



SECURITIES AND EXCHANGE COMMISSION

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The following document has been received:

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Company Information

SEC Registration No.: 0000043798

Company Name: ETON PROPERTIES PHILIPPINES, INC.

Industry Classification: J66940

Company Type: Stock Corporation

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COVER SHEET

SEC Registration Number

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COMPANY NAME

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

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Form Type

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Department requiring the report

N	/	A	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
EPPI_SEC_Mailbox@eton.com.ph	(632) 8548-4000	0917 1010358
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,672	April 23	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Celeste Mutuc	EPPI_SEC_Mailbox@eton.com.ph	(632) 8548-4000	0917-1010-358

CONTACT PERSON'S ADDRESS

9th and 10th Floor, Blakes Tower, Eton Westend Square, Corner of Don Chino Roces Ave., Malugay and Yakal Streets, Barangay San Antonio, Makati City 1203

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(B) THEREUNDER

1. For the quarterly period ended June 30, 2025
2. SEC Identification No. – 43798
3. BIR Tax Identification No.: 000-438-132-000
4. ETON PROPERTIES PHILIPPINES, INC.
(Exact name of registrant as specified in its charter)
5. Makati City
6. Industry Classification_____ (SEC Use Only)
(Province, Country or other jurisdiction of incorporation of principal office) Industry Classification Code
7. 9th and 10th Floor, Blakes Tower, Eton Westend Square, Corner of Don Chino Roces Ave.,
Malugay and Yakal Streets, Barangay San Antonio
Makati City 1203
(Address of principal office) Postal Code
8. (632) 8548 4000
(Registrant’s telephone number, including area code)
9. BALABAC RESOURCES AND HOLDINGS CO., INC.
7/F Allied Bank Center, 6754 Ayala Avenue, Makati City
(Former name, former address & former fiscal year, if changed since last report)
10. Title of Each Class Number of Shares of Common Stock Outstanding
Common 5,933,017,872 shares
(Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the
RSA)
11. Are any or all of these securities listed on the Philippine Stock Exchange?

NO
12. Checked 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
 - b. Has been subject to such filing requirements for the past 90 days.

YES

PART I - FINANCIAL INFORMATION

Item 1 – Financial Statements

Eton Properties Philippines, Inc. and its Subsidiaries' (the Group) interim consolidated financial statements as of and for the quarter ended June 30, 2025 are filed with this report.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The Company ended the first six months of 2025 with a net income after tax of ₱352.46 million, 8% or ₱25.95 million higher than ₱326.51 million recorded in 2024. The increase is mainly attributable to higher revenues from the sales of existing residential inventories and higher other income.

Rental income went down by 11% or ₱145.24 million on account of decreased occupancy from office leasing segment. In addition, residential leasing revenue continues to drop with the focus on residential sales.

Revenue from rooms and other serviced apartments dropped by 11% or ₱11.09 million for the first six months of 2025 due to lower online travel accounts.

Cost of rent increased by ₱142.39 million or 27% as a result of the increase in repairs and maintenance expense. On the other hand, costs of rooms and other operated department decreased by ₱16.40 million or 19% due to decrease in depreciation of various hotel furniture. General and administrative expenses slightly increased by ₱1.58 million or 1% mainly due to increase in personnel costs.

Net Other Charges/Income increased by 246%, amounting to ₱297.81 million on the account of revenue from deed of easement for subterranean right-of-way in Centris. Additionally, a 29% reduction in finance charges amounting to ₱39.76 million was due to settlement of landowner loans in 2024. Additionally, provision for estimated credit losses decreased by ₱21.53 as a result of increased collection efficiencies.

Eton Properties is advancing its market position and long-term sustainability through strategic initiatives focused on operational efficiency, financial discipline, and digital transformation. Key efforts include the migration to S4 HANA, centralized data management, and enhanced reporting to improve cost control, customer experience, and sales processing. Strengthened contract management and the rollout of digital meter readings by 2025 will support timely billing and revenue recovery. Capital and margin efficiency will be optimized through prudent spending, controlled overheads, sustainable practices, and risk management metrics.

The company is also undertaking major redevelopment projects. Eton City's 600-hectare township is being re-masterplanned to attract diverse industries, with new zones for industrial, residential, and commercial use. Eton Centris in Quezon City is being updated to improve accessibility and commercial appeal, particularly Centris Station. Meanwhile, the upscale 68 Roces project will add new inventory and incorporate smart home features and upgraded amenities as part of its ongoing development.

Financial Condition

As of June 30, 2025, the Company's consolidated assets stood at ₱30,579 million, slightly higher than the ₱28,732 million consolidated assets as of December 31, 2024. The increase primarily due to the increase in cash and cash equivalents as a result of P1 billion LTG equity infusion in Feb. Trade and other receivables increased by ₱386.88 million or 41.31% due to the revenue from deed of easement for subterranean right-of-way in Centris, which is collected the following month. Other Current assets increased by 9.95% of ₱125.43 million as result of prepayment of real property tax and creditable withholding taxes for the current year.

Total liabilities slightly decreased by 0.07% or ₱4.92 million from ₱7,164 million as of December 31, 2024 to ₱7,159 million as of June 30, 2025 mainly due to partial payment of loans of ₱214.95 million.

The Group's top five (5) key performance indicators are:

1. Net Income

The Company posted a net income of ₱352.46 million for the six months ended June 30, 2024. This is 8% higher than last year's net income after tax for the same period of ₱326.51 million. The increase in net income is mainly due to the increase in the Group's total revenue and other income partially offset by the increase in cost of rent and cost of rooms and other operated departments.

2. Current Ratio (*Current Assets / Current Liabilities*)

Current ratio as of June 30, 2025 and December 31, 2024 is 2.26:1 and 1.92:1, respectively. The slight improvement was mainly due to the increase in trade receivables from the increased sales revenues and payment of long open payables.

3. Basic and Diluted Earnings Per Share

The Group reported basic earnings per share of ₱0.059 and ₱0.057 for the six months ended June 30, 2025 and 2024, respectively.

4. Debt to Equity Ratio (*Total Liabilities/Total Equity*)

Debt to equity ratio slightly decreased to 0.31:1 as of June 30, 2025 from 0.33:1 as of December 31, 2024 mainly due to payment of ECI landowner loans.

5. Quick Ratio (*Cash and Cash Equivalents and Receivables/Current Liabilities*)

Quick ratio as of June 30, 2025 of 0.96:1 is higher than the quick ratio as of December 31, 2024 of 0.50:1 primarily due to higher cash as of end of June 30, 2025.

- (i) There are no known trends or any known demands, events of uncertainties that will affect the Group's liquidity. Expected inflows from operations are deemed sufficient to sustain the Group's operations for the next six months.
- (ii) There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

- (iii) There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- (iv) Trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues of income from continuing operations.

