**COVER SHEET**

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|---|---|---|---|---|---|---|---|---|---|---|

S.E.C. Registration Number

HAUS TALK, INC.

(Company's Full Name)

UNIT 701 ORIENT SQUARE
BLDG., F. ORTIGAS JR. RD.
ORTIGAS CENTER
PASIG CITY

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

| Maria Agnes M. Siapno | (02) 8636-6929 |
|---|---|
| Contact Person | Company Telephone Number |

| 1 2 | 3 1 | SEC FORM 17-Q | July | Last Wed |
|---|---|---|---|---|
| Month | Day | FORM TYPE | Month | Day |
| Fiscal Year | | | Annual Meeting | |

Secondary License Type, If Applicable

| MSRD | |
|---|---|
| Dept. Requiring this Doc. | Amended Articles Number/ Section |

Total Amount of Borrowings

| | | |
|---|---|---|
| Total No. of Stockholders | Domestic | Foreign |

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To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

**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, 2026**

2. Commission identification number **CS200409462** 3. BIR Tax Identification No **233-687-508**

4. Exact name of issuer as specified in its charter **HAUS TALK, INC.**

5. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. **Unit 701 Orient Square Bldg. F. Ortigas Jr. Ortigas Center, Pasig City** **1605**
   Address of issuer's principal office Postal Code

8. **(02) 8636-6929**
   Issuer's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

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

| Title of each Class | Number of shares of common stock outstanding and amount of debt outstanding |
|---|---|
| **Common Shares** | **2,500,000,000** |
| **Fixed Rate Bonds Series A Due 2029** | **Php260,020,000.00** |
| **Fixed Rate Bonds Series B Due 2031** | **Php1,539,980,000.00** |

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

    Yes [ √ ] No [ ]

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

| | |
|---|---|
| **Philippine Stock Exchange** | **Common Shares** |
| **Philippine Dealing and Exchange Corp.** | **Fixed Rate Bonds Series A and B** |

12. Indicate by check mark 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 [ √ ] No [ ]

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

    Yes [ √ ] No [ ]

## PART I--FINANCIAL INFORMATION

### Item 1. Financial Statements.

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
**(formerly Haus Talk Project Managers, Inc. and its Subsidiary)**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**As of the period ended June 30, 2026 & 2025 (Unaudited) & December 31, 2025 (Audited)**
***(In Philippine Peso)***

| | June 30, | | December 31, |
|---|---|---|---|
| **ASSETS** | **2026** | **2025** | **2025** |
| **CURRENT ASSETS** | | | |
| Cash | 1,082,582,737 | 91,325,491 | 224,947,372 |
| Receivables | 1,386,710,675 | 1,201,633,417 | 1,115,127,310 |
| Contract asset – current portion | 474,499,847 | 816,356,124 | 674,713,895 |
| Real estate inventories | 4,981,948,174 | 3,737,142,141 | 4,331,635,335 |
| Prepayments and other current assets | 49,303,793 | 8,848,816 | 41,220,978 |
| **Total Current Assets** | **7,975,045,226** | **5,855,305,989** | **6,387,644,890** |
| **NON-CURRENT ASSETS** | | | |
| Contract asset - net of current portion | 132,887,132 | 76,492,974 | 90,397,795 |
| Property and equipment - net | 1,060,263,362 | 1,067,643,703 | 1,066,373,564 |
| Other non-current asset | 349,958,987 | 30,565,837 | 27,188,276 |
| **Total Non-Current Assets** | **1,543,109,481** | **1,174,702,514** | **1,183,959,635** |
| **TOTAL ASSETS** | **9,518,154,707** | **7,030,008,503** | **7,571,604,525** |
| **LIABILITIES AND EQUITY** | | | |
| **CURRENT LIABILITIES** | | | |
| Accounts and other payables | 153,042,678 | 204,890,466 | 187,122,128 |
| Contract Liability- current | 18,667,822 | 43,337,736 | 15,536,238 |
| Loans and borrowings - current portion | 1,068,925,922 | 879,173,831 | 1,130,949,924 |
| Income tax payable | 143,095 | - | 4,427,103 |
| **Total Current Liabilities** | **1,240,779,517** | **1,127,402,033** | **1,338,035,393** |
| **NON-CURRENT LIABILITIES** | | | |
| Loans and borrowings - net of current portion | 3,929,080,510 | 1,762,292,421 | 1,945,342,263 |
| Advances from related parties | 169,297,277 | 163,883,560 | 169,946,632 |
| Defined benefit obligation | 15,059,836 | 12,703,551 | 15,059,836 |
| **Total Non-Current Liabilities** | **4,113,437,623** | **1,938,879,532** | **2,130,348,731** |
| **EQUITY** | | | |
| Share capital | 2,500,000,000 | 2,500,000,000 | 2,500,000,000 |
| Share premium | 218,849,628 | 218,849,628 | 218,849,628 |
| Retained earnings | 1,433,097,616 | 1,233,866,335 | 1,372,380,450 |
| Actuarial gain on defined benefit obligation | 11,990,323 | 11,010,975 | 11,990,323 |
| **Total Equity** | **4,163,937,567** | **3,963,726,938** | **4,103,220,401** |
| **TOTAL LIABILITIES AND EQUITY** | **9,518,154,707** | **7,030,008,503** | **7,571,604,525** |

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
**(formerly Haus Talk Project Managers, Inc. and its Subsidiary)**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**Interim for the six- and three-months period ending June 30, 2026 and 2025 (Unaudited)**
***(In Philippine Peso)***

| | June 30, | | 3 Mos. Interim Apr to Jun | |
|---|---|---|---|---|
| **REVENUE** | **2026** | **2025** | **2026** | **2025** |
| Real estate sales | 331,899,997 | 601,776,200 | 224,116,981 | 368,003,800 |
| Other operating income | 5,621,256 | 5,985,765 | 2,900,615 | 2,967,816 |
| **Total Revenue** | **337,521,253** | **607,761,965** | **227,017,596** | **370,971,616** |
| **COST OF REAL ESTATE SALES** | **170,857,278** | **342,587,656** | **122,339,742** | **213,143,862** |
| **GROSS PROFIT** | **166,663,975** | **265,174,309** | **104,677,854** | **157,827,754** |
| **OPERATING EXPENSES** | | | | |
| Selling expenses | 13,812,903 | 29,667,435 | 12,247,387 | 15,915,738 |
| General and administrative expenses | 68,476,813 | 88,075,612 | 33,621,721 | 47,374,956 |
| Total Operating Expenses | **82,289,716** | **117,743,047** | **45,869,108** | **63,290,694** |
| **NET OPERATING INCOME** | **84,374,259** | **147,431,262** | **58,808,746** | **94,537,060** |
| **FINANCE COST, NET** | **15,546,064** | **1,429,669** | **11,637,794** | **793,433** |
| **INCOME BEFORE TAX** | **68,828,195** | **146,001,593** | **47,170,952** | **93,743,627** |
| **INCOME TAX EXPENSE** | (8,111,030) | (122,494) | (4,092,214) | (17,393) |
| **NET INCOME** | **60,717,165** | **145,879,099** | **43,078,738** | **93,726,234** |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| Actuarial gain (loss) on retirement plan | | (2,764,286) | - | - |
| **TOTAL COMPREHENSIVE INCOME (LOSS)** | **60,717,165** | **143,114,813** | **43,078,738** | **93,726,234** |
| **BASIC EARNINGS PER SHARE** | 0.024 | 0.058 | 0.017 | 0.037 |

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**HAUS TALK, INC. AND ITS SUBSIDIARIES**

**(formerly Haus Talk Project Managers, Inc. and its Subsidiary)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**Interim for the six- and three-months period ending June 30, 2024 and 2023 (Unaudited) and year ended December 31, 2023 & 2024 (Audited)**

**(In Philippine Peso)**

| | Share Capital | Share Premium | Retained Earnings | Acturial gain (loss) on defined benefit obligation | Total |
|---|---|---|---|---|---|
| **BALANCE AT DECEMBER 31, 2024** | **2,500,000,000** | **218,849,628** | **1,087,987,233** | **11,010,976** | **3,817,847,837** |
| Net income | | | 52,152,865 | | 52,152,865 |
| **BALANCE AT MARCH 31, 2025** | **2,500,000,000** | **218,849,628** | **1,140,140,098** | **11,010,976** | **3,870,000,702** |
| Net income | | | 93,726,236 | | 93,726,236 |
| **BALANCE AT JUNE 30, 2025** | **2,500,000,000** | **218,849,628** | **1,233,866,334** | **11,010,976** | **3,963,726,938** |
| Dividend declared | | | -75,000,000 | - | -75,000,000 |
| Net income | | | 213,514,115 | - | 213,514,115 |
| Other comprehensive income | | | - | 979,348 | 979,348 |
| **BALANCE AT DECEMBER 31, 2025** | **2,500,000,000** | **218,849,628** | **1,372,380,449** | **11,990,324** | **4,103,220,401** |
| Net income | | | 17,638,428 | | 17,638,428 |
| **BALANCE AT MARCH 31, 2026** | **2,500,000,000** | **218,849,628** | **1,390,018,877** | **11,990,324** | **4,120,858,829** |
| Net income | | | 43,078,737 | | 43,078,737 |
| **BALANCE AT JUNE 30, 2026** | **2,500,000,000** | **218,849,628** | **1,433,097,614** | **11,990,324** | **4,163,937,566** |

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**HAUS TALK, INC. AND ITS SUBSIDIARIES**
**(formerly Haus Talk Project Managers, Inc. and its Subsidiary)**
**CONSOLIDATED STATEMENTS OF CASH FLOW**
**For the period ended June 30, 2026 & 2025 (Unaudited) & December 31, 2025 (Audited)**
**(In Philippine Peso)**

| | June 30, | | December 31, |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **2026** | **2025** | **2025** |
| Income before tax | 68,828,195 | 146,001,593 | 382,442,098 |
| Adjustments for: | | | |
| Interest expense - bank loans | 15,725,014 | 1,450,872 | 23,706,846 |
| Interest expense - defined benefit obligation | - | | 775,270 |
| Retirement expense | - | | 2,560,363 |
| Interest income earned | (178,951) | (11,641) | (42,415) |
| Provision for expected credit losses | 225,923 | | 645,495 |
| Reclassification of assets | - | | 8,304,810 |
| Depreciation | 8,115,609 | 7,162,990 | 16,173,656 |
| Operating income before changes in working capital | 92,715,790 | 154,603,814 | 434,566,123 |
| Changes in assets and liabilities: | | | |
| Decrease (Increase) in receivables | (271,809,288) | (404,129,989) | (352,855,950) |
| Decrease (Increase) in real estate inventories | (650,312,839) | (788,515,585) | (1,383,008,779) |
| Decrease (Increase) contract asset | 157,724,711 | | 152,323,981 |
| Decrease (Increase) in prepayments and other current assets | (8,082,815) | (1,445,135) | (23,817,297) |
| Decrease in other non-current assets | (324,158,584) | (30,000) | 85,280 |
| Increase (Decrease) in accounts and other payables | (34,079,450) | 12,805,595 | (10,285,304) |
| Increase (Decrease) contract liabilities | 3,131,584 | | (22,478,937) |
| Defined benefit obligation | | | |
| Cash generated from operations | (1,034,870,891) | (1,026,711,300) | (1,205,470,883) |
| Interest received | 178,951 | 11,641 | 42,415 |
| Income taxes paid | (11,007,164) | - | (15,359,499) |
| **Net Cash from Operating Activities** | (1,045,699,104) | (1,026,699,659) | (1,220,787,967) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisition of property and equipment | (2,005,407) | 516,003 | (15,406,841) |
| **Net Cash from Investing Activities** | **(2,005,407)** | 516,003 | **(15,406,841)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Additions to loans and borrowings | 1,921,714,245 | 884,627,630 | 1,319,453,565 |
| Additional advances from related parties | - | | (3,982,087) |
| Dividends paid | (649,355) | (10,045,159) | (75,000,000) |
| Interest paid | (15,725,014) | (1,450,872) | (23,706,846) |
| **Net Cash from Financing Activities** | **1,905,339,876** | **873,131,599** | **1,216,764,632** |
| **NET INCREASE(DECREASE) IN CASH** | **857,635,365** | **(153,052,057)** | **(19,430,176)** |
| **CASH, BEGINNING** | **224,947,372** | **244,377,548** | **244,377,548** |
| **CASH, END** | **1,082,582,737** | **91,325,491** | **224,947,372** |

