)	(4,598,242.80)	kWh

2025 Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	CLIC	PLMD	BAKERY	FLOUR	TOTAL	
Energy reduction (renewable sources)	N/A	N/A	N/A	N/A	N/A	N/A	GJ
Energy reduction (gasoline)	N/A	N/A	N/A	N/A	(4.10)	(4.10)	GJ
Energy reduction (LPG)	(52,212)	(7,967,287,630,172.69)	7,687.53	(1,167,932,262,317.83)	N/A	(9,135,219,938,014.99)	GJ
Energy reduction (diesel)	N/A	(340.80)	3,345.62	(330.30)	7.33	2,681.85	kWh
Energy reduction (electricity)	69,964	(545,085.70)	(4,200,520)	2,457,098	(2,379,699.10)	(4,598,242.80)	GJ

Energy Management Approach

RFM Corporation prioritizes the reduction of energy consumption as its primary strategy for lowering operational expenses and minimizing its environmental footprint. The Company focuses on efficiency improvements within its flour milling, beverage production, and baking and sauce manufacturing operations. These segments represent the highest areas of energy intensity, where gains in productivity directly correlate with the reduction of unnecessary consumption.

Energy Consumption Performance

In 2025, total electricity consumption decreased by **4,598,242.80 kWh**. This reduction reflects the successful implementation of equipment upgrades, improved operational methods, and increased employee awareness of energy-saving practices.

Key to this performance was the **rigorous preventive maintenance** of chillers, boilers, compressors, and production machinery. By addressing potential malfunctions and efficiency bottlenecks early, the Company successfully mitigated energy waste.

The Company achieved a notable reduction in **Liquefied Petroleum Gas (LPG)** consumption during the 2025 reporting period. This performance trend is primarily driven by the transition from the commissioning phase to steady-state operations at the **Silang Plant**. The reduction observed in 2025 reflects the successful stabilization of Silang plant operations. As the facility moved beyond its initial trial phases, fuel efficiency improved through optimized burner configurations and more consistent production cycles. The decline in energy consumption was further supported by the **CLIC plant's complete transition from bunker fuel to LPG**, which resulted in improved fuel efficiency. This shift to a cleaner and more efficient energy source not only reduced overall energy use.

Energy Efficiency Initiatives

Several operational shifts have contributed to a decreased energy profile across all facilities:

- **Equipment Upgrades:** Traditional light fixtures were replaced with **LED bulbs** and solar-powered perimeter lighting was installed (PLMD}.
- **Logistics:** The transition to battery-operated forklifts has reduced reliance on fuels for internal transport.
- **Process Optimization:** Improved cleaning cycles and refined production scheduling have significantly reduced the idle time of high-load equipment.
- **Performance Tracking:** The implementation of energy performance indicators has allowed plants to monitor and curtail their use of traditional grid electricity.

Energy Transition and Sustainability

RFM is actively transitioning toward renewable energy and cleaner fuel alternatives. Current initiatives include the development of **solar energy systems** and the replacement of carbon-heavy fuels with **LPG boilers** at PLMD. These shifts are designed to reduce emissions while providing a strategic buffer against escalating utility costs.

Monitoring and Continuous Improvement

Energy performance is regularly assessed across all facilities to identify further cost-saving opportunities. These evaluations ensure that efficiency gains never compromise food safety, product quality, or operational reliability. Through sustained investment in energy-efficient technology, RFM Corporation continues to demonstrate its dedication to responsible and sustainable manufacturing.

Water consumption within the organization

Disclosure	Quantity		Units
	2025	2024	
Water withdrawal	630,022.63	427,328.60	Cubic meters
Water consumption	723,706.90	8,035,553.60	Cubic meters
Water recycled and reused	7,145.51	N/A	Cubic meters

2025 Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PCMD	CLIC	PLMD	SILANG	FLOUR	TOTAL	
Water withdrawal	N/A	542,049.63	N/A	N/A	87,973.00	630,022.63	Cubic meters
Water consumption	42,615	542,049.63	27,837	26,167	85,038.27	723,706.90	Cubic meters
Water recycled and reused	N/A	N/A	N/A	N/A	7,145.51	7,145.51	Cubic meters

Operational Water Requirements

RFM Corporation relies on water as a fundamental resource across its manufacturing operations. It is an essential component for production processes, sanitation, equipment cleaning, and hygiene protocols. Additionally, water serves as a critical ingredient in various product lines and is indispensable for maintaining stringent food safety and quality standards across flour milling, beverage processing, baking, and sauce production. Continuous and reliable access to water is vital to ensuring operational efficiency, product integrity, and regulatory compliance.

Water Consumption Performance

The Company achieved a significant reduction in water withdrawal during the current reporting period:

- **2025 Consumption:** Total water consumption reached **723,706.90 cubic meters**.
- **2024 Comparison:** This represents a substantial decrease from the **8,035,553.60 cubic meters** recorded in 2024.

The elevated consumption in 2024 was primarily attributed to initial Silang plant operations, including deep well development and commissioning activities. The 2025 reduction reflects the stabilization of the Silang plant operations, improved efficiency, and the strategic redistribution of the operational workload between the ICD facility and the Silang plant.

Water Use in Operations

Water is utilized across a broad range of operational activities, including:

- Raw material extraction and processing.
- Rigorous sanitation and hygiene procedures.
- Equipment and facility maintenance.
- The operation of essential utility systems.

As production volumes increase, the Company manages the corresponding rise in water demand necessitated by more intensive cleaning cycles required to meet international food safety standards.

Conservation and Efficiency Initiatives
The Company implements targeted initiatives to optimize water efficiency and reduce reliance on freshwater sources, including:

- **Systematic Monitoring:** Regular tracking of water usage across all manufacturing sites.
- **Process Improvements:** Identification and implementation of site-specific conservation projects.
- **Recycling and Recovery:**
    - **Flour Plant:** Operates a sewage treatment facility that enables the reuse of treated water for outdoor cleaning.
    - **Bakery Plant:** Utilizes a cistern tank system to support pallet washing operations.

Wastewater Management and Compliance
RFM maintains dedicated wastewater treatment systems designed to ensure that all discharged water meets or exceeds environmental regulatory standards. These systems are central to the Company's commitment to responsible water use and the mitigation of the environmental impacts associated with manufacturing.

Commitment to Sustainable Stewardship
Through continuous monitoring, conservation initiatives, and robust wastewater management, RFM Corporation demonstrates its commitment to sustainable water stewardship. The Company remains focused on optimizing resource use and supporting operational resilience while maintaining the highest standards of product quality and food safety.

Materials used by the organization

RFM Corporation is committed to the responsible management of raw materials, recognizing the importance of preserving natural resources to support long-term business continuity and environmental sustainability. The Company prioritizes the use of renewable, responsibly sourced inputs across its operations.

Use of Renewable Raw Materials
Key products, including pasta, milk, and flour, are derived from renewable agricultural resources such as wheat, dairy, and other crops. By relying on these renewable inputs, the Company supports sustainable production systems while maintaining consistent product quality and supply reliability.

