

SEC Number: 031-050

File Number: _____

STA. LUCIA LAND, INC. AND SUBSIDIARIES

(Company's Full Name)

Penthouse Building 3, Sta. Lucia East Grand Mall,
Marcos Highway Cor. Imelda Ave., Cainta Rizal

(Company Address)

(632) 8681-7332

(Telephone Number)

September 30, 2025

(Quarter Ended)

3rd Quarter Report – SEC Form 17-Q

(Form Type)

(Amendments)

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

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

1. For the quarterly period ended **September 30, 2025**

2. Commission identification number: **31050**

3. BIR Tax Identification No.: **000-152-291-000**

STA. LUCIA LAND, INC. AND SUBSIDIARIES

4. Exact name of issuer as specified in its charter

Republic of the Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

Penthouse, Bldg. III, Sta. Lucia East Grand Mall, Marcos Highway cor. Imelda Ave., Cainta, Rizal 1900

7. Address of issuer's principal office Postal Code

(02) 8681-7332

8. Issuer's telephone number, including area code

9.

Former name, former address and former fiscal year, if changed since last report

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

Title of each class

Common

Number of shares of common
Stock outstanding

8,296,450,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes [x] No []

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

12. Indicate by checkmark whether the registrant:

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

Yes [x] No []

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

Yes [x] No []

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PART I - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2025 and December 31, 2024

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱2,222,410,226	₱3,390,734,579
Receivables	7,458,228,653	6,032,252,992
Contract assets	1,863,884,051	2,599,899,462
Real estate inventories	42,599,511,466	40,085,156,831
Other current assets	3,388,874,284	2,834,585,076
Total Current Assets	57,532,908,680	54,942,628,940
Noncurrent Assets		
Installment contracts receivables - net of current portion	1,638,145,912	1,556,464,191
Contract assets - net of current portion	1,811,914,618	2,697,576,994
Investment properties	6,723,160,489	6,721,713,319
Property and equipment	86,302,178	69,646,849
Financial assets at fair value through other comprehensive income (FVOCI)	660,544,485	759,645,948
Other noncurrent assets	657,880,456	1,273,043,078
Total Noncurrent Assets	11,577,948,138	13,078,090,379
	₱69,110,856,818	₱68,020,719,319
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	5,570,780,952	7,045,008,875
Accounts and other payables	7,083,330,829	7,455,676,082
Income tax payable	14,653,031	106,772,154
Contract liabilities – current portion	234,021,813	440,262,548
Long-term debt - current portion	5,097,048,638	4,597,176,079
Total Current Liabilities	17,999,835,263	19,644,895,738
Noncurrent Liabilities		
Long-term debt – net of current portion	13,890,919,960	13,371,734,146
Contract liabilities - net of current portion	178,783,816	336,343,941
Deferred tax liabilities - net	4,952,533,339	4,499,420,811
Pension liabilities	14,845,698	14,891,646
Total Noncurrent Liabilities	19,037,082,813	18,222,390,544
Total Liabilities	37,036,918,076	37,867,286,282
Equity		
Capital stock	10,796,450,000	10,796,450,000
Additional paid-in capital	580,004,284	580,004,284
Retained earnings	22,093,333,875	20,073,726,707
Treasury shares	(1,600,000,000)	(1,600,000,000)
Net unrealized gain on fair value of financial assets at FVOCI	203,788,737	302,890,200
Remeasurement losses on pension liabilities	361,846	361,846
Total Equity	32,073,938,742	30,153,433,037
	₱69,110,856,818	₱68,020,719,319

STA. LUCIA LAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the nine month period ended September 30, 2025 and September 30, 2024 and December 31, 2024

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	December 31, 2024 (Audited)
REVENUE			
Real estate sales	₱4,388,404,481	₱7,087,325,561	₱8,212,551,205
Rental income	562,606,728	555,453,632	760,115,040
Interest income	597,857,511	381,264,013	856,401,184
Commission income	236,155,945	129,861,651	135,795,446
Others revenue	935,742,039	1,210,708,033	2,091,887,725
	6,720,766,704	9,364,612,890	12,056,750,600
OTHER INCOME			
Interest income on cash and cash equivalents and short-term investment	30,619,566	8,066,143	41,535,991
Dividend income	3,488,000	352,000	4,183,562
	34,107,566	8,418,143	45,719,553
	6,754,874,270	9,373,031,033	12,102,470,153
COSTS OF SALES AND SERVICES			
Cost of real estate sales	1,024,488,299	1,699,010,570	2,033,789,705
Cost of rental income	462,564,158	472,981,713	625,491,523
	1,487,052,457	2,171,992,283	2,659,281,228
SELLING AND ADMINISTRATIVE EXPENSES			
Commissions	637,324,199	839,203,032	946,505,005
Taxes, licenses and fees	177,084,654	210,858,380	288,000,682
Salaries and wages and other benefits	121,708,135	135,253,573	165,687,509
Representation	70,540,994	57,309,047	80,182,991
Transportation, travel, office supplies and miscellaneous	56,731,279	53,709,178	66,239,017
Advertising	21,675,125	33,050,491	41,354,557
Professional fees	18,273,441	18,530,315	50,609,348
Depreciation and amortization	13,850,561	27,237,289	31,682,536
Surcharges and penalties	11,769,598	45,302,040	45,387,641
Utilities	9,574,683	16,612,007	22,846,485
Legal expense	9,284,086	4,402,650	10,795,500
Repairs and maintenance	8,023,082	42,234,134	152,811,328
Insurance expense	3,395,452	3,610,121	5,623,233
Software maintenance	48,929	—	—
Provision for expected credit loss	—	—	15,160,768
	1,159,284,218	1,487,312,257	1,922,886,599
INTEREST EXPENSE	1,389,344,834	1,329,115,209	1,888,654,063
INCOME BEFORE INCOME TAX	2,719,192,761	4,384,611,284	5,631,648,263
PROVISION FOR INCOME TAX	673,338,557	1,086,777,568	1,391,674,938
NET INCOME	2,045,854,204	3,297,833,716	4,239,973,325
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Unrealized gains on fair value of financial assets at FVOCI	(99,101,463)	(163,517,413)	32,380,034
Remeasurement gains on pension liabilities	—	—	1,293,761
- net of tax	(99,101,463)	(163,517,413)	33,673,795
TOTAL COMPREHENSIVE INCOME	1,946,752,741	₱3,134,316,303	₱4,273,647,120
Basic/Diluted Earnings Per Share	₱0.25	₱0.40	₱0.51

STA. LUCIA LAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the quarter ended September 30, 2025 and September 30, 2024

	July-September 2025 (Unaudited)	July – September 2024 (Unaudited)
REVENUE		
Real estate sales	₱1,066,701,200	₱1,790,914,407
Rental income	189,689,491	193,192,951
Interest income	106,170,839	122,588,251
Commission income	113,697,752	56,507,146
Others revenue	372,483,018	586,652,204
	1,848,742,300	2,749,854,959
OTHER INCOME		
Interest income on cash and cash equivalents and short-term investment	160,038,145	(4,230,271)
Dividend income	1,744,000	–
	161,782,145	(4,230,271)
	2,010,524,445	2,745,624,688
COSTS OF SALES AND SERVICES		
Cost of real estate sales	293,679,541	401,096,783
Cost of rental income	161,000,318	184,318,931
	454,679,859	585,415,714
SELLING AND ADMINISTRATIVE EXPENSES		
Commissions	185,111,469	251,230,849
Salaries and wages and other benefits	40,507,980	62,801,493
Taxes, licenses and fees	36,691,139	83,951,497
Representation	39,735,897	34,326,274
Transportation, travel, office supplies and miscellaneous	19,041,087	23,009,438
Surcharges and penalties	10,683,961	37,066,988
Advertising	8,567,346	12,134,931
Professional fees	8,200,037	5,472,509
Depreciation and amortization	6,849,272	4,428,869
Legal expense	5,129,626	1,142,182
Repairs and maintenance	5,072,913	38,605,323
Utilities	4,970,846	8,520,890
Insurance expense	1,128,907	1,965,404
Software maintenance	48,929	–
	371,739,409	564,656,647
INTEREST EXPENSE	446,323,715	395,836,868
INCOME BEFORE INCOME TAX	737,781,462	1,199,715,459
PROVISION FOR INCOME TAX	182,143,335	292,934,977
NET INCOME	555,638,127	906,780,482
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Unrealized gains on fair value of financial assets at FVOCI	35,393,379	(220,854,688)
	35,393,379	(220,854,688)
TOTAL COMPREHENSIVE INCOME	₱591,031,506	₱685,925,794

