UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2025**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________to _________

000-55038
Commission file number

LiquidValue Development Inc.
(Exact name of registrant as specified in its charter)

Nevada	**27-1467607**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)
4800 Montgomery Lane, Suite 210, Bethesda, Maryland	**20814**
(Address of principal executive offices)	(Zip Code)

301-971-3940
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 13, 2025, there were 704,043,324 shares of the registrant's common stock $0.001 par value per share, issued and outstanding.

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Part I. Financial Information

LiquidValue Development Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2025	December 31, 2024 (Audited)
Real Estate		
Other Properties, Net	610,867	615,495
Assets:		
Cash	$ 2,980,943	$ 2,762,935
Restricted Cash	107,901	107,874
Other Receivable	35,363	67,586
Reimbursement Receivable, Net	8,134,920	8,717,420
Promissory Note Receivable - Related Party	26,090,390	26,358,872
Prepaid Expenses	4,449	4,797
Fixed Assets, Net	1,732	2,049
Deposits	21,491	21,491
Operating Lease Right-Of-Use Asset, Net	120,559	134,155
Total Assets	$ 38,108,615	$ 38,792,674
Liabilities and Stockholders' Equity:		
Liabilities:		
Accounts Payable	$ 1,452,474	$ 1,133,917
Accrued Expenses	241,421	356,188
Accrued Interest - Related Parties	1,045,063	1,207,408
Security Deposit	4,301	4,301
Operating Lease Liability	122,372	138,775
Income Tax Payable	160,000	150,786
Total Liabilities	3,025,631	2,991,375
Commitments and Contingencies (Note 8)		
Stockholders' Equity:		
Common Stock, at par $0.001, 1,000,000,000 shares authorized and 704,043,324 issued, and outstanding at March 31, 2025 and December 31, 2024	704,043	704,043
Additional Paid in Capital	33,045,481	33,045,481
Retained Earnings	1,267,893	1,986,103
Total LiquidValue Development Inc. Stockholders' Equity	35,017,417	35,735,627
Non-controlling Interests	65,567	65,672
Total Stockholders' Equity	35,082,984	35,801,299
Total Liabilities and Stockholders' Equity	$ 38,108,615	$ 38,792,674

See accompanying notes to condensed consolidated financial statements.

LiquidValue Development Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue	$ 11,209	$ 5,045,402
Operating Expenses		
Cost of Revenue	5,113	3,911,947
General and Administrative	1,089,779	310,757
Total Operating Expenses	1,094,892	4,222,704
Income (Loss) Income from Operations	(1,083,683)	822,698
Other Income		
Interest Income	363,889	258,038
Other Income	10,693	15,048
Total Other Income	374,582	273,086
Net (Loss) Income before Income Taxes	(709,101)	1,095,784
Income Tax Expense	9,214	-
(Loss) Income from Operations	(718,315)	1,095,784
Net Loss Attributable to Non-controlling Interests	(105)	(1,183)
Net (Loss) Income Attributable to Common Stockholders	$ (718,210)	$ 1,096,967
Net (Loss) Income per Share - Basic and Diluted	$ (0.00)	$ 0.00
Weighted Average Common Shares Outstanding - Basic and Diluted	704,043,324	704,043,324

See accompanying notes to condensed consolidated financial statements.

LiquidValue Development Inc. and Subsidiaries
Condensed Consolidated Statement of Stockholders' Equity
For the Three- Months Periods ended March 31, 2025 and 2024
(Unaudited)

	Common Stock		Additional Paid in Capital	Retained Earnings	Total LiquidValue Development Inc. Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Par Value $0.001					
Balance at January 1, 2025	704,043,324	$ 704,043	$ 33,045,481	$ 1,986,103	$ 35,735,627	$ 65,672	$ 35,801,299
Net Loss	-	-	-	(718,210)	(718,210)	(105)	(718,315)
Balance at March 31, 2025	704,043,324	$ 704,043	$ 33,045,481	1,267,893	35,017,417	$ 65,567	$ 35,082,984

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total LiquidValue Development Inc. Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Par Value $0.001					
Balance at January 1, 2024	704,043,324	$ 704,043	$ 32,816,924	$ (4,701,911)	$ 28,819,056	$ 79,959	$ 28,899,015
Net Income (Loss)	-	-	-	1,096,967	1,096,967	(1,183)	1,095,784
Balance at March 31, 2024	704,043,324	$ 704,043	$ 32,816,924	(3,604,944)	29,916,023	$ 78,776	$ 29,994,799

See accompanying notes to condensed consolidated financial statements.