Responsible Sourcing and Supplier Engagement
To promote sustainable resource use, the Company continues to strengthen partnerships with suppliers that adhere to ethical, environmentally responsible, and sustainable farming practices. This approach helps ensure the long-term availability of raw materials while supporting responsible agricultural value chains.

Sustainability is embedded in the Company's operational strategy, serving not only as a responsibility but also as a driver of innovation and continuous improvement. RFM seeks to enhance its processes and sourcing practices to reduce environmental impact while delivering high-quality products to consumers.

Commitment to Environmental Stewardship
Through its sustainable materials management practices, RFM Corporation demonstrates its commitment to environmental stewardship and responsible resource utilization. These efforts contribute to building a more resilient supply chain and supporting a greener future for the communities it serves.

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

Disclosure	Quantity		Units
	2025	2024	
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	N/A	
Habitats protected or restored	N/A	N/A	ha
IUCN [1] Red List species and national conservation list species with habitats in areas affected by operations	N/A	N/A	

Management Approach
RFM Corporation recognizes the importance of protecting ecosystems and biodiversity as part of its broader sustainability strategy. The Company is committed to minimizing the environmental impact of its operations while supporting the preservation of natural habitats and ecological balance.

Manufacturing activities, including raw material sourcing, water use, and energy consumption, have the potential to affect surrounding ecosystems. RFM actively manages these impacts by integrating environmental considerations into operational planning and decision-making processes.

Sustainable Sourcing and Land Use
The Company promotes responsible sourcing of agricultural raw materials such as wheat and dairy, working with suppliers that adopt sustainable farming practices. These practices help reduce pressure on ecosystems, support soil health, and contribute to the responsible use of land and natural resources.

Pollution Prevention and Resource Management
RFM implements measures to prevent pollution and reduce environmental degradation, including effective wastewater treatment, responsible waste management, and emissions reduction initiatives. These actions help protect nearby land, water bodies, and biodiversity from potential operational impacts.

Conservation and Mitigation Initiatives
The Company undertakes initiatives to mitigate its environmental footprint, including water conservation programs, energy efficiency measures, and the adoption of cleaner technologies. These efforts contribute to reducing resource consumption and minimizing disruption to ecosystems.

Monitoring and Continuous Improvement
Environmental performance is regularly monitored to identify opportunities for improvement in ecosystem protection and resource efficiency. RFM continues to strengthen its environmental management practices to align with regulatory requirements and emerging sustainability standards.

Commitment to Biodiversity and Environmental Stewardship

Through responsible operations and sustainable sourcing, RFM Corporation demonstrates its commitment to protecting ecosystems and supporting biodiversity conservation. The Company aims to contribute to long-term environmental sustainability while maintaining operational excellence and delivering value to stakeholders.

Environmental impact management

Air Emissions

GHG

Disclosure	Amount	Units
	2025	
Direct (Scope 1) GHG Emissions	28.77	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	4,650.20	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	-	Tonnes

2025 Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	MJ & SSL	PLMD	BAKERY	FLOUR	TOTAL	
Direct (Scope 1) GHG Emissions	28.77	N/A	N/A	N/A	N/A	28.77	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	4,650.20	N/A	N/A	N/A	N/A	4,650.20	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	N/A	N/A	N/A	N/A	N/A	N/A	Tonnes

Sources of Air Emissions

RFM Corporation recognizes that its manufacturing operations generate air emissions primarily from fuel combustion in boilers, generators, and other production utilities. These systems are essential for continuous operations in flour milling, beverage processing, baking, and sauce production. The plants rely on **LPG, diesel, and small amounts of gasoline** to maintain production efficiency, sanitary conditions, and product quality.

Emission Control Framework

As part of its environmental management system, RFM has established air emission control measures to monitor and mitigate greenhouse gas (GHG) emissions. The Company acknowledges the environmental impact of its operations and actively implements strategies to reduce its carbon footprint.

Fuel Transition and Efficiency Measures

RFM reduces emission intensity by transitioning to cleaner fuels, including increasing the use of LPG to replace higher-carbon alternatives. The Company also conducts **regular preventive maintenance** of boilers and combustion equipment to maximize fuel efficiency and minimize unnecessary emissions. Energy monitoring systems are used to identify opportunities to reduce fuel consumption while maintaining reliable production operations.

Monitoring and Compliance

Air emissions are regularly assessed to ensure compliance with environmental regulations and identify opportunities for further reduction. These evaluations support continuous improvement in emission performance and help the Company meet its sustainability objectives.

Commitment to Responsible Emission Management

Through cleaner fuel adoption, equipment efficiency improvements, and systematic monitoring of air emissions, RFM Corporation demonstrates its commitment to reducing environmental impact, enhancing operational efficiency, and promoting responsible manufacturing practices.

Air pollutants

Disclosure	Quantity	Units
	2025	
Nitrogen Oxides NO_x	174.14	3,678.06
Sulfur Oxides SO_x	137	204.25
Carbon Monoxide CO	9.70	N/A
Persistent organic pollutants (POPs)	N/A	N/A
Volatile organic compounds (VOCs)	N/A	N/A
Hazardous air pollutants (HAPs)	0.01	N/A

Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	MJ & SSL	PLMD	BAKERY	FLOUR	TOTAL	
Nitrogen Oxides NO_x	174	0.00	0.14	N/A	N/A	174.14	Kg
Sulfur Oxides SO_x	137	0.00	0.00	N/A	N/A	137	Kg
Carbon Monoxide CO	9.70	N/A	N/A	N/A	N/A	9.70	Kg
Persistent organic pollutants (POPs)	N/A	N/A	N/A	N/A	N/A	N/A	Kg
Volatile organic compounds (VOCs)	N/A	N/A	N/A	N/A	N/A	N/A	Kg
Hazardous air pollutants (HAPs)	N/A	N/A	0.01	N/A	N/A	0.01	Kg

Sources of Air Pollutants

RFM Corporation recognizes that industrial boilers and fuel combustion in its manufacturing operations generate emissions of **nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter**. These emissions can impact local air quality and surrounding communities if not properly managed.

Emission Control Measures

To minimize environmental and community impacts, RFM implements comprehensive control measures. The Company has transitioned to the **use of LPG for most suitable operations**, resulting in significantly lower SOx emissions and reduced NOx emissions compared to the use of heavy fuel oil.

Monitoring and Compliance

The Company conducts **regular emission monitoring** to ensure compliance with environmental regulations. This process helps identify and address potential noncompliance issues promptly, reinforcing responsible operational practices.

Equipment Efficiency and Maintenance

Preventive maintenance and **boiler efficiency optimization** are critical components of RFM's pollution control strategy. These practices reduce the release of harmful pollutants and improve overall combustion performance.