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
**As of the period ended June 30, 2026 & 2025 (Unaudited) and December 31, 2025 (Audited)**
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E**

| | As of June 30, 2026 | As of June 30, 2025 | As of Dec. 31, 2025 |
|---|---|---|---|
| **Current Ratio** | | | |
| Total current assets | 7,975,045,226 | 5,855,305,989 | 6,387,644,890 |
| Divided by: Total current liabilities | 1,240,779,517 | 1,127,402,033 | 1,338,035,393 |
| **Current ratio** | **6.43** | **5.19** | **4.77** |
| **Acid test ratio** | | | |
| Total current assets | 7,975,045,226 | 5,855,305,989 | 6,387,644,890 |
| Less: Other current assets | 5,031,251,967 | 3,745,990,957 | 4,372,856,313 |
| Quick assets | 2,943,793,259 | 2,109,315,032 | 2,014,788,577 |
| Divide by: Total current liabilities | 1,240,779,517 | 1,127,402,033 | 1,338,035,393 |
| **Acid test ratio** | **2.37** | **1.87** | **1.51** |
| **Solvency Ratio** | | | |
| Net income | 60,717,165 | 145,879,099 | 359,393,215 |
| Add: Depreciation | 8,115,609 | 7,162,990 | 16,173,656 |
| Total | 68,832,774 | 153,042,089 | 375,566,871 |
| Divide by: Total liabilities | 5,354,217,140 | 3,066,281,565 | 3,468,384,124 |
| **Solvency ratio** | **0.01** | **0.05** | **0.11** |
| **Debt-to-Equity Ratio** | | | |
| Total liabilities | 5,354,217,140 | 3,066,281,565 | 3,468,384,124 |
| Divided by: Total Equity | 4,163,937,567 | 3,963,726,938 | 4,103,220,401 |
| **Debt-to-equity ratio** | **1.29** | **0.77** | **0.85** |
| **Asset-to-equity ratio** | | | |
| Total assets | 9,518,154,707 | 7,030,008,503 | 7,571,604,525 |
| Divided by: Total equity | 4,163,937,567 | 3,963,726,938 | 4,103,220,401 |
| **Asset-to-equity ratio** | **2.29** | **1.77** | **1.85** |
| **Interest rate coverage ratio** | | | |
| Income before income tax | 68,828,195 | 146,001,593 | 382,442,098 |
| Add: Interest expense | 15,725,014 | 1,450,872 | 24,482,116 |
| Total | 84,553,209 | 147,452,465 | 406,924,214 |
| Divided by: Interest expense | 15,725,014 | 1,450,872 | 24,482,116 |
| **Interest rate coverage ratio** | **5.38** | **101.63** | **16.62** |
| **Return on average equity** | | | |
| Net income | 60,717,165 | 145,879,099 | 359,393,215 |
| Divided by: Average total capital accounts | 4,063,832,253 | 3,797,633,736 | 3,960,534,119 |
| **Return on equity** | **0.01** | **0.04** | **0.09** |
| **Return on average assets** | | | |
| Net income | 60,717,165 | 145,879,099 | 359,393,215 |
| Divided by: Average total assets | 8,274,081,605 | 6,244,257,106 | 6,784,172,931 |
| **Return on average assets** | **0.01** | **0.02** | **0.05** |
| **Net profit margin** | | | |
| Net income | 60,717,165 | 145,879,099 | 359,393,215 |
| Net sales | 331,899,997 | 601,776,200 | 1,401,217,951 |
| **Net profit margin** | **0.18** | **0.24** | **0.26** |

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

### A. DISCUSSION ON FINANCIAL POSITION

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
*(formerly Haus Talk Project Managers, Inc. and its Subsidiary)*
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
As of the period ended June 30, 2026 (Unaudited) & December 31, 2025 (Audited)
*(In Philippine Peso)*

| ASSETS | June 30, 2026 | Dec 31, 2025 | Horizontal Analysis- Jun '26 vs. Dec '25 | | Vertical Analysis- Jun' 26 vs Dec '25 | |
|---|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | | |
| Cash | 1,082,582,737 | 224,947,372 | 857,635,365 | 381.26% | 11.37% | 2.97% |
| Receivables | 1,386,710,675 | 1,115,127,310 | 271,583,365 | 24.35% | 14.57% | 14.73% |
| Contract asset – current portion | 474,499,847 | 674,713,895 | (200,214,048) | (29.67%) | 4.99% | 8.91% |
| Real estate inventories | 4,981,948,174 | 4,331,635,335 | 650,312,839 | 15.01% | 52.34% | 57.21% |
| Prepayments and other current assets | 49,303,793 | 41,220,978 | 8,082,815 | 19.61% | 0.52% | 0.54% |
| **Total Current Assets** | **7,975,045,226** | **6,387,644,890** | **1,587,400,336** | **24.85%** | **83.79%** | **84.36%** |
| **NON-CURRENT ASSETS** | | | | | | |
| Contract asset - net of current portion | 132,887,132 | 90,397,795 | 42,489,337 | 47.00% | 1.40% | 1.19% |
| Property and equipment - net | 1,060,263,362 | 1,066,373,564 | (6,110,202) | (0.57%) | 11.14% | 14.08% |
| Other non-current asset | 349,958,987 | 27,188,276 | 322,770,711 | 1187.17% | 3.68% | 0.36% |
| **Total Non-Current Assets** | **1,543,109,481** | **1,183,959,635** | **359,149,846** | **30.33%** | **16.21%** | **15.64%** |
| **TOTAL ASSETS** | **9,518,154,707** | **7,571,604,525** | **1,946,550,182** | **25.71%** | **100.00%** | **100.00%** |
| **LIABILITIES AND EQUITY** | | | | | | |
| **CURRENT LIABILITIES** | | | | | | |
| Accounts and other payables | 153,042,678 | 187,122,128 | (34,079,450) | (18.21%) | 1.61% | 2.47% |
| Contract Liability- current | 18,667,822 | 15,536,238 | 3,131,584 | 20.16% | 0.20% | 0.21% |
| Loans and borrowings - current portion | 1,068,925,922 | 1,130,949,924 | (62,024,002) | (5.48%) | 11.23% | 14.94% |
| Income tax payable | 143,095 | 4,427,103 | (4,284,008) | (96.77%) | 0.00% | 0.06% |
| **Total Current Liabilities** | **1,240,779,517** | **1,338,035,393** | **(97,255,876)** | **(7.27%)** | **13.04%** | **17.67%** |
| **NON-CURRENT LIABILITIES** | | | | | | |
| Loans and borrowings - net of current portion | 3,929,080,510 | 1,945,342,263 | 1,983,738,247 | 101.97% | 41.28% | 25.69% |
| Advances from related parties | 169,297,277 | 169,946,632 | (649,355) | (0.38%) | 1.78% | 2.24% |
| Defined benefit obligation | 15,059,836 | 15,059,836 | - | 0.00% | 0.16% | 0.20% |
| **Total Non-Current Liabilities** | **4,113,437,623** | **2,130,348,731** | **1,983,088,892** | **93.09%** | **43.22%** | **28.14%** |
| **EQUITY** | | | | | | |
| Share capital | 2,500,000,000 | 2,500,000,000 | - | 0.00% | 26.27% | 33.02% |
| Share premium | 218,849,628 | 218,849,628 | - | 0.00% | 2.30% | 2.89% |
| Retained earnings | 1,433,097,616 | 1,372,380,450 | 60,717,166 | 4.42% | 15.06% | 18.13% |
| Actuarial gain on defined benefit obligation | 11,990,323 | 11,990,323 | - | 0.00% | 0.13% | 0.16% |
| **Total Equity** | **4,163,937,567** | **4,103,220,401** | **60,717,166** | **1.48%** | **43.75%** | **54.19%** |
| **TOTAL LIABILITIES AND EQUITY** | **9,518,154,707** | **7,571,604,525** | **1,946,550,182** | **25.71%** | **100.00%** | **100.00%** |

**Financial Position for the First Half (H1) of 2026 (Unaudited) vis-á-vis Full Year (FY) of 2025 (Audited):**

**Cash**
Cash increased by **381.26%, or Php 857.64 million**, primarily due to the proceeds from the Company's bond issuance during the first quarter of 2026, net of payments for major land acquisitions and other capital expenditures.

**Receivables – Current Portion**
Receivables increased by **24.35%, or Php 271.58 million**, driven by new installment sales recorded during the period and the conversion of contract assets into receivables as customers became eligible for financing take-out.

**Contact asset – current portion**
Contract asset, current portion, decreased by 29.67%, or Php 200.21 million, primarily due to the conversion of contract assets into receivables as sold units progressed toward bank and Pag-IBIG take-out and related collections.

**Real Estate Inventories**
Real estate inventories increased by **15.01%, or Php 650.31 million**, mainly due to land acquisitions and ongoing construction and development of new housing units.

**Prepayments and Other Current Assets**
Prepayments and other current assets increased by **19.61%, or Php 8.08 million**, primarily due to higher input VAT, prepaid taxes, prepaid insurance, and other advances.

**Contract Asset – net of current portion**
Contract asset, net of current portion, increased by **47.00%, or Php 42.49 million**, primarily due to higher revenue recognized from ongoing projects that remained unbilled as of June 30, 2026. The increase reflects continued construction progress on sold units, with the related billings and collections expected in future periods.

**Other Non-Current Assets**
Other non-current assets increased by **1,187.17%, or Php 322.77 million**, primarily due to new investment property acquired.

**Accounts and Other Payables**
Accounts and other payables decreased by **18.21%, or Php 34.08 million**, mainly due to the settlement of trade payables and operating liabilities incurred for project construction and administrative activities.