LiquidValue Development Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash Flows from Operating Activities		
Net (Loss) Income	$ (718,315)	$ 1,095,784
Adjustments to Reconcile Net (Loss) Income to Net Cash (Used in) Provided by Operating Activities:		
Depreciation	4,945	5,228
Noncash lease expense	13,596	29,655
Changes in Operating Assets and Liabilities		
Real Estate Development	-	2,457,700
Reimbursement Receivable	582,500	(960,996)
Interest on Promissory Note Receivable – Related Party	(201,518)	(203,757)
Prepaid Expenses	348	-
Other Receivable	32,223	(6,231)
Accounts Payable	318,557	573,060
Accrued Expenses	(114,767)	6,625
Income Tax Payable	9,214	-
Accrued Interest - Related Parties	(162,345)	(54,253)
Operating Lease Liability	(16,403)	(24,430)
Security Deposits	-	2,201
Net Cash (Used in) Provided by Operating Activities	$ (251,965)	$ 2,920,586
Cash Flows from Investing Activities		
Promissory Note Receivable - Related Party	$ -	$ (2,443,692)
Repayment from Promissory Note Receivable - Related Party	470,000	-
Net Cash Provided by (Used in) Investing Activities	$ 470,000	$ (2,443,692)
Cash Flows from Financing Activities		
Borrowing from Notes Payable - Related Parties	$ -	$ 2,650,000
Repayment to Notes Payable - Related Parties	-	(2,650,000)
Net Cash Used in Financing Activities	$ -	$ -
Net Increase in Cash and Restricted Cash	218,035	476,894
Cash and Restricted Cash - Beginning of Period	2,870,809	1,882,081
Cash and Restricted Cash - End of Period	$ 3,088,844	$ 2,358,975
Cash	2,980,943	2,251,182
Restricted Cash	107,901	107,793
Total Cash and Restricted Cash	3,088,844	2,358,975
Supplementary Cash Flow Information		
Cash Paid for Interest	$ -	$ -
Cash Paid for Taxes	$ -	$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Acquisition of New Operating Lease Right of Use Asset	$ -	$ 209,931
Noncash Accrued Interest Income on Related Party Loan	$ 201,518	$ -
Noncash Repayment of Accrued Interest Payable via Interest Income on Related Party Loan	$ 162,345	$ -

See accompanying notes to condensed consolidated financial statements.

LiquidValue Development Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements
March 31, 2025
(Unaudited)

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

LiquidValue Development Inc. (the "Company") was incorporated in the State of Nevada on December 10, 2009. On December 29, 2017, the Company, acquired Alset EHome Inc. ("Alset EHome") by reverse merger. Alset EHome, a Delaware corporation, was formed on February 24, 2015. Alset EHome is principally engaged in developing, selling, managing, and leasing residential properties in the United States in current stage and may expand from residential properties to other property types, including but not limited to commercial and retail properties. The Company is 99.99% owned by SeD Intelligent Home Inc., which is wholly owned by Alset International Limited ("Alset International"), a multinational public company, listed on the Singapore Exchange Securities Trading Limited.

The Company's chief operating decision makers are the two Co-CEOs, who review and assess the performance of the Company as a whole. The Company reports its segment information to reflect the manner in which the chief operating decision makers (the "CODMs") review and assess performance. Both land development projects and rental business are included in our only reporting segment – real estate.

The primary financial measures used by the CODMs to evaluate performance and allocate resources are net income (loss) and operating income (loss). The CODMs use net income (loss) and operating income (loss) to evaluate the performance of the Company's ongoing operations and as part of the Company's internal planning and forecasting processes. Information on net income (loss) and operating income (loss) is disclosed in the Consolidated Statements of Income. Segment expenses and other segment items are provided to the CODMs on the same basis as disclosed in the Consolidated Statements of Income.

The CODMs do not evaluate performance or allocate resources based on segment assets, and therefore such information is not presented in the Notes to the Financial Statements.

Liquidity and Capital Resources

As of March 31, 2025, the Company had cash in the amount of $2,980,943, compared to $2,762,935 as of December 31, 2024.

The Company sold the remainder of its lots during 2024, leaving no significant revenue-generating assets to fund ongoing operations. While the Company continues to generate some income from two rental homes, this revenue is insufficient to sustain operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. However, this doubt is alleviated by expected cash flow from reimbursements and ongoing financial support from Alset Inc., which management believes will be sufficient to meet the Company's obligations for the foreseeable future.

The Company is entitled to receive certain developer reimbursements for the Lakes at Black Oak and Alset Villas projects. The Company expects that approximately $8 million of the receivable will be collected within the next twelve months.