Please see Results of Operation

- (v) The Company has various planned capital expenditure to be funded by internally generated funds from operations and these are intended for the completion and repairs and maintenance of its existing projects as follows:
- Major enhancement of Centris Station
 - Sewage Treatment Plant Upgrade in Eton City and West Wing Villas
- (vi) There is no significant element of income that did not arise from continuing operations.
- (vii) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item:

Results of our vertical analyses showed the following material changes (+/- 5% and above) as of and for the years ended June 30, 2025 and December 31, 2024:

			Horizontal		Vertical
	2025	2024	Inc (Dec) Amount	Inc (Dec) %	2024
CASH AND CASH EQUIVALENTS	2,515,985,961	862,320,684	1,653,665,277	191.77%	8.26%
TRADE AND OTHER RECEIVABLES	1,323,356,501	936,479,037	386,877,464	41.31%	4.34%
OTHER CURRENT ASSETS	1,386,081,995	1,260,653,198	125,428,797	9.95%	4.55%
PROPERTY AND EQUIPMENT	874,213,358	637,657,915	236,555,443	37.10%	2.87%
DEFERRED TAX ASSET	134,511,814	109,396,449	25,115,365	22.96%	0.44%
TRADE AND OTHER PAYABLES	1,855,761,787	1,409,655,995	446,105,792	31.65%	6.27%
LOANS PAYABLE	2,378,914,645	2,811,039,638	(432,124,994)	-15.37%	8.04%
ADDITIONAL PAID IN CAPITAL	9,496,662,618	8,206,662,618	1,290,000,000	15.72%	32.10%

Results of our horizontal analyses showed the following material changes (+/- 5% and above) as of and for the years ended June 30, 2025 and December 31, 2024:

1. Cash and cash equivalents – 191.77% increase mainly due to additional capital infusion of Php1.50 billion.
2. Trade and other receivables – 41.31% increase due to increased sales revenue and the revenue from deed of easement for subterranean right-of-way in Centris.
3. Other current assets – 9.95% increase mainly due to increase in prepaid taxes for payment of business permit and real property tax.
4. Deferred Tax Asset – 22.96% increase due to the timing difference in tax reporting related to accrual of expenses, retirement liability, and advance rent.
5. Trade and other payables – 31.65% increase mainly due to increase in output VAT payable and accrued expenses.
6. Loans payable – 15.37% decrease mainly due to quarterly payment of loans.
7. Additional Paid in Capital – 15.72% increase mainly due to capital infusion of Php1.00 billion.

All of these material changes were explained in detail in the Management's Discussion and analysis of Financial Condition and Results of Operations stated above.

Item 3 – Other Information

FINANCIAL STATEMENTS REQUIRED UNDER SRC RULE 68.1	Remarks
The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report.	
1. Explanatory comments about the seasonality or cyclical nature of interim operations;	Not applicable
2. The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents;	Please see attached
3. The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period;	Not applicable
4. Issuances, repurchases, and repayments of debt and equity securities,	Not applicable
5. Dividends paid (aggregate or per share) separately for ordinary shares and other shares;	Not applicable
6. Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements);	Please see attached
7. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period;	Not applicable
8. 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 investments, restructurings, and discontinuing operations; and,	Not applicable
9. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.	Not applicable
10. Financial risk management objectives and policies	Please see attached

Part II – Other Information

SIGNATURES

Pursuant to the requirements of the Securities Regulation code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ETON PROPERTIES PHILIPPINES, INC.

By:


Ma. Celeste C. Mutuc
CFO
August 5, 2025


Mr. Kyle Ellis C. Tan
President
August 5, 2025

ETON PROPERTIES PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2025*	December 31, 2024**
ASSETS		
Current Assets		
Cash and cash equivalents	P2,515,985,961	P862,320,684
Trade and other receivables	1,323,356,501	936,479,037
Real estate inventories	3,808,195,024	3,851,279,942
Other current assets	1,386,081,995	1,260,653,198
Total Current Assets	9,033,619,482	6,910,732,861
Noncurrent Assets		
Receivables - net of current portion	-	-
Investment properties	20,052,048,589	20,565,811,078
Property and equipment	874,213,358	637,657,915
Right-of use assets	167,612,699	172,829,935
Deferred income tax assets – net	134,511,814	109,396,449
Other noncurrent assets	317,301,214	335,332,419
Total Noncurrent Assets	21,545,687,674	21,821,027,796
TOTAL ASSETS	30,579,307,156	P28,731,760,657
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P1,855,761,787	P1,409,655,998
Customers’ deposits	673,832,660	652,915,362
Payable to related parties	35,958,447	121,111,679
Current portion of:		
Loans payable	843,133,333	843,133,333
Payable to landowners	192,400,000	192,400,000
Other current liabilities	391,569,760	383,484,866
Income tax payable	7,265,641	-
Total Current Liabilities	3,999,921,628	3,602,701,238
Noncurrent Liabilities		
Loans payable - net of current portion	1,535,781,312	1,967,906,305
Deferred income tax liabilities - net	243,241,086	247,167,864
Other noncurrent liabilities	1,135,184,671	1,346,577,710
Total Noncurrent Liabilities	3,159,513,895	3,561,651,879
Total Liabilities	7,159,435,522	7,164,353,117
Equity		
Capital stock - P1 par value	5,933,017,872	5,723,017,872
Additional paid-in capital	9,496,662,618	8,206,662,618
Accumulated remeasurements on retirement benefits	153,825,627	153,825,627
Retained earnings	6,840,304,599	6,503,172,234
Treasury shares	(7,955)	(7,955)
	22,423,802,772	20,586,670,406
Noncontrolling interest	996,068,862	980,737,134
Total Equity	23,419,871,634	21,567,407,540
TOTAL LIABILITIES AND EQUITY	P30,579,307,156	P28,731,760,657

*Unaudited

**Audited

ETON PROPERTIES PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	2025*		2024*	
Quarters ended	April 1 – June 30	January 1 – June 30	April 1 – June 30	January 1 – June 30
REVENUE				
Rental income	₱553,150,202	₱1,124,920,026	₱679,713,244	₱1,270,171,150
Real estate sales	110,137,688	211,666,743	55,358,363	104,904,333
Rooms and other operated departments	40,202,438	86,376,855	46,305,309	97,467,288
	703,490,329	1,422,963,624	781,376,916	1,472,542,771
COST AND EXPENSES				
Cost of real estate sales	147,896,389	237,167,878	103,445,657	124,216,196
Cost of rental income	380,810,251	668,304,519	274,330,609	527,194,282
Cost of rooms and other operated departments	33,761,005	68,807,510	61,343,220	93,664,492
Selling expenses	12,681,142	32,455,910	8,309,904	12,634,986
General and administrative expenses	139,235,285	287,823,816	80,319,179	285,349,140
	714,384,072	1,294,559,634	527,748,569	1,043,059,096
OTHER INCOME (CHARGES)				
Interest income	28,863,470	44,671,779	135,722	7,080,743
Finance charges	(47,002,684)	(98,230,124)	(83,974,296)	(122,863,342)
Foreign exchange gains/(loss) – net	(24,989)	1,781,166	(1,124)	2,063
Other income	313,148,615	417,264,099	142,220,637	161,221,238
	294,984,413	365,486,920	58,380,939	45,440
INCOME BEFORE INCOME TAX	284,090,670	493,890,911	312,009,287	474,924,377
PROVISION FOR INCOME TAX				
Current	104,007,207	169,949,364	72,447,250	119,000,622
Deferred	(28,522,545)	(28,522,545)	–	–
	75,484,662	141,426,819	72,447,250	119,000,622
NET INCOME	₱208,606,008	₱352,464,091	₱239,562,037	₱355,923,755
BASIC/DILUTED EARNINGS PER SHARE	₱0.035	0.059	₱0.042	₱0.062

*Unaudited

ETON PROPERTIES PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Quarters ended	April 1 – June 30	January 1 – June 30	April 1 – June 30	January 1 – Jun 30
NET INCOME	₱208,606,008	₱352,464,091	₱239,562,037	₱355,923,755
OTHER COMPREHENSIVE INCOME		–	–	–
TOTAL COMPREHENSIVE INCOME	₱208,606,008	₱352,464,091	₱239,562,037	₱355,923,755