**Contract Liabilities - Current**
Contract liabilities increased by **20.16%, or Php 3.13 million**, mainly attributable to higher customer deposits and collections on sold units that have not yet satisfied the criteria for revenue recognition.

**Loans and Borrowings - Current Portion**
Loans and borrowings, current portion, decreased by **5.48%, or Php 62.02 million**, primarily due to the repayment of maturing loan obligations during the period.

**Income Tax Payables**
Decreased by **96.77%** or **₱4.28 million**, mainly attributable to lower sales reported during the period compared to the previous year, resulting in reduced taxable income and lower income tax obligations as of this period.

**Loans and Borrowings – Non-Current**
Loans and borrowings, net of current portion, increased by **101.97%, or Php 1.98 billion**, primarily due to additional long-term loan facilities obtained from banks and proceeds from the Company's bond issuance. These funds were used to finance land acquisitions, support project development activities, and provide working capital for general corporate purposes.

**Total Assets**
Total assets increased by **25.71%, or Php 1.95 billion**, from Php 7.57 billion as of December 31, 2025 to Php 9.52 billion as of June 30, 2026. The increase was primarily driven by higher cash balances, real estate inventories, receivables, contract assets, and other non-current assets.

**Total Liabilities**
Total liabilities increased by **63.39%, or Php 1.89 billion**, from Php 3.47 billion to Php 5.35 billion, mainly due to the increase in long-term loans and borrowings used to fund expansion, land acquisitions, and project development.

**Total Equity**
Total equity increased by **1.48%, or Php 60.72 million**, from Php 4.10 billion to Php 4.16 billion, primarily due to net income earned during the six-month period ended June 30, 2026.

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
*(formerly Haus Talk Project Managers, Inc. and its Subsidiary)*
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
As of the period ended December 31, 2025 & 2024 (Audited)
*(In Philippine Peso)*

| | **December 31,** | | **Horizontal Analysis** | | **Vertical Analysis** | |
|---|---|---|---|---|---|---|
| **ASSETS** | **2025** | **2024** | **YR. 2025 vs. YR 2024** | | **Dec '2025** | **Dec '2024** |
| **CURRENT ASSETS** | | | | | | |
| Cash | 224,947,372 | 244,377,548 | (19,430,176) | (7.95%) | 2.97% | 4.08% |
| Receivables | 1,115,127,310 | 762,916,855 | 352,210,455 | 46.17% | 14.73% | 12.72% |
| Contract asset – current portion | 674,713,895 | 827,156,013 | (152,442,118) | (18.43%) | 8.91% | 13.79% |
| Real estate inventories | 4,331,635,335 | 2,948,626,556 | 1,383,008,779 | 46.90% | 57.21% | 49.17% |
| Prepayments and other current assets | 41,220,978 | 17,403,681 | 23,817,297 | 136.85% | 0.54% | 0.29% |
| **Total Current Assets** | **6,387,644,890** | **4,800,480,653** | **1,587,164,237** | **33.06%** | **84.36%** | **80.05%** |
| **NON-CURRENT ASSETS** | | | | | | |
| Contract asset - net of current portion | 90,397,795 | 90,279,658 | 118,137 | 0.13% | 1.19% | 1.51% |
| Property and equipment - net | 1,066,373,564 | 1,075,445,189 | (9,071,625) | (0.84%) | 14.08% | 17.93% |
| Other non-current asset | 27,188,276 | 30,535,837 | (3,347,561) | (10.96%) | 0.36% | 0.51% |
| **Total Non-Current Assets** | **1,183,959,635** | **1,196,260,684** | **(12,301,049)** | **(1.03%)** | **15.64%** | **19.95%** |
| **TOTAL ASSETS** | **7,571,604,525** | **5,996,741,337** | **1,574,863,188** | **26.26%** | **100.00%** | **100.00%** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | | | | |
| **CURRENT LIABILITIES** | | | | | | |
| Accounts and other payables | 187,122,128 | 197,407,432 | (10,285,304) | (5.21%) | 2.47% | 3.29% |
| Contract Liability- current | 15,536,238 | 38,015,175 | (22,478,937) | (59.13%) | 0.21% | 0.63% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Loans and borrowings - current portion | 1,130,949,924 | 782,700,538 | 348,249,386 | 44.49% | 14.95% | 13.05% |
| Income tax payable | 4,427,103 | - | 4,427,103 | #DIV/0! | 0.06% | 0.00% |
| **Total Current Liabilities** | **1,333,608,290** | **1,018,123,145** | **315,485,145** | **30.99%** | **17.62%** | **16.98%** |
| **NON-CURRENT LIABILITIES** | | | | | | |
| Loans and borrowings - net of current portion | 1,945,342,263 | 974,138,084 | 971,204,179 | 99.70% | 25.71% | 16.24% |
| Advances from related parties | 169,946,632 | 173,928,719 | (3,982,087) | (2.29%) | 2.25% | 2.90% |
| Defined benefit obligation | 15,059,836 | 12,703,551 | 2,356,285 | 18.55% | 0.20% | 0.21% |
| **Total Non-Current Liabilities** | **2,130,348,731** | **1,160,770,354** | **969,578,377** | **83.53%** | **28.15%** | **19.36%** |
| **EQUITY** | | | | | | |
| Share capital | 2,500,000,000 | 2,500,000,000 | - | 0.00% | 33.04% | 41.69% |
| Share premium | 218,849,628 | 218,849,628 | (0) | (0.00%) | 2.89% | 3.65% |
| Retained earnings | 1,372,380,450 | 1,087,987,235 | 284,393,215 | 26.14% | 18.14% | 18.14% |
| Actuarial gain on defined benefit obligation | 11,990,323 | 11,010,975 | 979,348 | 8.89% | 0.16% | 0.18% |
| **Total Equity** | **4,103,220,401** | **3,817,847,838** | **285,372,563** | **7.47%** | **54.22%** | **63.67%** |
| **TOTAL LIABILITIES AND EQUITY** | **7,567,177,422** | **5,996,741,337** | **1,570,436,085** | **26.19%** | **100%** | **100.00%** |

**Financial Position as of December 31,2025 and December 31, 2024**

**Total Assets**
Haus Talk and its Subsidiaries posted total assets of ₱7.57 billion as of December 31, 2025 representing a net increase of 26.26% or ₱1.57, from ₱6.00 billion as of December 31, 2024.

**Cash**
The Company’s cash decreased by 7.95% or ₱19.43 million and had an ending balance of ₱224.95 million. The decrease is mainly attributable to the land acquisition and construction costs.

**Current Receivables**
Current receivables increased by 46.17%, reaching ₱1.11 billion as of December 31, 2025, driven mainly by higher operational advances mostly to employees, HDMF (Pag-ibig), and contractors.

**Contract Assets (current)**
Contract assets decreased by 18.43% mainly due to lower remaining equity portions of declared sales as these units’ progress toward bank/Pag-ibig take-out.

**Real Estate Inventories**
Real estate inventories increased by 46.90%, or ₱1.38 billion, primarily due to ongoing land development and project development activities for newly launched projects this year, which form part of real estate inventories.

**Prepayments and Other Current Assets**
Prepayments and other current assets increased by 136.85%, or ₱23.82 million, primarily due to higher input VAT, prepaid taxes and licenses, prepaid insurance, and prepaid interest recognized during the period.

**Other Non-Current Asset**
Other non-current assets decreased by 10.96% or ₱3.35 million, primarily due to the utilization and reversal of deferred tax assets, driven by higher taxable income recognized during the period.

**Accounts and Other Payables**
Accounts and other payables decreased by 5.21% or ₱10.29 million mainly due to the settlement of outstanding trade payables and payment of accrued expenses during the period.

**Contract Liabilities (Current)**
Contract liabilities – current decreased by 59.13% or ₱22.48 million, primarily due to the recognition of sales previously recorded as contract liabilities upon satisfaction of revenue recognition criteria.

**Current Loans and Borrowings**
Loans and borrowings – current portion increased by 44.49% during the year primarily due to loans obtained for land acquisition and to support ongoing project developments.

**Non-current Loans and Borrowings**
Loans and borrowings, net of current portion increased by 99.70% due to loan activities during the year.

**Defined Benefit Obligation**
The Defined Benefit Obligation increased by 18.55% or ₱2.36 million, primarily due to the higher number of employees, longer service periods, and salary adjustments, which led to an increase in benefits earned during the year.

**Retained Earnings**
Retained earnings increased by 26.14%, reflecting the Group's positive net income for the year and the continued accumulation of earnings from prior periods.

**Actuarial Gain on the Defined Benefit Obligation**
The actuarial gain on the defined benefit obligation increased by 8.89% or ₱.98 million, attributable to a change in assumption in actuarial valuation.

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## B. DISCUSSION ON FINANCIAL CONDITION

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
***(formerly Haus Talk Project Managers, Inc. and its Subsidiary)***
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**Interim for the three months period April to June 30, 2026 and 2025 (Unaudited)**
***(In Philippine Peso)***

| | 3 Mos. Interim Apr to Jun | | Horizontal Analysis- 3 Mos. Apr to Jun | | Vertical Analysis- 3 Mos. Apr to Jun | |
|---|---|---|---|---|---|---|
| **REVENUE** | **2026** | **2025** | **2026** | **2025** | **2026** | **2025** |
| Real estate sales | 224,116,981 | 368,003,800 | (143,886,819) | (39.10%) | 98.72% | 99.20% |
| Other operating income | 2,900,615 | 2,967,816 | (67,201) | (2.26%) | 1.28% | 0.80% |
| **Total Revenue** | **227,017,596** | **370,971,616** | **(143,954,020)** | **(38.80%)** | **100.00%** | **100.00%** |
| **COST OF REAL ESTATE SALES** | **122,339,742** | **213,143,862** | **(90,804,120)** | **(42.60%)** | **53.89%** | **57.46%** |
| **GROSS PROFIT** | **104,677,854** | **157,827,754** | **(53,149,900)** | **(33.68%)** | **46.11%** | **42.54%** |
| **OPERATING EXPENSES** | | | | | | |
| Selling expenses | 12,247,387 | 15,915,738 | (3,668,351) | (23.05%) | 5.39% | 4.29% |
| General and administrative expenses | 33,621,721 | 47,374,956 | (13,753,235) | (29.03%) | 14.81% | 12.77% |
| Total Operating Expenses | **45,869,108** | **63,290,694** | **(17,421,586)** | **(27.53%)** | **20.21%** | **17.06%** |
| **NET OPERATING INCOME** | **58,808,746** | **94,537,060** | **(35,728,314)** | **(37.79%)** | **25.90%** | **25.48%** |
| **FINANCE COST, NET** | **11,637,794** | **793,433** | **10,844,361** | **1366.76%** | **5.13%** | **0.21%** |
| **INCOME BEFORE TAX** | **47,170,952** | **93,743,627** | **(46,572,675)** | **(49.68%)** | **20.78%** | **25.27%** |
| **INCOME TAX EXPENSE** | (4,092,214) | (17,393) | (4,074,821) | 23427.94% | (1.80%) | (0.00%) |
| **NET INCOME** | **43,078,738** | **93,726,234** | **(50,647,496)** | **(54.04%)** | **18.98%** | **25.27%** |
| **OTHER COMPREHENSIVE INCOME** | | | | | | |
| Actuarial gain (loss) on retirement plan | - | - | - | - | 0.00% | 0.00% |
| **TOTAL COMPREHENSIVE INCOME (LOSS)** | **43,078,738** | **93,726,234** | **(50,647,496)** | **(54.04%)** | **18.98%** | **25.27%** |
| **BASIC EARNINGS PER SHARE** | 0.017 | 0.037 | (0) | (54.04%) | 0.00% | 0.00% |

### Result of Operation for the Three-Month period April to June 2026 (Unaudited) vis-á-vis April to June 2025 (Unaudited)

#### Total Revenue
Total revenue decreased by **38.80%**, or **Php 143.95 million**, primarily due to the 39.10% decline in real estate sales. Other operating income also decreased by 2.26%.