The Company has obtained a letter of financial support from Alset Inc., an indirect owner of the Company. Alset Inc. committed to provide any additional funding required by the Company and would not demand repayment for the next twelve months from the filing of this Form 10-Q.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

Principles of Consolidation

The condensed consolidated financial statements include all accounts of the following entities as of the reporting period ending dates and for the reporting periods as follows:

Name of consolidated subsidiary	State or other jurisdiction of incorporation or organization	Date of incorporation or formation	Attributable interest
Alset EHome Inc.	Delaware	February 24, 2015	100%
SeD USA, LLC	Delaware	August 20, 2014	100%
150 Black Oak GP, Inc.	Texas	January 23, 2014	100%
SeD Development USA, Inc.	Delaware	March 13, 2014	100%
150 CCM Black Oak Ltd.	Texas	March 17, 2014	100%
SeD Ballenger, LLC	Delaware	July 7, 2015	100%
SeD Maryland Development, LLC	Delaware	October 16, 2014	83.55%
SeD Development Management, LLC	Delaware	June 18, 2015	85%
AHR Black Oak One, LLC	Delaware	September 29, 2021	100%

All intercompany balances and transactions have been eliminated. Non–controlling interest represents the minority equity investment in the Company's subsidiaries, plus the minority investors' share of the net operating results and other components of equity relating to the non–controlling interests.

The Company's subsidiary Alset Solar Inc. was closed on June 21, 2024. The Company's subsidiary SeD REIT Inc. was closed on August 26, 2024. The Company's subsidiary SeD Builder LLC was closed on September 2, 2024. The closing of these three companies did not have any effect on the Company's financial statements.

As of March 31, 2025 and December 31, 2024, the aggregate non-controlling interest was $65,567 and $65,672, respectively, which are separately disclosed on the Consolidated Balance Sheets.

Basis of Presentation

The Company's condensed consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America.

The unaudited financial information furnished herein reflects all adjustments, consisting solely of normal recurring items, which in the opinion of management are necessary to fairly state the financial position of the Company and the results of its operations for the periods presented. This report should be read in conjunction with the Company's consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2024, filed on March 26, 2025. The Company assumes that the users of the interim financial information herein have read or have access to the audited consolidated financial statements for the preceding fiscal year and the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The consolidated balance sheet at December 31, 2024 was derived from the audited consolidated financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. The results of operations for the interim periods presented are not necessarily indicative of results for the year ending December 31, 2025.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements. Actual results could differ from those estimates.

Income (Loss) per Share

Basic income (loss) per share is computed by dividing the net income (loss) attributable to the common stockholders by weighted average number of shares of common stock outstanding during the period. Fully diluted income (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. There were no dilutive financial instruments issued or outstanding for the three months ended March 31, 2025 or 2024.

Fair Value of Financial Instruments

The carrying value of cash, restricted cash, accounts payable and accrued expenses, and short-term borrowings, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed. Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The authoritative guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The categorization of financial assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories:

- Level 1 – quoted prices in active markets for identical assets and liabilities;

- Level 2 – observable market-based inputs or unobservable inputs that are corroborated by market data; and

- Level 3 – significant unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents as of March 31, 2025 and December 31, 2024.

Restricted Cash

As a condition to the loan agreement with the Manufacturers and Traders Trust Company ("M&T Bank"), the Company was required to maintain a minimum of $2,600,000 in an interest-bearing account maintained by the lender as additional security for the loans. The fund was required to remain as collateral for the loan and outstanding letters of credit until the loan and letters of credit are paid off in full and the loan agreement is terminated. The loan has expired during 2022 and only letters of credit are outstanding as of March 31, 2025 and December 31, 2024. On March 15, 2022 approximately $2,300,000 was released from collateral. On December 14, 2023 additional $201,751 was released from collateral. As of March 31, 2025 and December 31, 2024, the total balance of this account was $107,901 and $107,874, respectively.

Other Receivables

Other receivables mostly include funds due from a title company and federal tax refund receivable.

Reimbursement Receivable, Net

Reimbursement receivable includes developer reimbursements for Lakes at Black Oak and Alset Villas projects. The Company records an allowance for credit losses based on previous collection experiences, the creditability of the organizations that are supposed to reimburse us, the forecasts from the third-party engineering company and Moody's credit ratings. The allowance amount for these reimbursements was immaterial at March 31, 2025 and December 31, 2024.

Fixed Assets, Net

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method (after taking into account their respective estimated residual values) over the estimated useful lives, which are 3 years.

Real Estate Assets

- *Land Development Assets*

Real estate assets are recorded at cost, except when real estate assets are acquired that meet the definition of a business combination in accordance with Financial Accounting Standards Board ("FASB") ASC 805, "Business Combinations," which acquired assets are recorded at fair value. Interest, property taxes, insurance and other incremental costs (including salaries) directly related to a project are capitalized during the construction period of major facilities and land improvements. The capitalization period begins when activities to develop the parcel commence and ends when the asset constructed is completed. The capitalized costs are recorded as part of the asset to which they relate and are reduced when lots are sold.

In addition to our annual assessment of potential triggering events in accordance with ASC 360, the Company applies a fair value-based impairment test to the net book value assets on an annual basis. The Company would also apply a fair value-based impairment test to the net book value assets in the interim if certain events or circumstances indicate that an impairment loss may have occurred.