**Unaudited*

ETON PROPERTIES PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Six months ended June 30	
	2025*	2024*
Equity		
Capital stock - 1 par value		
Issued and fully paid	₱5,933,017,872	₱5,723,017,872
Additional paid-in capital	9,496,662,618	8,206,662,618
	15,429,680,490	13,929,680,490
Retained earnings		
Balance at beginning of period	6,483,909,370	6,271,143,151
Net income attributable to parent	356,395,229	355,923,755
Balance at end of period	6,840,304,599	6,627,066,906
Accumulated remeasurements on retirement benefits	153,825,638	123,491,727
Treasury shares, at cost	(7,955)	(7,955)
Non-controlling interest	996,068,862	–
Total Equity	₱23,419,871,634	₱20,680,231,169

**Unaudited*

ETON PROPERTIES PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarters Ended June 30	
	2025*	2024*
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱493,890,911	₱474,924,377
Adjustments for:		
Depreciation and amortization	293,763,810	246,462,196
Interest expense and other finance charges	119,082,753	137,985,710
Movements in retirement benefits	11,751,319	7,933,515
Unrealized foreign exchange gain	(1,781,166)	(5,706)
Interest income	(44,671,779)	(7,080,743)
Gain (Loss) on sale of Fixed Assets	(912,500)	–
Other Gain (Loss)	(17,548,128)	(15,694,218)
Operating income before working capital changes	853,575,220	844,525,131
Decrease (increase) in:		
Trade and other receivables	(388,381,706)	220,573,697
Real estate inventories	43,084,917	39,726,265
Other assets (current and noncurrent)	(75,432,957)	(173,904,178)
Increase (decrease) in:		
Trade and other payables	446,105,792	3,902,721
Customers' deposits	20,917,298	(111,233,179)
Deposits and other liabilities	(49,144,498)	77,362,718
Cash generated from operations	850,724,066	900,953,175
Income taxes paid, including final tax and creditable withholding taxes	(208,390,686)	(87,647,115)
Interest received	46,176,021	7,080,743
Net cash generated from (used in) operating activities	688,509,401	820,386,803
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property and equipment	(7,748,558)	(48,657,149)
Investment properties	(23,416,551)	(131,693,887)
Software	44,015,718	(3,042,768)
Cash used in investing activities	12,850,609	(183,393,804)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Loans payable	(429,900,000)	(449,900,000)
Lease liabilities	(15,910,796)	(16,054,280)
Interest	(103,519,748)	(135,398,112)
Bank Charges	(145,355)	–
Availment of:		
Capital Infusion	1,500,000,000	–
Loans payable	–	793,999,600
Cash generated from (used in) financing activities	950,524,101	192,647,208

Unaudited

ETON PROPERTIES PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarters Ended June 30	
	2025*	2024*
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	P1,781,166	P5,706
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,653,665,277	829,645,913
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	862,320,684	731,646,461
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P2,515,985,961	P1,561,292,374

**Unaudited*

ETON PROPERTIES PHILIPPINES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Corporate Information

Eton Properties Philippines, Inc. (“Eton” or the “Parent Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on April 2, 1971 under the name “Balabac Oil Exploration & Drilling Co., Inc.” to engage in oil exploration and mineral development projects in the Philippines. On May 12, 1988, the Philippine SEC approved the Parent Company’s registration and licensing as a listed company.

On August 19, 1996, the Parent Company’s Articles of Incorporation (the “Articles”) was amended to: (a) change the Parent Company’s primary purpose from oil exploration and mineral development to that of engaging in the business of a holding company; and (b) include real estate development and oil exploration as among its secondary purposes.

On February 21, 2007, the Parent Company’s Board of Directors (BOD) adopted the following amendments: (a) change the corporate name to Eton Properties Philippines, Inc.; (b) change the primary purpose to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential, including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property, improved or unimproved; to acquire, purchase, hold, manage, develop and sell subdivision lots; to erect, construct, alter, manage, operate, lease buildings and tenements; and to engage or act as real estate broker; (c) increase the number of directors from 11 to 15; and, (d) change of financial year-end from April 30 to December 31.

The above amendments were adopted by the Parent Company’s shareholders on Jul 19, 2007 and approved by the Philippine SEC on September 8, 2007.

On October 6, 2009, the Parent Company’s BOD approved the acquisition of an approximately 12-hectare property, with an appraised value of ₱3,953.2 million, owned by Paramount Land equities, Inc. (Paramount), where the Eton Centris projects are situated in exchange for the issuance of

1,600 million shares to Paramount at ₱2.50 per share. On October 22, 2009, the Parent Company and Paramount executed a Deed of Conveyance pertaining to the asset-for-share swap. As approved by the Philippine SEC in Jul 2011, the property was recognized by the Parent Company at the value of ₱4,000.0 million.

Prior to restructuring in 2012, Paramount and Saturn Holdings, Inc. (“Saturn”) had ownership interest of 55.07% and 42.39%, respectively, in Eton.

On September 17, 2012, LT Group, Inc. (LTG)’s BOD approved the assumption by LTG of certain liabilities of Paramount from Step Dragon Co. Ltd. and Billings Investments Ltd., British Virgin Island (BVI)-based companies, and Saturn from Penick Group Ltd., also a BVI-based company, amounting to ₱1,350.8 million and ₱521.3 million, respectively. LTG is a publicly listed company incorporated and domiciled in the Philippines.

On September 25 and September 26, 2012, LTG subscribed to 1,350,819,487 common shares of Paramount and 490,000,000 common shares of Saturn, respectively, with a par value of ₱1.00 per

share, which were issued to LTG from the increase in Paramount's and Saturn's authorized capital stock. LTG paid for the subscription in full by way of conversion into equity of LTG's advances to Paramount and Saturn amounting to ₱1,350.8 million and ₱490.0 million, respectively. On the same dates, Paramount and Saturn filed their application for increase in authorized capital with the Philippine SEC in order to accommodate LTG's investment.

Upon the Philippine SEC's approval on October 10, 2012, Paramount and Saturn became subsidiaries of LTG with 98.18% and 98.99% ownership interests, respectively, thus, giving LTG a 98.00% effective ownership in Eton.

On October 30, 2012, LTG entered into deeds of sale of shares with the controlling shareholders of Paramount and Saturn for the remaining issued and outstanding shares of the said companies. Thus, Paramount and Saturn became wholly owned subsidiaries of LTG.

On October 22, 2012, the Parent Company's BOD approved to voluntarily delist the Parent Company from the Philippine Stock Exchange (PSE) in light of the Parent Company's inability to comply with the minimum public ownership requirement of PSE within the allowed grace period. On December 8, 2012, Paramount made a tender offer to buy back shares of the Parent Company traded in the PSE resulting in the increase in its ownership interest from 55.07% to 56.86%, thus, increasing LTG's effective ownership interest in Eton to 99.30%. The delisting of the Parent Company became effective on January 2, 2013.

On November 14, 2014, Paramount and Saturn authorized the conversion of its advances to the Parent Company amounting to ₱3,150.0 million and ₱2,350.0 million, respectively, into equity by way of subscription to 2,067,669,172 shares of stock at an issue price of ₱2.66 per share. On January 14, 2015, the Parent Company filed the application for conversion with the SEC which was subsequently approved on January 23, 2015.

