

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

Maria Agnes M. Siapno

Contact Person

(02) 8636-6929

Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

SEC FORM 17-Q

FORM TYPE

July

Month

Last Wed

Day

Annual Meeting

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Secondary License Type, If Applicable

MSRD

Dept. Requiring this Doc.

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Amended Articles Number/ Section

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel
concerned

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Cashier

STAMPS

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

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 Sept. 30, 2026 & Sept. 30, 2025 (Unaudited) & Dec. 31, 2025 (Audited)
(in Philippine Peso)

ASSETS	2026	Sept. 30, 2025	December 31, 2025
CURRENT ASSETS			
Cash	577,883,194	104,003,213	224,947,372
Receivables	1,402,032,370	1,195,249,786	1,115,127,310
Contract asset – current portion	1,684,285,883	796,521,912	674,713,895
Real estate inventories	4,467,950,659	3,630,014,080	4,331,635,335
Prepayments and other current assets	38,008,097	2,588,344	41,220,978
Total Current Assets	8,170,160,203	5,728,377,335	6,387,644,890
NON-CURRENT ASSETS			
Contract asset - net of current portion	150,273,984	121,760,968	90,397,795
Property and equipment - net	1,063,688,212	1,072,100,341	1,066,373,564
Other non-current asset	359,438,958	30,015,870	27,188,276
Total Non-Current Assets	1,573,401,154	1,223,877,179	1,183,959,635
TOTAL ASSETS	9,743,561,357	6,952,254,514	7,571,604,525
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	184,064,247	153,187,738	187,122,128
Lease Liability- Current		318,206	
Contract Liability- current	-	13,959,997	15,536,238
Loans and borrowings - current portion	895,091,446	1,073,161,335	1,130,949,924
Income tax payable	2,184,497	2,670,779	4,427,103
Total Current Liabilities	1,081,340,190	1,243,298,055	1,338,035,393
NON-CURRENT LIABILITIES			
Loans and borrowings - net of current portion	4,017,157,394	1,407,588,439	1,945,342,263
Advances from related parties	167,361,054	168,159,119	169,946,632
Defined benefit obligation	15,059,836	12,703,551	15,059,836
Total Non-Current Liabilities	4,199,578,284	1,588,451,109	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	1,731,802,932	1,390,644,747	1,372,380,450
Actuarial gain on defined benefit obligation	11,990,323	11,010,975	11,990,323
Total Equity	4,462,642,883	4,120,505,350	4,103,220,401
TOTAL LIABILITIES AND EQUITY	9,743,561,357	6,952,254,514	7,571,604,525

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the period ended September 30, 2026 & September 30, 2025 (Unaudited)
(in Philippine Peso)

	Sept. 30,		3 Mos. Interim Jul to Sept	
REVENUE	2026	2025	2026	2025
Real estate sales	1,508,518,308	1,201,062,150	1,176,618,311	599,285,950
Other operating income	9,906,280	8,778,805	4,285,024	2,793,040
Total Revenue	1,518,424,588	1,209,840,955	1,180,903,335	602,078,990
COST OF REAL ESTATE SALES	830,901,003	660,418,895	660,043,725	317,831,239
GROSS PROFIT	687,523,585	549,422,060	520,859,610	284,247,751
OPERATING EXPENSES				
Selling expenses	94,523,388	63,462,492	80,710,485	33,795,057
General and administrative expenses	185,818,583	161,323,356	117,341,770	73,247,744
Total Operating Expenses	280,341,971	224,785,848	198,052,255	107,042,801
NET OPERATING INCOME	407,181,614	324,636,212	322,807,355	177,204,950
FINANCE COST, NET	37,416,375	12,228,511	21,870,311	10,798,842
INCOME BEFORE TAX	369,765,239	312,407,701	300,937,044	166,406,108
INCOME TAX EXPENSE	(10,342,756)	(9,750,189)	(2,231,725)	(9,627,695)
NET INCOME	359,422,483	302,657,512	298,705,319	156,778,413
OTHER COMPREHENSIVE INCOME				
Actuarial gain (loss) on retirement plan			-	2,764,286
TOTAL COMPREHENSIVE INCOME (LOSS)	359,422,483	302,657,512	298,705,319	159,542,699
BASIC EARNINGS PER SHARE	0.144	0.121	0.119	0.063

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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 three, six, and nine-months period ending September 30, 2026 (Unaudited)
and year ended December 31, 2024 & 2025 (Audited))
(In Philippine Peso)