The Company did not record impairment on any of its projects during the three months ended March 31, 2025 and 2024.

On March 17, 2023, 150 CCM Black Oak Ltd. entered into a Purchase and Sale Agreement (the "Davidson Agreement") with Davidson Homes, LLC, an Alabama limited liability company. Pursuant to the terms of the Davidson Agreement, Black Oak agreed to sell approximately 189 single-family detached residential lots developed within section 2 of Lakes at Black Oak project. The sale of the first 94 lots closed on May 30, 2023. The sale of remaining lots closed on January 4, 2024.

On November 13, 2023, the Company entered into two Contracts for Purchase and Sale and Escrow Instructions (each an "Agreement," collectively, the "Agreements") with Century Land Holdings of Texas, LLC, a Colorado limited liability company (the "Buyer"). Pursuant to the terms of one of the aforementioned Agreements, the Seller agreed to sell approximately 142 single-family detached residential lots comprising a section of a residential community in the Lakes at Black Oak. The selling price of these lots was anticipated to equal approximately $7.4 million. Pursuant to the other Agreement, the Seller agreed to sell 63 single-family detached residential lots in the city of Magnolia, Texas. In 2021, our subsidiary Alset EHome Inc. acquired approximately 19.5 acres of partially developed land near Houston, Texas which was used to develop a community named Alset Villas. Alset EHome was in the process of developing the 63 lots at Alset Villas in 2023. The closing of the transactions described above depended on the satisfaction of certain conditions. On July 1, 2024, the Seller closed the sale of 70 of the lots contemplated by that certain Agreement, generating approximately $3.8 million. The sale of the remaining 72 lots at Lakes at Black Oak closed on October 10, 2024 generating approximately $3.9 million. The sale of 63 lots at Alset Villas closed on December 16, 2024 generating approximately $3.8 million.

- *Rental of Model Houses*

In May 2023, the Company entered into a lease agreement for one of its model houses located in Montgomery County, Texas. This lease was terminated in February 2025. Management intends to procure a new tenant to occupy the premises, after the office used for real estate sales is converted back to a garage.

On July 14, 2023, 150 CCM Black Oak Ltd entered into a model home lease agreement with Davidson Homes, LLC (“Davidson”). On August 3, 2023, Black Oak entered into a development and construction agreement with Davidson to build a model house located in Montgomery County, Texas. On January 4, 2024, Black Oak paid $220,076 to Davidson as reimbursement for final construction cost and the contractor’s fee. The model home lease commenced on January 1, 2024, lease term is twenty-four (24) full months and annual base rent equals to twelve percent (12%) of the total of the final cost of construction costs and the contractor’s fee.

Revenue Recognition

- *Land Development Revenue Recognition*

ASC 606, Revenue from Contracts with Customers, establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts to provide goods or services to customers.

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which we expect to be entitled to receive in exchange for these goods or services. The provisions of ASC 606 include a five-step process by which we determine revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which we expect to be entitled in exchange for those goods or services. ASC 606 requires us to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, we satisfy the performance obligation. A detailed breakdown of the five-step process for the revenue recognition of our Lakes at Black Oak and Alset Villa projects, which earned majority of the Company’s revenue in the three months of 2024, is as follows:

a. Identify the contract with a customer.

In the event of a sale the Company has signed agreements with the builders for developing the raw land ready to build lots. The contract has agreed upon prices, timelines, and specifications for what is to be provided.

b. Identify the performance obligations in the contract.

Performance obligations of the Company include delivering developed lots to the customer, which are required to meet certain specifications that are outlined in the contract. The customer inspects all lots prior to accepting title to ensure all specifications are met.

c. Determine the transaction price.

The transaction price is fixed and specified in the contract. Any subsequent change orders or price changes are required to be approved by both parties.

d. Allocate the transaction price to performance obligations in the contract.

Each lot or a group of lots is considered to be a separate performance obligation, for which the specified price in the contract is allocated to.

e. Recognize revenue when (or as) the entity satisfies a performance obligation.

The builders do the inspections to make sure all conditions/requirements are met before taking title of lots. The Company recognizes revenue when title is transferred. The Company does not have further performance obligations once title is transferred. Revenue is recognized at a point in time.

- *Rental Revenue Recognition*

The Company leases real estate properties to its tenants under leases that are predominately classified as operating leases, in accordance with ASC 842, Leases ("ASC 842"). Real estate rental revenue is comprised of minimum base rent and revenue from the collection of lease termination fees.

Rent from tenants is recorded in accordance with the terms of each lease agreement on a straight-line basis over the initial term of the lease. Rental revenue recognition begins when the tenant controls the space and continues through the term of the related lease. Generally, at the end of the lease term, the Company provides the tenant with a one year renewal option, including mostly the same terms and conditions provided under the initial lease term, subject to rent increases.