On March 2, 2015, the Parent Company's BOD approved the increase of its authorized capital stock from ₱5.0 billion divided into 5.0 billion common shares with a par value of ₱1.00 per share to ₱8.0 billion divided into 8.0 billion common shares with a par value of ₱1.00 per share. On September 28, 2015, Eton filed an application with the Philippine SEC to increase its authorized capital stock which was subsequently approved by the Philippine SEC on June 30, 2015. Out of the increase of 3.0 billion common shares, 419 million common shares and 331 million common shares have been subscribed by Paramount and Saturn, respectively, at a subscription price of ₱2.72 per share.

As of December 31, 2024 and 2023, Eton is 56.9% owned by Paramount and 42.7% owned by Saturn, also a subsidiary of LTG. Eton's ultimate parent company is Tangent Holdings Corporation, a company incorporated and domiciled in the Philippines.

In February 7, 2025, LTG subscribed to an additional of 210 million shares of the Parent Company, valued at P12.00 per share or P2.52 billion. In the same month, the Parent Company received the capital infusion amounting to P1.0 billion.

On April 8, 2025, EPPI received additional investment of Php0.5 billion.

The Parent Company's registered business address is 9th and 10th Floor, Blakes Tower, Eton Westend Square, Corner of Don Chino Roces Ave., Malugay and Yakal Streets, Barangay San Antonio, Makati City 1203. The change in the business address was filed with and approved by the Securities and Exchange Commission and Bureau of Internal Revenue on July 11, 2024 and August 30, 2024, respectively.

Subsidiaries

Below are the Parent Company's ownership interests in its subsidiaries:

Subsidiaries	Percentage of Ownership
Belton Communities, Inc. (BCI)	100%
Eton City, Inc. (ECI)	88%
Eton Hotels & Leisure, Inc. (EHLI) [formerly FirstHomes, Inc.]	100%
Eton Properties Management Corporation (EPMC)	100%

BCI was incorporated and registered with the Philippine SEC on November 5, 2007. On February 18, 2008, the BOD of BCI approved the increase of its capital stock from 20,000 shares to 100,000,000 shares at ₱1.00 par value per share and the subscription of the Parent Company for 24,995,000 shares, which, in addition to 5,000 common shares originally subscribed, would equal to 25% of the authorized capital stock.

On October 15, 2014, the BOD of BCI approved the increase of its authorized capital stock from ₱20,000 divided into 20,000 common shares with a par value of ₱1.00 per share to ₱800,000,000 divided into 800,000,000 common shares with a par value of ₱1.00 per share. On December 23, 2014, BCI filed an application with the Philippine SEC to increase its authorized capital stock which was subsequently approved by the Philippine SEC on January 7, 2015. Out of the increase in authorized capital stock, 199,995,000 common shares have been subscribed by the Parent Company with deposit for future stock subscription as payment for the subscribed common shares.

ECI was incorporated and registered with the Philippine SEC on October 8, 2008. On October 15, 2014, the BOD of ECI approved the increase of its authorized capital stock from ₱100,000,000 divided into 100,000,000 common shares with a par value of ₱1.00 per share to ₱1,000,000,000 divided into 1,000,000,000 common shares with a par value of ₱1.00 per share. On December 23, 2014, ECI filed an application with the Philippine SEC to increase its authorized capital stock which was subsequently approved by the Philippine SEC on January 6, 2015. Out of the increase in authorized capital stock, 225,000,000 common shares have been subscribed by the Parent Company with deposit for future stock subscription as payment for the subscribed common shares.

On October 15, 2010, EHLI was incorporated and registered with the Philippine SEC under the name of "FirstHomes, Inc." as a wholly owned subsidiary of the Parent Company with a total subscribed capital stock of ₱1.3 million. On November 7, 2019, the BOD of EHLI adopted the following amendments: (a) change the corporate name to Eton Hotels & Leisure, Inc.; (b) change the primary purpose to include to manage and operate hotels, resorts, apartelles, serviced apartments and other hospitality facilities, buildings, houses, apartments and other structures and immovable and personal property. The amendments were adopted by EHLI's stockholders on May 18, 2020 and approved by the Philippine SEC on October 29, 2021.

EPMC was incorporated and registered with the Philippine SEC on September 29, 2011 to manage, operate, lease, in whole or in part, real estate of all kinds, including buildings, house, apartments and other structures.

On September 14, 2017, the BOD of EPMC approved the increase in its authorized capital stock from ₱1,000,000 divided into 1,000,000 common shares with a par value of ₱1.00 per share to ₱20,000,000 divided into 20,000,000 common shares with a par value of ₱1.00 per share. The increase in authorized capital stock was approved by the Philippine SEC on September 19, 2017. Out of the increase in authorized capital stock, 4,750,000 common shares have been subscribed by the Parent Company.

On December 4, 2019, the Board of Directors of EPPI approved the additional investment/purchase of 15.0 million shares of EPMC, with par value of ₱1.00 per share, amounting to ₱15.0 million.

On September 19, 2024, LT Group made an additional investment/purchase of 50.0 million shares of ECI, valued at ₱20.00 per share. Additionally, EPPI also made an additional investment/purchase of 40.0 million shares of ECI, valued at ₱20.00 per share.

All subsidiaries, except for EPMC, are engaged in real estate development. All subsidiaries' registered business address is 9th and 10th Floor, Blakes Tower, Eton Westend Square, Corner of Don Chino Roces Ave., Malugay and Yakal Streets, Barangay San Antonio, Makati City 1203.

2. Summary of Material Accounting and Financial Reporting Policies

Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared under the historical cost basis and are presented in Philippine peso (Peso), which is the Parent Company's functional and presentation currency. All values are rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

- Adoption of the provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12 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 Np. 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 provisions of PIC Q&A 2018-12, specifically on the significant financing component. The Group assessed that the impact of the adoption of the significant financing component is not material to the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at June 30, 2025 and December 31, 2024 and for the quarters ended June 30, 2025 and 2024.

Noncontrolling interest represents the portion of income and expense and net assets in Eton City, Inc. not held by the Company and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separate from the equity attributable to the equity holders of the Company.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 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.

Future Changes in Accounting Policy

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

Effective beginning on or after January 1, 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
 - 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*

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under PFRS 15.

As of December 31, 2024 and 2023, the Group's financial assets pertain to financial assets at amortized cost (debt instrument).

Subsequent measurement

The Group measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in consolidated statement of income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash in banks and cash equivalents, trade and other receivables and refundable deposits.

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.

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

For contracts receivables (CR) presented under “Trade and other receivables”, the Group used the vintage analysis accounts for expected credit losses by calculating the cumulative loss rates of a given CR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

In addition to life of loan loss data, primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on interest rate, unemployment rate and inflation rates were added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points.

The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on facility/collateral type and completion. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission, association dues, refurbishment, payment required under Maceda Law, and cost to complete (for incomplete units).

As these are future cash flows, these are discounted back to the time of default using the appropriate EIR, usually being the original EIR or an approximation thereof.

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. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

Financial liabilities

Initial recognition and measurement

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

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

The Group’s financial liabilities pertain to loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in consolidated statement of income 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 charges in the consolidated statement of income.

This category generally applies to interest-bearing loans and borrowings.

Day 1 Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 difference) in profit or loss unless it qualifies for the recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference amount.