	Share Capital	Share Premium	Retained Earnings	Actuarial gain (loss) on defined benefit obligation	Total
BALANCE AT DECEMBER 31, 2024	2,500,000,000	218,849,628	1,087,987,235	11,010,975	3,817,847,837
Net income			52,152,865		52,152,865
BALANCE AT MARCH 31, 2025	2,500,000,000	218,849,628	1,140,140,100	11,010,975	3,870,000,702
Net income			93,726,236		93,726,236
BALANCE AT JUNE 30, 2025	2,500,000,000	218,849,628	1,233,866,336	11,010,975	3,963,726,938
Net income			156,778,411		156,778,411
BALANCE AT SEPT 30, 2025	2,500,000,000	218,849,628	1,390,644,747	11,010,975	4,120,505,349
Dividend declared			75,000,000	-	75,000,000
Net income			56,735,704	-	56,735,704
Other comprehensive income			-	979,348	979,348
BALANCE AT DECEMBER 31, 2025	2,500,000,000	218,849,628	1,372,380,450	11,990,323	4,103,220,401
Net income			17,638,428		17,638,428
BALANCE AT MARCH 31, 2026	2,500,000,000	218,849,628	1,390,018,878	11,990,323	4,120,858,829
Net income			43,078,738		43,078,738
BALANCE AT JUNE 30, 2026	2,500,000,000	218,849,628	1,433,097,616	11,990,323	4,163,937,567
Net income			298,705,317		298,705,317
BALANCE AT SEPT 30, 2026	2,500,000,000	218,849,628	1,731,802,932	11,990,323	4,462,642,883

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

	Sept. 30,	December 31,
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	369,765,239	312,407,701
Adjustments for:		382,442,098
Interest expense - bank loans	37,595,326	12,260,401
Interest expense - defined benefit obligation		23,706,846
Retirement expense		775,270
Interest income earned	(178,951)	2,560,363
Provision for expected credit losses	225,923	(31,890)
Reclassification of assets		(42,415)
Depreciation	12,317,719	1,282,565
		8,304,810
	10,672,651	16,173,656
Operating income before changes in working capital	419,725,256	336,591,428
Changes in assets and liabilities:		434,566,123
Decrease (Increase) in receivables	(287,130,983)	(423,615,496)
Decrease (Increase) in real estate inventories	(136,315,324)	(352,855,950)
Decrease (Increase) contract asset	(1,069,448,177)	(681,387,524)
Decrease (Increase) in prepayments and other current assets	3,212,881	(1,383,008,779)
Decrease in other non-current assets	(333,638,555)	152,323,981
Increase (Decrease) in accounts and other payables	(3,057,881)	4,815,337
Increase (Decrease) lease liabilities	-	(23,817,297)
Increase (Decrease) contract liabilities	(15,536,238)	519,967
Defined benefit obligation	-	85,280
		(10,285,304)
Cash generated from operations	(1,422,189,021)	(964,222)
Interest received	178,951	(24,055,178)
Income taxes paid	(11,197,490)	(22,478,937)
Net Cash from Operating Activities	(1,433,207,560)	(831,880,163)
		(1,205,470,883)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(9,632,367)	(7,327,803)
Net Cash from Investing Activities	(9,632,367)	(7,327,803)
		(15,406,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to loans and borrowings	1,835,956,653	723,911,152
Additional advances from related parties	(2,585,578)	1,319,453,565
Dividends paid		(3,982,087)
Interest paid	(37,595,326)	(75,000,000)
		(23,706,846)
Net Cash from Financing Activities	1,795,775,749	705,881,151
NET INCREASE(DECREASE) IN CASH	352,935,822	(140,374,335)
		(19,430,176)
CASH, BEGINNING	224,947,372	244,377,548
CASH, END	577,883,194	104,003,213
		224,947,372

HAUS TALK, INC. AND ITS SUBSIDIARIES
As of the period ended September 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 Sept 30, 2026	As of Sept 30, 2025	As of Dec. 31, 2025
Current Ratio			
Total current assets	8,170,160,203	5,728,377,335	6,387,644,890
Divided by: Total current liabilities	1,081,340,190	1,243,298,055	1,338,035,393
Current ratio	7.56	4.61	4.77
Acid test ratio			
Total current assets	8,170,160,203	5,728,377,335	6,387,644,890
Less: Other current assets	4,505,958,756	3,632,602,424	4,372,856,313
Quick assets	3,664,201,447	2,095,774,911	2,014,788,577
Divide by: Total current liabilities	1,081,340,190	1,243,298,055	1,338,035,393
Acid test ratio	3.39	1.69	1.51
Solvency Ratio			
Net income	359,422,483	302,657,512	359,393,215
Add: Depreciation	12,317,719	10,672,651	16,173,656
Total	371,740,202	313,330,163	375,566,871
Divide by: Total liabilities	5,280,918,474	2,831,749,164	3,468,384,124
Solvency ratio	0.07	0.11	0.11
Debt-to-Equity Ratio			
Total liabilities	5,280,918,474	2,831,749,164	3,468,384,124
Divided by: Total Equity	4,462,642,883	4,120,505,350	4,103,220,401
Debt-to-equity ratio	1.18	0.69	0.85
Asset-to-equity ratio			
Total assets	9,743,561,357	6,952,254,514	7,571,604,525
Divided by: Total equity	4,462,642,883	4,120,505,350	4,103,220,401
Asset-to-equity ratio	2.18	1.69	1.85
Interest rate coverage ratio			
Income before income tax	369,765,239	312,407,701	382,442,098
Add: Interest expense	37,595,326	12,260,401	24,482,116
Total	407,360,565	324,668,102	406,924,214
Divided by: Interest expense	37,595,326	12,260,401	24,482,116
Interest rate coverage ratio	10.84	26.48	16.62
Return on average equity			
Net income	359,422,483	302,657,512	359,393,215
Divided by: Average total capital accounts	4,291,574,117	3,652,689,083	3,960,534,119
Return on equity	0.08	0.08	0.09
Return on average assets			
Net income	359,422,483	302,657,512	359,393,215
Divided by: Average total assets	8,347,907,936	6,407,718,303	6,784,172,931
Return on average assets	0.04	0.05	0.05
Net profit margin			
Net income	359,422,483	302,657,512	359,393,215
Net sales	1,508,518,308	1,201,062,150	1,401,217,951
Net profit margin	0.24	0.25	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 September 30, 2026 (Unaudited) & December 31, 2025 (Audited)
(In Philippine Peso)