STA. LUCIA LAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the nine month ended September 30, 2025 and September 30, 2024

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
CAPITAL STOCK		
Common shares - ₱1 par value		
Authorized - 16,000,000,000 shares		
Issued and outstanding – 10,796,450,000 shares	₱10,796,450,000	₱10,796,450,000
	10,796,450,000	10,796,450,000
ADDITIONAL PAID-IN CAPITAL	580,004,284	580,004,284
TREASURY SHARES	(1,600,000,000)	(1,600,000,000)
RETAINED EARNINGS		
Balance at beginning of year	20,073,726,706	16,468,576,800
Net income	2,019,607,173	3,297,833,716
Balance at end of period	22,093,333,879	19,766,410,516
UNREALIZED GAIN ON FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL ASSETS	203,788,738	106,992,753
REMEASUREMENT GAIN (LOSS) ON PENSION		
LIABILITIES- NET OF TAX	361,846	(931,915)
	32,073,938,747	₱29,648,925,638

STA. LUCIA LAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the nine month ended September 30, 2025 and September 30, 2024

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,719,192,761	₱4,384,611,284
Adjustments for:		
Interest Expense	1,389,344,834	1,329,115,209
Depreciation and amortization expense	118,059,892	129,266,189
Dividend income	(3,488,000)	(352,000)
Interest income	(628,477,077)	(389,330,156)
Operating income before changes in working capital	3,594,632,410	5,453,310,526
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(1,309,182,845)	(850,753,207)
Contract Assets	1,621,677,787	(46,716,823)
Real estate inventories	(2,514,354,635)	(2,834,639,309)
Other current assets	(954,289,209)	(65,495,841)
Increase in other noncurrent assets	615,162,622	(108,334,029)
Increase (decrease) in:		
Accounts and other payables	(278,004,072)	(37,082,075)
Contract liabilities	(363,800,860)	(745,108,567)
Net cash generated from (used in) operations	(3,182,791,212)	(4,688,129,851)
Interest received	433,490,537	394,638,767
Income taxes paid including applied creditable withholding tax	(338,592,182)	(315,997,902)
Contribution to plan asset	(45,948)	(3,000,000)
Net cash provided by (used in) operating activities	(3,087,938,805.00)	(4,612,488,986)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals of (additions to):		
Investment properties	(93,509,241)	(226,117,697)
Property and equipment	(41,383,555)	(16,430,884)
Decrease in short-term investment	400,000,000	150,000,000
Dividends received	-	2,267,234
Net cash used in investing activities	265,107,204.00	(90,281,347)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans, net of transaction costs	5,541,004,450	14,062,110,999
Payment of loans	(5,996,174,000)	(14,037,073,167)
Interest payments (including capitalized borrowing costs)	(1,484,768,893)	(1,354,125,474)
Dividend paid	(186,718)	(62,687,184)
Decrease in payable to related parties	-	(13,841,117)
Net cash used in financing activities	(1,940,125,161)	(1,405,615,943)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,168,324,352)	(655,075,750)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,390,734,579	2,967,772,960
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱2,222,410,227	₱2,312,697,210

STA. LUCIA LAND, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (SLI or the Parent Company) is a publicly-listed company incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1966 under the name Zipporah Mining and Industrial Corporation. On August 14, 1996, the Parent Company's Articles of Incorporation was amended.

Under the amendment, it changed the corporate name to Zipporah Realty Holdings, Inc. and it transferred the original primary purpose to secondary purpose from being a mining firm to a real estate company with the amended primary purpose to acquire by purchase, lease, and to own and develop and hold for investment and/or disposal, real estate of all kinds together with their appurtenances.

On July 16, 2007, the Parent Company changed its corporate name from Zipporah Realty Holdings, Inc. to Sta. Lucia Land, Inc.

Prior to expiration of its corporate life, the Parent Company filed for a new 50-year corporate life which was approved by the SEC on June 16, 2016. The corporate life of the Parent Company expired on December 5, 2016. The approved new 50-year corporate life is until December 5, 2066.

The registered office address and principal place of business of the Parent Company and its subsidiaries (collectively referred to as the Group) is at Penthouse Bldg. 3, Sta. Lucia Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal.

The Group is 80.77% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying interim consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency and all values are rounded to the nearest Philippine peso except when otherwise indicated.

Statement of Compliance

The interim condensed consolidated financial statements of the Group for the nine month ended September 30, 2025 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2024, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), and include the availment of the relief granted by the Securities and Exchange Commission (SEC) under Memorandum Circular Nos. 14-2018 and 3-2019. PFRSs include PAS and Interpretations issued by Philippine Interpretations Committee (PIC).

The interim condensed consolidated financial statements of the Group have been prepared for inclusion in the offering circular in relation to a planned capital-raising activity.

Basis of Consolidation

The interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries.

A subsidiary is an entity which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

The interim consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the

interim financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The interim consolidated financial statements include the interim financial statements of the Parent Company and the following wholly-owned subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	% of Ownership
Sta. Lucia Homes, Inc. (SLHI)	100.00%
Santalucia Ventures, Inc. (SVI)	100.00%

Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
- Adoption in 2024 of Certain Provisions of PIC Q&A 2018-12-D, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12-D which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively,

providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

Starting January 1, 2024, the Group adopted the remaining provision of PFRS 15 on significant financing component. The Group opted to adopt the changes using modified retrospective approach effective January 1, 2024 and the impact was recognized in the 2024 opening balance of retained earnings. The comparative information is not restated.

Future Changes in Accounting Policy

The Group will adopt the following standards and interpretations when these become effective. Except as otherwise stated, the Group does not expect the adoption of these standards to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2025

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

Effective beginning on or after January 1, 2026

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

Effective beginning on or after January 1, 2027

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

Deferred effectivity

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

Significant Accounting Policies

Current versus Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current and noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve (12) months after the reporting period; or
- cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve (12) months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

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.

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

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

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

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by

re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For purposes of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

Financial Instruments

Date of recognition

The Group recognizes financial assets and liabilities in the consolidated statement of financial position when, and only when, the Group 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 established by regulation or convention in the marketplace are recognized on the trade date.

Recognition and Measurement of Financial Instruments

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

Financial assets

Initial recognition of financial instruments

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at fair value through profit or loss (FVTPL).

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

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

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

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

As of September 30, 2025 and December 31, 2024, the Group's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

Subsequent measurement

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

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

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the consolidated statement of comprehensive income.

The Group classified cash and cash equivalents, installment contracts receivables and other receivables, short term investment, advances to agents and brokers under "Other current assets", and deposits in escrow and refundable security deposits under "Other noncurrent assets" as financial assets at amortized cost. The Groups installment contracts receivable are interest bearing and with payment terms ranging from 5 to 15 years.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group does not have debt instruments at fair value through OCI.