Real Estate Inventories

Real estate inventories consist of subdivision house and/or lot, residential houses and lots and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Acquisition cost of subdivision land;
- Amounts paid to contractors for construction and development of subdivision and/or lot, residential houses and lots and condominium units;
- Planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Borrowing costs capitalized prior to start of pre-selling activities for the real estate project.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to consolidated statement of income.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Repossessed real estate inventories are recorded at fair value less cost to repossess.

Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and are not occupied by the Group.

Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at acquisition cost less any impairment in value. The cost of an investment property, except for land, includes its construction costs and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs. Additions, betterments and major replacements are capitalized while minor repairs and maintenance are charged to expense as incurred.

Construction in progress is stated at cost less any impairment in value. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant asset is completed or put into operational use. 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.

Depreciation of investment properties commences once these are available for use and is computed on a straight-line basis over the estimated useful lives of the investment properties as follows:

Category	Years
Buildings	20 to 40
Condominium units	40
Land improvements	5

Depreciation of investment properties ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

The useful lives and depreciation method are reviewed annually based on expected asset utilization to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from the investment properties.

Transfers to investment property are made when there is a change in use, as evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when there is a change in use, as evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Transfers between investment property, 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.

Investment property is derecognized when either it has 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 the consolidated statement of income in the year of retirement or disposal.

The estimated fair value of the investment properties was arrived at using the Market Approach. In this approach, the value of the land and building were based on sales and listings of comparable property registered within the vicinity. The approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. For the valuation of the buildings for lease, the Cost Approach method of valuation is used. This method is based on the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. In estimating the cost of replacement of the new building and other land improvements, the Modified Quantity Survey Method is adopted.

The disclosure of the fair value of investment properties is determined by a Philippine SEC-accredited and independent values based on Market Approach using sales and listings of comparable properties having same potential use with the investment properties owned by the Company.

Revenue and Cost Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Real estate sales

The Group derives its real estate sales from sale of subdivision house and/or lots, residential house and lots 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 percentage of completion) 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 input method. Input methods recognize revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated development costs of the real estate project. The Company uses the costs accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis.

Any excess of progress of work over the right to an amount of consideration is recognized as installment contract receivables (unconditional) or contract asset (conditional) in the asset section of the statement of financial position.

Rental income

Rental income under non-cancellable leases of investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term or based on the terms of the lease contract or certain percentage of the gross revenue of the tenants, as applicable.

Cost of rental income

Cost of rental income is recognized in relation to the leasing activities of the Group. This includes depreciation of the investment properties being leased out, rental expense on the land where the property for lease is located, real property taxes and other directly attributable costs.

Other income and other expenses

Other income and other expenses pertain to the rental dues, service fees, penalty income and gain or loss, respectively, arising from forfeiture or cancellation of prior years' real estate sales, day one loss and miscellaneous income and expense.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the "Investment properties" account in the consolidated statement of financial position. 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 or sale are complete.

Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings and the actual borrowing costs eligible for capitalization for funds borrowed specifically.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

Retirement Benefits Cost

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

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

Retirement benefits costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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

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

Income Taxes

Current income tax

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

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) [excess MCIT] and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences, excess MCIT and unused NOLCO can be utilized before their expiration.

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

Deferred income tax assets and liabilities are measured at the tax rate that is 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 financial reporting date. Movements in the deferred tax assets and liabilities arising from changes in tax rates are charged or credited to the income for the period.

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

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Basic/Diluted Earnings Per Share

Basic earnings per share is computed by dividing net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.

Diluted earnings per share is computed in the same manner, with the net income for the year attributable to equity holders of the Parent Company and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares.

Leases

The Group as Lessor

Leases where the Group does not transfer substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Fixed lease payments for non-cancellable lease are recognized in the consolidated statement of income on a straight-line basis over the lease term. Any difference between the calculated rental income and amount actually received or to be received is recognized as deferred rent in the consolidated statement of financial position. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Variable rent is recognized as income based on the terms of the lease contract.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized under “Other income” account in the consolidated statement of income.

Segment Information

The Group’s operating businesses are organized and managed separately according to the nature of the Group: residential developments, leasing activities and serviced apartments. This is the basis on which the Group reports its primary segment information. Information with respect to these subsidiaries are disclosed in Note 4. The Company, including its subsidiaries, operate and derive all its revenue from domestic operation.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires the Group to exercise judgments, make accounting estimates and use assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Accounting estimates and judgments 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 amounts recognized in the consolidated financial statements. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effect of any change in accounting estimates is reflected in the consolidated financial statements as they become reasonably determinable.

Revenue recognition

Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of real estate property that would meet the requirements of PFRS 15; (b) assessment of the probability that the entity will collect the consideration from the buyer; (c) determination of the transaction price; (d) application of the output/input method as the measure of progress in determining real estate revenue; (e) determination of the actual costs incurred as cost of sales; and (f) recognition of cost to obtain a contract.

a) Existence of a contract

The Group’s primary document for a contract with a customer is a signed contract to sell. In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer’s initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers’ equity before commencing revenue recognition.

b) Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group’s performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is

specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that the output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customer.

c) Identifying performance obligation

The Group has various contracts to sell covering residential lots and condominium units. The Group concluded that there is one performance obligation in each of these contracts because: (i) for residential lots, the developer integrates the plots it sells with the associated infrastructure to be able to transfer the serviced land promised in the contract; (ii) for the contract covering house or condominium units, the developer has the obligation to deliver the house or condominium unit duly constructed on a specific lot and fully integrated into the serviced land in accordance with the approved plan. Included also in this performance obligation is the Group's service to transfer the title of the real estate unit to the customer.

Provision for expected credit losses of cash and cash equivalents, trade and other receivables and refundable deposits

The Group uses a provision matrix to calculate ECLs for trade and other receivables, except for contract receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, property collaterals and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates.

The Group uses vintage analysis approach to calculate ECLs for contract receivables. The vintage analysis accounts for expected credit losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period. The Group uses low credit risks simplification for cash and cash equivalents and refundable deposits.

The assessment of the correlation between historical observed default rates, forecast economic conditions (i.e., inflation rate) and ECLs are significant estimates. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases of 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.

Lease modification - as Lessor.

Throughout the government-imposed community quarantine, the Group waived rentals and offered deferral of payments to certain tenants. Such rental waivers and deferrals are not accounted as a lease modification under PFRS 16 since COVID-19 is a force majeure under the general law.

Determination of lease term of contracts with renewal options - the Group as a lessee

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold).

Classification of properties

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

- Investment property comprises land, condominium units 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 for capital appreciation.
- Real estate inventory comprises property that is held for sale in the ordinary course of business. Principally, this is a residential property that the Group develops and intends to sell before or on completion of construction.

The carrying values of the Group's investment properties and real estate inventories amounted to ₱20,052.0 million and ₱3,808.2 million as of June 30, 2025 and ₱20,583.4 million and ₱3,851.3 million as of December 31, 2024, respectively.

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flow largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as of the financial reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

The carrying values of the Group's investment properties and property and equipment amounted to ₱20,052.0 million and ₱874.2 million as of June 30, 2025 and ₱20,583.4 million and ₱637.7 million as of December 31, 2024, respectively.

Determination of fair value of financial and nonfinancial instruments

Where the fair values of financial and nonfinancial instruments recorded or disclosed in the consolidated financial statements 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.