#### Real Estate Sales
Real estate sales decreased by **39.10%**, or **Php 143.89 million**, mainly because newly opened projects were still awaiting the issuance of Licenses to Sell (LTS), while existing projects had limited inventory available for sale during the period.

**Cost of Real Estate Sales**
Cost of real estate sales decreased by **42.60%**, or **Php 90.80 million**, in line with the decline in sales volume and the corresponding reduction in construction and development costs.

**Gross Profit**
Gross profit decreased by 33.68%, or Php 53.15 million, primarily due to the decline in real estate sales despite the reduction in the cost of real estate sales.

**Selling expenses**
Selling expenses decreased by **23.05%**, or **Php 3.67 million**, due to lower marketing activities, reduced sales commissions, and cost-control measures implemented during the period.

**General and Administrative expenses**
General and administrative expenses decreased by **29.03%**, or **Php 13.75 million**, primarily due to lower salaries and wages, lower taxes and licenses, reduced administrative overhead, and other operating cost savings incurred during the period.

**Net Operating Income**
Net operating income decreased by **37.79%**, or **Php 35.73 million**, primarily due to the decline in real estate sales.

**Finance cost**
Finance cost, net increased by **1,366.76%**, or **Php 10.84 million**, mainly due to interest expense on additional bank loans, bridge financing facilities, and bonds payable incurred during the period.

**Income before tax**
Income before tax decreased by **49.68%**, or **Php 46.57 million**, primarily due to lower sales during the period, resulting in reduced earnings.

**Income tax expense**
Income tax expense increased by **23,427.94%**, or **Php 4.07 million**, compared to the same period last year, primarily because most of the sales recognized during the current period were taxable and were not covered by the income tax holiday incentives availed of in the prior year.

**Net income**
Net income decreased by **54.04%**, or **Php 50.65 million**, primarily due to lower sales, higher finance costs, and increased income tax expense during the period.

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
***(formerly Haus Talk Project Managers, Inc. and its Subsidiary)***
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**Interim for the six months period January to June 30, 2026 and 2025 (Unaudited)**
*(In Philippine Peso)*

| | June 30, | | Horizontal Analysis- 6 Mos. Jan to Jun | | Vertical Analysis- 6 Mos. Jan to Jun | |
|---|---|---|---|---|---|---|
| **REVENUE** | **2026** | **2025** | **Amount** | **%** | **2026** | **2025** |
| Real estate sales | 331,899,997 | 601,776,200 | (269,876,203) | (44.85%) | 98.33% | 99.02% |
| Other operating income | 5,621,256 | 5,985,765 | (364,509) | (6.09%) | 1.67% | 0.98% |
| **Total Revenue** | **337,521,253** | **607,761,965** | **(270,240,712)** | **(44.46%)** | **100.00%** | **100.00%** |
| **COST OF REAL ESTATE SALES** | **170,857,278** | **342,587,656** | **(171,730,378)** | **(50.13%)** | **50.62%** | **56.37%** |
| **GROSS PROFIT** | **166,663,975** | **265,174,309** | **(98,510,334)** | **(37.15%)** | **49.38%** | **43.63%** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **OPERATING EXPENSES** | | | | | | |
| Selling expenses | 13,812,903 | 29,667,435 | (15,854,532) | (53.44%) | 4.09% | 4.88% |
| General and administrative expenses | 68,476,813 | 88,075,612 | (19,598,799) | (22.25%) | 20.29% | 14.49% |
| Total Operating Expenses | **82,289,716** | **117,743,047** | **(35,453,331)** | **(30.11%)** | **24.38%** | **19.37%** |
| **NET OPERATING INCOME** | **84,374,259** | **147,431,262** | **(63,057,003)** | **(42.77%)** | **25.00%** | **24.26%** |
| **FINANCE COST, NET** | **15,546,064** | **1,429,669** | **14,116,395** | **987.39%** | **4.61%** | **0.24%** |
| **INCOME BEFORE TAX** | **68,828,195** | **146,001,593** | **(77,173,398)** | **(52.86%)** | **20.39%** | **24.02%** |
| **INCOME TAX EXPENSE** | (8,111,030) | (122,494) | (7,988,536) | 6521.57% | (2.40%) | (0.02%) |
| **NET INCOME** | **60,717,165** | **145,879,099** | **(85,161,934)** | **(58.38%)** | **17.99%** | **24.00%** |
| **OTHER COMPREHENSIVE INCOME** | | | | | | |
| Actuarial gain (loss) on retirement plan | | (2,764,286) | 2,764,286 | (100.00%) | 0.00% | (0.45%) |
| **TOTAL COMPREHENSIVE INCOME (LOSS)** | **60,717,165** | **143,114,813** | **(82,397,648)** | **(57.57%)** | **17.99%** | **23.55%** |
| **BASIC EARNINGS PER SHARE** | 0.024 | 0.058 | (0.034) | (58.38%) | 0.00% | 0.00% |

**Results of Operation for the Six Months Ended June 30, 2026 vs. June 30, 2025 (Unaudited)**

**Real Estate sales**
Decreased by 44.85% or Php 269.88 million, Real Estate Sales decreased mainly because newly opened projects were still awaiting Licenses to Sell (LTS), and limited inventory available from existing projects.

**Other Operating Income**
Decreased by 6.09% or Php .36 million due to lower in-house interest income.

**Cost of real estate sales**
Decreased by 50.13% or Php 171.73 million, in line with the decline in sales volume and corresponding construction and development costs.

**Selling expense**
Decreased by 53.44% or Php 15.85 million, due to lower marketing and promotional activities compared to the same period last year.

**General and administrative expense**
Decreased by 22.25% or Php 19.60 million, primarily due to ongoing cost-control measures and lower administrative expenses during the period.

**Net operating income**
Decreased by 42.77% or Php 63.06 million relative to the decline in real estate sales.

**Finance cost, Net**
Increased by 987.39% or Php 14.12 million, mainly due to the additional loans and borrowings during the period.

**Income before tax**
Decreased by **52.86%**, or **Php 77.17 million**, primarily due to the decline in real estate sales, which resulted in lower profitability.

**Income tax expense**
Increased by **6,521.57%**, or **Php 7.99 million**, compared to the same period last year, primarily because most of the sales recognized during the current period were taxable and were not covered by the income tax holiday incentives availed of in the prior year.

**Net income**
Decreased by **58.38%**, or **Php 85.16 million**, primarily due to lower sales, higher finance costs, and increased income tax expense during the period.

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
*(formerly Haus Talk Project Managers, Inc. and its Subsidiary)*
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
For the period ended December 31, 2025 & 2024 (Audited)
*(In Philippine Peso)*

| | December 31, | | Horizontal Analysis December 31, | | Vertical Analysis December 31, | |
|---|---|---|---|---|---|---|
| **REVENUE** | **2025** | **2024** | **2025** | | **2025** | **2024** |
| Real estate sales | 1,401,217,951 | 1,401,027,855 | 190,096 | 0.01% | 99.07% | 99.12% |
| Other operating income | 13,192,245 | 12,491,008 | 701,237 | 5.61% | 0.93% | 0.88% |
| **Total Revenue** | **1,414,410,196** | **1,413,518,863** | **891,333** | **0.06%** | **100.00%** | **100.00%** |
| **COST OF REAL ESTATE SALES** | **764,330,268** | **772,604,842** | **(8,274,574)** | **(1.07%)** | **54.04%** | **54.66%** |
| **GROSS PROFIT** | **650,079,928** | **640,914,021** | **9,165,907** | **1.43%** | **45.96%** | **45.34%** |
| **OPERATING EXPENSES** | | | | | | |
| Selling expenses | 70,648,760 | 65,274,869 | 5,373,891 | 8.23% | 4.99% | 4.62% |
| General and administrative expenses | 172,549,369 | 181,076,146 | (8,526,777) | (4.71%) | 12.20% | 12.81% |
| Total Operating Expenses | **243,198,129** | **246,351,015** | **(3,152,886)** | **(1.28%)** | **17.19%** | **17.43%** |
| **NET OPERATING INCOME** | **406,881,799** | **394,563,006** | **12,318,793** | **3.12%** | **28.77%** | **27.91%** |
| **FINANCE COST, NET** | **24,439,701** | **31,471,214** | **(7,031,513)** | **(22.34%)** | **1.73%** | **2.23%** |
| **INCOME BEFORE TAX** | **382,442,098** | **363,091,792** | **19,350,306** | **5.33%** | **27.04%** | **25.69%** |
| **INCOME TAX EXPENSE** | (23,048,883) | 3,721,704 | (26,770,587) | (719.31%) | (1.63%) | 0.26% |
| **NET INCOME** | **359,393,215** | **366,813,496** | **(7,420,281)** | **(2.02%)** | **25.41%** | **25.95%** |
| **OTHER COMPREHENSIVE INCOME** | | | | | | |
| Actuarial gain (loss) on retirement plan | 979,348 | (2,764,286) | 3,743,634 | (135.43%) | 0.07% | (0.20%) |
| **TOTAL COMPREHENSIVE INCOME (LOSS)** | **360,372,563** | **364,049,210** | **(3,676,647)** | **(1.01%)** | **25.48%** | **25.75%** |
| **BASIC EARNINGS PER SHARE** | 0.144 | 0.147 | (0) | (2.02%) | 0.00% | 0.00% |

**Results of Financial Operation for the year ended December 31, 2025 & December 31, 2024**

**Revenue**
HTI generated consolidated revenues of ₱1.41 billion for the twelve-month period ended December 31, 2025, reflecting an increase of ₱891 million or 0.06% from ₱1.41 billion in the same period in 2025. The growth was primarily driven by a 5.61% increase in Other operating income from in-house financing activities.

**Cost of Real Estate Sales**
Cost of real estate sales decreased by 1.07%, resulting in a slight improvement in gross profit margin to 1.43% in 2025 compared to 2024.

**Operating Expenses**
Selling expenses increased by 8.23%, or ₱5.37 million, primarily due to higher marketing and commission costs recognized during the year.