Financial assets at fair value through OCI (equity instruments)

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

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

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments.

Dividends earned on holding these equity instruments are recognized in the consolidated statement of comprehensive income when the Group's right to receive the dividends is established in accordance with PFRS 15, unless the dividends clearly represent recovery of a part of the cost of the investment.

Financial assets at fair value through profit or loss

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

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

As of September 30, 2025 and December 31, 2024, the Group does not have financial assets at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have 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) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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.

Reclassification of financial assets

The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVTPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- from FVTPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVTPL at initial recognition is not permitted. A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

Modification of Financial Assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of comprehensive income.

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. 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.

For installment contracts receivables and contract assets, 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 vintage analysis for installment contracts receivables and contract assets that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

For cash and cash equivalents, 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 based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off of financial assets

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows (e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the Group has effectively exhausted all collection efforts).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fee and other fees.

As of September 30, 2025 and December 31, 2024, the Group's other financial liabilities consist of accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income.

Only if the criteria in PFRS 9 are satisfied, the designation of financial liabilities at fair value through profit or loss at the initial date of recognition is allowed. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

This category generally applies to the Group's accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive 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. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the consolidated statement of financial position.

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 (3) months or less from dates of placement and that are subject to insignificant risk of changes in value.

Real Estate Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation or will be occupied by the Group, is held as inventory and is measured at the lower of cost and net realizable value (NRV). In few cases of buyer defaults, the Group can repossess the properties and held it for sale in the ordinary course of business and recognized at the prevailing market price. The repossessed properties are included in the "Real Estate Inventories" account in the consolidated statement of financial position. Any gain or loss arising from the fair valuation of the repossessed properties are included in the "Others" account presented under revenue under the consolidated statement of comprehensive income. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts unless these exceed the recoverable values.

Cost includes the purchase price of land and those costs incurred for the development and improvement of the properties such as amounts paid to contractors for construction, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

In 2022, the Group adopted PIC Q&A 2018-12 using modified retrospective approach as provided under the SEC Memorandum Circular No. 8, series of 2021. The Group adjusted the previously capitalized borrowing costs on inventories.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Inventories that are temporarily leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as real estate inventories. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

Transfers are made from real estate inventories to investment properties or owner-occupied properties when the intent to sell in the ordinary course of business has permanently changed, as evidenced by commencement of an operating lease to another party or owner occupation. Transfers between investment properties, owner-occupied property and real estate inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission, which is amortized using POC, other prepaid expenses are amortized as incurred.

Refundable Deposits

Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the “Real estate sales” account in the consolidated statement of comprehensive income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

Other Current Assets

Other current assets are carried at cost and pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group. These include advances to contractors and lot owners which are carried at costs less impairment losses, if any.

Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Construction in progress are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time that the relevant assets are available for their intended use.

Depreciation of investment properties is computed using the straight-line method over the estimated useful lives of the assets and included under “Costs of Rental Income” in the consolidated statement of comprehensive income. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties follow:

	Years
Land improvements	40
Buildings and improvements	40
Machinery and equipment	5 to 10

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment properties when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment properties, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The Group discloses the fair values of its investment properties in accordance with PAS 40. The Group engages independent valuation specialist to assess the fair values as at December 31, 2024.

The Group’s investment properties consist of land and building pertaining to properties, mall and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the

items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property and equipment commences once the assets are put into operational use and is computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Office tools and equipment	3 to 5
Transportation equipment	5
Furniture and fixtures	3 to 5
Software	3 to 5

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation and amortization is charged against current operations.

Interests in Joint Development Projects

Interests in joint development projects represent one or more assets, usually in the form of real estate development, contributed to, or acquired for the purpose of the joint development and dedicated to the purposes of the joint operations. The assets are used to obtain benefits for the operators. Each operator may take a share of the output from the assets and each bears an agreed share of the expenses incurred. These joint operations do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the operators themselves. Each operator has control over its share of future economic benefits through its share of the jointly operations. Contribution of the Group to the joint operations are included in real estate inventories.

Impairment of Nonfinancial Assets

This accounting policy relates to the other assets, interests in joint development projects, investment properties and property and equipment.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Unearned Income

Unearned income refers to collections from buyers intended to cover the related cost for the processing of transfer of title and registration of properties of buyers that is to be performed upon full payment of the contract price. Income is recognized when earned

Customers' Deposits

Customers' deposits represent payment received from customer accounts which have not yet reached the minimum required percentage for recording real estate sale transaction. When the level of required payment is reached, sales are recognized, and these deposits and down payments will be applied against the related receivable.

Under the POC method of recognizing sales for real estate, when a real estate does not meet the requirements for revenue recognition, the sale is accounted for under the deposit method. Under this method, cash received from customers are recorded under "Customers' Deposits" account in the consolidated statement of financial position. It is also recognized when the cash received from customers is greater than the receivable from customers under POC. Subsequently, customers' deposits are applied against receivable from customers as a result of the recognition of sales through completion of the project.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statement of financial position.

Pension

The Group has a funded, noncontributory defined benefit pension plan covering substantially all of its qualified employees. The Group's pension 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 (PUC) method.

Defined benefit costs comprise the following:

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

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

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

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

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

Equity

The Group records capital stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from proceeds and charged to “Additional Paid-in Capital” (APIC) account. If APIC is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend declaration when they are declared by the subsidiaries as approved by their respective BOD. Retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Treasury Shares

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in the profit and loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration less any incidental costs, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them. 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 when the shares were issued and to retained earnings for the remaining balance.

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. 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 has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent.

Real estate sales

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or POC) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project development engineers and project managers. This is based on the monthly project accomplishment report prepared by the Group's project development engineers as approved by the project managers which integrates the surveys of performance as of quarter end of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

The Group's unconditional right to an amount of consideration is recognized as "installment contracts receivables". Any excess of progress of work over the installment contracts receivables is included in the "contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivables is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

In case of sales cancellation due to the default of the buyers, the Group derecognizes the outstanding balance of contract asset or installment contracts receivable and recognize the repossessed property at fair value less cost to repossess, with any difference taken to profit or loss.

Cost of real estate sales

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs in 2024 and prior years.

These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which changes are determined.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Costs to obtain contract (Commission expense)

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period using the percentage of completion method that is consistent with the related revenue that is recognized as earned. Commission expense is included in the “Selling and administrative expense” account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract Balances

Installment contracts receivables

Installment contracts receivables represent the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset pertains to unbilled revenue from sale of real estate. This is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Contract fulfillment assets

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criterion requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are

expected to be recoverable. The Group's contract fulfillment assets pertain to land acquisition costs.

Amortization, de-recognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization of contract fulfillment assets and cost to obtain a contract is included within "Cost of real estate sales" and "Selling and administrative expense", respectively.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that the contract fulfillment asset or capitalized cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

Rental income

Rental income arising from operating leases on investment properties is recognized in the consolidated statement of comprehensive income as follows:

- Based on certain percentage of net income of operator after adjustments on shared expenses, as provided in the terms of the contract.
- Based on a straight-line basis over the term of the lease plus a certain percentage of sales of the tenants, as provided under the terms of the contract.

Interest income

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

Commission income

Commission income is recognized when services are rendered.

Dividend income

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

Others

Other income is derived from processing the registration of properties of buyers, collection from surcharges, penalties for late payments which are recognized when services are rendered and gain from fair valuation on repossess inventories.

Other income also includes profit share in hotel operations which is derived from the Group's share in service income, net of operating expenses, from units in a specific property development which is being operated as a hotel by a third party. Income is recognized when earned.

Costs and Expenses

Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Cost of real estate sales

Cost of real estate sales includes all direct materials, labor costs and incidental costs related to the construction of housing units.