Provisions and contingencies

The Group is currently involved in legal proceedings. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions, if any, will not have a material adverse impact on the Group's financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to

these proceedings. The Group did not recognize any provision in the second quarters of 2025 and 2024.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial 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 as follows:

Revenue and cost recognition

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 percentage of completion) 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.

Real estate sales and cost of real estate sales amounted to ₱211.7 million and 237.1 million in the second quarter of 2025 (real estate sales is ₱104.9 million in the second quarter of 2024, cost of real estate sales is ₱124.0 million).

Estimation of allowance for expected credit losses of debt instruments at amortized cost

The level of allowance for loans and receivables is evaluated by management based on past collection history and other factors which include, but are not limited to the length of the Group's relationship with the customer, the customer's payment behavior, known market factors that affect the collectability of the accounts. The Group recognized allowance for impairment on its lease receivables amounting ₱63.7 million as of June 30, 2025 and ₱85.3 million as of December 31, 2024.

Measurement of net realizable value of real estate inventories

The Group adjusts the cost of its real estate inventories to net realizable value (NRV) based on its assessment of the recoverability of cost of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As of June 30, 2025 and December 31, 2024, real estate inventories, which are carried at cost, amounted to ₱3,808.2 million and ₱3,851.3 million, respectively.

Estimation of useful lives of investment properties excluding land and construction in progress, property and equipment, right-of-use assets, and software

The Group estimates the useful lives of its depreciable investment properties, property and equipment, right-of-use assets and software based on the period over which the assets are expected to be available for use. The estimated useful lives of the investment properties, property and equipment, right-of-use assets and software are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of investment properties, property and equipment, right-of-use assets and software would increase depreciation and amortization expense and decrease noncurrent assets.

There were no changes in the estimated useful lives of depreciable investment properties, property

and equipment, right-of-use assets and software in the second quarters 2024 and 2024. The carrying values of the Group's investment properties (excluding land and construction in progress), property and equipment, right-of-use assets and software amounted to ₱11,499.1 million, ₱874.2 million, ₱167.6 million and ₱3.8 million as of June 30, 2025, respectively, and ₱12,012.2 million, ₱637.7 million, ₱172.8 million and ₱4.7 million as of December 31, 2024, respectively.

Assessment of impairment of noncurrent nonfinancial assets and estimation of recoverable amount

The Group evaluates its nonfinancial assets, which include investment properties, property and equipment, right-of-use assets, and software, for any 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, significant underperformance relative to expected historical or projected future operating and significant negative industry or economic trends.

As described in the accounting policy, the Group estimates the recoverable amount as the higher of the asset's fair value less costs to sell and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

The Group did not identify any indications of impairment, thus, it believes that the carrying amounts of its investment properties, property and equipment, right-of-use assets, and software amounting to ₱20,052.0 million, ₱874.2 million, ₱167.6 million and ₱3.8 million as of June 30, 2025, respectively, and ₱20,583.4 million, ₱637.7 million, ₱172.8 million and ₱4.7 million as of December 31, 2024, respectively.

Estimation of retirement benefits costs and liability

The determination of the Group's retirement benefits costs and liability is dependent on selection of certain assumptions used by actuaries in calculating such amounts. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions will materially affect retirement benefits obligations.

As of June 30, 2025 and December 31, 2024, retirement benefits liability amounted to ₱41.0 million and ₱37.7 million, respectively. Retirement benefits cost amounted to ₱11.8 million and ₱8.3 million in the second quarters of 2025 and 2024, respectively.

Recognition of deferred income tax assets

The Group reviews the carrying amounts of deferred income tax assets at each financial reporting date and makes adjustments to it to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The Group looks at its projected financial performance in assessing the sufficiency of future taxable income.

As of June 30, 2025 and December 31, 2024, the Group recognized deferred income tax assets amounting to ₱134.5 million.

4. Segment Information

Operating segments are components of the Group: (a) that engage in business activities from which the Group may earn revenues and incur losses and expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available. The Group's CODM is the Parent Company's BOD. The Parent Company's BOD regularly reviews the operating results of the business units to make decisions on

resource allocation and assess performance. Segment revenues and segment expenses are measured in accordance with PFRSs.

The presentation and classification of segment revenues and segment expenses are consistent with those in the consolidated statements of income. Financing costs (including interest expense) and income taxes are managed on a per company basis and are not allocated to operating segments.

Further, the measurement of the segment assets is the same as those described in the summary of significant accounting and financial reporting policies.

The Group has only one geographical segment as all of its assets are located in the Philippines. The Group operates and derives all of its revenue from domestic operations. Thus, geographical business information is not required.

Revenue is recognized to the extent that it is probable that those economic benefits will flow to the Group and that the revenue can be reliably measured. The Group does not have revenue from transaction with a single external customer, which amount to 10% or more of the Group's revenues.

Segment expenses are those directly attributable to the segment and the relevant portion of an expense that can be allocated on a reasonable basis to the segment, including expenses such as direct costs and expenses and general and administrative expenses.

The business segments where the Group operates follow:

- Residential developments - sale of residential lots and condominium units; and,
- Leasing activities - development of Business Process Outsourcing (BPO) buildings, and commercial spaces and condominium units for lease.
- Serviced apartments - operations of rooms and other operated departments at "The Mini Suites" in Eton Tower Makati

Considering the nature of the business segments, there were no intersegment revenues generated for all periods.

2025

	Residential Developments	Leasing Activities	Serviced Apartments	Unallocated Corporate Balance	Consolidated
Revenue from external customers	₱211,666,743	₱1,124,920,026	₱86,376,855	₱–	₱1,422,963,624
Direct costs	(237,167,878)	(668,304,519)	(68,807,510)	–	(974,279,907)
Gross profit	(25,501,135)	456,615,507	17,569,345	–	448,683,717
Selling, general and administrative expenses	(24,003,586)	(4,122,088)	(4,330,236)	(287,823,816)	(320,279,726)
Operating income	(49,504,722)	452,493,419	13,239,109	(287,823,816)	128,403,990
Interest income	(861,051)	–	–	45,532,830	44,671,779
Other income (charges) – net	(12,623,255)	13,915,030	4,593,987	413,159,504	419,045,266
Finance charges	–	–	–	(98,230,124)	(98,230,124)
Provision for income tax	–	–	–	(141,426,819)	(141,426,819)
Segment profit	₱ (62,989,028)	₱466,408,450	₱17,833,095	₱(68,788,426)	₱352,464,091
Other information					
Segment assets	₱4,266,388,656	₱17,869,262,593	₱564,946,959	₱7,878,708,948	₱30,579,307,156
Segment liabilities	₱867,596,452	₱1,453,962,831	₱17,264,241	₱4,812,611,999	₱7,159,435,522
Segment additions to property and equipment, investment properties and software	₱–	₱15,734,027	₱288,733	₱15,142,349	₱31,165,109
Depreciation and amortization	₱8,373,602	₱236,054,711	₱11,527,429	₱37,808,068	₱293,763,810