	Sept. 30,	Dec. 31,	Horizontal Analysis- Sept		Vertical Analysis- Sept	
ASSETS	2026	2025	'26 vs. Dec '25		Sept '26 vs Dec '25	
CURRENT ASSETS						
Cash	577,883,194	224,947,372	352,935,822	156.90%	5.93%	2.97%
Receivables	1,402,032,370	1,115,127,310	286,905,060	25.73%	14.39%	14.73%
Contract asset – current portion	1,684,285,883	674,713,895	1,009,571,988	149.63%	17.29%	8.91%
Real estate inventories	4,467,950,659	4,331,635,335	136,315,324	3.15%	45.86%	57.21%
Prepayments and other current assets	38,008,097	41,220,978	(3,212,881)	(7.79%)	0.39%	0.54%
Total Current Assets	8,170,160,203	6,387,644,890	1,782,515,313	27.91%	83.85%	84.36%
NON-CURRENT ASSETS						
Contract asset - net of current portion	150,273,984	90,397,795	59,876,189	66.24%	1.54%	1.19%
Property and equipment - net	1,063,688,212	1,066,373,564	(2,685,352)	(0.25%)	10.92%	14.08%
Other non-current asset	359,438,958	27,188,276	332,250,682	1222.04%	3.69%	0.36%
Total Non-Current Assets	1,573,401,154	1,183,959,635	389,441,519	32.89%	16.15%	15.64%
TOTAL ASSETS	9,743,561,357	7,571,604,525	2,171,956,832	28.69%	100.00%	100.00%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts and other payables	184,064,247	187,122,128	(3,057,881)	(1.63%)	1.89%	2.47%
Lease Liability- Current	-	-	-	-	0.00%	0.00%
Contract Liability- current	-	15,536,238	(15,536,238)	(100.00%)	0.00%	0.21%
Loans and borrowings - current portion	895,091,446	1,130,949,924	(235,858,478)	(20.85%)	9.19%	14.94%
Income tax payable	2,184,497	4,427,103	(2,242,606)	(50.66%)	0.02%	0.06%
Total Current Liabilities	1,081,340,190	1,338,035,393	(256,695,203)	(19.18%)	11.10%	17.67%
NON-CURRENT LIABILITIES						
Loans and borrowings - net of current portion	4,017,157,394	1,945,342,263	2,071,815,131	106.50%	41.23%	25.69%
Advances from related parties	167,361,054	169,946,632	(2,585,578)	(1.52%)	1.72%	2.24%
Defined benefit obligation	15,059,836	15,059,836	-	0.00%	0.15%	0.20%

Total Non-Current Liabilities	4,199,578,284	2,130,348,731	2,069,229,553	97.13%	43.10%	28.14%
EQUITY						
Share capital	2,500,000,000	2,500,000,000	-	0.00%	25.66%	33.02%
Share premium	218,849,628	218,849,628	-	0.00%	2.25%	2.89%
Retained earnings	1,731,802,932	1,372,380,450	359,422,482	26.19%	17.77%	18.13%
Actuarial gain on defined benefit obligation	11,990,323	11,990,323	-	0.00%	0.12%	0.16%
Total Equity	4,462,642,883	4,103,220,401	359,422,482	8.76%	45.80%	54.19%
TOTAL LIABILITIES AND EQUITY	9,743,561,357	7,571,604,525	2,171,956,832	28.69%	100.00%	100.00%

Financial position as of September 30, 2026 (Unaudited) vs. Full Year (FY) of 2025 (Audited)

Cash

Cash increased by 156.90%, or Php 352.94 million, from Php 224.95 million to Php 577.88 million, primarily due to proceeds from additional long-term loan availments, bond issuance proceeds received during the period, and collections from housing loan take-outs, resulting in a stronger cash position and improved liquidity as of September 30, 2026

Receivables – Current Portion

Receivables increased by 25.73%, or Php 286.91 million, driven by higher installment sales, increased customer receivables, and the conversion of contract assets into receivables as completed units became eligible for bank and Pag-IBIG take-out.

Contact asset – current portion

Contract assets, current portion, increased by 149.63%, or Php 1.01 billion, primarily due to the significant growth in unbilled receivables arising from ongoing real estate sales transactions as of September 30, 2026. The increase reflects the higher volume of recognized revenues for which the corresponding billings and collections are expected to occur in subsequent periods.

Real Estate Inventories

Real estate inventories increased by 3.15%, or Php 136.32 million, mainly due to the continued development of ongoing projects, construction-related expenditures incurred during the period, and the acquisition of additional land parcels intended for future project developments. The increase reflects the Company's continued investment in expanding its project pipeline and supporting future revenue growth.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by 7.79%, or Php 3.21 million, primarily due to the utilization and amortization of prepaid expenses and the settlement of advances during the period.