The Company defers rental revenue related to lease payments received from tenants in advance of their due dates. These amounts are presented within deferred revenue on the Company's consolidated balance sheets.

Rental revenue is subject to an evaluation for collectability on several factors, including payment history, the financial strength of the tenant and any guarantors, historical operations and operating trends of the property, and current economic conditions. If our evaluation of these factors indicates that it is not probable that we will recover substantially all of the receivable, rental revenue is limited to the lesser of the rental revenue that would be recognized on a straight-line basis (as applicable) or the lease payments that have been collected from the lessee. Differences between rental revenue recognized and amounts contractually due under the lease agreements are credited or charged to straight-line rent receivable or straight-line rent liability, as applicable.

Cost of Revenue

- *Cost of Real Estate Sale*

All of the costs of real estate sales are from our land development business. Land acquisition costs are allocated to each lot based on the area method, the size of the lot comparing to the total size of all lots in the project. Development costs and capitalized interest are allocated to lots sold based on the total expected development and interest costs of the completed project and allocating a percentage of those costs based on the selling price of the sold lot compared to the expected sales values of all lots in the project.

If allocation of development costs based on the projection and relative expected sales value is impracticable, those costs could also be allocated based on area method, the size of the lot comparing to the total size of all lots in the project.

- *Cost of Rental Revenue*

Cost of rental revenue consists primarily of the costs associated with repairs and maintenance, depreciation, property taxes and other related administrative costs. Utility expenses are paid directly by tenants.

Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which requires an enhanced disclosure of significant segment expenses on an annual and interim basis. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption was permitted. Upon adoption, the guidance should be applied retrospectively to all prior periods presented in the financial statements. The Company adopted ASU 2023-07 on December 31, 2024 on a retrospective basis. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) – Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The ASU’s amendments are effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact that adoption of ASU 2023-09 will have on its financial statements.

In November 2024, the FASB issued ASU No. 2024-03 (“ASU 2024-03”), Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which is intended to improve disclosures about a public business entity’s expenses, primarily through additional disaggregation of income statement expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The amendments in ASU 2024-03 should be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the ASU to determine the impact on the Company’s disclosures.

2. CONCENTRATION OF CREDIT RISK

The group maintains cash balances at various financial institutions. These balances are secured by the Federal Deposit Insurance Corporation. At times, these balances may exceed the federal insurance limits. At March 31, 2025 and December 31, 2024, uninsured cash and restricted cash balances were $2,058,164 and $1,586,805, respectively.

3. NOTES PAYABLE

M&T Bank Loans

On April 17, 2019, SeD Maryland Development LLC (“SeD Maryland”) entered into a Development Loan Agreement with Manufacturers and Traders Trust Company (“M&T Bank”) in the principal amount not to exceed at any one time outstanding the sum of $8,000,000, with a cumulative loan advance amount of $18,500,000. The line of credit bore interest rate of LIBOR plus 375 basis points. SeD Maryland was also provided with a Letter of Credit (“L/C”) Facility in an aggregate amount of up to $900,000. The L/C commission is 1.5% per annum on the face amount of the L/C. Other standard lender fees apply in the event L/C is drawn down. The loan was a revolving line of credit. The L/C Facility was not a revolving loan, and amounts advanced and repaid could not be re-borrowed. Repayment of the Loan Agreement was secured by $2,600,000 collateral fund and a Deed of Trust issued to the Lender on the property owned by SeD Maryland. The loan has expired during 2022 and only L/C is outstanding as of March 31, 2025 and December 31, 2024. On March 15, 2022 approximately $2,300,000 was released from collateral, and on December 14, 2023 approximately $200,000 was released from collateral, leaving $107,901 and $107,874 as collateral for outstanding letters of credit as of March 31, 2025 and December 31, 2024, respectively.

4. RELATED PARTY TRANSACTIONS

Loan from SeD Home Limited (now known as Alset Solar Limited)

Alset EHome receives advances from SeD Home Limited (now known as Alset Solar Limited; a subsidiary of Alset International), to fund development and operation costs. The advances bear interest at 10% and are payable on demand. As of March 31, 2025 and December 31, 2024, Alset EHome had outstanding principal due of $0 and $0, respectively and accrued interest of $0 and $0, respectively. On October 22, 2024 the Company was forgiven the outstanding interest of $228,557. A gain was recorded in equity as a result of the loan’s extinguishment.

Loan to/from SeD Intelligent Home Inc.