Commitment to Air Quality Protection

By combining fuel transition, enhanced combustion efficiency, and strict monitoring, RFM actively works to **protect air quality** in nearby residential and community areas. These initiatives demonstrate the Company's commitment to environmental stewardship and responsible manufacturing practices.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity		Units
	2025	2024	
Total solid waste generated	5,136,072.03	6,314,772.30	kg
Reusable	3,042,627.14	2,884,180.50	kg
Recyclable	1,600,282.40	1,584,886.80	kg
Composted	354,839.57	1,301,159.00	kg
Incinerated	3,740	N/A	kg
Residuals/Landfilled	236,382.92	544,546.00	kg

2025 Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	MJ & SSL	PLMD	BAKERY	FLOUR	TOTAL	
Total solid waste generated	3,208,830	942,670	318,408.13	514,433.90	151,730	5,136,072.03	Kg
Reusable	2,994,610	N/A	26,1733.14	N/A	21,844	3,042,627.14	Kg
Recyclable	241,220	848,430	16,932.99	490,810.41	2,889	1,600,282.40	Kg
Composted	N/A	63,670	275,302	1,578.57	14,289	354,839.57	Kg
Incinerated	N/A	N/A	N/A	N/A	3,740	3,740	Kg
Residuals/Landfilled	74,800	30,570	N/A	22,044.92	108,968	236,382.92	Kg

Sources of Solid Waste
RFM Corporation generates solid waste across its facilities from packaging materials, maintenance activities, and routine operational processes. Common waste streams include **plastics, cartons, containers, residual raw materials, and sanitation-related waste** associated with food production. Recognizing the environmental impact of these wastes, the Company has implemented structured waste management practices to mitigate their effects.

Waste Segregation and Recovery
RFM applies **source-level waste segregation** to separate recyclable, compostable, and residual waste streams. Through partnerships with accredited recycling centers and local organizations, recyclable materials are diverted from landfills and channeled into **recycling and upcycling programs**.

At the **PCMD and PLMD plants**, additional efforts focus on recovering value from laminated plastics, cartons, and mixed paper, which are sent to certified recyclers for reprocessing. **Production by-products**, such as dough offcuts and trimmings, are repurposed as **animal feed**, promoting circular resource use. Scrap metals and plastic laminates are also collected and transferred to partner recycling facilities for proper recovery and reuse.

Waste Minimization Initiatives
Waste streams that cannot be recycled present both environmental and regulatory challenges. To address these, RFM emphasizes **waste minimization at source** through:

- Employee awareness and training programs
- Continuous improvement of segregation procedures
- Enhancements in material recovery practices

These initiatives reduce landfill dependency and improve overall waste management efficiency.

Circular Economy and Upcycling
Guided by the principles of **"reduce, reuse, recycle,"** RFM actively explores opportunities for reusable materials and upcycling projects that convert waste into valuable resources. These efforts support not only environmental performance but also community-based sustainability initiatives.

Commitment to Sustainable Waste Management
Through structured segregation, recovery, and minimization programs, RFM demonstrates its commitment to responsible waste management, resource efficiency, and long-term environmental stewardship across its operations.

Hazardous Waste

Disclosure	Quantity		Units
	2025	2024	
Total weight of hazardous waste generated	45,164.93	15,285.12	kg
Total weight of hazardous waste transported	18,797.97	10,626.00	kg

2025 Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	MJ & SSL	PLMD	BAKERT	FLOUR	TOTAL	
Total weight of hazardous waste generated	1,725.70	11,780	4,953	1,823.23	24,883	45,164.93	Kg
Total weight of hazardous waste generated	1,794	11,780	4,020	1,180.04	23.93	18,797.97	Kg

Sources of Hazardous Waste

RFM Corporation generates hazardous waste primarily from **used oils, LED bulbs, and other operational chemicals**. These materials require specialized handling and treatment due to their potential risks to human health and the environment.

Storage and Handling Practices

RFM maintains **dedicated storage areas** for hazardous waste, equipped with proper signage, containment systems, and safety protocols. Waste remains securely stored until collected by **DENR- and LLDA-authorized transporters and treatment facilities**. Employees who handle hazardous materials receive **ongoing training** and are provided with appropriate **personal protective equipment (PPE)** to ensure safe handling practices.

Regulatory Compliance

Compliance with hazardous waste regulations is critical, as violations can result in **significant environmental and financial consequences**. RFM ensures that all hazardous waste documentation, tracking, and disposal procedures adhere strictly to regulatory requirements, covering the full lifecycle from generation to final disposal.

Waste Reduction and Chemical Management

The Company actively explores opportunities to **minimize hazardous waste generation** through:

- Substituting materials with safer alternatives
- Enhancing chemical management processes
- Reducing the overall use of hazardous substances in operations

These measures support safer, more sustainable manufacturing practices.

Transparency and Accountability

RFM emphasizes transparent reporting of hazardous waste data to strengthen **environmental accountability** and demonstrate adherence to compliance standards. By providing clear information on hazardous waste management, the Company reinforces its commitment to **environmental protection and responsible operational practices**.

Effluents

Disclosure	Quantity		Units
	2025	2024	
Total volume of water discharges	243,119	287,679.30	Cubic meters
Percent of wastewater recycled	25	36.93	%

2025 Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	MJ & SSL	PLMD	BAKERY	FLOUR	TOTAL	
Total volume of water discharges	N/A	226,080	616	3,686	12,737	243,119	Cubic meters
Percent of wastewater recycled	N/A	N/A	N/A	N/A	25	25	%

Management Approach

RFM Corporation recognizes that manufacturing processes—including facility sanitation, equipment maintenance, and cleaning cycles—generate wastewater that requires rigorous treatment. These effluents often contain organic matter, lubricants, and cleaning agents that must be processed to neutralize environmental risks before discharge. The Company is committed to managing these outputs responsibly to protect local ecosystems and ensure the long-term viability of its operational environment.

Treatment Systems and Regulatory Compliance

The Company utilizes specialized infrastructure to ensure all discharged water meets stringent environmental criteria:

- **The RFM Flour Plant:** This facility operates a dedicated **Sewage Treatment Plant (STP)** designed to process wastewater to the standards mandated by the **Department of Environment and Natural Resources (DENR)** and the **Laguna Lake Development Authority (LLDA)**.
- **Other Manufacturing Facilities:** Remaining plants utilize **Wastewater Discharge Permits (WWDP)** and corresponding treatment protocols to ensure alignment with regional regulatory frameworks.

To maintain these standards, the Company conducts regular testing and monitoring of discharge quality, ensuring that all treated water is safe for disposal into public waterways.

Risk Mitigation and Preventive Maintenance

RFM acknowledges that untreated or non-compliant effluents pose significant risks, including ecological degradation, community disruption, and legal liabilities. To mitigate these threats, the Company prioritizes **preventive maintenance** of its STP and wastewater systems. This proactive approach includes:

- Continuous monitoring of effluent parameters.
- Scheduled equipment inspections to prevent system failures.
- Regular audits of treatment efficiency.