General and administrative expenses slightly decreased by 4.71 %, or ₱8.53 million, due to the reduced discretionary spending during the period.

**Finance Costs, net**
Finance costs decreased by 22.34%, or ₱7.03 million, primarily due to lower interest expenses resulting from the settlement of certain loan obligations.

**Income Tax Expense**
Income tax expense increased by 719.31%, amounting to ₱26.77 million in 2025 compared to the previous year. The increase was primarily driven by higher taxable income arising from home improvement sales, which are not covered by BOI tax incentives. This was partially offset by tax-exempt sales from the Granary project, which remains under BOI incentive coverage during the period.

**Net Income**
HTI's consolidated net income declined by 2.02% or ₱7.42 million for the year 2025 due to an increase in income tax expense.

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**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized in Pasig City on August 13, 2026.

**HAUS TALK, INC.**
Issuer

By:

**MARIA RACHEL D. MADLAMBAYAN**
President

**GLORIA JUDITH D. MADLAMBAYAN**
Treasurer

**MARIA AGNES M. SIAPNO**
Chief Finance Officer

**HAUS TALK, INC. AND ITS SUBSIDIARIES**
**(*Formerly Haus Talk Project Managers, Inc. and its Subsidiary)***
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**For the 6 Months Period ended June 30, 2026 (Unaudited), June 30, 2025 (Unaudited) and December 31, 2025 (Audited)**

***General Information***

**HAUS TALK, INC.** (the "Parent Company") was organized under the laws of the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) per Registration no. CS200409462 on June 21, 2004 under the name of Haus Talk Project Managers, Inc., which was amended on March 15, 2017 under the name of Haus Talk, Inc. Its primary purpose is to invest in real estate, more specifically to acquire land, engage in land and housing development and participate in the government's mass housing program.

On November 18, 2021 and December 23, 2021, the Securities and Exchange Commission (SEC) and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Company for the listing of up to 2,500,000,000 common shares of the Company, which includes the 500,000,000 common shares subject of the Company's Initial Public Offering (IPO), under the Small, Medium and Emerging Board (SME Board) of the PSE.

On January 17, 2022, the Company completed its IPO and was listed in the PSE under the stock symbol "HTI". As a public company, it is covered by the Revised Securities Regulation Code (SRC) Rule 68.1.

The Company was approved by the Board of Investments (BOI) as a New Developer of Economic Housing Project for its Granary - Phase 1, located at Brgy. San Antonio, Biñan City, Laguna. The Income Tax Holiday (ITH) certification bearing the number of 2023-152 valid from August 8, 2023, and four (4) years thereafter provides exemption from income tax on revenue generated and twelve (12) years duty exemption from the said project.

The Company was approved by the Board of Investments (BOI) as an Expanding Developer of Economic Housing Project for its The Granary Phase 2 and The Granary Phase 3, located at Brgy. San Antonio, Biñan City, Laguna. The Income Tax Holiday (ITH) certification bearing the number of 2024-069 and 2024-362 valid from March 22, 2024 and December 16, 2024, respectively, and three (3) years thereafter provides exemption from income tax on revenue generated and twelve (12) years duty exemption from the said projects.

On March 16, 2026, the Company achieved a significant corporate milestone with the listing of its maiden bond issuance on the Philippine Dealing & Exchange Corp. (PDEx). The issuance consisted of ₱1.8 billion Fixed-Rate Peso Retail Bonds, which was upsized from the base offer of ₱1.0 billion due to strong investor demand. The Bonds were issued in two series: Series A: ₱260.02 million maturing in 2029 (3-year tenor) Series B: ₱1.54 billion maturing in 2031 (5-year tenor). The proceeds from this issuance are earmarked for land banking activities, project developments in Luzon, and general corporate purposes. This issuance represents the Company's first entry into the local debt capital market following its Initial Public Offering (IPO) in January 2022.

The Parent Company's current registered address is at Unit 701 Orient Square Building, F. Ortigas Avenue, Ortigas Center, Pasig City.

The Parent Company and its subsidiaries are collectively known herein as the "Group".

**Tradition Homes, Inc.** (referred to as the "Subsidiary or THI"), formerly known as Tradition Homes Project Managers, Inc. before it was amended on December 11, 2017 as Tradition Homes, Inc., was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No.CS200700454 on January 16, 2007. The Subsidiary's primary purpose is to invest in real estate, more specifically to acquire land, engage in land and housing development, and participate in the government's mass housing program.

The Subsidiary's current registered address is at Unit 701 Orient Square Building, F. Ortigas Avenue, Ortigas Center, Pasig City.

On January 18, 2018, the Parent Company acquired 100% ownership and control of Tradition Homes, Inc. for an acquisition cost of ₱30,000,000.

THI was approved by the Board of Investments (BOI) as a New Developer of Economic and Low-Cost Housing Project for its Southview Homes – Sta. Rosa, located at Sta. Rosa, Laguna. The Income Tax Holiday (ITH) certification bearing the number of 2019-041 valid from March 6, 2019, and four (4) years thereafter provides exemption from income taxes on revenue generated from the said project.

THI's WINN residences project, a residential condominium project located at Sitio Veterans, Barangay Bagong Silangan, Quezon City, was approved as a Socialized Housing Project by the Housing and Land Regulatory Board (HLURB) and thereby granting the Company exemption from Income Tax, Capital Gains Tax and Value-Added Tax. The certification issued by the HLURB bears the reference number 15-06-038.

**Lifestyle Development Corporation** (referred to as the "Subsidiary or LDC") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199918322 on November 18, 1999. The Subsidiary's primary purpose is to invest in real estate, more specifically to acquire land, engage in land and housing development, and participate in the government's mass housing program.

The Subsidiary's current registered address is at Unit 701 Orient Square Building, F. Ortigas Avenue, Ortigas Center, Pasig City.

On May 26, 2021, the Parent Company acquired 100% ownership and control of Lifestyle Development Corporation for an acquisition cost of ₱105,737,000.

***Cash***

The account consists of:

| Particulars | | **June 30, 2025** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Cash on hand | ₱ | **51,067,760** | ₱ | 691,000 | ₱ | 1,004,000 |
| Cash in banks | | **1,031,514,977** | | 90,634,491 | | 223,943,372 |
| Total | ₱ | **1,082,582,737** | ₱ | 91,325,491 | ₱ | 224,947,372 |

Cash includes cash on hand and in banks which are measured at face value.

Cash funds are set aside for current purposes such as petty cash fund and revolving fund. Cash in banks include demand deposits which are unrestricted as to withdrawal.

Cash in bank earns interest at the respective bank deposit rates.

***Receivables-net***

The account consists of:

| Particulars | | June 30, 2026 | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Receivables from customers | ₱ | **1,068,521,945** | ₱ | 1,057,895,140 | ₱ | 845,335,547 |
| Receivables at amortized cost from: | | | | | | |
| Contractors | | **30,774,490** | | 22,615,938 | | 33,808,752 |
| Officers and employees | | **12,161,811** | | 9,005,470 | | 9,286,663 |
| Buyer | | **5,288,714** | | 6,082,328 | | 5,541,840 |
| Broker | | **3,287,289** | | 4,594,779 | | 4,499,779 |
| Suppliers | | **3,646,043** | | 1,432,917 | | 475,487 |
| Others | | **263,256,306** | | 100,006,845 | | 216,824,737 |
| Gross receivables | | **1,386,936,598** | | 1,201,633,417 | | 1,115,772,805 |
| Less: Allowance for expected credit losses | | **(225,923)** | | - | | (645,495) |
| Receivables - current portion | ₱ | **1,386,710,675** | ₱ | 1,201,633,417 | ₱ | 1,115,127,310 |

*Receivables from customers*
Receivables from customers pertain to receivables from the sale of lots and units which are generally non-interest bearing and financed by the local banks or the home development mutual fund or the Pag-IBIG upon settlement of outstanding balance of at least 80% to 90% of the total contract price, subject to approval of the latter. Upon approval, proceeds are considered as payment of the related receivables and loan balances.

Trade receivables from real estate buyers who availed in-house financing are interest bearing and are collectible in equal monthly installments with various terms up to a maximum of fifteen (15) years.

These are carried at amortized cost. The corresponding titles to the subdivision units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. The installment contracts receivables are interest-bearing. Annual interest rates on installment contracts receivables range from 12.00% to 18.00%.

*Receivables from contractors, suppliers, and brokers*
These receivables mainly consist of refundable advances, unliquidated billings, and amounts due from brokers arising from commission arrangements in the ordinary course of business. These receivables at amortized cost are non-interest bearing and collectible within one year from reporting date.

*Receivables from buyers*
These are post sales expenses due on the buyer. Post sales expense like, water meter, electric post, monthly dues, fire extinguisher, smoke detector, etc. The Group will accommodate first the payment on the expenses incurred to suppliers.

*Receivables from officers and employees*
These are non-interest bearing and to be liquidated within one year from the reporting date.

*Others*
Receivable others pertain to advances to other projects and housing overhead such as clearance, permits, and other fees, HDMF and home guaranty. These are non-interest bearing and are generally collectible within one year from the reporting date.

None of the receivables were assigned or pledged to secure any of the Group loans.

In case of default, the Group may cancel the contract with customers and find another buyer of the real estate thus, no allowance for expected credit losses was recognized in 2024 and 2023. The Group accounts for sales cancellations as a contract modification under PFRS 15. Upon cancellation, the Group reverses the previously recognized revenue and related costs of sales for the portion of the contract that is no longer enforceable. The repossessed unit is reinstated to 'Real Estate Inventory' at its specific historical cost.

***Contract assets***

The account consists of:

| Particulars | | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Contract asset | ₱ | **607,386,979** | ₱ | 892,849,098 | ₱ | 765,111,690 |
| Less: Contract assets – non – current portion | | **132,887,132** | | 76,492,974 | | 90,397,795 |
| Contract asset – current portion | ₱ | **474,499,847** | ₱ | 816,356,124 | ₱ | 674,713,895 |

Contract assets are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as receivable.

***Real estate inventories***

The account consists of:

| Particulars | | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Beginning balance | ₱ | **4,331,635,335** | ₱ | 2,948,626,556 | ₱ | 2,948,626,556 |
| Land acquired during the year | | **-** | | | | 1,179,847,795 |
| Construction and development costs incurred during the year | | **821,170,117** | | 1,131,103,241 | | 969,734,004 |
| Less: Cost of real estate sales | | **170,857,278** | | 342,587,656 | | 764,330,268 |
| Adjustments/ reclassification | | **-** | | - | | 2,242,752 |
| Ending balance | ₱ | **4,981,948,174** | ₱ | 3,737,142,141 | ₱ | 4,331,635,335 |

Inventories are carried at the lower of cost or net realizable value (NRV).

Land for sale and development represents real estate subdivision projects in which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines. It also includes raw land inventories that are under development and those that are about to undergo development.