Contract Asset – net of current portion

Contract asset, net of current portion, increased by 66.24%, or Php 59.88 million, primarily due to higher revenue recognized from ongoing projects that remained unbilled as of September 30, 2026. The increase reflects sustained construction progress on sold units, with related billings expected in future periods.

Other Non-Current Assets

Other non-current assets increased significantly by 1,222.04%, or Php 332.25 million, primarily due to additional deposits, advances, and other long-term assets related to project development and strategic business initiatives.

Contract Liabilities - Current

Contract liabilities decreased by 100.00%, or Php 15.54 million, as customer advances previously recorded as contract liabilities were recognized as revenue upon satisfaction of performance obligations during the period.

Loans and Borrowings - Current Portion

Loans and borrowings, current portion, decreased by 20.85%, or Php 235.86 million, primarily due to the repayment of maturing loan obligations during the period.

Income Tax Payables

Income tax payable decreased by 50.66%, or Php 2.24 million, primarily due to the application of available tax credits, quarterly income tax payments made during the period, and the impact of deductible expenses and other tax adjustments, resulting in a lower outstanding income tax obligation as of September 30, 2026.

Loans and Borrowings – Non-Current

Loans and borrowings, net of current portion, increased by 106.50%, or Php 2.07 billion, mainly attributable to the Company's bond issuance in March 2026 and the availment of additional long-term borrowings. The funds were utilized for project development, land banking activities, working capital requirements, and other general corporate purposes.

Total Assets

Total assets increased by 28.69%, or Php 2.17 billion, from Php 7.57 billion as of December 31, 2025 to Php 9.74 billion as of September 30, 2026. The increase was primarily driven by higher contract assets, receivables, cash balances, and other non-current assets resulting from continued project development and construction activities.

Total Liabilities

Total liabilities increased by 72.64%, or Php 1.81 billion, from Php 2.83 billion to Php 5.28 billion, mainly due to the increase in long-term loans and borrowings obtained and bond issuance to finance acquisition of new properties, project expansion, land development, and working capital requirements.

Total Equity

Total equity increased by 8.76%, or Php 359.42 million, from Php 4.12 billion to Php 4.46 billion, primarily due to net income generated during the nine-month period ended September 30, 2026, resulting in higher retained earnings.

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	-	0.06%	0.00%
Total Current Liabilities	1,338,035,393	1,018,123,145	319,912,248	31.42%	17.67%	16.98%
NON-CURRENT LIABILITIES						
Loans and borrowings - net of current portion	1,945,342,263	974,138,084	971,204,179	99.70%	25.69%	16.24%
Advances from related parties	169,946,632	173,928,719	(3,982,087)	(2.29%)	2.24%	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%	28.14%	19.36%
EQUITY						
Share capital	2,500,000,000	2,500,000,000	-	0.00%	33.02%	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%	18.13%	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%	54.19%	63.67%
TOTAL LIABILITIES AND EQUITY	7,571,604,525	5,996,741,337	1,574,863,188	26.26%	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 July 01 to Sept. 30, 2026 and July 01 to Sept. 30, 2025 (Unaudited)
(In Philippine Peso)

	3 Mos. Interim Jul to Sept		Horizontal Analysis- 3 Mos. Jul to Sept		Vertical Analysis- 3 Mos. Jul to Sept	
	2026	2025	2026	2025	2026	2025
REVENUE						
Real estate sales	1,176,618,311	599,285,950	577,332,361	96.34%	99.64%	99.54%
Other operating income	4,285,024	2,793,040	1,491,984	53.42%	0.36%	0.46%
Total Revenue	1,180,903,335	602,078,990	578,824,345	96.14%	100.00%	100.00%
COST OF REAL ESTATE SALES	660,043,725	317,831,239	342,212,486	107.67%	55.89%	52.79%
GROSS PROFIT	520,859,610	284,247,751	236,611,859	83.24%	44.11%	47.21%
OPERATING EXPENSES						
Selling expenses	80,710,485	33,795,057	46,915,428	138.82%	6.83%	5.61%
General and administrative expenses	117,341,770	73,247,744	44,094,026	60.20%	9.94%	12.17%
Total Operating Expenses	198,052,255	107,042,801	91,009,454	85.02%	16.77%	17.78%
NET OPERATING INCOME	322,807,355	177,204,950	145,602,405	82.17%	27.34%	29.43%
FINANCE COST, NET	21,870,311	10,798,842	11,071,469	102.52%	1.85%	1.79%
INCOME BEFORE TAX	300,937,044	166,406,108	134,530,936	80.84%	25.48%	27.64%
INCOME TAX EXPENSE	(2,231,725)	(9,627,695)	7,395,970	(76.82%)	(0.19%)	(1.60%)
NET INCOME	298,705,319	156,778,413	141,926,906	90.53%	25.29%	26.04%
OTHER COMPREHENSIVE INCOME						
Actuarial gain (loss) on retirement plan	-	2,764,286	(2,764,286)	(100.00%)	0.00%	0.46%
TOTAL COMPREHENSIVE INCOME (LOSS)	298,705,319	159,542,699	139,162,620	87.23%	25.29%	26.50%
BASIC EARNINGS PER SHARE	0.119	0.063	0	90.53%	0.00%	0.00%

Result of Operation for the Three-Month period July to September 2026 (Unaudited) vis-à-vis July to September 2025 (Unaudited)

Real Estate Sales

Real estate sales increased by 96.34%, or Php 577.33 million, from Php 599.29 million to Php 1.18 billion, primarily driven by strong sales performance from the Company's newly launched project in Antipolo, which contributed significantly to revenue growth during the quarter. The increase was

further supported by continued sales momentum and revenue recognition from the Company's residential development projects.