The Company receives advances from or loans funds to SeD Intelligent Home, the owner of 99.99% of the Company. The advances or the loans bore interest of 18% until August 30, 2017 when the interest rate was adjusted to 5% and have no set repayment terms. During the three months ended March 31, 2025, the Company received repayment of $470,000 from SeD Intelligent Home and accrued $162,345 of interest. The interest was offset against interest payable in the Company’s Balance Sheet, which was $1,045,063 and $1,207,408 at March 31, 2025 and December 31, 2024, respectively. On March 31, 2025, SeD Intelligent Home owed $11,885,210 to the Company. During the year ended December 31, 2024, the Company lent $15,998,308 to SeD Intelligent Home and received repayment of $3,161,212 in the same period. Additionally, the Company borrowed $3,780,000 and repaid $3,780,000 of the loans from SeD Intelligent Home in the year ended December 31, 2024. The Company netted the payable and receivable accounts with SeD Intelligent Home Inc. for its presentation in the Balance Sheets. On December 31, 2024, SeD Intelligent Home owed $12,192,866 to the Company.

Management Fees

MacKenzie Equity Partners, LLC, an entity owned by Charles MacKenzie, a Director of the Company, has a consulting agreement with a majority-owned subsidiary of the Company. Pursuant to an agreement entered into in June of 2022, as supplemented in August 2023, the Company's subsidiary pays $25,000 per month to MacKenzie Equity Partners, LLC for consulting services. In addition, MacKenzie Equity Partners, LLC has been paid certain bonuses, including a sum of $60,000 in June 2024. No bonuses were paid to this entity in 2025.

The Company incurred expenses of $75,000 and $75,000 in the three months ended March 31, 2025 and 2024, respectively, which in 2025 were expensed and in 2024 were capitalized as part of Real Estate on the balance sheet as the services related to property and project management. On March 31, 2025 and December 31, 2024, the Company owed this related party $25,000 and $41,602, respectively. These amounts are included in Accounts Payable in the accompanying consolidated balance sheets.

Promissory Note from Alset Inc.

On January 13, 2023, the Company received a promissory note from Alset Inc. in the amount of $11,350,933 in relation to the sale of its rental business in 2023. The promissory note carries interest rate of 7.2% and matures on January 13, 2028. The Company accrued $1,809,183 and $1,607,665 interest on note receivable from Alset Inc. as of March 31, 2025 and December 31, 2024, respectively. During the three months ended on March 31, 2025 and 2024, we recognized interest income of $201,518 and $203,757, respectively.

Alset Inc. owns 85.5% of Alset International Limited, and Alset International Limited indirectly owns approximately 99.9% of the Company. Certain members of the Company's Board of Directors and management are also members of the Board of Directors and management of each Alset International Limited and Alset Inc. Chan Heng Fai, the Chairman, Chief Executive Officer and majority stockholder of Alset Inc., is also the Chairman and Chief Executive Officer of both the Company and Alset International Limited; Chan Tung Moe is the Co-Chief Executive Officer and a member of the Board of Directors of Alset Inc., Alset International Limited and the Company; and Charles MacKenzie, a director of the Company, is also an officer of Alset Inc.

5. STOCKHOLDERS' EQUITY

As of March 31, 2025 and December 31, 2024, there were 704,043,324 shares of the registrant's common stock $0.001 par value per share, issued and outstanding.

6. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases office space in Maryland. The lease expires on March 31, 2027. The monthly rental payments in 2025 range from $6,520 to $6,700. Rent expense was $16,754 and $21,512 for the three months ended March 31, 2025 and 2024, respectively. Total cash paid for operating leases was $19,561 and $24,430 for the three months ended March 31, 2025 and 2024, respectively.

The balance of the operating lease right-of-use asset and operating lease liability as of March 31, 2025 was $120,559 and $122,372, respectively. The balance of the operating lease right-of-use asset and operating lease liability as of December 31, 2024 was $134,155 and $138,775, respectively.

Supplemental Cash Flow and Other Information Related to Operating Leases are as follows:

	Three Months Ended March 31, 2025
Weighted Average Remaining Operating Lease Term (in years)	2.00
Weighted Average Discount Rate	7.22%

The below table summarizes future payments due under these leases as of March 31, 2025.

For the Years Ending March 31:

2026	$	67,003
2027		68,840
Total Minimum Lease Payments	$	135,843
Less: Effect of Discounting		(13,471)
Present Value of Future Minimum Lease Payments		122,372
Less: Current Obligation under Lease		58,168
Long-term Lease Obligation	$	64,204

7. SUBSEQUENT EVENTS

The Company has evaluated events that have occurred after the balance sheet date through the date of this report and determined that there were no subsequent events or transactions that required recognition or disclosure in the consolidated financial statements.

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

This Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained in this Form 10-Q that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may", "will", "expect", "believe", "anticipate", "estimate" or "continue" or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within our control. These factors include by are not limited to economic conditions generally and in the industries in which we may participate, competition within our chosen industry, including competition from much larger competitors, technological advances and failure to successfully develop business relationships.

The Company's chief operating decision makers are the two Co-CEOs, who review and assess the performance of the Company as a whole. The Company reports its segment information to reflect the manner in which the chief operating decision makers (the "CODMs") review and assess performance. Both land development projects and rental business are included in our only reporting segment – real estate.