Cost of rental income

Cost of rental income is mostly coming from depreciation, utilities and management fees. These are recognized as cost when incurred, except for depreciation which is recognized on a straight-line basis.

Cost of hotel operations

Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Selling and administrative expenses

Selling and administrative expenses are expenses that are incurred in the course of the ordinary operations of the Group. Selling and administrative expenses are costs incurred to sell real estate inventories, which include commissions, advertising and promotions, among others and costs of administering the business.

Expenses are recognized in the consolidated statement of comprehensive income as incurred based on the amounts paid or payable.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings.

All other borrowing costs are expensed as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee - Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office space (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted on a straight-line basis over the lease term and is included in revenue in the consolidated statement of comprehensive 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.

Lease modification

Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term. In case of a lease modification, the lessor shall account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease and the remaining lease payments will be recognized as income on a straight-line basis over the remaining lease term.

In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income.

Income Taxes

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating losses carryover (NOLCO), to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carry forward benefits of unused tax credits from excess MCIT over RCIT credits and unexpired NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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. Movements in the deferred tax assets and liabilities arising from changes in tax rates are credited to or charged against income for the period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Basic and Diluted Earnings Per Share

Basic EPS is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted would decrease the basic EPS, and then such convertible preferred shares would be deemed dilutive.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount. As of September 30, 2025 and December 31, 2024, the Group has no potential diluted common shares.

Segment Reporting

The Group's 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. Financial information on business segments is presented in Note 5 to the interim consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

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

Events After the Reporting Date

Post year-end events up to date when the consolidated financial statements are authorized for issue that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements, when material.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying interim consolidated financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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:

Revenue recognition

Selecting an appropriate revenue recognition method for a particular sale transaction requires certain judgments based on the buyer's commitment on the sale which may be ascertained

through the significance of the buyer's initial investment and the stage of completion of the project. In determining whether the sales price are collectible, the Group considers that initial and continuing investment of 20% of the net contract price for real estate development and sale would demonstrate the buyer's commitment to pay. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of buyers' equity before allowing revenue recognition.

Distinction between real estate inventories and investment properties

The Group determines whether a property is classified as investment property or real estate inventories as follows:

- Investment property comprises land and buildings (principally offices, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Real estate inventories comprise property that is held for sale in the ordinary course of business. Principally, this is residential and industrial property that the Group develops and intends to sell before or on completion of construction.

Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all significant risks and rewards of ownership of these properties which are leased out on operating leases.

The Group's operating lease contracts are accounted for as cancellable operating leases. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee.

Recognizing deferred tax assets

The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient future taxable profit to allow all or part of deferred tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

Determination of significant influence on an investee company

If an investor holds, directly or indirectly, less than 20% of the voting power of the investee company, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

Since the Group only has 12.50% ownership interest in Uni-Asia, the Group determined that it does not have control or significant influence.

Management's Use of Estimates

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 discussed below.

Revenue and cost recognition on real estate

The Group applies the percentage of completion (POC) method in determining real estate revenue and cost. The POC is based on the physical proportion of work and the cost of sales is determined based on the estimated project development costs applied with the respective project's POC.

Estimating allowance for impairment losses on receivables

The Group maintains allowance for impairment losses at a level based on the result of the individual and collective assessment under PAS 39. Under the individual assessment, the Group is required to obtain the present value of estimated cash flows using the receivable's original EIR. Impairment loss is determined as the difference between the receivable's carrying balance and the computed present value. The collective assessment would require the Group to group its receivables based on the credit risk characteristics (e.g., industry, past-due status and term) of the customers. Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile. The assessment also considers that title of the property passes on to the buyer only when the receivable is fully collected.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for the individual and collective assessments are based on management's judgment and estimate. Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the year.

Evaluation of net realizable value of inventories

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged, slow or non-moving or if their selling prices have declined in comparison to the cost.

Evaluation of impairment of other non-financial assets (except inventories)

The Group reviews other current assets, investment properties and property and equipment for impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's net selling price, except for assets where value in use computation is applied.

The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Estimating pension costs

The cost of defined benefit pension plans and other post-employment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds in the respective currencies with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Assumed discount rate is used in the measurement of the present value obligation, service and interest cost components of the pension expense. The mortality rate represents the proportion of current plan members who might demise prior to retirement..

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

4. Aging of Receivables

As of September 30, 2025 (Unaudited)

	Neither Past Due nor	Past Due but not Impaired					Total	Impaired	Total
	Impaired	1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
Trade	11,969,890,478	2,264,472	1,840,548	2,541,837	9,004,370	9,193,423	24,844,651	35,293,096	12,030,028,225
Nontrade	742,145,012	-	-	-	-	-	-	-	742,145,012
Total	12,712,035,490	2,264,472	1,840,548	2,541,837	9,004,370	9,193,423	24,844,651	35,293,096	12,772,173,237

As of September 30, 2024 (Unaudited)

	Neither Past Due nor	Past Due but not Impaired					Total	Impaired	Total
	Impaired	1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
Trade	₱13,109,534,794	₱2,264,472	₱1,840,548	₱2,541,837	₱9,004,370	₱9,193,423	₱24,844,650	₱45,888,273	₱13,180,267,717
Nontrade	690,410,072	-	-	-	-	-	-	-	690,410,072
Total	₱13,799,944,866	₱2,264,472	₱1,840,548	₱2,541,837	₱9,004,370	₱9,193,423	₱24,844,650	₱45,888,273	₱13,870,677,789

5. Segment Information

The following tables regarding business segments present assets and liabilities as of September 30, 2025 and September 30, 2024 and revenue and income information for each of the two periods ended September 30, 2025 and September 30, 2024.

As of September 30, 2025 (Unaudited)

	Leasing	Residential Development	Total
Rental income	562,606,728	-	562,606,728
Cost of rental income	(462,564,158)	-	(462,564,158)
Real estate sales	-	4,388,404,481	4,388,404,481
Cost of real estate sales	-	(1,024,488,299)	(1,024,488,299)
Segment profit	100,042,570	3,363,916,182	3,463,958,752
General and administrative expense	(39,673,112)	(1,119,611,106)	(1,159,284,218)
Commission income	-	236,155,945	236,155,945
Interest income	5,027,120	623,449,957	628,477,077
Interest expense	-	(1,389,344,834)	(1,389,344,834)
Other income	-	935,742,039	935,742,039
Dividend Income	-	3,488,000	3,488,000
Provision for income tax	(16,349,144)	(656,989,413)	(673,338,557)
Net income	49,047,433	1,996,806,771	2,045,854,204
Segment assets	7,243,644,409	61,867,212,414	69,110,856,818
Segment liabilities	627,651,838	31,442,079,868	32,069,731,706
Income tax payable	-	14,653,031	14,653,031
Deferred tax liability	27,406,939	4,925,126,400	4,952,533,339
Total liabilities	655,058,777	36,381,859,299	37,036,918,076
Cash flows arising from:			
Operating activities	5,750,420	(114,219,437)	(108,469,017)
Investing activities	(146,580,331)	1,026,850,157	880,269,826
Financing activities	-	(1,940,125,161)	(1,940,125,161)

As of September 30, 2024 (Unaudited)