Environmental Stewardship

By implementing advanced wastewater management practices and maintaining high treatment standards, RFM Corporation protects the nearby ecosystems that support its food manufacturing operations. This dedication to water quality ensures that the Company's sanitation requirements are met without compromising the environmental health of the communities in which it operates.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
	2025	
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	44,000.00	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	1	#
No. of cases resolved through dispute resolution mechanism	1	#

2025 Breakdown by Plant

Disclosure	Quantity						Units
	2025						
	PASTA	MJ & SSL	PLMD	BAKERY	FLOUR	TOTAL	
Total amount of monetary fines for non-compliance with environmental laws and/or regulations		N/A	N/A	N/A	44,000.00	44,000.00	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations		N/A	N/A	N/A	1	1	#
No. of cases resolved through dispute resolution mechanism		N/A	N/A	N/A	1	1	#

Commitment to Environmental Regulations

RFM Corporation is committed to strict adherence to environmental laws and regulatory requirements across all its manufacturing facilities. The Company implements **monitoring programs, documentation systems, employee training, and regular engagement with regulatory agencies** to ensure compliance with permits, standards, and reporting obligations necessary for daily operations.

Compliance Performance in 2025

During 2025, all RFM plants complied with applicable environmental regulations, with the exception of a **single isolated incident at the Flour Plant** involving the Sewage Treatment Plant (STP). The treated effluent did not meet the required discharge standards during routine water quality testing.

Corrective Actions and Preventive Measures
Immediate corrective actions were taken to address the STP incident, including:

- Investigating the root cause of the non-compliance
- Adjusting and optimizing treatment processes
- Reinforcing monitoring controls to prevent recurrence

This proactive approach allowed the Flour Plant to return to full compliance and strengthen operational oversight.

Continuous Improvement and Learning
The incident provided an opportunity to **enhance internal controls**, improve STP operational checks, and reinforce personnel awareness regarding wastewater management. No other compliance violations were recorded during the reporting period.

Commitment to Responsible Manufacturing
RFM views environmental compliance as more than a legal obligation—it is a core element of **responsible and sustainable manufacturing**. The Company leverages **environmental monitoring systems, facility maintenance programs, and employee accountability** to maintain continuous compliance with regulatory requirements and fulfill its sustainability commitments.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity		Units
	2025	2024	
Total number of employees	573	560	
a. Number of female employees	226	230	#
b. Number of male employees	347	330	#
Attrition rate	2%	0.05	rate
Ratio of lowest paid employee against minimum wage	0	0	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	14%	14%
PhilHealth	Y	7%	3%
Pag-ibig	Y	16%	20%
Parental leaves	Y	3%	0%
Vacation leaves	Y	99%	78%
Sick leaves	Y	77%	65%
Medical benefits (aside from PhilHealth)	Y	77%	52%
Housing assistance (aside from Pag-ibig)	Y	0.45%	1%
Retirement fund (aside from SSS)	Y	1%	1%
Further education support	N	0.00%	0.00%
Company stock options	N	0.00%	0.00%
Telecommuting	N	0.00%	0.00%
Flexible-working Hours	N	0.00%	0.00%
(Others)	N/A	0.00%	0.00%

Management Approach

RFM Corporation recognizes that its employees are the primary drivers of the Company's success. Their passion and commitment to consumer satisfaction have created value across generations, shaping the organization into a thriving and resilient entity. The Company is dedicated to fostering a culture of integrity and excellence by investing in the growth and well-being of its workforce.

Competitive Compensation and Benefits
To attract and retain top talent, RFM provides competitive compensation and comprehensive benefit packages. These offerings are designed to support employees in meeting their living expenses, achieving a balanced quality of life, and finding fulfillment both within and outside the workplace. These investments serve as a strategic tool for fostering long-term organizational loyalty and dedication.

Occupational Health and Safety
As a manufacturing-centric organization, maintaining a safe, efficient, and stimulating work environment is the Company's highest priority. RFM operates under the principle that employee engagement and physical safety are essential to avoiding operational disruptions and ensuring business continuity. The Company maintains rigorous safety protocols to protect its personnel across all production and distribution sites.

Health and Wellness Performance
The Company's commitment to employee welfare was reflected in the high utilization of leave and medical benefits throughout 2024. This trend underscores a strong internal focus on health and wellness, reinforcing the Company's resolve to sustain and enhance these programs in the immediate future. By prioritizing preventative care and recovery, RFM supports a more resilient and productive workforce.

Strategic Retention and Satisfaction
To ensure the continued effectiveness of its human capital strategies, the Company consistently evaluates its benefits and engagement programs. By analyzing employee feedback and sentiment, RFM aims to refine its offerings to further enhance job satisfaction and retention. These efforts are central to the Company's long-term strategy of building a stable, high-performing workforce capable of sustaining corporate success.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
Female employees	2,983.85	hours
Male employees	8,704.15	hours
Average training hours provided to employees		
Female employees	13.32	hours/employee
Male employees	25.08	hours/employee

Management Approach
RFM Corporation recognizes that continuous training and development are fundamental drivers of organizational productivity and long-term profitability. The Company prioritizes the professional evolution of its regular workforce, providing access to both internal and external development programs. These initiatives are designed to enhance technical competencies, ensuring that employees fulfill their roles with optimal efficiency while remaining aligned with broader business objectives.

Strategic Objectives
The Company's investment in human capital serves a dual purpose:

- **Operational Excellence:** Equipping staff with the necessary skills to meet evolving manufacturing and corporate standards.
- **Career Advancement:** Promoting long-term career growth and professional mobility within the organization.

Risk Management in Talent Development
The Company acknowledges the inherent challenges in large-scale training programs, including the risk of talent attrition following skill acquisition and the potential for resource misalignment in program design. To mitigate these risks, RFM is committed to developing highly targeted and impactful training initiatives. This strategic approach ensures that resources are utilized to bridge specific skill gaps and provide measurable value to both the individual and the organization.

Long-Term Growth and Retention
By fostering a culture of continuous learning, the Company aims to enhance employee satisfaction and reduce turnover. These effective training opportunities serve as a cornerstone for unlocking greater organizational success and building a sustainable foundation for growth. This dedication to nurturing talent reflects RFM's broader commitment to maintaining a resilient and high-performing workforce.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	11	%
Number of consultations conducted with employees concerning employee-related policies	30	#

RFM Corporation maintains an open and transparent communication framework with its employee unions. The Company regularly engages in structured dialogues regarding employee governance, compensation, benefits, and the implementation of corporate policies. This collaborative approach ensures that all matters relevant to the bargaining unit are addressed with clarity and mutual respect, aligning the interests of the workforce with the Company's strategic objectives.