The primary financial measures used by the CODMs to evaluate performance and allocate resources are net income (loss) and operating income (loss). The CODMs use net income (loss) and operating income (loss) to evaluate the performance of the Company's ongoing operations and as part of the Company's internal planning and forecasting processes. Information on net income (loss) and operating income (loss) is disclosed in the Consolidated Statements of Income. Segment expenses and other segment items are provided to the CODMs on the same basis as disclosed in the Consolidated Statements of Income.

The CODMs do not evaluate performance or allocate resources based on segment assets, and therefore such information is not presented in the Notes to the Financial Statements.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Results of Operations for the Three Months Ended March 31, 2025 and 2024:

Revenue

Revenue was $11,209 for the three months ended March 31, 2025 as compared to $5,045,402 for the three months ended March 31, 2024. The decrease in revenue is mainly caused by the fact that the remaining properties in the Lakes at Black Oak and Alset Villas projects were sold in 2024.

In late 2022 and early 2023, the Company entered into three contracts with builders to sell multiple lots from its Lakes at Black Oak project. The sales contemplated by these contracts were contingent on certain conditions which the parties to such contracts had to meet. The sale of 335 lots closed in the first six months of 2023. The sale of remaining lots closed on January 4, 2024 generating approximately $5.0 million revenue.

In May 2023, the Company entered into lease agreement for its model house located in Montgomery County, Texas. The revenue from the lease was $4,607 and $6,300 in the three months ended March 31, 2025 and 2024, respectively. This lease was terminated in February 2025. Management intends to procure a new tenant to occupy the premises, after the office used for real estate sales is converted back to a garage.

In January 2024, the Company entered into lease agreement for another model house located in Montgomery County, Texas. The revenue from the lease was $6,602 and $6,602 in the three months ended March 31, 2025 and 2024, respectively.

Cost of Revenue

All cost of revenue in the three months ended on March 31, 2025 came from model homes lease agreements. All cost of revenue in the three months ended on March 31, 2024 came from our Lakes at Black Oak project and model homes lease agreements. The gross margin ratio for Lakes at Black Oak project in three months ended 2025 and 2024 was approximately 0% and 22%, respectively. The decrease in cost of revenue and decrease in gross margin is caused by the decrease in property sales from the Lakes at Black Oak project in 2025. The last lots in Lakes at Black Oak project were sold during 2024. The gross margin ratio for model homes lease agreements in three months ended March 31, 2025 and 2024 was approximately 54% and 56%, respectively.

General and Administrative Expenses

The general and administrative expenses increased from $310,757 for the three months ended March 31, 2024 to $1,089,779 for the three months ended March 31, 2025, due to increase in professional fees and salaries. Additionally, the Company has been notified by a purchaser of certain lots that they mistakenly overpaid by $450,000 in December 2024. The repayment of $450,000 was recorded in the Company's books in the first quarter of 2025 as an expense.

Other Income

In the three months ended March 31, 2025, the Company had other income of $374,582 compared to other income of $273,086 in the three months ended March 31, 2024. The increase in other income was caused by increase in interest income from related party promissory note.

Net Income (Loss)

The Company had a net loss of $718,315 for the three months ended on March 31, 2025 and a net income of $1,095,784 for the three months ended on March 31, 2024. The decrease in net income was mostly caused by the decrease in property sales. All remaining lots in Lakes at Black Oak and Alset Villas projects were sold during 2024.

Liquidity and Capital Resources

Our real estate assets have decreased to $610,867 as of March 31, 2025 from $615,495 as of December 31, 2024. This decrease is primarily caused by the depreciation expenses from our rental properties. Our liabilities increased from $2,991,375 at December 31, 2024 to $3,025,631 at March 31, 2025. This increase is primarily caused by the increase in accounts payable. The Company has been notified by a purchaser of certain lots that they mistakenly overpaid by $450,000 in December 2024. The repayment of $450,000 was recorded in the Company's books in the first quarter of 2025 as payable. Our total assets have decreased to $38,108,615 as of March 31, 2025 from $38,792,674 as of December 31, 2024.

As of March 31, 2025, we had cash in the amount of $2,980,943, compared to $2,762,935 as of December 31, 2024.

In late 2022 and early 2023, the Company entered into three contracts with builders to sell multiple lots from its Lakes at Black Oak project. The sales contemplated by these contracts were contingent on certain conditions which the parties to such contracts had to meet. The sale of 335 lots closed in the first six months of 2023. The sale of remaining lots closed on January 4, 2024 generating approximately $5.0 million revenue.