Other Operating Income

Other operating income increased by 53.42%, or Php 1.49 million, from Php 2.79 million to Php 4.29 million, primarily due to higher interest income earned from the Company's in-house financing arrangements with customers, as well as increased miscellaneous income recognized during the period.

Cost of Real Estate Sales

Cost of real estate sales increased by 107.67%, or Php 342.21 million, from Php 317.83 million to Php 660.04 million, mainly due to the higher volume of recognized real estate sales and the corresponding recognition of project development and construction costs.

Gross Profit

Gross profit increased by 83.24%, or Php 236.61 million, from Php 284.25 million to Php 520.86 million, attributable to the substantial increase in revenues generated during the period.

Selling expenses

Selling expenses increased by 138.82%, or Php 46.92 million, from Php 33.80 million to Php 80.71 million, primarily due to higher commissions, advertising and marketing expenses, and other selling-related costs associated with increased sales activities.

General and Administrative expenses

General and administrative expenses increased by 60.20%, or Php 44.09 million, from Php 73.25 million to Php 117.34 million, mainly due to higher personnel costs, professional fees, taxes and licenses, and other administrative expenses incurred to support business growth and operations.

Net Operating Income

Net operating income increased by 82.17%, or Php 145.60 million, from Php 177.20 million to Php 322.81 million, mainly due to higher revenues generated during the period, partially offset by increased operating expenses.

Finance cost , Net

Net finance cost increased by 102.52%, or Php 11.07 million, from Php 10.80 million to Php 21.87 million, primarily due to higher interest expense arising from additional loans and the Company's bond issuance.

Income before tax

Income before tax increased by 80.84%, or Php 134.53 million, from Php 166.41 million to Php 300.94 million, mainly due to the strong growth in revenues and operating income during the quarter.

Income tax expense

Income tax expense decreased by 76.82%, or Php 7.40 million, from Php 9.63 million to Php 2.23 million, primarily due to the application of available tax incentives and tax credits, as well as the impact of deductible expenses recognized during the period.

Net income

Net income increased by 90.53%, or Php 141.93 million, from Php 156.78 million to Php 298.71 million, primarily attributable to higher revenues and improved operating performance during the quarter.

Total Comprehensive Income

Total comprehensive income increased by 87.23%, or Php 139.16 million, from Php 159.54 million to Php 298.71 million, primarily due to the increase in net income generated during the period.

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Interim for the nine months period Jan. 01 to Sept. 30, 2026 and Jan. 01 to Sept. 30, 2025 (Unaudited)
(In Philippine Peso)

	Sept. 30,		Horizontal Analysis- 9 Mos. Jan to Sept		Vertical Analysis- 9 Mos. Jan to Sept	
	2026	2025	Amount	%	2026	2025
REVENUE						
Real estate sales	1,508,518,308	1,201,062,150	307,456,158	25.60%	99.35%	99.27%
Other operating income	9,906,280	8,778,805	1,127,475	12.84%	0.65%	0.73%
Total Revenue	1,518,424,588	1,209,840,955	308,583,633	25.51%	100.00%	100.00%
COST OF REAL ESTATE SALES	830,901,003	660,418,895	170,482,108	25.81%	54.72%	54.59%
GROSS PROFIT	687,523,585	549,422,060	138,101,525	25.14%	45.28%	45.41%
OPERATING EXPENSES						
Selling expenses	94,523,388	63,462,492	31,060,896	48.94%	6.23%	5.25%
General and administrative expenses	185,818,583	161,323,356	24,495,227	15.18%	12.24%	13.33%
Total Operating Expenses	280,341,971	224,785,848	55,556,123	24.72%	18.46%	18.58%
NET OPERATING INCOME	407,181,614	324,636,212	82,545,402	25.43%	26.82%	26.83%
FINANCE COST, NET	37,416,375	12,228,511	25,187,864	205.98%	2.46%	1.01%
INCOME BEFORE TAX	369,765,239	312,407,701	57,357,538	18.36%	24.35%	25.82%
INCOME TAX EXPENSE	(10,342,756)	(9,750,189)	(592,567)	6.08%	(0.68%)	(0.81%)
NET INCOME	359,422,483	302,657,512	56,764,971	18.76%	23.67%	25.02%
OTHER COMPREHENSIVE INCOME						
Actuarial gain (loss) on retirement plan			-	-	0.00%	0.00%
TOTAL COMPREHENSIVE INCOME (LOSS)	359,422,483	302,657,512	56,764,971	18.76%	23.67%	25.02%
BASIC EARNINGS PER SHARE	0.144	0.121	0.023	18.76%	0.00%	0.00%

Results of Operation for the Nine Months Ended September 30, 2026 vs. September 30, 2025 (Unaudited)

Real Estate sales

Real estate sales increased by 25.60%, or Php 307.46 million, from Php 1.20 billion to Php 1.51 billion, primarily driven by strong sales performance from the Company's newly launched project in Antipolo, which contributed significantly to revenue growth during the period. The increase was further supported by continued sales activities across the Company's residential development projects.