Employee Engagement and Feedback
Through consistent partnership and active dialogue, RFM effectively identifies and gathers employee concerns. These engagement channels allow the Company to stay responsive to the needs of its personnel, fostering a culture of trust. By treating the workforce as a strategic partner, RFM ensures that employee feedback is integrated into its operational and governance considerations. These ongoing dialogues are instrumental in facilitating equitable agreements between RFM and its labor unions. By proactively addressing potential points of contention, the Company mitigates the risk of labor unrest that could otherwise disrupt manufacturing operations or affect overall productivity. This commitment to industrial peace is a cornerstone of RFM's operational resilience and its dedication to maintaining a stable, high-performing work environment.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	39%	%
% of male workers in the workforce	61%	%
Number of employees from indigenous communities and/or vulnerable sector*	16	#

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

RFM Corporation recognizes that a gender-diverse workforce brings a wealth of perspectives and ideas, fostering an environment where innovation and creativity thrive. This diversity enriches the Company's decision-making processes and drives continuous improvement and adaptability within a rapidly evolving market. By integrating diverse viewpoints into its core operations, RFM ensures a more comprehensive approach to problem-solving and strategic planning.

Cultivating an Inclusive Workplace Culture

The Company's commitment to diversity is anchored in a culture of acceptance and openness. RFM ensures that all employees, regardless of gender, feel valued, included, and empowered to contribute. This inclusive environment fosters a collaborative and supportive workplace where individuals are encouraged to leverage their unique strengths and professional experiences to achieve collective goals.

Talent Attraction and Organizational Resilience

By prioritizing gender diversity, RFM enhances its reputation as an equitable employer, positioning itself as a premier destination for top-tier talent. This commitment to inclusivity not only attracts a broader pool of candidates but also fosters deeper employee engagement and higher retention rates. Ultimately, these efforts contribute to the long-term resilience and sustained success of the organization by building a workforce that reflects the diversity of the consumers and communities it serves.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	1,062,590	Man-hours (direct employees only)
No. of work-related injuries	8	#
No. of work-related fatalities	0	#
No. of work-related ill-health	34	#
No. of safety drills	13	#

Management Approach and Policy Framework

RFM Corporation prioritizes a robust safety culture, guided by its formal **Policy on Health, Safety, and Welfare of Employees**. This policy underscores the Company's unwavering commitment to providing a safe, healthy, and supportive work environment for all personnel. By embedding safety into its core operations, the Company ensures that the welfare of its workforce remains a top organizational priority.

Training, Education, and Capacity Building

The Company implements mandatory annual seminars on **Occupational Safety and Health (OSH)** and **First Aid** for designated employees. These sessions serve as essential onboarding for new hires and critical refresher courses for regular employees and third-party contractors across plants, warehouses, and logistics operations. These programs are designed to:

- **Hazard Identification:** Equip participants with the skills to recognize workplace risks.
- **Control Measures:** Enable the implementation of effective safety interventions.
- **Regulatory Compliance:** Ensure all operations meet or exceed government-mandated safety standards.

Operational Safety Protocols and Communication

To reinforce annual training, RFM utilizes localized communication strategies to maintain high safety awareness:

- **Toolbox Meetings:** Daily safety briefings are conducted at the facility level to review protocols and encourage the proactive resolution of potential hazards.
- **Visual Governance:** Safety guidelines and real-time updates are disseminated through facility bulletin boards.
- **Knowledge Sharing:** The Coconut business segment utilizes the **One-Point Lesson (OPL)** platform to share critical insights and preventative measures derived from safety incidents.

Safety Infrastructure and Personal Protection

RFM ensures workplace safety by providing all necessary Personal Protective Equipment (PPE**)** and maintaining specialized safety facilities across its manufacturing footprint. Through these comprehensive policies and infrastructure investments, the Company cultivates a culture of care, ensuring that a safety-oriented mindset is integrated into every stage of the production process.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	RFM.HR.08.02 "Child Labor, Forced Labor and Remediation Policy"
Child labor	Y	RFM.HR.08.02 "Child Labor, Forced Labor and Remediation Policy"
Human Rights	Y	RFM.BD.HR.10.01 "International Human Rights Standards and Fundamentals Rights at Work"

Management Approach and Regulatory Alignment

RFM Corporation recognizes that the promotion and protection of labor laws and human rights are essential to its identity as a responsible and law-abiding business. The Company strictly adheres to all labor and human rights regulations as stipulated by law. This commitment to ethical practices fosters trust and credibility with key stakeholders—including employees, customers, and investors—and ensures that the Company's operations remain aligned with international best practices.

Risk Mitigation and Impact Management

The Company acknowledges that non-compliance with labor and human rights standards poses a significant threat to organizational sustainability. Violations in these areas can lead to diminished productivity, reputational damage, and lower rates of employee retention and engagement. Consequently, RFM pledges to implement robust measures to identify, mitigate, and address any potential negative impacts on human rights resulting from its business activities.

Proactive Policy Review and Adaptation

To remain competitive and mitigate emerging risks, RFM commits to the regular review and update of its labor policies. This proactive approach allows the organization to:

- **Adapt to Evolving Environments:** Adjusting to changes in the modern workplace and new legal frameworks.
- **Address New Challenges:** Staying ahead of ethical expectations and emerging labor rights issues.
- **Foster Culture:** Cultivating a positive, supportive, and inclusive workplace culture.

Commitment to Long-Term Sustainability

By maintaining a rigorous focus on labor rights and ethical compliance, RFM Corporation ensures it stays ahead of legal requirements. These ongoing efforts reinforce the Company's reputation and contribute to long-term business resilience, ensuring that its growth is built upon a foundation of respect for the individual and the law.

Supply Chain Management

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Procurement ensures responsible sourcing to adhere to both the Company's Policies and applicable government regulations.
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

Management Approach and Strategic Importance
RFM Corporation recognizes that supply chain management is a critical determinant of environmental, social, and governance (ESG) outcomes. The Company oversees the end-to-end flow of goods and services—from the ethical sourcing of raw materials to the delivery of finished products. By integrating sustainable practices into its supply chain operations, RFM aims to reduce its environmental footprint, promote fair labor standards, and enhance organizational transparency.

Risk Mitigation and Ethical Sourcing
As a leading food and beverage manufacturer, RFM acknowledges that supply chain integrity directly influences corporate reputation and operational resilience. The Company maintains a vigilant stance against risks that could compromise its ESG standing, specifically:

- **Labor Standards:** Prohibiting the use of child labor, forced labor, or unfair employment practices.
- **Business Integrity:** Mitigating risks related to bribery and corruption within the procurement process.
- **Environmental Stewardship:** Addressing potential negative outcomes, such as deforestation or unsustainable agricultural practices, within the tier-one and sub-tier supply base.

Supplier Accreditation and Compliance
To uphold its rigorous standards, RFM has established comprehensive **Supplier Accreditation Policies**. These policies ensure that all suppliers and contractors meet the Company's strict criteria for quality, safety, and ethics before entering into supply agreements. The accreditation framework includes:

- **Due Diligence:** Systematic procedures to verify supplier compliance with legal and ethical requirements.
- **Onboarding and Orientation:** Mandatory sessions for new suppliers to ensure complete alignment with RFM's corporate policies and sustainability expectations.
- **Regional Procurement:** Leveraging regional sourcing to improve supplier oversight and reduce the environmental impacts associated with long-haul logistics.

Collaboration and Long-Term Value
RFM prioritizes partnerships with suppliers who demonstrate a documented commitment to sustainability. By fostering these collaborative relationships, the Company enhances its ability to track ESG performance across the value chain, ensuring that its growth contributes to responsible and ethical industrial development.