2024

	Residential Developments	Leasing Activities	Serviced Apartments	Unallocated Corporate Balance	Consolidated
Revenue from external customers	₱104,904,333	₱ 1,270,171,150	₱ 97,467,289	₱–	₱ 1,472,542,771
Direct costs	(124,216,196)	(527,194,282)	(93,664,492)	–	(745,074,970)
Gross profit	(19,311,863)	742,976,868	3,802,796	–	727,467,801
Selling, general and administrative expenses	(12,634,986)	–	–	(285,349,140)	(297,984,126)
Operating income	(31,946,849)	742,976,868	3,802,796	(285,349,140)	429,483,675
Interest income	1,950,801	–	–	5,129,942	7,080,743
Other income (charges) – net	(3,466,006)	1,630,661	3,198,652	145,568,405	146,931,712
Finance charges	–	–	–	(137,985,960)	(137,985,960)
Provision for income tax	–	–	–	(119,000,622)	(119,000,622)
Segment profit	₱ (33,462,054)	₱ 744,607,529	₱ 7,001,448	₱(391,637,375)	₱326,509,548
Other information					
Segment assets	₱ 4,399,709,694	₱ 18,148,516,147	₱ 569,946,912	₱ 6,999,960,916	₱ 30,118,133,669
Segment liabilities	₱ 1,148,961,149	₱ 1,255,574,928	₱ 9,485,813	₱ 7,023,880,612	₱ 9,437,902,502
Segment additions to property and equipment, investment properties and software	₱–	₱ 163,414,178	₱151,143	₱ 19,828,482	₱ 183,393,802
Depreciation and amortization	₱4,638,702	192,592,192	27,721,742	35,229,549	₱ 260,182,185

5. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are cash and cash equivalents, payables to landowners and loans payable. The main purpose of these financial instruments is to finance the Group's operations. The Group has various financial assets and financial liabilities such as trade and other receivables, refundable deposits, trade and other payables and security deposits, which arise directly from its operations.

It is the Group's policy that no trading of financial instruments shall be undertaken. Management closely monitors the cash fund and financial transactions of the Group. Cash funds are normally deposited with banks considered as related parties, and financial transactions are normally dealt with related parties. These strategies, to an extent, mitigate the Group's interest rate and credit risks.

Exposure to credit, liquidity, interest rate and foreign currency risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are: (a) to identify and monitor such risks on an ongoing basis, (b) to minimize and mitigate such risks, and (c) to provide a degree of certainty about costs.

The BOD reviews and approves the policies for managing these risks which are described below.

Credit risk

Credit risk is the risk that the Group will incur a loss because its counterparties failed to discharge their contractual obligations. The Group's credit risks are primarily attributable to cash in banks and cash equivalents, contracts receivables and other financial assets.

Credit risk is managed primarily through analysis of receivables on a continuous basis. In addition, the credit risk for contracts receivables is mitigated as the Group has the right to cancel the sales contract without the risk for any court action and can take possession of the subject property in case of refusal by the buyer to pay on time the contracts receivables due. This risk is further mitigated because the corresponding title to the property sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

The carrying amount of cash in banks and cash equivalents, trade and other receivables, and refundable deposits represent the Group's maximum exposure to credit risk.

As of June 30, 2025 and December 31, 2024, the Group's maximum exposure to credit risk for the components of the consolidated statements of financial position follows:

	June 30, 2025	December 31, 2024
Financial assets at amortized cost		
Cash in banks and cash equivalents*	₱2,507,406,982	₱853,735,418
Trade and other receivables:		
Lease receivables	324,901,434	378,890,521
Contracts receivables	111,773,057	310,411,280
Refundable Deposits	336,876,643	193,181,060
Receivable from tenants	59,916,265	112,385,296
Receivable from buyers	82,007,673	72,589,448
Receivable from related parties	459,423,802	25,000,000
Others**	193,589,819	109,881,996
	₱4,075,895,675	₱2,056,075,019

*Excluding cash on hand amounting to ₱8.6 million and ₱7.9 million as of June 30, 2025 and December 31, 2024, respectively.

**Excluding advances to officers and employees amounting to ₱12.2 million and ₱12.6 million as of June 30, 2025 and December 31, 2024, respectively.

Set out below is the information about the credit risk exposure on the Group's financial assets using a provision matrix.

As of June 30, 2025:

	Cash in banks and cash equivalents	Refundable deposits	Trade and other receivables					Totals
			Current	Days past due				
				<30 days	30-60 days	61-90 days	> 91 days	
Expected credit loss rate	—%	4.00%	2%	11%	21%	7%	6%	
Estimated total gross carrying amount at default	₱2,507,406,982	₱193,589,819	₱574,266,138	₱65,045,368	₱20,603,313	₱63,551,921	₱652,432,135	₱1,374,898,874
Expected credit loss	₱—	₱6,831,438	₱8,670,268	₱6,900,712	₱4,258,479	₱4,364,357	₱39,555,251	₱63,749,067

As of December 31, 2024:

	Cash in banks and cash equivalents	Refundable deposits	Trade and other receivables					Totals
			Current	Days past due				
				<30 days	30-60 days	61-90 days	> 91 days	
Expected credit loss rate	—%	3%	11%	12%	1%	2%	56%	
Estimated total gross carrying amount at default	₱853,735,418	₱193,181,060	₱26,,260,320	₱256,694,989	₱338,386,187	₱311,089,799	₱76,727,989	₱1,009,158,541
Expected credit loss	₱—	₱6,831,438	₱2,991,779	₱29,843,936	₱3,956,153	₱5,398,244	₱43,091,214	₱85,281,326

Movement of the allowance for expected credit losses in the second quarters of 2025 and 2024 follow:

	2025	2024
Beginning balances	₱92,112,765	₱73,300,318
Provision for the period	(21,532,259)	18,812,447
Ending balances	₱70,580,506	₱92,112,765

The Group is not exposed to concentration risk because it has a diverse base of counterparties.

Liquidity risk

Liquidity risk is defined as risk that the Group would not be able to settle or meet its obligations on time. The Group maintains sufficient cash in order to fund its operations.

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 and develops viable funding alternatives through its customers' deposits arising from the Group's pre-selling activities.

The tables below show the maturity profile of the Group's other financial liabilities (undiscounted amounts of principal and related interest) as well as the undiscounted cash flows from financial assets used for liquidity management.

As of June 30, 2025:

	On demand	Less than 1 year	More than 1 year	Total
Financial liabilities:				
Trade and other payables:				
Accounts payables*	P—	P497,701,895	P—	P497,701,895
Retentions payable	—	211,948,431	—	211,948,431
Accrued expenses	—	637,283,045	—	637,283,045
Lease liabilities**	—	4,352,604	488,547,912	492,900,516
Loans payable***	—	843,133,333	1,535,781,312	2,378,914,645
Payable to landowners	—	—	192,400,000	192,400,000
Payable to related parties	—	35,958,447	—	35,958,447
Security deposits	—	387,217,156	336,220,101	723,437,257
	P—	P2,617,594,911	P2,552,949,324	P5,170,544,235
Financial assets:				
Cash and cash equivalents	P180,134,195	P2,335,851,766	P—	P2,515,985,961
Trade and other receivables**	—	1,323,356,501	0	1,323,356,501
	P180,134,195	P3,659,208,267	P0	P3,839,342,462

*Excluding payable to government agencies amounting to P4.7 million.