Other Operating Income

Other operating income increased by 12.84%, or Php 1.13 million, from Php 8.78 million to Php 9.91 million, primarily due to higher interest income earned from the Company's in-house financing arrangements with customers, as well as increased miscellaneous income recognized during the period.

Cost of real estate sales

Cost of real estate sales increased by 25.81%, or Php 170.48 million, from Php 660.42 million to Php 830.90 million, mainly due to higher project costs associated with the increase in recognized real estate sales during the period.

Gross Profit

Gross profit increased by 25.14%, or Php 138.10 million, from Php 549.42 million to Php 687.52 million, attributable to the growth in revenues generated from the Company's real estate operations.

Selling expense

Selling expenses increased by 48.94%, or Php 31.06 million, from Php 63.46 million to Php 94.52 million, primarily due to higher commissions, marketing expenses, and other selling-related costs incurred in support of increased sales activities and new project launches during the period.

General and administrative expense

General and administrative expenses increased by 15.18%, or Php 24.50 million, from Php 161.32 million to Php 185.82 million, mainly due to higher personnel costs, professional fees, and other administrative expenses incurred to support the Company's expanding operations.

Net operating income

Net operating income increased by 25.43%, or Php 82.55 million, from Php 324.64 million to Php 407.18 million, primarily due to higher revenues generated during the period, partially offset by increased operating expenses.

Finance cost, Net

Finance cost, net increased by 205.98%, or Php 25.19 million, from Php 12.23 million to Php 37.42 million, primarily due to higher interest expense arising from additional bank borrowings and the Company's bond issuance completed in March 2026.

Income before tax

Income before tax increased by 18.36%, or Php 57.36 million, from Php 312.41 million to Php 369.77 million, mainly attributable to higher operating income generated during the period.

Income tax expense

Income tax expense increased by 6.08%, or Php 0.59 million, from Php 9.75 million to Php 10.34 million, primarily due to the increase in taxable income generated during the period, partially offset by available tax incentives and tax credits.

Net income

Net income increased by 18.76%, or Php 56.76 million, from Php 302.66 million to Php 359.42 million, primarily attributable to higher revenues and improved operating performance during the nine-month period ended September 30, 2026.

Total Comprehensive Income

Total comprehensive income increased by 18.76%, or Php 56.76 million, from Php 302.66 million to Php 359.42 million, primarily due to the increase in net income recognized 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,	
	2025	2024	2025		2025	2024
REVENUE						
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.

PART II--OTHER INFORMATION

Notice of Approval of Amended License to Sell & Certificate of Registration of The Granary Extension and BOI Registration – Hammond Project and The Granary Extension

Haus Talk, Inc. (the “Company”) hereby informs the Exchange and the investing public that:

- For the third quarter, the **Department of Human Settlements and Urban Development (DHSUD)** approved the **Amended Certificate of Registration and License to Sell of *The Granary Extension*** last **September 14, 2026**.
 - Certificate of Registration No. **0003983**
 - License to Sell No. **00049000**
- The Company likewise secured **registration with the Board of Investments (BOI)** for the said projects:
 - *The Hammond Project* – approved and registered last **July 20, 2026**
 - *The Granary Extension* – approved and registered last **September 29, 2026**

These regulatory approvals represent significant milestones in the development and marketing of the Hammond Project and The Granary Extension. They reinforce the Company's commitment to expand its residential portfolio and strengthen its growth strategy.

Impact to the Business: The release of the License to Sell and BOI registration will enable the Company to commence sales and avail of fiscal incentives, supporting project viability and enhancing shareholder value.

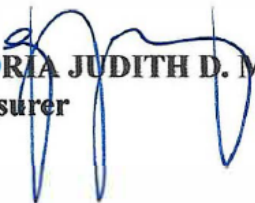
SIGNATURES

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 October 03, 2026.

HAUS TALK, INC.
Issuer

By:


MARIA RACHEL D. MADLAMBAYAN
President


GLORIA JUDITH D. MADLAMBAYAN
Treasurer


MARIA AGNES M. SIAPNO
Chief Finance Officer / Controller

HAUS TALK, INC. AND ITS SUBSIDIARIES
(Formerly Haus Talk Project Managers, Inc. and its Subsidiary)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 9 Months Period ended September 30, 2026, September 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 Company was approved by the Board of Investments (BOI) as a New Developer of Economic Housing Project for The Hammond, located at Brgy. San Jose, Antipolo City, Rizal. The Income Tax Holiday (ITH) certification bearing the number of 2026-235 valid from July 20, 2026, and five (5) years thereafter provides exemption from income tax on revenue generated and duty exemption until the expiration of the income-tax based incentives period from the said project.