Relationship with Community

RFM Corporation recognizes that its relationship with the community is a vital component of its sustainability framework. The Company is deeply committed to serving the communities in which it operates, viewing proactive social contribution not merely as a corporate obligation, but as a core organizational value. By engaging with local stakeholders to address socio-economic needs, RFM fosters mutual trust and creates measurable positive impacts across the Philippines.

Stakeholder Engagement and Partnerships
At the core of its localized operations, RFM empowers its employees to build and maintain lasting connections with key community pillars. These engagements often transcend traditional corporate social responsibility (CSR) and are integrated directly into the Company's broader business strategies.

Key partnerships include:

- **Local Government Units (LGUs):** Collaborating on community welfare and regulatory alignment.
- **Educational Institutions:** Supporting schools to enhance the academic environment and future readiness of the youth.
- **Civic Organizations:** Participating in initiatives focused on health, nutrition, and environmental stewardship.
- **Small Businesses:** Fostering a supportive ecosystem for local vendors and entrepreneurs.

Socio-Economic Contribution and Livelihood
The Company’s community strategy focuses on driving long-term economic development through several targeted avenues:

- **Localized Hiring:** Prioritizing recruitment from host communities to stimulate local economies and provide stable employment.
- **Youth Empowerment:** Enhancing job prospects for the youth through skills development and exposure to the manufacturing industry.
- **Livelihood Support:** Providing resources and opportunities for budding small businesses and community-based livelihood programs.

Impact and Long-Term Value
By including community relationships in its sustainability reporting, RFM demonstrates its dedication to creating shared value. These efforts in education, health, and economic development not only uplift lives but also ensure a stable and supportive environment for the Company’s manufacturing operations. This proactive approach reinforces RFM’s reputation as a responsible corporate citizen dedicated to the sustainable growth of the Filipino community.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	Passing	N

RFM Corporation recognizes customer loyalty as a fundamental cornerstone of its long-term success. The Company is dedicated to the development and delivery of high-quality, safe, and affordable products, complemented by a commitment to unparalleled customer care. By maintaining a consumer-centric approach, RFM ensures that its operational strategies remain aligned with the evolving needs of the Filipino market.

Consumer Engagement and Feedback Mechanisms

To remain attuned to shifting consumer preferences and maintain high levels of satisfaction, the Company utilizes a diverse array of engagement and monitoring tools:

- **Market Intelligence:** Conducting regular satisfaction surveys and social media monitoring to capture real-time feedback.
- **Direct Engagement:** Implementing immersive brand experiences, field visits, and proactive consumer outreach initiatives.
- **Voice of the Customer:** Integrating gathered insights into the heart of the product development and decision-making processes.

Quality Assurance and Regulatory Compliance

RFM maintains rigorous standards to guarantee the integrity and safety of its product portfolio. The Company's quality governance framework is built upon two primary pillars:

- **Supplier and Process Audits:** Current audit protocols are centered on **Quality Assurance (QA)**, ensuring that product safety standards are consistently upheld across the value chain. These audits verify that every ingredient and process meets the Company's internal benchmarks.
- **International Standards and Accreditations:** The Company prioritizes strict compliance with international standards, trade associations, and accrediting bodies. By adhering to the requirements of various regulatory agencies, RFM guarantees that its manufacturing processes are optimized for the delivery of top-tier consumer goods.

Commitment to Continuous Improvement

Through consistent monitoring and adherence to global certifications, RFM Corporation reinforces its dedication to excellence. These efforts ensure that the Company not only meets current regulatory expectations but also anticipates future quality requirements, thereby safeguarding its reputation and the trust of its consumers.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

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

RFM's Commitment to Safety and Quality

RFM's facilities adhere strictly to government regulations. Compliance is ensured through regular audits, updated documentation, and proactive adaptation to regulatory changes. By implementing Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP), the company systematically identifies and mitigates risks at every stage of production. Many of its facilities also hold internationally recognized certifications reinforcing hazard analysis, risk management, and continuous improvement across operations.

Through a steadfast focus on quality and safety, RFM ensures that every product reaching consumers is one they can trust—now and in the future. Safety and quality are fundamental values that shape every aspect of its operations.

RFM continues to integrate built-in quality control principles into the following areas:

1. **Process and product standards** – Establishing and maintaining stringent criteria to ensure consistency and excellence.
2. **Quality assurance and controls** – Implementing thorough monitoring and evaluation systems to uphold high standards.
3. **Continuous improvement** – Driving innovation and efficiency through ongoing enhancements in processes and performance.

Marketing and labelling

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

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

RFM Corporation places **food safety and regulatory compliance** at the core of its approach to product information and labeling. The Company ensures that packaging is transparent, labeling is clear, and ingredient disclosures are comprehensive, enabling consumers to make informed choices.

Regulatory Compliance
RFM strictly adheres to the **Philippine Food Safety Act** and other regulations issued by the **Food and Drug Administration (FDA) Philippines**, covering:

- Product registration and approvals
- Labeling and nutritional information
- Sales and inspections
- Marketing and advertising practices

The Company conducts thorough analyses to validate nutritional facts, ingredient listings, and product claims, ensuring full compliance with legal and safety standards.

Marketing and Advertising Practices
All marketing and advertising materials are designed to **align with regulatory guidelines** and uphold food safety labeling standards. RFM maintains these high standards across **international markets**, including the U.S., Canada, U.A.E., and others, ensuring that product communication is accurate, ethical, and transparent globally.

Consumer Protection and Trust
Through diligent compliance, clear labeling, and responsible marketing, RFM demonstrates its commitment to **consumer health, safety, and trust**, reinforcing its reputation as a responsible and sustainable food and beverage manufacturer.

Customer privacy

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

RFM Corporation recognizes that safeguarding customer and stakeholder information is a critical component of corporate integrity. The Company maintains an account management process designed to protect sensitive data with the utmost confidentiality. To oversee these efforts, the Company has appointed a dedicated **Data Privacy Officer (DPO)** responsible for ensuring full alignment with the **Data Privacy Act of 2012**, its Implementing Rules and Regulations (IRR), and all relevant directives from the **National Privacy Commission (NPC)**.

Privacy Protocols and Compliance
The Company has formalized its privacy and data protection protocols, establishing a framework that mandates strict compliance across all levels of the organization. These protocols serve as the standard for how personal and sensitive information is collected, stored, and processed. By embedding these requirements into its operational workflows, RFM ensures that data privacy is treated as a fundamental right rather than a mere administrative task.

Accountability and Data Processing
Accountability for information security is distributed across the organization to ensure comprehensive protection:

- **Departmental Oversight:** Department heads and designated data processors bear full responsibility for safeguarding the sensitive information within their respective units.
- **Secure Processing:** All personnel involved in data handling are required to ensure that information is processed securely and in strict accordance with established privacy standards.
- **Risk Mitigation:** By decentralizing responsibility while maintaining centralized oversight through the DPO, the Company mitigates the risk of unauthorized access or data breaches.