***Prepayments and other current assets***

The account consists of:

| Particulars | | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Input VAT | ₱ | **47,372,582** | ₱ | - | ₱ | 38,839,733 |
| Prepaid taxes and licenses | | **844,175** | | 168,574 | | 575,527 |

| | | | |
|---|---|---|---|
| Others | **799,600** | 544,721 | 269,672 |
| Prepaid rent | **169,248** | 676,992 | 676,992 |
| Prepaid insurance | **58,079** | 46,709 | 6,673 |
| Prepaid interest | **60,109** | 1,637,597 | 852,381 |
| Prepaid income tax | **-** | 5,053,887 | - |
| Deposits | **-** | | - |
| Deferred MCIT | **-** | 720,336 | - |
| Total | ₱ **49,303,793** | ₱ 8,848,816 | ₱ 41,220,978 |

Input VAT is a tax imposed on purchases of goods and services. These are available for offset against output VAT in future periods.

Prepaid income tax represents excess tax payments and credits over tax liabilities of the immediately preceding taxable period which may be refunded, converted to tax credit certificates, or carried over to the next taxable year.

Prepaid taxes and licenses represent prepayment for taxes as well as local business real property taxes.

Deposit is an advance payment, earnest money is a deposit or partial payment in anticipation or commitment to purchase an asset, in this case, the purchase of eight (8) contiguous lots for a total contract price of Php1 Billion.

Others consist of Maxicare health benefit premiums of employees, billboard rent, design, architectural and planning and miscellaneous supplies.

***Property and equipment-net***

The movements of property and equipment are as follows:

**June 30,2026**

| Particulars | Beginning Balances | Additions/ Provisions | Reclassification/ Adjustment | **Ending Balances** |
|---|---|---|---|---|
| Cost: | | | | |
| Land | ₱ 1,021,092,952 | ₱ | | ₱ **1,021,092,952** |
| Office improvement | 3,557,174 | | | **3,557,174** |
| Office equipment | 10,567,618 | 929,591 | | **11,497,209** |
| Construction equipment | 57,292,279 | 102,500 | | **57,394,779** |
| Transportation equipment | 11,430,451 | 57,142 | | **11,487,593** |
| Furniture and fixture | 1,983,108 | 637,265 | | **2,620,373** |
| Construction tools | 2,232,509 | 258,810 | | **2,491,319** |
| Warehouse equipment | 250,589 | 20,100 | | **270,689** |
| Computer software | 114,850 | | | **114,850** |
| Temporary facilities | 6,996,273 | | | **6,996,273** |
| Leasehold improvement | 6,117,197 | | | **6,117,197** |
| Right of use Asset | 2,419,780 | | | **2,419,780** |
| Total | 1,124,054,780 | ₱ 2,005,408 | - | **1,126,060,188** |
| Accumulated depreciation: | | | | |
| Office improvement | 3,445,378 | ₱ 18,129 | | ₱ **3,463,507** |
| Office equipment | 7,835,049 | 887,862 | | **8,722,911** |
| Construction equipment | 30,237,825 | 4,932,642 | | **35,170,467** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Transportation equipment | | 7,435,368 | | 684,730 | | | | **8,120,098** |
| Furniture and fixture | | 676,386 | | 207,995 | | | | **884,381** |
| Construction tools | | 2,232,511 | | 42,354 | | | | **2,274,865** |
| Warehouse equipment | | 138,151 | | 21,713 | | | | **159,864** |
| Computer software | | | | 11,485 | | | | **11,485** |
| Temporary facilities | | 2,443,376 | | 696,980 | | | | **3,140,356** |
| Leasehold improvement | | 817,392 | | 611,720 | | | | **1,429,112** |
| Right of use Asset | | 2,419,780 | | | | | | **2,419,780** |
| Total | | 57,681,216 | ₱ | 8,115,610 | | 0 | | **65,796,826** |
| Net Book Value | ₱ | 1,075,445,189 | | | | | ₱ | **1,060,263,362** |

June 30, 2025

| Particulars | | Beginning Balances | | Additions/ Provisions | | Disposals/ Adjustments | | **Ending Balances** |
|---|---|---|---|---|---|---|---|---|
| Cost: | | | | | | | | |
| Land | ₱ | 1,019,305,440 | ₱ | | ₱ | - | ₱ | **1,019,305,440** |
| Office improvement | | 3,557,174 | | | | | | **3,557,174** |
| Office equipment | | 7,784,102 | | 478,026.77 | | | | **8,262,129** |
| Construction equipment | | 51,323,180 | | 790,528 | | | | **52,113,708** |
| Transportation equipment | | 9,078,968 | | | | | | **9,078,968** |
| Furniture and fixture | | 1,373,674 | | 70,268 | | | | **1,443,942** |
| Construction tools | | 25,598,116 | | 3,260,280 | | | | **28,858,396** |
| Warehouse equipment | | 182,732 | | | | | | **182,732** |
| Temporary facilities | | 6,996,273 | | | | | | **6,996,273** |
| Leasehold improvement | | 3,058,158 | | 396,484 | | | | **3,454,642** |
| Right of use Asset | | 2,419,780 | | | | | | **2,419,780** |
| Total | ₱ | 1,130,677,597 | ₱ | 4,995,587 | ₱ | | ₱ | **1,135,673,184** |
| Accumulated depreciation: | | | | | | | | |
| Office improvement | ₱ | 3,409,121 | ₱ | 18,129 | ₱ | | ₱ | **3,427,250** |
| Office equipment | | 4,765,691 | | 832,151 | | | | **5,597,842** |
| Construction equipment | | 20,746,469 | | 4,500,378 | | | | **25,246,847** |
| Transportation equipment | | 6,465,240 | | 448,297 | | | | **6,913,537** |
| Furniture and fixture | | 404,258 | | 130,302 | | | | **534,560** |
| Construction tools | | 17,286,424 | | 5,036,018 | | | | **22,322,442** |
| Warehouse equipment | | 104,309 | | 13,810 | | | | **118,119** |
| Temporary facilities | | 841,006 | | 905,390 | | | | **1,746,396** |
| Leasehold improvement | | | | 153,825 | | | | **307,650** |
| Right of use Asset | | 1,209,890 | | 604,946 | | | | **1,814,836** |
| Total | ₱ | 55,232,408 | ₱ | 12,643,248 | ₱ | | ₱ | **68,029,481** |
| Net Book Value | ₱ | 1,075,445,189 | | | | | ₱ | **1,067,643,703** |

**December 31, 2025**

| Particulars | | Beginning Balances | | Additions/ Provisions | | Reclassification/ Adjustments | | Ending Balances |
|---|---|---|---|---|---|---|---|---|
| Cost: | | | | | | | | |
| Land | ₱ | 1,019,305,440 | ₱ | 1,787,512 | ₱ | - | ₱ | 1,021,092,952 |
| Office improvement | | 3,557,174 | | - | | - | | 3,557,174 |
| Office equipment | | 9,120,051 | | 1,447,567 | | - | | 10,567,618 |
| Construction equipment | | 51,323,180 | | 5,969,098 | | - | | 57,292,279 |
| Transportation equipment | | 9,078,968 | | 2,351,484 | | - | | 11,430,451 |
| Furniture and fixture | | 1,373,674 | | 609,434 | | - | | 1,983,108 |
| Construction tools | | 25,598,116 | | - | | (23,365,607) | | 2,232,509 |
| Warehouse equipment | | 182,732 | | 67,857 | | - | | 250,589 |
| Computer software | | - | | 114,850 | | - | | 114,850 |
| Temporary facilities | | 6,996,273 | | - | | - | | 6,996,273 |
| Leasehold improvement | | 3,058,158 | | 3,059,039 | | - | | 6,117,197 |
| Right of use asset | | 2,419,780 | | - | | - | | 2,419,780 |

| | | | | |
|---|---|---|---|---|
| Total | ₱ 1,132,013,546 | ₱ 15,406,841 | (23,365,607) | 1,124,054,780 |
| | | | | |
| Accumulated depreciation: | | | | |
| Office improvement | ₱ 3,409,121 | ₱ 36,257 | ₱ - | ₱ 3,445,378 |
| Office equipment | 6,101,640 | 1,733,409 | - | 7,835,049 |
| Construction equipment | 20,746,469 | 9,491,356 | - | 30,237,825 |
| Transportation equipment | 6,465,240 | 970,128 | - | 7,435,368 |
| Furniture and fixture | 404,258 | 272,128 | - | 676,386 |
| Construction tools | 17,286,424 | 6,884 | (15,060,797) | 2,232,511 |
| Warehouse equipment | 104,309 | 33,842 | - | 138,151 |
| Temporary facilities | 841,006 | 1,602,370 | - | 2,443,376 |
| Leasehold improvement | - | 817,392 | - | 817,392 |
| Right of use asset | 1,209,890 | 1,209,890 | - | 2,419,780 |
| | | | | |
| Total | ₱ 56,568,357 | ₱ 16,173,656 | ₱ (15,060,797) | ₱ 57,681,216 |
| | | | | |
| Net Book Value | ₱ 1,075,445,189 | | ₱ 8,304,810 | ₱ 1,066,373,564 |

The Group elected to use the cost model in accounting for property and equipment.

There are no indication of any impairment loss on the carrying amount of property and equipment since its recoverable amount exceeds it carrying amount.

***Other non-current assets***

The account consists of:

| Particulars | **June 30, 2026** | June 30, 2025 | December 31, 2025 |
|---|---|---|---|
| Refundable deposits | ₱ **11,530,152** | ₱ 10,235,721 | ₱ 10,118,855 |
| Deferred tax assets | **6,303,604** | 9,509,404 | 6,247,123 |
| Security deposits | - | 1,412,711 | 1,414,298 |
| Other deposits | **9,408,000** | 9,408,000 | 9,408,000 |
| Investment properties | **322,717,230** | | |
| Total | ₱ **349,958,987** | ₱ 30,565,837 | ₱ 27,188,276 |

Refundable deposits pertain to utilities and security deposits which are measured at cost and will be recovered against future billings.

Other deposit pertains to computer software that is still in development phase.

***Accounts and other payables***

The account consists of:

| Particulars | **June 30, 2026** | June 30, 2025 | December 31, 2025 |
|---|---|---|---|
| Trade payables | ₱ **68,455,135** | ₱ 145,925,579 | ₱ 98,229,074 |
| Retention payable | **64,004,543** | 47,363,791 | 54,327,235 |
| Government liabilities | **12,732,956** | 3,418,006 | 31,908,859 |
| Accrued expenses | **6,369,099** | 5,503,679 | 1,018,125 |
| Other liabilities | **1,480,945** | 2,679,410 | 1,638,835 |
| Total | ₱ **153,042,678** | ₱ 204,890,466 | ₱ 187,122,128 |

*Trade payables*
Trade payables represent payable to suppliers for the purchase of construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not due. These are expected to be settled within a year after the financial reporting date.

*Retention payable*
Retention payable pertains to contract payments is being withheld from the third party as guaranty for any claims against them. These are settled and paid once period has expired.

*Government liabilities*
Government liabilities include statutory contributions and withholding taxes and are normally settled within one year after the reporting date.