The Company was approved by the Board of Investments (BOI) as a New Developer of Economic Housing Project for The Granary Extension, located at Brgy. San Antonio, Biñan City, Laguna. The Income Tax Holiday (ITH) is valid from September 29, 2026, and five (5) years thereafter provides

exemption from income tax on revenue generated and duty exemption until the expiration of the income-tax based incentives period from the said project.

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	September 30, 2026	September 30, 2025	December 31, 2025
Cash on hand	₱ 51,171,260	₱ 1,051,000	₱ 1,004,000
Cash in banks	<u>526,711,934</u>	<u>102,952,213</u>	<u>223,943,372</u>

Total	₱ <u>577,883,194</u>	₱ <u>104,003,213</u>	₱ <u>224,947,372</u>
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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	September 30, 2026	September 30, 2025	December 31, 2025
Receivables from customers	₱ 970,002,984	₱ 1,022,126,600	₱ 845,335,547
Receivables at amortized cost from:			
Contractors	32,037,572	38,807,693	33,808,752
Officers and employees	5,047,045	13,266,361	9,286,663
Buyer	5,513,318	6,323,171	5,541,840
Broker	3,630,789	4,939,779	4,499,779
Suppliers	14,201,120	1,492,073	475,487
Others	371,857,740	109,486,016	216,824,737
Gross receivables	1,402,290,568	1,196,441,693	1,115,772,805
Less: Allowance for expected credit losses	(258,198)	(1,191,907)	(645,495)
Receivables - current portion	₱ <u>1,402,032,370</u>	₱ <u>1,195,249,786</u>	₱ <u>1,115,127,310</u>

Receivables from customers

Receivables from customers pertain to receivables from the sale of condominium units and lots 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	September 30, 2026	September 30, 2025	December 31, 2025
Contract asset	₱ 1,834,559,867	₱ 918,373,537	₱ 765,111,690
Less: Contract assets – non – current portion	150,273,984	121,760,968	90,397,795
Less: Allowance for expected credit losses		90,657	
Contract asset – current portion	₱ <u>1,684,285,883</u>	₱ <u>796,521,912</u>	₱ <u>674,713,895</u>

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	September 30, 2026	September 30, 2025	December 31, 2025
Beginning balance	₱ 4,331,635,335	₱ 2,948,626,556	₱ 2,948,626,556
Land acquired during the year	243,644,316	991,603,472	1,179,847,795
Construction and development costs incurred during the year	723,572,011	350,202,947	969,734,004
Less: Cost of real estate sales	830,901,003	660,418,895	764,330,268
Adjustments/ reclassification	-	-	2,242,752
Ending balance	₱ <u>4,467,950,659</u>	₱ <u>3,630,014,080</u>	₱ <u>4,331,635,335</u>

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	September 30, 2026	September 30, 2025	December 31, 2025
Input VAT	₱ 35,217,717	₱ -	₱ 38,839,733
Prepaid taxes and licenses	2,063,913	458,383	575,527
Others	642,383	732,633	269,672
Prepaid rent	-	676,992	676,992
Prepaid insurance	84,083	-	6,673
Prepaid interest	-	-	852,381
Deferred MCIT	-	720,336	-
Total	₱ 38,008,097	₱ 2,588,344	₱ 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:

September 30, 2026

Particulars	Beginning Balances	Additions/ Provisions	Reclassification/ Adjustment	Ending Balances
Cost:				
Land	₱ 1,021,092,952	₱	1,650,148	₱ 1,019,442,804
Office improvement	3,557,174			3,557,174
Office equipment	10,567,618	1,335,294		11,902,912
Construction equipment	57,292,279	2,959,643		60,251,922
Transportation equipment	11,430,451	133,929		11,564,380
Furniture and fixture	1,983,108	983,188		2,966,296
Construction tools	2,232,509	258,810		2,491,319
Warehouse equipment	250,589	20,100		270,689
Computer software	114,850	0		114,850
Temporary facilities	6,996,273	0		6,996,273

Leasehold improvement	6,117,197	0	6,117,197
Right of use Asset	2,419,780	0	2,419,780
Sales Office		5,591,552	5,591,552
Total	1,124,054,780	11,282,516	1,133,687,148
Accumulated depreciation:			
Office improvement	3,445,378	27,193	3,472,571
Office equipment	7,835,049	1,332,644	9,167,693
Construction equipment	30,237,825	7,451,706	37,689,531
Transportation equipment	7,435,368	1,028,690	8,464,058
Furniture and fixture	676,386	342,222	1,018,608
Construction tools	2,232,511	74,705	2,307,216
Warehouse equipment	138,151	33,687	171,838
Computer software		17,228	17,228
Temporary facilities	2,443,376	1,045,470	3,488,846
Leasehold improvement	817,392	917,580	1,734,972
Right of use Asset	2,419,780	0	2,419,780
Sales Office		46,596	46,596
Total	57,681,216	12,317,720	69,998,936
Net Book Value	1,066,373,564		1,063,688,212