**Excluding advances to officers and employees amounting to P12.2 million.

***Including interest to maturity amounting to P20.9 million

As of December 31, 2024:

	On demand	Less than 1 year	More than 1 year	Total
Financial liabilities:				
Trade and other payables:				
Accounts payables*	P—	P606,706,353	P—	P606,706,353
Retentions payable	—	227,251,027	—	227,251,027
Accrued expenses	—	356,694,539	—	356,694,539
Lease liabilities	—	4,352,604	485,796,626	490,149,231
Loans payable	—	843,133,333	1,967,906,305	2,811,039,638
Payable to related parties	—	121,111,679	—	121,111,679
Payable to landowners	—	—	192,400,000	192,400,000
Security deposits****	—	379,132,262	343,469,599	722,601,862
	P—	P2,538,381,797	P2,989,572,531	P5,527,954,327
Financial assets:				
Cash and cash equivalents	P386,496,177	P475,824,507	P—	P862,320,684
Trade and other receivables**	—	936,479,037	—	936,479,037
	P386,496,177	P1,412,303,545	P—	P1,798,799,722

*Excluding payable to government agencies amounting to P1.9 million.

**Excluding advances to officers and employees amounting to P12.6 million.

****Including interest to maturity amounting to P4.7 million.

Foreign currency risk

Foreign exchange risk is the risk on volatility of earnings or capital arising from changes in foreign exchange rates, mainly US Dollar to Peso exchange rate. The Group's exposure to foreign currency risk arises from US Dollar-denominated cash and cash equivalents.

The following table shows the Group's cash and cash equivalents denominated in US dollar and their peso equivalents as of June 30, 2025 and December 31, 2024.

	US Dollar Value	Peso Equivalent
June 30, 2025	\$29,309	₱1,658,328
December 31, 2024	\$1,328,030	₱75,203,019

The exchange rate used as of June 30, 2025 and December 31, 2024 were ₱56.58 to US\$1.00 and ₱55.57 to US\$1.00, respectively. The Group recognized net foreign exchange gains amounting to ₱1.8 million and ₱5,200 in the second quarters of 2024 and 2024, respectively.

Fair Value Information

Presented below is the comparison of the carrying values and fair values of the Group's financial assets and liabilities that are presented in the consolidated statements of financial position as of June 30, 2025 and December 31, 2021.

	June 30, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash on hand	₱8,578,979	₱8,578,979	₱8,585,266	₱8,585,266
Loans and receivables:				
Cash in banks and cash equivalents	2,507,406,982	2,507,406,982	853,735,418	853,735,418
Contracts receivables	346,420,575	346,420,575	310,411,280	310,411,280
Receivables from buyers	111,773,057	111,773,057	72,589,448	72,589,448
Lease receivables	356,311,398	356,311,398	378,890,521	378,890,521
Refundable deposits**	193,589,819	203,785,339	193,181,060	204,520,788
Receivable from related party	59,916,265	59,916,265	25,000,000	25,000,000
Receivables from tenants	82,007,673	82,007,673	112,385,296	112,385,296
Others*	418,153,849	418,153,849	109,881,996	109,881,996
	₱4,084,158,597	₱4,094,354,117	₱2,064,660,285	₱2,076,000,013

* Excluding advances to officers and employees amounting to ₱12.2 million and ₱12.6 million as of June 30, 2025 and December 31, 2024, respectively.

** Presented as part of "Other noncurrent assets" account.

	June 30, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities				
Other financial liabilities:				
Trade and other payables:				
Accounts payable*	₱497,701,895	₱497,701,895	₱606,706,351	₱606,706,351
Retentions payable	211,948,431	211,948,431	227,251,027	227,251,027
Accrued expenses	637,283,045	637,283,045	356,745,931	356,745,931
Lease liabilities	492,900,516	472,587,907	490,149,231	490,149,231
Loans payable	2,378,914,645	2,754,706,068	2,811,039,638	2,698,157,403
Payables to landowners	192,400,000	192,400,000	192,400,000	192,400,000
Security deposits**	723,437,257	740,879,457	721,640,961	759,631,062
	₱5,134,585,788	₱5,507,506,803	₱5,405,933,139	₱5,331,041,005

* Excluding payable to government agencies amounting to ₱4.7 million and ₱1.9 million as of June 30, 2025 and December 31, 2024, respectively.

** Presented as part of "Deposits and other liabilities" and "Other noncurrent liabilities" accounts.

The following methods and assumptions are used to estimate the fair value of each class of financial and non-financial instruments:

Cash and cash equivalents, trade and other receivables, trade and other payables

The carrying values of cash and cash equivalents, trade and other receivables and trade and other payables, approximate their fair values due to the short-term nature of these financial instruments. The noncurrent portion of trade receivables is interest-bearing with interest rates that approximate market interest rates as of June 30, 2025 and December 31, 2024.

Refundable deposits

The carrying value of deposits is the best estimate of its fair value since the related contracts and agreements pertaining to these deposits have indeterminable terms.

Loans payable, payables to landowners and security deposits

The fair values of loans payable, payables to landowners and security deposits are estimated using the discounted cash flow method based on the discounted value of future cash flows using the applicable risk-free rates for similar types of instruments. The discount rates used range from 3.43% to 7.00% as of June 30, 2025 and December 31, 2024. Management has determined the inputs to be Level 3.

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

- quoted prices in active markets for identical assets (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices) (Level 2); and,
- those inputs for the asset that are not based on observable market data (unobservable inputs) (Level 3).

In the second quarters of 2024 and 2024, there were no transfers between Levels 1 and 2 fair value measurements, and no transfers into and out of Level 3 measurements.

		June 30, 2025		December 31, 2024	
A.	CURRENT RATIO				
	current assets	<u>9,033,619,482</u>	2.26	<u>6,910,732,861</u>	1.92
	current liabilities	<u>3,999,921,628</u>		<u>3,602,701,236</u>	
B.	DEBT TO EQUITY RATIO				
	total liabilities	<u>7,159,435,522</u>	0.31	<u>7,164,353,115</u>	0.33
	stockholders' equity	<u>23,419,871,634</u>		<u>21,567,407,542</u>	
C.	QUICK RATIO				
	cash & cash equivalent	<u>2,515,985,961</u>		<u>862,320,684</u>	
	receivable (current)	<u>1,323,356,501</u>		<u>936,479,037</u>	
		<u>3,839,342,462</u>	0.96	<u>1,798,799,722</u>	0.50
	current liabilities	<u>3,999,921,628</u>		<u>3,602,701,236</u>	
D.	ASSET TO EQUITY RATIO				
	total assets	<u>30,579,307,156</u>	1.31	<u>28,731,760,657</u>	1.33
	total equity	<u>23,419,871,634</u>		<u>21,567,407,542</u>	
		June 30, 2025		June 30, 2024	
E.	INTEREST COVERAGE RATIO				
	EBITDA	<u>493,890,911</u>	5.03	<u>474,924,377</u>	3.87
	Interest expense	<u>98,230,124</u>		<u>122,863,342</u>	
F.	GP RATE ON REAL ESTATE SALES				
	Gross Profit	<u>(25,501,135)</u>	(0.12)	<u>137,646,933</u>	0.45
	Real Estate Sales	<u>211,666,743</u>		<u>308,237,144</u>	
G.	GP RATE ON RENTAL INCOME				
	Gross Profit	<u>456,615,507</u>	0.41	<u>742,976,868</u>	0.58
	Rental Income	<u>1,124,920,026</u>		<u>1,270,171,150</u>	
H.	BASIC EARNINGS PER SHARE				
	Net income after tax	<u>352,464,091</u>	0.0594	<u>355,923,755</u>	0.0622
	no of shares	<u>5,933,017,872</u>		<u>5,723,017,872</u>	
I.	DILUTED EARNINGS PER SHARE				
		<u>352,464,091</u>	0.0594	<u>355,923,755</u>	0.0622
		<u>5,933,017,872</u>		<u>5,723,017,872</u>	