*Other liabilities*
Other liabilities include payment to buyer for refund of construction bond, Meralco services and installment payment made by the buyer subject to the provision of Republic Act 6552 (Realty Instalment Buyer Protection Act), various non-trade dues from utilities, professional fees and other services.

***Contract liabilities***

As of June 30, 2026, and 2025, the account amounting to ₱18,667,822 and ₱43,337,736 respectively.

Contract liabilities represent the payments of buyers which do not qualify yet for revenue recognition as real estate sales and any excess of collections over the recognized revenue on sale of real estate inventories. The movement in contract liabilities is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the buyer's equity threshold and from increase in percentage of completion of projects.

***Loans and borrowings***

Details of loans' principal and interests as of June 30, 2026 are as follows:

| Loan institutions | Principal | | |
|---|---|---|---|
| | Capitalized | Outright | Total |
| Financing (Individual and Corporation) | ₱ 388,500,000 | ₱ 136,000,000 | ₱ 524,500,000 |
| China Banking Corporation | 109,655,041 | 7,926,600 | 117,581,641 |
| Sterling Bank of Asia | 480,692,051 | 115,588,152 | 596,280,203 |
| Security Bank Corporation | 1,578,207,378 | 79,254,117 | 1,657,461,495 |
| Security Bank Corporation (Car loans) | - | 602,720 | 602,720 |
| Land Bank of the Philippines | 89,121,400 | - | 89,121,400 |
| Asia United Bank | - | 732,880 | 732,880 |
| Asia United Bank (Car loan) | - | 1,246,728 | 1,246,728 |
| Philippine Veterans Bank | 210,479,365 | - | 210,479,365 |
| **Total** | **₱ 2,856,655,235** | **₱ 341,351,197** | **₱ 3,198,006,433** |

| Loan institutions | Borrowing Cost | | |
|---|---|---|---|
| | Capitalized | Recognized as expense | Total |
| Financing (Individual and Corporation) | ₱ 18,920,079 | ₱ 7,042,698 | ₱ 25,962,778 |
| China Banking Corporation | 3,776,812 | 789,834 | 4,566,646 |
| Sterling Bank of Asia | 24,645,061 | 8,587,710 | 33,232,771 |

| | | | |
|---|---|---|---|
| Security Bank Corporation | 61,101,069 | 3,946,935 | 65,048,004 |
| Security Bank Corporation (Car loans) | - | 37,170 | 37,170 |
| Land Bank of the Philippines | 3,241,096 | - | 3,241,096 |
| Asia United Bank | - | 156,798 | 156,798 |
| Asia United Bank (Car loan) | - | 63,426 | 63,426 |
| Philippine Veterans Bank | - | - | - |
| **Total** | **₱ 111,684,118** | **₱ 20,624,571** | **₱ 132,308,689** |

As of June 30, 2026, the Parent incurred total borrowing costs amounting to ₱132,308,689. In accordance with PAS 23 Borrowing Costs, a portion of these costs amounting to ₱111,684,118 was capitalized as part of the cost of qualifying assets, which relate primarily to the Parent's land acquisitions and real estate properties under development for sale, where borrowing costs are directly attributable to the acquisition and development of such assets.

The ₱15,725,014 was recognized as interest expense in profit or loss, while ₱4,899,557 was recognized as part of the cost of sales. These borrowing costs were not directly attributable to qualifying assets during the period and therefore did not meet the criteria for capitalization under PAS 23.

***Bonds payable***

*Bond issuance*

On March 16, 2026, the Parent Company issued ₱260,020,000 and ₱1,539,980,000 unsecured Series A and B Bond with a term of three (3) and five (5) years and maturity date of March 16, 2029 and March 16, 2031, respectively. The bonds bear interest at a fixed rate of 7.0896% per annum for the Series A Bonds and 7.5924% per annum for the Series B Bonds, payable quarterly.

The bonds were issued at par resulting in net proceeds of ₱1,761,756,870 after deducting transaction costs amounting to ₱38,243,130.

Transaction costs directly attributable to the issuance of the bonds amounting to ₱38,243,130 were deducted from the carrying amount of the bonds and are amortized over the term using the effective interest method, in accordance with PFRS 9.

Net proceeds from the issuance were used to partially fund the Company's land banking activities, partially support Company's project development and support the general corporate purposes requirement of the Company in accordance with the prospectus.

Details of Bonds Payable

| Particulars | Amount |
|---|---|
| Face value of bonds | ₱ 1,800,000,000 |
| Unamortized premium (discount) | - |
| Unamortized transaction costs | 38,243,130 |
| Carrying amount | **₱ 1,761,756,870** |

As of June 30, 2026, borrowing costs incurred in relation to the Bond amounted to ₱33,838,955. In accordance with PAS 23 Borrowing Costs, these costs were capitalized as part of the cost of qualifying assets, which relate primarily to the Parent's land acquisitions and real estate properties under development for sale, where borrowing costs are directly attributable to the acquisition and development of such assets.

The bonds contain certain covenants requiring the Parent Company to maintain specified financial ratios and comply with other conditions.

Financial covenant are as follows:

From the date of the Trust Agreement and for as long as the Bonds or any portion thereof remains outstanding, and unless the Majority Bondholders shall otherwise consent in writing, the Issuer undertakes to maintain the following financial ratios, with testing to be done on an annual basis, the calculations of which shall be done using the Issuer's year-end consolidated audited financial statements:

(a) Parent Company shall maintain a Debt-to-Equity Ratio of not more than 1.50x. Debt-to-Equity ratio is computed as total Financial Indebtedness divided by Total Equity.

(b) Parent Company shall maintain a minimum Current Ratio of 2.00x. Current Ratio means the ratio of Current Assets divided by Current Liabilities.

(c) Parent Company shall maintain a Debt Service Coverage Ratio of not less than 1.00x. Debt Service Coverage Ratio means the ratio of EBITDA divided by total Debt Service by reference to the immediately preceding 12 months.
As of June 30, 2026, the Company is in compliance with all bond covenants.

***Related party transactions***

In the normal course of business, the Group has transactions and balances with its related parties. All material related party transactions are subject to approval by the BOD. Material related party transactions pertain to those transactions, either individually or in aggregate over a 12-month period, that exceed 10% of the Group's total assets based on the latest audited financial statements. All other related party transactions that are considered not material are approved by management.

Significant transactions with related parties are as follows:

**June 30, 2026**

| Related Party | Transactions | Outstanding Balance | Nature | Terms and Conditions |
|---|---|---|---|---|
| Advances from related party | | | | |
| Stockholders | (649,355) | **169,297,277** | Advances for working capital purposes; Deposits for future stock subscription | Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash |
| | ₱ (649,355) | ₱ **169,297,277** | | |

**December 31, 2025**

| Related Party | Transactions | Outstanding Balance | Nature | Terms and Conditions |
|---|---|---|---|---|
| Advances from related party | | | | |
| Stockholders | (3,982,087) | **169,946,632** | Advances for working capital purposes; Deposits for future stock subscription | Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash |
| | ₱ (3,982,087) | ₱ **169,946,632** | | |

*Receivable from and payable to affiliates and stockholders*
Receivable from and payable to affiliates represent trade receivables and payables in ordinary course of business. These are unsecured, non-interest bearing, cash settlement and are payable upon mutual agreement of both parties.

***Share capital***

The account consists of:

| Particulars | **June 30, 2026** | | | June 30,2025 | | |
|---|---|---|---|---|---|---|
| | **No. of shares** | | **Amount** | No. of shares | | Amount |
| Authorized ₱1.00 par<br>Balance at beginning<br>and end of year | **2,500,000,000** | ₱ | **2,500,000,000** | 2,500,000,000 | ₱ | 2,500,000,000 |
| Issued and Outstanding<br>Balance at beginning<br>and end of year | **2,500,000,000** | ₱ | **2,500,000,000** | 2,000,000,000 | ₱ | 2,000,000,000 |

*Issuance of Capital Stock*
On December 23, 2021, the SEC approved the Initial Public Offering of the Company of 500,000,000 common shares at an Offer Price of ₱1.50, with a par value of ₱1.00 per share. Offer shares were approved for listing on January 17, 2022.

*Listing Under Small, Medium and Emerging Board (SME) of the PSE*
On November 18, 2021 and December 2, 2021, the Securities and Exchange Commission (SEC) and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Company for the listing of up to 2,500,000,000 common shares of the Company, which includes the 500,000,000 common shares subject of the Company's Initial Public Offering (IPO), under the Small, Medium and Emerging Board (SME Board) of the PSE.

On January 17, 2022, the Parent Company completed its IPO and was listed in the PSE under the stock symbol "HTI".

***Share premium***

The movements of additional paid-in capital are as follows:

| | | **June 30, 2026** | | June 30, 2025 |
|---|---|---|---|---|
| At January 1 | ₱ | **218,849,628** | ₱ | 218,849,628 |
| Share premium on common shares issued during the year | | | | |
| Gross proceeds | | **-** | | - |
| Less: Directly attributable issuance costs | | **-** | | - |
| Par value of issued shares | | **-** | | - |
| Subtotal | | **218,849,628** | | 218,849,628 |
| End | ₱ | **218,849,628** | ₱ | 218,849,628 |

Share premium arises when the amount subscribed is in excess of nominal value.

***Retained earnings***

This account consists of cumulative balance of periodic earnings and prior period adjustments, if any.

The account consists of the following:

| Particulars | | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Beginning balance | ₱ | **1,372,380,450** | ₱ | 1,087,987,234 | ₱ | 1,087,987,235 |
| Dividend declaration | | **-** | | - | | -75,000,000 |
| Net income for the year | | **60,717,166** | | 145,879,101 | | 359,393,215 |
| Ending balance | ₱ | **1,433,097,616** | ₱ | 1,233,866,335 | ₱ | 1,372,380,450 |

***Real estate sales***

As of December 31, the Group derives its revenues primarily from the sale of residential units, including customized or constructed goods for retail customers.

Revenue is disaggregated as follows:

| Particulars | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|
| Residential units | **182,599,800** | ₱ | 592,587,400 | ₱ | 1,179,594,710 |
| Home improvements | **149,300,197** | | 9,188,800 | | 221,623,241 |
| Total | **331,899,997** | ₱ | 601,776,200 | ₱ | 1,401,217,951 |

Further disaggregation based on timing of recognition:

| Particulars | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|
| Residential units | **182,599,800** | ₱ | 592,587,400 | ₱ | 1,179,594,710 |
| Home improvements | **149,300,197** | | 9,188,800 | | 221,623,241 |
| Total | **331,899,997** | ₱ | 601,776,200 | ₱ | 1,401,217,951 |

***Other operating income***

The account consists of the following:

| Particulars | | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Interest - in house financing | ₱ | **4,562,351** | ₱ | 5,149,998 | ₱ | 11,209,696 |
| Forfeiture | | **420,000** | | 260,000 | | 630,000 |
| Miscellaneous | | **638,905** | | 575,768 | | 1,352,549 |
| Total | ₱ | **5,621,256** | ₱ | 5,985,766 | ₱ | 13,192,245 |

Miscellaneous income consists of penalty charges and other fees billed to buyers.