On November 13, 2023, the Company entered into two Contracts for Purchase and Sale and Escrow Instructions (each an "Agreement," collectively, the "Agreements") with Century Land Holdings of Texas, LLC, a Colorado limited liability company (the "Buyer"). Pursuant to the terms of one of the aforementioned Agreements, the Seller agreed to sell approximately 142 single-family detached residential lots comprising a section of a residential community in the Lakes at Black Oak. The selling price of these lots was anticipated to equal approximately $7.4 million. Pursuant to the other Agreement, the Seller agreed to sell 63 single-family detached residential lots in the city of Magnolia, Texas. In 2021, our subsidiary Alset EHome Inc. acquired approximately 19.5 acres of partially developed land near Houston, Texas which was used to develop a community named Alset Villas. Alset EHome was in the process of developing the 63 lots at Alset Villas in 2023. The closing of the transactions described above depended on the satisfaction of certain conditions. On July 1, 2024, the Seller closed the sale of 70 of the lots contemplated by that certain Agreement, generating approximately $3.8 million. The sale of the remaining 72 lots at Lakes at Black Oak closed on October 10, 2024 generating approximately $3.9 million. The sale of 63 lots at Alset Villas closed on December 16, 2024 generating approximately $3.8 million.

The Company is entitled to receive certain developer reimbursements for the Lakes at Black Oak and Alset Villas projects. The Company expects that approximately $8 million of the receivable will be collected within the next twelve months.

The Company has obtained a letter of financial support from Alset Inc., an indirect owner of the Company. Alset Inc. committed to provide any additional funding required by the Company and would not demand repayment for the next twelve months from the filing of this Form 10-Q.

Summary of Cash Flows

A summary of cash flows from operating, investing and financing activities for the three months ended March 31, 2025 and 2024 are as follows:

		2025		2024
Net Cash (Used in) Provided by Operating Activities	$	(251,965)	$	2,920,586
Net Cash Provided by (Used in) Investing Activities	$	470,000	$	(2,443,692)
Net Cash Used in Financing Activities	$	-	$	-
Net Change in Cash	$	218,035	$	476,894
Cash and restricted cash at beginning of the period	$	2,870,809	$	1,882,081
Cash and restricted cash at end of the period	$	3,088,844	$	2,358,975

Cash Flows from Operating Activities

Cash flows from operating activities include costs related to assets ultimately planned to be sold, including land purchased for development and resale, and costs related to construction, which were capitalized in the book in 2024. In the three months ended March 31, 2025, cash used in operating activities was $251,965 compared to cash provided of $2,920,586 in the three months ended March 31, 2024. Property sales from the Lakes at Black Oak project in 2024 was the main reason for the cash provided by operating activities in 2024.

Cash Flows from Investing Activities

Cash flows provided by investing activities in the three months ended March 31, 2025 of $470,000 were for repayment of promissory note receivable from a related party. Cash flows used in investing activities in the three months ended March 31, 2024 were for issuing loan to related party.

Cash Flows from Financing Activities

In the three months ended March 31, 2024, the Company borrowed $2,650,000 and repaid $2,650,000 from a related party loan. There was no cash provided by or used in financing activities during the three months ended March 31, 2025.

Seasonality

The real estate business is subject to seasonal shifts in costs as certain work is more likely to be performed at certain times of year. This may impact the expenses of Alset EHome Inc. from time to time. In addition, should we commence building homes, we are likely to experience periodic spikes in sales as we commence the sales process at a particular location.

Critical Accounting Policy and Estimates

The Company's condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). For detail accounting policy and estimates information, please see Note 1 in the condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a "smaller reporting company" as defined by Item 10(f)(1) of Regulation S-K, the Company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officers and Chief Financial Officers, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our management, including our Chief Executive Officers and Chief Financial Officers concluded that our disclosure controls and procedures are not effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SECs") rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officers and Chief Financial Officers, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in the Company's Internal Controls Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) that occurred during the quarterly period ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceeding

The registrant is not a party to, and its property is not the subject of, any material pending legal proceedings.

Item 1A. Risk Factors

Not applicable to smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits

The following documents are filed as a part of this report:

31.1a*	Certification of Co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.1b*	Certification of Co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2a*	Certification of Co-Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2b*	Certification of Co-Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications of the Chief Executive Officers and Chief Financial Officers pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIQUIDVALUE DEVELOPMENT INC.

May 13, 2025	By: */s/ Fai H. Chan* Fai H. Chan Co-Chief Executive Officer and Director (Principal Executive Officer)
May 13, 2025	By: */s/ Moe T. Chan* Moe T. Chan Co-Chief Executive Officer and Director (Principal Executive Officer)
May 13, 2025	By: */s/ Rongguo (Ronald) Wei* Rongguo (Ronald) Wei Co-Chief Financial Officer (Principal Financial and Accounting Officer)
May 13, 2025	By: */s/ Alan W. L. Lui* Alan W. L. Lui Co-Chief Financial Officer (Principal Financial and Accounting Officer)