Commitment to Ethical Data Stewardship
Through these robust governance structures and clear lines of accountability, RFM Corporation reinforces its commitment to ethical data stewardship. The Company continues to monitor evolving cybersecurity threats and regulatory changes to ensure its privacy framework remains resilient and protective of its customers' trust.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

RFM Corporation recognizes that robust data security is a critical component of corporate resilience in an increasingly digital landscape. The RFM Privacy Manual serves as the foundational framework for the Company's implementation of the Data Privacy Act (DPA), underscoring a high-level commitment to safeguarding personal and organizational data. As the Company continues to embrace digitalization to enhance customer experiences and streamline internal operations, it prioritizes strategic investments in network security to defend against evolving cyber threats.

The Information Security Management System (ISMS)
The Company has established and continuously refines its Information Security Management System (ISMS). This framework embeds information security as a core element of RFM's Enterprise Risk Management (ERM) strategy. By integrating security into the broader risk architecture, the Company ensures that data protection is not merely a technical function but a strategic priority at all levels of the organization.

Risk Mitigation and Asset Protection
To mitigate potential cyberattacks and unauthorized data access, the Company enforces comprehensive Data Privacy and InfoSec policies. These measures are designed to:

- Protect Information Assets: Safeguarding proprietary data, financial records, and stakeholder information.
- Uphold Corporate Reputation: Maintaining the trust of consumers, partners, and investors through reliable data stewardship.
- Ensure Regulatory Compliance: Meeting all requirements stipulated by the National Privacy Commission and other applicable legal frameworks.

Commitment to Digital Resilience

Through the continuous improvement of its security protocols and infrastructure, RFM Corporation reinforces its dedication to digital resilience. The Company remains focused on proactive monitoring and the strengthening of its network defenses to ensure the continuity of its operations and the integrity of its data in a complex global environment.

UN SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals	Initiatives / Contribution to UN SDGs
SDG 1: NO POVERTY **SDG 2: ZERO HUNGER** **SDG 3: GOOD HEALTH & WELL BEING**	The Company advances Sustainable Development Goal 1 (No Poverty) through a range of community outreach and social development initiatives implemented across its plant locations. Programs include *Food For You* feeding initiatives, donations of bread, pasta, milk, juice, and sauces, distribution of school supplies, as well as the organization of job fairs and *Go Negosyo* livelihood seminars. These activities are conducted on a regular basis, either monthly or at least annually, depending on community needs and program scope. Through these initiatives, the Company supports underserved and vulnerable communities by improving access to essential goods, enhancing food security, and promoting better living conditions. Livelihood and employment-focused programs foster economic inclusion by creating opportunities for income generation and entrepreneurship. Collectively, these efforts contribute to reducing inequalities, strengthening social protection, and improving access to basic services, thereby supporting long-term community resilience and inclusive development. The Company supports Sustainable Development Goal 2 (Zero Hunger) through targeted nutrition and food security programs across its operations. Key initiatives include *Food For You*, which distributes food to communities beyond plant locations; *No Meat Day*, observed every Friday to promote sustainable consumption within company canteens; and donations of buns, near-expiry but safe-to-consume pasta, milk, juice, and sauce samples. As a leading food industry player, the Company ensures that essential products such as wheat flour, milk, pasta, sauces, and ice cream are affordable, widely available, and enriched with essential vitamins, thereby providing accessible nutrition to Filipino families. These initiatives aim to improve access to safe and nutritious food, particularly for underserved communities, while reducing food waste through responsible redistribution practices. The Company promotes Sustainable Development Goal 3 (Good Health and Well-Being) through workplace wellness and preventive health initiatives. A key program includes monthly Zumba sessions for employees and third-party agency personnel, encouraging physical activity and fostering a culture of health and well-being within the workplace. These initiatives support preventive healthcare by promoting active lifestyles, reducing risks associated with sedentary behavior, and enhancing overall employee well-being. By investing in health and wellness programs, the Company contributes to improved quality of life, increased productivity, and a safer, more engaged workforce.
SDG 4: QUALITY EDUCATION	The Company supports the advancement of Sustainable Development Goal 4 (Quality Education) through initiatives that promote inclusive, equitable access to learning opportunities within both community and workplace settings. These efforts include the organization of school supplies donation drives and active participation in

Sustainable Development Goals	Initiatives / Contribution to UN SDGs
	Brigada Eskwela, contributing to the improvement of learning environments in public schools. Within its operations, the Company also fosters a culture of continuous learning through initiatives such as the "Honesty Library" at its PCMD Plant, where donated books are made accessible to employees to encourage reading and self-development. Through these programs, the Company aims to help reduce educational disparities by improving access to basic educational resources and promoting lifelong learning. Collectively, these initiatives contribute to enhancing educational quality and supporting more inclusive and equitable learning outcomes.
SDG 5: GENDER EQUALITY	The Company advances Sustainable Development Goal 5 (Gender Equality) by upholding a zero-tolerance policy against discrimination across all stages of employment, including recruitment, hiring, promotion, and performance evaluation. Equal opportunity principles are embedded in its human resource practices to ensure fair and unbiased treatment of all employees. Across its plant operations, the Company promotes inclusive recognition programs, such as Employee of the Month and promotion opportunities, which are accessible to all employees regardless of gender. These initiatives reinforce merit-based advancement and equitable access to professional growth and development. The Company recognizes and respects the diverse needs, perspectives, and aspirations of its workforce, and is committed to fostering an inclusive work environment that values individuals equally, irrespective of gender identity. Through these efforts, it contributes to building a more equitable and empowering workplace for all.
SDG 6: CLEAN WATER AND SANITATION	The Company supports the advancement of Sustainable Development Goal 6 (Clean Water and Sanitation) through initiatives focused on water stewardship and environmental protection across its plant operations. These include active participation in water clean-up drives organized in collaboration with government agencies, as well as the implementation of regular water quality testing within plant facilities to ensure compliance with environmental and health standards. Through its involvement in clean-up activities, the Company contributes to the removal of waste from rivers, coastal areas, and other water bodies, helping to mitigate pollution and protect aquatic ecosystems. In parallel, consistent water monitoring practices support the responsible management of water resources and safeguard operational integrity. These initiatives also aim to raise environmental awareness among employees and surrounding communities, encouraging more responsible behaviors toward waste disposal and water conservation. Collectively, the Company's efforts contribute to improved water quality, enhanced sanitation practices, and the sustainable management of water resources.