	Leasing	Residential Development	Total
Rental income	₱555,453,632	₱—	₱555,453,632
Cost of rental income	(472,981,713)	—	(472,981,713)
Real estate sales	—	7,087,325,561	7,087,325,561
Cost of real estate sales	—	(1,699,010,570)	(1,699,010,570)
Segment profit	82,471,919	5,388,314,991	5,470,786,910
General and administrative expense	(39,064,672)	(1,448,247,585)	(1,487,312,257)
Commission income	—	129,861,651	129,861,651
Interest income	4,260,385	385,069,771	389,330,156
Interest expense	—	(1,329,115,209)	(1,329,115,209)
Other income	—	1,210,708,033	1,210,708,033
Dividend Income	—	352,000	352,000
Provision for income tax	(11,916,908)	(1,074,860,660)	(1,086,777,568)
Net income	₱35,750,724	₱3,262,082,992	₱3,297,833,716
Segment assets	₱7,214,898,339	₱57,957,549,871	₱65,172,448,210
Segment liabilities	₱664,237,620	₱30,457,352,760	₱31,121,590,380
Income tax payable	—	20,851,954	20,851,954
Deferred tax liability	31,879,358	4,349,200,880	4,381,080,238
Total liabilities	₱696,116,978	₱34,827,405,594	₱35,523,522,572
Cash flows arising from:			
Operating activities	(₱48,370,954)	₱997,526,523	₱949,155,569
Investing activities	(₱235,818,005)	₱37,202,629	(₱198,615,376)
Financing activities	—	(₱1,405,615,943)	(₱1,405,615,943)

6. Financial Instruments

Fair Value Information

The methods and assumptions used by the Group in estimating fair value of the financial instruments are as follows:

Cash, receivables accounts and other payables

Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Loans payable

Carrying amounts approximate the fair values because they carry interest rates which are the prevailing market rates for similar instruments.

Noncurrent installment contracts receivables

The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity.

AFS financial assets

Fair values are based on quoted prices published in markets.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- | | |
|----------|--|
| Level 1: | quoted (unadjusted) prices in active markets for identical assets or liabilities |
| Level 2: | other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly |
| Level 3: | techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. |

There have been no transfers between Level 1 and Level 2 during the first quarter of 2025 and for the year 2024.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, receivables, AFS financial assets and accounts and other payables, short-term debt and long-term debt. The Group has other financial liabilities such as accounts and other payables which arise directly from the conduct of its operations.

Management closely monitors the cash fund and financial transactions of the Group. These strategies, to an extent, mitigate the Group's interest rate and credit risks.

Exposure to liquidity and credit risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The Group actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments, matches debt maturities with the assets being financed, maintains a diversity of funding sources with its unhampered access to bank financing and the capital markets. As part of the liquidity risk management, the Group currently transacts with local banks for an extension and negotiation of higher undrawn credit lines to meet the suppliers' and contractors' obligations and business expansion.

Through scenario analysis and contingency planning, the Group also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial assets comprise of cash on hand and in bank, trade receivable, interest receivable and AFS financial assets. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. The Group's exposure to credit risk from cash on hand and in bank and AFS financial assets arise from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Real estate contracts

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. The credit risk for installment contracts receivables is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject lot in case of refusal by the buyer to pay on time the amortization due. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

The credit quality of the financial assets was determined as follows:

Cash - based on the nature of the counterparty.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group manages the equity price risk through diversification and placing limits on equity instruments.

Interest rate risk

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

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve, and degree of variability of cash flows.

7. Related Party Transactions

The Parent Company in its regular conduct of business has entered into transactions with related parties. Parties are considered to be related if, among others, one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions, the parties are subject to common control or the party is an associate or a joint venture. These accounts are noninterest-bearing and are generally unsecured. Unless otherwise indicated, the outstanding balances are generally settled in cash. The transactions are made at terms and prices agreed-upon by the parties.

The related amounts and outstanding balances from related party transactions (RPT) as of September 30, 2025 and 2024 follow:

As of September 30, 2025				
	Volume	Receivables	Terms	Conditions
Trade receivables				
Ultimate Parent Company (SLRDI)				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	₱12,054,231 60,338,164 (115,295,450) 8,382,555	₱508,055,752	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate (SLECC)				
Management fees and advances	34,774,868	59,602,744	Due and demandable; noninterest-bearing	Unsecured; no impairment
Rental and advances	42,074,744	91,251,503	Due and demandable; noninterest-bearing	Unsecured; no impairment

As of September 30, 2025

	Volume	Receivables	Terms	Conditions
Key officers and directors	₱2,622,365	₱190,343,050	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables				
<i>Ultimate Parent Company (SLRDI) (a)</i>				
Advances (f)	6,500,000	5,254,988	Payable on demand; noninterest-bearing	Unsecured
<i>Advances from Shareholders</i>				
Advances	-	14,711,492	Payable on demand; noninterest-bearing	Unsecured
		₱ 19,966,480		
Short-term Debt (g)				
<i>Ultimate Parent Company (SLRDI)</i>				
Principal	₱300,000,000	₱1,800,000,000	Payable on demand; interest bearing	Unsecured
Interest expense	82,350,000	12,325,000		

2024

	Volume	Receivables	Terms	Conditions
Trade receivables (Note 6)				
<i>Ultimate Parent Company (SLRDI)</i>				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	₱ 12,054,231 60,338,164 (115,295,450) 8,382,555	₱ 546,654,861	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (SLECC)</i>				
Management fees and advances	34,774,868	44,942,471	Due and demandable; noninterest-bearing	Unsecured; no impairment
Rental and advances	17,924,332	39,579,368	Due and demandable; noninterest-bearing	Unsecured; no impairment
Key officers and directors	₱22,793,141	₱136,559,689	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances (f)	₱6,500,000	₱ 5,254,988	Payable on demand; noninterest-bearing	Unsecured

As of September 30, 2025

	Volume	Receivables	Terms	Conditions
Advances from Shareholders				
Advances	-	14,711,492	Payable on demand; noninterest-bearing	Unsecured
		₱ 19,966,480		
Short-term Debt (g)				
Ultimate Parent Company (SLRDI)				
Principal	₱300,000,000	₱1,800,000,000	Payable on demand; interest bearing	Unsecured
Interest expense	109,800,000	12,325,000		

The significant transactions with related parties follow:

- a. The Parent Company, in the normal course of business, has transactions with the Ultimate Parent Company consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms. This includes noninterest-bearing cash advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies and other operating expenses. These advances amounted to 12.05 million and 12.05 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively.

Other advances include the rentals for project exhibits and advertising/marketing costs amounting to 8.39 million and 8.39 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively.

The amount of deductions applied or offset against the advances for the year amounted to ₱60.34 million and ₱60.34 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively.

Other advances also include the collection from buyers collected by SLRDI. This pertains to the monthly amortization payment from the buyers of the Parent Company, collected by the Ultimate Parent Company, and due to be remitted to the Parent Company. The amount collected by SLRDI amounted to ₱60.34 million for the period ended September 30, 2025 and December 31, 2024.

In 2014, the Parent Company and SLRDI entered into several memorandums of agreements wherein the Parent Company undertakes the development and marketing of the several projects of SLRDI and has assumed the position of the development contractor and marketing arm. In consideration of the services rendered by the Parent Company, SLRDI agreed to the following:

- Colinas Verdes Bulacan Project - SLRDI has entered into a joint arrangement with Araneta Properties, Inc. (API) for a proceed sharing agreement of 60% SLRDI - 40% API share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint agreement and 12% marketing fee on the gross selling price of all sales made from the project;
- Green Meadows Iloilo Project - SLRDI has entered into joint arrangement with AFP-Retirement and Separation Benefits System (ARSBS) for a lot sharing agreement of 55% SLRDI - 45% ARSBS share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project;
- Ponte Verde Davao Project - SLRDI has entered into a joint arrangement with Green Sphere Realty Corporation (GSRC) for a lot sharing agreement of 60% SLRDI - 40% GSRC share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project; and
- Valle Verde Davao Project - SLRDI has entered into a joint arrangement with GSRC for a lot sharing agreement of 60% SLRDI - 40% GSRC share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project.