***Cost of real estate sales***

The account consists of the following:

| Particulars | **June 30, 2026** | June 30, 2025 | December 31 2025 |
|---|---|---|---|
| Land cost development | **40,943,611** | ₱ 109,838,979 | ₱ 204,099,591 |
| Construction cost | **120,351,803** | 219,065,520 | 529,280,980 |
| Other cost | **9,561,864** | 13,683,156 | 30,949,697 |
| Total | **170,857,278** | ₱ 342,587,656 | ₱ 764,330,268 |

Other cost includes various expenses related to the construction cost and land development.

***Finance cost-net***

The account consists of the following:

| Particulars | **June 30, 2026** | June 30, 2025 | December 31, 2025 |
|---|---|---|---|
| Interest income – bank | ₱ **178,951** | ₱ 21,203 | ₱ 42,415 |
| Interest expense: | | | |
| Retirement benefit | | | (775,270) |
| Loans | **(15,725,014)** | (1,450,872) | (23,706,846) |
| Subtotal | **(15,725,014)** | (1,450,872) | (24,482,116) |
| Net | ₱ **(15,546,064)** | ₱ (1,429,669) | ₱ (24,439,701) |

Finance costs consist of interest expense on borrowings and other financing charges.

Interest expense is recognized using the effective interest method. As of June 30, 2026, and 2025 the total borrowing costs recognized as expense amounting to ₱15,725,014 and ₱1,450,872, respectively.

The Group capitalize borrowing costs for June 30, 2026 amounting to ₱145,523,073.

***Selling expenses***

The account consists of the following:

| Particulars | **June 30, 2026** | June 30, 2025 | December 31, 2025 |
|---|---|---|---|
| Commissions | ₱ **10,016,358** | ₱ 26,067,924 | ₱ 62,531,864 |
| Advertising and promotion | **3,796,545** | 3,599,511 | 8,116,896 |
| Total | ₱ **13,812,903** | ₱ 29,667,435 | ₱ 70,648,760 |

***General and administrative expenses***

The account consists of the following:

| Particulars | | June 30, 2026 | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Salaries, wages and allowances | ₱ | **24,179,623** | ₱ | 45,881,328 | ₱ | 75,730,107 |
| Depreciation | | **8,115,609** | | 7,162,990 | | 16,173,656 |
| Taxes and licenses | | **3,977,546** | | 5,235,148 | | 12,563,379 |
| Processing, registration, and certification fee | | **14,593,636** | | 5,761,279 | | 10,770,086 |
| Repairs and maintenance | | **1,066,709** | | 2,158,774 | | 10,620,704 |
| Professional fees | | **4,279,215** | | 5,286,806 | | 6,671,616 |
| Insurance expense | | **2,324,096** | | 2,330,009 | | 4,139,807 |
| Dues, subscriptions and donations | | **1,106,754** | | 1,424,270 | | 3,447,243 |
| Utilities | | **1,389,354** | | 1,379,803 | | 2,833,857 |
| Retirement expense | | **-** | | | | 2,560,363 |
| Rent expense | | **1,796,379** | | 3,037,339 | | 1,481,845 |
| Stationery and office supplies | | **645,398** | | 692,307 | | 1,386,621 |
| Transportation and travel | | **731,035** | | 476,812 | | 1,103,225 |
| Provision for expected credit losses | | **225,923** | | | | 645,495 |
| Miscellaneous expenses | | **4,011,687** | | 7,248,747 | | 22,421,365 |
| | ₱ | **68,442,964** | ₱ | 88,075,612 | ₱ | 172,549,369 |

Miscellaneous expenses comprise administrative expenses, other processing, registration and certification fees, notarization fees, bank charges, and other related incidental expenses.

***Financial risk management objectives and policies***

The Group's principal financial instruments are composed of cash and cash equivalents, receivable and payables. The main purpose of these financial instruments is to raise finances for the Group's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Group's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, and liquidity risk.

***1. Objectives and policies***

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group is cash. This financial instrument is used mainly for working capital management purposes. Trade-related financial assets and financial liabilities of the Group, such as trade and other receivables and trade and other payables, excluding statutory liabilities, arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

***2. Interest rate risk***

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

The Group follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

As at June 30, 2026 and December 31, 2025, only Tradition Homes, Inc. has re-priceable financial instruments subject to variable interest rates but there was no actual repricing that happened in the current and previous years, thus reducing the interest rate risk exposures. The Groups' interest-bearing loans and borrowings are subject to interest rates ranging from 5.13% to 12.00% and all other financial assets and liabilities are non-interest bearing.

***3. Liquidity risk***

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

| | | June 30, 2026 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | **Carrying Amount** | | **On demand** | | **Less than 1 Year** | | **Over 1 Year** |
| Financial assets at amortized cost: | | | | | | | | |
| Cash in bank | ₱ | **1,031,514,977** | ₱ | **1,031,514,977** | ₱ | | ₱ | |
| Receivables – net | | **1,386,710,675** | | **-** | | **1,386,710,675** | | |
| Contract assets | | **607,386,979** | | **-** | | **474,499,847** | | **132,887,132** |
| Refundable deposits | | **11,530,152** | | **-** | | | | **11,530,152** |
| Total | ₱ | **3,037,142,784** | ₱ | **1,031,514,977** | ₱ | **1,861,210,522** | ₱ | **144,417,284** |
| Financial liabilities at amortized cost | | | | | | | | |
| Accounts and other payables* | ₱ | **140,309,722** | ₱ | **-** | ₱ | **140,309,722** | ₱ | **-** |
| Contract liabilities | | **18,667,822** | | **-** | | **18,667,822** | | **-** |
| Loans and borrowings | | **4,998,006,432** | | **-** | | **1,068,925,922** | | **3,929,080,510** |
| Advances from related parties | | **169,297,277** | | **-** | | **-** | | **169,297,277** |
| Total | ₱ | **5,326,281,253** | ₱ | **-** | ₱ | **1,227,903,466** | ₱ | **4,098,377,787** |

**excluding government liabilities*

| | | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | **Carrying Amount** | | **On demand** | | **Less than 1 Year** | | **Over 1 Year** |
| Financial assets at amortized cost: | | | | | | | | |
| Cash in bank | ₱ | **223,943,372** | ₱ | **223,943,372** | ₱ | | ₱ | |
| Receivables – net | | **1,115,127,310** | | **-** | | **1,115,127,310** | | |
| Contract assets | | **765,111,690** | | **-** | | **674,713,895** | | **90,397,795** |
| Refundable deposits | | **10,118,855** | | **-** | | | | **10,118,855** |
| Total | ₱ | **2,114,301,227** | ₱ | **223,943,372** | ₱ | **1,789,841,205** | ₱ | **100,516,650** |
| Financial liabilities at amortized cost | | | | | | | | |
| Accounts and other payables* | ₱ | **155,213,269** | ₱ | **-** | ₱ | **155,213,269** | ₱ | **-** |
| Contract liabilities | | **15,536,238** | | **-** | | **15,536,238** | | **-** |
| Loans and borrowings | | **3,076,292,187** | | **-** | | **1,130,949,924** | | **1,945,342,263** |
| Advances from related parties | | **169,946,632** | | **-** | | **-** | | **169,946,632** |
| Total | ₱ | **3,416,988,326** | ₱ | **-** | ₱ | **1,301,699,431** | ₱ | **2,115,288,895** |

**excluding government liabilities*

### ***4. Credit risk***

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements).

As at June 30, 2026 and December 31, 2025, the Group has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired.

<u>Credit quality per class of financial assets</u>
The following table show a comparison of the credit quality of the Group's financial assets by class as at the reporting date:

| | As at June 30, 2026 | | | | |
|---|---|---|---|---|---|
| | Neither past due nor impaired | | Past due but not impaired | Impaired | Total |
| | High Grade | Standard Grade | | | |
| Financial assets at amortized cost: | | | | | |
| Cash in bank | ₱ 1,031,514,977 | ₱ - | ₱ - | ₱ - | ₱ 1,031,514,977 |
| Receivables – net | 1,386,936,598 | - | - | 225,923 | 1,386,710,675 |
| Contract assets | 607,386,979 | - | - | - | 607,386,979 |
| Refundable deposits | 11,530,152 | - | - | - | 11,530,152 |
| Total | ₱ 3,037,368,707 | ₱ - | ₱ - | ₱ 225,923 | ₱ 3,037,142,784 |

| | As at December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Neither past due nor impaired | | Past due but not impaired | Impaired | Total |
| | High Grade | Standard Grade | | | |
| Financial assets at amortized cost: | | | | | |
| Cash in bank | ₱ 223,943,372 | ₱ - | ₱ - | ₱ - | ₱ 223,943,372 |
| Receivables – net | 1,115,772,805 | - | - | 645,495 | 1,115,127,310 |
| Contract assets | 765,111,690 | - | - | - | 765,111,690 |
| Refundable deposits | 10,118,855 | - | - | - | 10,118,855 |
| Total | ₱ 2,114,946,722 | ₱ - | ₱ - | ₱ 645,495 | ₱ 2,114,301,227 |

The Group evaluates credit quality on the basis of the credit strength of the refundable and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Group’s management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

*Cash in banks*
The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

*Receivables and advances to related parties*
These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.
*Contract assets*
Contract assets are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as receivable.

*Refundable deposits*
Deposits represent refundable deposits to contractors for their services in cash. Deposits are recorded as assets and measured at the amount of cash paid. The amount is presented as current assets if collection is expected in one year or less, if not, they are presented as non-current assets.

Maximum Credit Risk Exposure
Financial information on the Group's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.
The Group evaluates credit quality on the basis of the credit strength of the refundable and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Group's management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

*Cash in banks*
The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

*Receivables and advances to related parties*
These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.
*Contract assets*
Contract assets are initially recognized for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified as receivable.

*Refundable deposits*
Deposits represent refundable deposits to contractors for their services in cash. Deposits are recorded as assets and measured at the amount of cash paid. The amount is presented as current assets if collection is expected in one year or less, if not, they are presented as non-current assets.

Maximum Credit Risk Exposure
Financial information on the Group's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.

| | | **June 30, 2026** | | June 30, 2025 | | December 31, 2025 |
|---|---|---|---|---|---|---|
| Financial assets at amortized cost: | | | | | | |
| Cash in bank | ₱ | **1,031,514,977** | ₱ | 90,634,491 | ₱ | 223,943,372 |
| Receivables – net | | **1,386,710,675** | | 1,201,633,417 | | 1,115,127,310 |
| Contract assets | | **607,386,979** | | 892,849,098 | | 765,111,690 |
| Refundable deposits | | **11,530,152** | | 11,648,432 | | 10,118,855 |
| Total | ₱ | **3,037,142,784** | ₱ | 2,196,765,438 | ₱ | 2,114,301,227 |

The Group does not hold any collateral as security or other credit enhancements attached to its financial assets.

The credit risk for is considered negligible, since the counterparties are reputable entities with high quality external credit ratings. The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties. The Group does not execute any credit guarantee in favor of any counterparty.

***-END-***