Sustainable Development Goals	Initiatives / Contribution to UN SDGs
SDG 7: AFFORDABLE AND CLEAN ENERGY	The Company contributes to the advancement of Sustainable Development Goal 7 (Affordable and Clean Energy) through the implementation of energy efficiency and conservation initiatives across its operations. These include the transition from conventional lighting systems to energy-efficient LED technology, resulting in reduced electricity consumption and improved operational efficiency. In addition, the Company implements daily energy-saving practices, such as switching off non-essential office lighting during designated hours, to further minimize energy use. Complementing these efforts, solar-powered floodlights have been installed in plant perimeter areas, supporting the adoption of renewable energy sources and reducing reliance on conventional power. Collectively, these initiatives enhance energy efficiency, lower the Company's environmental footprint, and promote the responsible use of energy resources in line with sustainable development objectives.
SDG 8: DECENT WORK AND ECONOMIC GROWTH	The Company supports the advancement of Sustainable Development Goal 8 (Decent Work and Economic Growth) by upholding fair labor practices and promoting inclusive, sustainable economic participation across its operations. It ensures that all employees, including permanent staff and third-party personnel, are engaged under appropriate employment arrangements that comply with applicable labor laws and internal standards. The Company implements established policies and monitoring mechanisms to ensure that employees meet required qualifications and are provided with fair wages, statutory benefits, and safe working conditions. These practices contribute to the creation of stable employment opportunities and support workforce well-being and productivity. In line with its commitment to ethical labor standards, the Company strictly prohibits all forms of forced labor, child labor, and workplace discrimination. Through these efforts, it fosters a safe, equitable, and inclusive work environment while contributing to sustained economic growth that benefits employees and the broader community.
SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	The Company supports the advancement of Sustainable Development Goal 9 (Industry, Innovation and Infrastructure) through initiatives that foster innovation, continuous improvement, and operational efficiency across its plant operations. A key program, *Next Bright Idea*, provides employees with a structured platform to propose and develop projects focused on enhancing food safety and quality, compliance with Good Hygiene Practices (GHP), process optimization, workplace safety, machine efficiency, cost reduction, and automation. Through this initiative, the Company encourages a culture of innovation and empowers employees to contribute to operational excellence by identifying and implementing improvement opportunities. It also strengthens employees' analytical and problem-solving capabilities, supporting the development of practical, data-driven solutions. Collectively, these efforts contribute to more resilient and efficient industrial processes, improved product quality and safety standards, and the adoption of innovative technologies, in line with sustainable industrial development objectives.

Sustainable Development Goals	Initiatives / Contribution to UN SDGs
SDG 10: REDUCED INEQUALITIES	The Company advances Sustainable Development Goal 10 (Reduced Inequalities) through initiatives that promote equitable access to healthcare, education, and fair employment practices across its operations. A key program, the *Free Medicine* initiative, ensures that all plant employees have access to essential medications through on-site plant clinics, supporting employee health and well-being. In addition, the Company upholds a comprehensive Non-Discrimination Policy, which guarantees equal opportunities in hiring, promotion, and professional development while prohibiting all forms of unlawful discriminatory behavior. These measures help create an inclusive workplace where individuals can reach their full potential regardless of personal background, identity, or circumstance. The Company also supports broader societal inclusivity through strategic partnerships and sponsorships. For example, it sponsors the *Ten Outstanding Students of the Philippines (TOSP)* program, a long-standing initiative that recognizes exceptional tertiary graduates from diverse regions of the country. By celebrating academic excellence, the program highlights the role of education in fostering employability, economic growth, and social inclusion, while inspiring others to value learning as a tool for bridging societal gaps. Another key initiative is the Company's collaboration with the *Philippine Center for Entrepreneurship (Go Negosyo)*, which provides mentorship and entrepreneurship programs designed to empower individuals and communities. These programs support economic inclusion, stimulate local enterprise development, and contribute to reducing poverty and inequality. Through these combined efforts, the Company fosters an inclusive society, reduces social and economic disparities, and strengthens opportunities for personal, professional, and community development.
SDG 11: SUSTAINABLE CITIES AND COMMUNITIES **SDG 13: CLIMATE ACTION** **SDG 14: LIFE BELOW WATER** **SDG 15: LIFE ON LAND**	The Company contributes to Sustainable Development Goal 11 (Sustainable Cities and Communities) by promoting environmental cleanliness and community engagement through initiatives such as plant-led clean-up drives. These activities enhance the cleanliness and safety of surrounding areas, support community well-being, and encourage civic responsibility among employees and local stakeholders. The Company supports Sustainable Development Goal 13 (Climate Action) through initiatives aimed at reducing carbon emissions and promoting energy-conscious behavior. Daily *Earth Hour* practices, during which office lights are turned off across all plants from 12 noon to 1 PM, serve both to conserve energy and raise awareness of the importance of climate responsibility. In addition, the adoption of energy-efficient technologies, such as LED lighting and solar-powered installations, further contributes to reducing the Company's environmental footprint. The Company advances Sustainable Development Goal 14 (Life Below Water) by participating in waterway clean-up drives and other activities that help remove waste from rivers, lakes, and coastal areas. These initiatives support aquatic ecosystem health, promote biodiversity, and encourage responsible community practices regarding waste management and water conservation. The Company contributes to Sustainable Development Goal 15 (Life on Land) through reforestation and resource conservation programs. Tree planting initiatives at multiple plant locations help mitigate climate change impacts, enhance ecosystem

Sustainable Development Goals	Initiatives / Contribution to UN SDGs
	resilience, and improve local biodiversity. In addition, the reuse of obsolete documents and scrap paper across plants supports waste reduction, energy conservation, and sustainable resource management.
SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION	The Company advances Sustainable Development Goal 12 (Responsible Consumption and Production) through the implementation of a *Zero Waste* initiative across its operations. As part of this program, the use of reusable food containers and bottles is encouraged and, where applicable, mandated within plant canteens. This initiative aims to minimize plastic waste, reduce the environmental footprint of daily operations, and promote a culture of sustainable consumption among employees. By fostering responsible production and consumption practices, the Company contributes to a circular approach to resource management and supports long-term environmental sustainability.
SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS	The Company supports Sustainable Development Goal 16 (Peace, Justice and Strong Institutions) by upholding comprehensive policy guidelines that govern ethical behavior, accountability, and compliance across all operations. Employees are required to adhere to these policies, which promote fairness, transparency, and integrity in workplace practices. Through these measures, the Company contributes to the creation of peaceful and inclusive communities, ensures equitable access to justice, and fosters strong, responsible, and transparent institutional practices. These initiatives help safeguard individuals from violence and discrimination, enabling all employees and stakeholders to operate in a safe and respectful environment, regardless of ethnicity, faith, or sexual orientation.
SDG 17: PARTNERSHIPS FOR THE GOALS	The Company advances Sustainable Development Goal 17 (Partnerships for the Goals) through strategic collaborations with external organizations and stakeholders to support sustainable development initiatives. A key partnership is with *Gawad Kalinga*, through which the Company engages with other companies and community organizations to collectively address social and environmental challenges. In addition, the Company implements a *Food and Loss Waste* procedure, under which operational rejects and surplus dough that remain safe for consumption are either donated to communities or sold as scrap. This initiative not only reduces waste but also strengthens collaboration with partners in promoting food security and sustainable resource management. Through these efforts, the Company enhances its capacity to mobilize resources, share knowledge, and implement programs that advance the Sustainable Development Goals in a collaborative and impactful manner.