The Parent made cash advances from SLRDI to be used for various administrative and operating expenses. As of September 30, 2025 and 2024, advances were made from SLRDI amounting to nil and ₱6.50 million, respectively.

- b. SLECC and the Parent Company entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in the mall operations from the past years. In exchange of SLECC's services, the Parent Company shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including repairs and maintenance and collection of space rental from storeowners or tenants. Management fee from SLECC amounted to ₱29.41 million and for ₱29.41 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively.
- c. The Parent Company made noninterest-bearing cash advances to SLECC for various operating expenses to be offset against payable from SLECC amounting to ₱34.77 million and ₱34.77 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively.

As of date, SLECC has outstanding receivables amounting to ₱59.60 million and ₱44.94 million in for the nine month period ended September 30, 2025 and December 31, 2024, respectively.

- d. The Parent Company has receivables from affiliated mall tenants. This pertains to accrued rental income amounting to ₱91.25 million and ₱151.96 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively. Rental income from affiliated tenants amounted to ₱42.07 million and ₱59.34 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively.
- e. The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to ₱2.62 million and ₱22.79 million for the nine month period ended September 30, 2025 and December 31, 2024, respectively.. The remaining unpaid receivables amounted to ₱136.56 million and ₱190.34 million as of September 30, 2025 and December 31, 2024, respectively., respectively.

As of September 30, 2025 and December 31, 2024, the Parent Company has not made any provision for ECL relating to amounts owed by related parties. There have been no guarantees and collaterals provided or received for any related party receivables or payables. This assessment of the Parent Company is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Key Management Personnel

Compensation of key management personnel by benefit type follows:

	September 30, 2025	2024
Short-term employee benefits	P22,552,264	P20,502,059
Post-employment benefits (Note 21)	852,812	775,283
	P23,405,076	P21,277,342

Approval requirements and limits on the amount and extent of related party transactions

Material related party transaction (MRPT) are transactions amounting to ten percent (10%) or more of the total assets of the Parent Company and shall be identified taking into account the related party registry. The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement.

All individual MRPTs shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a twelve (12)-month period that breaches the materiality threshold shall be required when the aggregate RPT transactions meets and exceeds the materiality threshold covering the same related party.

8. Events After Reporting Period

SEC RENT Compliance

The Group initially complied with the requirements of SEC RENT (Securing & Expanding Capital in Real Estate Non-Traditional Securities) on September 18, 2025, and is currently preparing for the second compliance deadline on November 19, 2025.

Loan-Related Events

No loan-related transactions occurred during the subsequent period.

ITEM 2: MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULT OF OPERATIONS

Result of Operations

(Nine month period ended September 30, 2025 compared to the nine month period ended September 30, 2025)

Revenue

The financial performance of the Group has shown a decline, reflected in a 38% decrease in total revenue, amounting to ₱2,643.85 million, compared to the corresponding period last year. This downturn is primarily attributed to the decrease in real estate sales, which amounted to ₱2,698.92 million or a 38% decrease. The decline in residential sales was driven by market saturation in key regional areas such as Cebu, Cavite, Iloilo, Davao, and Laguna. These conditions have led to slower sales absorption and reduced transaction volumes across the Group's residential portfolio.

Commission income saw a substantial increase, reaching ₱106.29 million, driven by the Group's marketing subsidiaries effectively optimizing the sale of existing project developments. This strategic focus significantly enhanced commission earnings during the period. Conversely, other revenue declined by 23%, amounting to ₱274.97 million, primarily due to lower collections from penalties, surcharges, and property repossessions, which had previously contributed to non-operating income.

Overall, while the Group has maintained a level of stability through its ongoing marketing efforts, the continued decline in core real estate sales and ancillary revenues highlights emerging pressures within saturated regional markets. These trends suggest the importance of reassessing current strategies to better align with evolving market conditions and to support the Group's long-term financial sustainability.

Cost and Expense

The Group has experienced a 28% decline, totaling ₱1,012.97 million, in its total costs and expenses compared to the corresponding period in the previous year. This decrease can be attributed to the decrease in cost of real estate sales and various expense categories. The cost of sales and services decreased by 32%, amounting to ₱684.94 million. The cost of real estate sales decreased by 40%, or ₱674.52 million, which can be directly linked to the decrease in real estate sales. The cost of rental income decreased by 2%, or ₱10.42 million, primarily linked to a decrease in rental income for the period.

Selling and administrative expenses decreased by 22%, amounting to ₱328.03 million, due to lower commission expenses, salaries and wages, repair and maintenance and advertising expense.

Interest expense increased by 5%, or ₱60.23 million, driven by an increase in the volume of the Group's borrowings during the period as well as rising interest rates due to current market conditions. Additionally, income tax decreased by 38%, or ₱413.44 million, attributable to lower taxable income for the period.

The Group has expressed its commitment to closely monitoring its cost structure to ensure sustainable growth and profitability. To attain this objective, the company is actively considering strategies to diversify its revenue streams. Additionally, the Group acknowledges the importance of maintaining a prudent approach to borrowing. These efforts are expected to be crucial in successfully navigating the financial challenges presented by these factors. By carefully managing expenses and exploring new revenue opportunities, the Group aims to strengthen its financial position and drive long-term success.

Comprehensive Income

Over the span of nine month leading up to September 30, 2025, the collective total comprehensive income of the organization demonstrated a decrease of 38%. This decrease corresponds to a downturn of ₱1,187.56 million compared to the same period in the prior year. This downturn was mainly triggered by lower earnings derived from real estate deals, commission income, other revenue and interest gains throughout this specified duration.

Financial Condition

(Nine month ended September 30, 2025 compared to year ended December 31, 2024)

Total Assets

The Company's financial condition, as reflected in its total assets, showed a modest increase of 2% from December 31, 2024 to September 30, 2025. This growth was primarily driven by higher levels of receivables and real estate inventories.

Notably, real estate inventories rose by 6%, amounting to ₱2,154.35 million, as a result of the substantial deployment of capital funds aimed at accelerating project development and launching new projects to meet the growing demand for real estate products.

The Company remains committed to effectively managing its assets, optimizing sales performance, and maintaining a robust balance sheet to sustain its strong financial position and support future expansion initiatives.

Total Liabilities

As of the September 30, 2025, the Group's total obligations have decreased by 2%, reflecting a more conservative financial position as compared to corresponding period in previous year. This reduction in liabilities is primarily attributable to a 21% decline in short-term debt, which amounted to ₱1,474.23 million. The decrease in short-term borrowings indicates the Group's strategic effort to manage liquidity and reduce exposure to near-term financial obligations. This shift is attributed to improved cash flow management, selective refinancing activities, and the settlement of maturing debt instruments.

Key Performance Indicators

	September 30, 2025	December 31, 2024
Current Ratio	3.20	2.80
Debt to Equity	0.77	0.83
Interest Coverage Ratio	295.72%	398.18%
Return on Asset	2.96%	6.23%
Return on Equity	6.38%	14.06%

*Notes to Key Performance Indicator:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans and income tax payables*).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio= Earnings before Income Tax and Interest Expense over Interest Expense
4. Return on Asset = Net Income over Total Assets
5. Return on Equity = Net Income over shareholder's equity.

Material Changes in the Balance Sheet (+/- 5%) as of September 30, 2025 versus the Balance Sheet as of December 31, 2024

In ₪ millions, except per share figures	September 30, 2025	December 31, 2024	HORIZONTAL ANALYSIS		VERTICAL ANALYSIS		% Change
			Change Amount	%	September 30, 2025	December 31, 2024	
ASSETS							
Current Assets							
Cash and cash equivalents	₪2,222	₪3,391	(1,168)	(34.5%)	3.2%	5.0%	(1.8%)
Receivables	7,458	6,032	1,426	23.6%	10.8%	8.9%	1.9%
Contract assets	1,864	2,600	(736)	(28.3%)	2.7%	3.8%	(-1.1%)
Real estate inventories	42,600	40,085	2,514	6.3%	61.6%	58.9%	2.7%
Other current assets	3,389	2,835	554	19.6%	4.9%	4.2%	0.7%
Total Current Assets	57,533	54,943	2,590	4.7%	83.2%	80.8%	2.5%
Noncurrent Assets							
Installment contracts receivables - net of current portion	1,638	1,556	82	5.2%	2.4%	2.3%	0.1%
Contract assets - net of current portion	1,812	2,698	(886)	(32.8%)	2.6%	4.0%	(1.3%)
Investment properties	6,723	6,722	1	0.0%	9.7%	9.9%	(0.2%)
Property and equipment	86	70	17	23.9%	0.1%	0.1%	0.0%
Financial assets at fair value through other comprehensive income (FVOCI)	661	760	(99)	(13.0%)	1.0%	1.1%	(0.2%)
Other noncurrent assets	658	1,273	(615)	(48.3%)	1.0%	1.9%	(0.9%)
Total Noncurrent Assets	11,578	13,078	(1,500)	(11.5%)	16.8%	19.2%	(2.5%)
	69,111	68,021	1,090	1.6%	100.0%	100.0%	0.0%
LIABILITIES AND EQUITY							
Current Liabilities							
Short-term debt	5,571	7,045	(1,474)	(20.9%)	8.1%	10.4%	(2.3%)
Accounts and other payables	7,083	7,456	(372)	(5.0%)	10.2%	11.0%	(0.7%)
Income tax payable	15	107	(92)	(86.3%)	0.0%	0.2%	(0.1%)
Contract liabilities - current portion	234	440	(206)	(46.8%)	0.3%	0.6%	(0.3%)
Long-term debt - current portion	5,097	4,597	500	10.9%	7.4%	6.8%	0.6%
Total Current Liabilities	18,000	19,645	(1,645)	(8.4%)	26.0%	28.9%	(2.8%)
Noncurrent Liabilities							
Long-term debt - net of current portion	13,891	13,372	519	3.9%	20.1%	19.7%	0.4%
Contract liabilities - net of current portion	179	336	(158)	(46.8%)	0.3%	0.5%	(0.2%)
Deferred tax liabilities – net	4,953	4,499	453	10.1%	7.2%	6.6%	0.6%
Retirement liabilities	15	15	-	0.0%	0.0%	0.0%	0.0%
Total Noncurrent Liabilities	19,037	18,222	815	4.5%	27.5%	26.8%	0.8%
Total Liabilities	37,037	37,867	(830)	(2.2%)	53.6%	55.7%	(2.1%)
Equity							
Capital stock	10,796	10,796	-	0.0%	15.6%	15.9%	(0.3%)
Additional paid-in capital	580	580	-	0.0%	0.8%	0.9%	0.0%
Retained earnings	22,093	20,074	2,020	10.1%	32.0%	29.5%	2.5%
Treasury shares	(1,600)	(1,600)	-	0.0%	(2.3%)	(2.4%)	0.0%
Net unrealized gain on fair value of financial assets at FVOCI	204	303	(99)	(32.7%)	0.3%	0.4%	(0.2%)
Remeasurement gains on pension - net of tax	-	-	-	0.0%	0.0%	0.0%	0.0%
Total Equity	32,074	30,153	1,921	6.4%	46.4%	44.3%	2.1%
	69,111	68,021	1,090	1.6%	100.0%	100.0%	0.0%

34.5% decrease in cash and cash equivalents

Cash and cash equivalents decreased primarily due to settlement of maturing obligations, funding of project development costs during the third quarter of 2025.

19.6% increase in other current assets

Increase is driven mainly by higher prepaid expenses, and advances to suppliers related to ongoing construction and development activities.

5.2% increase in installment contracts receivables – non current

The increase is driven by the recognition of revenue under the percentage of completion (POC) method for real estate sales, where payment terms extend beyond 12 months.

23.9% increase in property and equipment

The increase is attributable to acquisitions of office equipment and leasehold improvements to support expanded operations.

13% decrease financial asset at FVOCI

The declined is due to unrealized fair value losses on equity investments amid market volatility.

48.3% decrease in other noncurrent asset

Other noncurrent assets decreased is due to the reclassification of certain deposits and advances to current assets and amortization of deferred charges.

20.9% decrease in short-term debt

There's a 20.9% decrease in short-term debt, following the repayment of maturing loans and refinancing through long-term facilities.

5% decrease in Accounts Payable

The decrease in accounts payable is due to settlement of trade obligations and lower accruals for construction costs.

86% decrease in income tax payable

Income tax payable dropped by 86.6%, due to payment of prior period taxes and timing differences in tax accruals.

46.8% decrease in contract liabilities

Contract liabilities decreased due to construction milestones achieved, resulting in revenue recognition under POC and corresponding reduction in deferred revenue.

10.9% increase in long-term debt

Long-term debt increased by 10.9%, due to new borrowings to finance project development and reclassification of maturing obligations to current liabilities.

10.1% increase in deferred tax liabilities

The decrease is primarily due to temporary differences arising from revenue recognition and fair value adjustments.

10.1% increase in retained earnings

Increase in retained earnings is attributable to the net income recognized during the period.

32.7% decrease in net unrealized gain on fair value of financial assets at FVOCI

The decrease is in line with the decrease in fair value of financial assets.

Material Changes in the Income Statement (+/-5%) for the Nine-Month Period Ended September 30, 2025 versus the Income Statement for the Nine-Month Period Ended September 30, 2024

			HORIZONTAL ANALYSIS			VERTICAL ANALYSIS	
	September	September	Change		September	September	%
In ₱ millions, except per share figures	30, 2025	30, 2024	Amount	%	30, 2025	30, 2024	Change
REVENUE							
Real estate sales	₱4,388	₱7,087	(2,699)	(38.1%)	65.0%	75.6%	(10.6%)
Rental income	563	555	7	1.3%	8.3%	5.9%	2.4%
Interest income on receivables and contract assets	598	381	217	56.8%	8.9%	4.1%	4.8%
Commission income	236	130	106	81.9%	3.5%	1.4%	2.1%
Other revenue	936	1,211	(275)	(22.7%)	13.9%	12.9%	0.9%
	6,721	9,365	(2,644)	(28.2%)	99.5%	99.9%	(0.4%)
OTHER INCOME							
Interest income on cash and cash equivalents and short-term investments	31	8	23	279.6%	0.5%	0.1%	0.4%
Dividend income	3	0	3	890.9%	0.1%	0.0%	0.0%
	34	8	26	305.2%	0.5%	0.1%	0.4%
	6,755	9,373	(2,618)	(27.9%)	100.0%	100.0%	0.0%
COST OF SALES AND SERVICES							
Cost of real estate sales	1,024	1,699	(675)	(39.7%)	15.2%	18.1%	(3.0%)
Cost of rental income	463	473	(10)	(2.2%)	6.8%	5.0%	1.8%
	1,487	2,172	(685)	(31.5%)	22.0%	23.2%	(1.2%)
SELLING AND ADMINISTRATIVE EXPENSES							
Commissions	637	839	(202)	(24.1%)	9.4%	9.0%	0.5%
Taxes, licenses and fees	177	211	(34)	(16.0%)	2.6%	2.2%	0.4%
Salaries and wages and other benefits	122	135	(14)	(10.0%)	1.8%	1.4%	0.4%
Transportation, travel, office supplies and miscellaneous	57	54	3	5.6%	0.8%	0.6%	0.3%
Representation	71	57	13	23.1%	1.0%	0.6%	0.4%
Professional fees	18	19	(0)	(1.4%)	0.3%	0.2%	0.1%
Advertising	22	33	(11)	(34.4%)	0.3%	0.4%	0.0%
Utilities	10	17	(7)	(42.4%)	0.1%	0.2%	0.0%
Insurance expense	3	4	(0)	(5.9%)	0.1%	0.0%	0.0%
Legal expense	9	4	5	110.9%	0.1%	0.0%	0.1%
Surcharges and penalties	12	45	(34)	(74.0%)	0.2%	0.5%	(0.3%)
Repairs and maintenance	8	42	(34)	(81.0%)	0.1%	0.5%	(0.3%)
Depreciation and amortization	14	27	(13)	(49.1%)	0.2%	0.3%	(0.1%)
Software maintenance	-	-	-	0.0%	0.0%	0.0%	0.0%
Commissions	1,159	1,487	(328)	(22.1%)	17.2%	15.9%	1.3%
	637	839	(202)	(24.1%)	9.4%	9.0%	0.5%
INTEREST EXPENSE	1,389	1,329	60	4.5%	20.6%	14.2%	6.4%
INCOME BEFORE INCOME TAX	2,719	4,385	(1,665)	(38.0%)	40.3%	46.8%	(6.5%)
PROVISION FOR INCOME TAX	673	1,087	(413)	(38.0%)	10.0%	11.6%	(1.6%)
NET INCOME	2,046	3,298	(1,252)	(38.0%)	30.3%	35.2%	(4.9%)
OTHER COMPREHENSIVE INCOME							
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods							
Unrealized losses on fair value of financial assets at FVOCI	(99)	(164)	64	(39.4%)	(1.5%)	(1.7%)	0.3%
Remeasurement gains on pension - net of tax	-	-	-	0.0%	0.0%	0.0%	0.0%
	(99)	(164)	64	(39.4%)	(1.5%)	(1.7%)	0.3%
TOTAL COMPREHENSIVE INCOME	₱1,947	₱3,134	(1,188)	(37.9%)	28.8%	33.4%	(4.6%)
Basic/Diluted Earnings Per Share	₱ 0.25	₱ 0.40					

38.1% decrease in real estate sales

Real estate sales declined is primarily due to market saturation in different key areas resulting to lower sales. This impacted overall topline performance and contributed to the decline in net income.

56.8% increase in interest income on receivables and contract asset

The increase is driven by higher installment receivables and contract assets resulting from extended payment terms and increased financing activity.

81.9% increase in commission income

The Group's marketing subsidiary was able to maximize the sale of existing project developments resulting to increase in commission income during the period.

22.7% decrease in other revenue

Other sources of income demonstrated a significant decrease due to lower miscellaneous income from non-core activities and reduced service fees.

39.7% increase in cost of real estate sales

The decrease in cost of real estate sales is in line with the decline in real estate revenue and lower construction activity during the period.

24.1% decrease in commission expense

The decrease is consistent with the drop in real estate sales and related selling activity.

16% increase in taxes, licenses and fees

The increase was primarily attributable to higher regulatory charges and expanded project compliance requirements.

10% decrease in salaries, wages and other benefits

The decrease is due to streamlined manpower requirements following operational efficiencies.

5.6% increase in transportation and travel office supplies and miscellaneous

The increase is due to the higher travel and mobility costs associated with site visits, project monitoring, and client meetings. Increased office supply consumption due to expanded operations and onboarding of new personnel.

23% increase in representation

The increase is due to Enhanced client engagement efforts, including events, presentations, and hospitality for prospective buyers and partners.

49.1% decrease in depreciation and amortization

Depreciation and amortization decrease due to fully depreciated assets and lower capital expenditures.

42.4% decrease in utilities

The decrease is due to energy-saving initiatives implemented across office and project sites and cost management effort.

110.9% increase in legal expense

The increase is attributed to higher professional fees incurred in connection with ongoing regulatory compliance, contract reviews, and corporate governance matters. And increased legal advisory services related to property acquisitions, joint ventures, and documentation for new project launches.

81% decrease in repairs and maintenance

The decrease is the result of fewer corrective maintenance activities required during the period, as assets remained in good operational condition. And completion of major repair works in the prior year, resulting in lower recurring maintenance needs in 2025.

5.9% decrease in insurance expense

The decrease is due to streamlining of coverage across assets, eliminating redundancies and optimizing policy structures.

74% decrease in surcharges and penalties

The decrease is the result of improved compliance with regulatory and contractual obligations, resulting in fewer late payments and violations. And enhanced internal controls and monitoring systems, which helped prevent lapses and ensure timely settlements.

38% decrease in provision for income tax

The decrease is in line with the decline in taxable income.

39.4% decrease in unrealized gains on the fair value of financial assets at FVOCI

The recorded unrealized loss on financial assets at FVOCI, is a swing from the prior year's gain, due to market volatility and fair value adjustments.

PART II – OTHER INFORMATION

Item 3: Nine month of 2025 Developments

No additional subscription was made by the Company nor was any merger executed.

A. Composition of Board of Directors

Vicente R. Santos	Chairman
Exequiel D. Robles	President
Mariza Santos-Tan	Treasurer
Aurora D. Robles	Assistant Treasurer
Antonio D. Robles	Director
Orestes R. Santos	Director
Simeon Cua	Director
Renato C. Francisco	Independent Director
Danilo A. Antonio	Independent Director

B. Performance of the corporation or result/progress of operations.

Please see the unaudited Financial Statements and Management's Discussion and Analysis on result of operation with regards to the performance of the corporation or result/process of operations.

C. Declaration of Dividends.

None

D. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

None

E. Offering of rights, granting of Stock Options and corresponding plans thereof.

None

F. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

Not Applicable

G. Other information, material events or happenings that may have affected or may affect market price of security.

None

H. Transferring of assets, except in normal course of business.

None

Item 4: Other notes to Operations and Financials as of September 30, 2025

- A. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents
None
- B. Nature and amount of change in estimates of amounts reported in prior periods and their material effect in the current period.
There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.
- C. New financing through loans/issuances, repurchases and repayments of debt and equity securities.
None
- D. All Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the period covered.
- E. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investment restructurings, and discontinuing operations.
None
- F. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.
None
- G. Existence of material contingencies and other material events or transactions during the interim period.
None
- H. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
None
- I. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations) , and other relationships of the company with unconsolidated entities or others persons created during the reporting period.
None
- J. Material commitments for capital expenditures, general purpose and expected sources of funds.
None
- K. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.
None
- L. Significant elements of income or loss that did not arise from continuing operations.
None
- M. Causes for any material change/s from period to period in one or more line items of the financial statements.
See Management Discussion & Analysis portion of the quarter report.

N. Seasonal aspects that had material effect on the financial condition or results of operations.

None

O. Disclosures not made under SEC Form 17-C

None

STA. LUCIA LAND, INC. AND SUBSIDIARIES**FINANCIAL RATIOS**

As of September 30, 2025

	September 30, 2025	December 31, 2024
Current Ratio	3.20	2.80
Debt to Equity	0.77	0.83
Interest Coverage Ratio	295.72%	398.18%
Return on Asset	2.96%	6.23%
Return on Equity	6.38%	14.06%

SIGNATURES

Pursuant to the Requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned duly authorized.

STA. LUCIA LAND INC.

Issuer

A handwritten signature in black ink, appearing to read 'Exequiel D. Robles', with a stylized flourish at the end.

EXEQUIEL D. ROBLES

President & CEO

Date: November 18, 2025