September 30, 2025

Particulars	Beginning Balances	Additions/ Provisions	Ending Balances
Cost:			
Land	1,019,305,440	-	1,019,305,440
Office improvement	3,557,174	-	3,557,174
Office equipment	9,120,051	1,168,736	10,288,787
Construction equipment	51,323,180	5,969,100	57,292,279
Transportation equipment	9,078,968	1,030,267	10,109,235
Furniture and fixture	1,373,674	105,594	1,479,268
Construction tools	25,598,116	3,260,280	28,858,396
Warehouse equipment	182,732	67,857	250,589
Temporary facilities	6,996,273	-	6,996,273
Leasehold improvement	3,058,158	3,021,717	6,079,875
Right of use Asset	2,419,780	-	2,419,780
Total Cost	1,132,013,546	14,623,551	1,146,637,097
Accumulated depreciation:			
Office improvement	3,409,121	27,194	3,436,315
Office equipment	6,101,640	1,234,700	7,336,340
Construction equipment	20,746,469	7,004,500	27,750,969
Transportation equipment	6,465,240	672,446	7,137,686
Furniture and fixture	404,258	199,165	603,423
Construction tools	17,286,424	6,134,023	23,420,447
Warehouse equipment	104,309	23,543	127,852
Temporary facilities	841,006	1,253,880	2,094,886
Leasehold improvement	-	511,532	511,532
Right of use Asset	1,209,890	907,418	2,117,308
Total Accumulate Depreciation	56,568,357	17,968,400	74,536,757
Net book value	1,075,445,189		1,072,100,341

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

Particulars	September 30, 2026	September 30, 2025	December 31, 2025
Refundable deposits	₱ 19,589,344	₱ 10,193,855	₱ 10,118,855
Deferred tax assets	6,311,673	9,184,647	6,247,123
Security deposits	1,412,711	1,414,297	1,414,298
Other deposits	9,408,000	9,223,071	9,408,000
Investment properties	322,717,230		
Total	₱ 359,438,958	₱ 30,015,870	₱ 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	September 30, 2026	September 30, 2025	December 31, 2025
Trade payables	₱ 85,083,286	₱ 88,260,957	₱ 98,229,074
Retention payable	67,963,316	49,191,628	54,327,235
Government liabilities	11,562,381	6,768,774	31,908,859
Accrued expenses	17,974,318	7,745,429	1,018,125
Other liabilities	1,480,945	1,220,950	1,638,835
Total	₱ 184,064,246	₱ 153,187,738	₱ 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 September 30, 2026, and 2025, the account amounting to nil and ₱13,959,997 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 September 30, 2026, are as follows:

Loan institutions	Principal		Total
	Capitalized	Outright	
Financing (Individual and Corporation)	₱ 347,500,000	₱ 136,000,000	₱ 483,500,000
China Banking Corporation	107,051,055	4,068,891	111,119,946
Sterling Bank of Asia	608,006,982	115,588,152	723,595,135
Security Bank Corporation	1,423,476,810	79,254,117	1,502,730,927
Security Bank Corporation (Car loans)	-	565,070	565,070
Land Bank of the Philippines	79,121,400	-	79,121,400
Asia United Bank	-	-	-

Asia United Bank (Car loan)	-	1,136,997	1,136,997
Philippine Veterans Bank	210,479,365	-	210,479,365
Total	₱ 2,775,635,612	₱ 336,613,227	₱ 3,112,248,839

Loan institutions	Borrowing Cost		Total
	Capitalized	Recognized as expense	
Financing (Individual and Corporation)	₱ 29,148,274	₱ 17,919,484	₱ 47,067,758
China Banking Corporation	5,520,772	1,077,632	6,598,404
Sterling Bank of Asia	41,712,214	7,371,505	49,083,718
Security Bank Corporation	94,014,131	2,014,728	96,028,860
Security Bank Corporation (Car loans)	-	54,174	54,174
Land Bank of the Philippines	-	4,730,281	4,730,281
Asia United Bank	-	224,548	224,548
Asia United Bank (Car loan)	-	91,419	91,419
Philippine Veterans Bank	-	4,111,556	4,111,556
Total	₱ 170,395,391	₱ 37,595,326	₱ 203,879,161

As of September 30, 2026, the Parent incurred total borrowing costs amounting to ₱203,879,161. In accordance with PAS 23 Borrowing Costs, a portion of these costs amounting to ₱170,395,391 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 remaining ₱37,595,326 was recognized as interest expense in profit or loss as 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	₱ <u>1,761,756,870</u>

As of September 30, 2026, borrowing costs incurred in relation to the Bond amounted to ₱67,677,910. 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 September 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:

September 30, 2026

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances from related party				
Stockholders	(2,585,578)	167,361,054	Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
	₱ (2,585,578)	₱ 167,361,054		

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	September 30, 2026		September 30, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorized ₱1.00 par				
Balance at beginning and end of year	2,500,000,000	₱ 2,500,000,000	2,500,000,000	₱ 2,500,000,000
Issued and Outstanding				
Balance at beginning 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:

	September 30,	September 30, 2025
At January 1	₱ 218,849,628	₱ 218,849,628
Share premium on common shares issued during		
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	September 30, 2026	September 30, 2025	December 31, 2025
Beginning balance	₱ 1,372,380,450	₱ 1,087,987,235	₱ 1,087,987,235
Dividend declaration	-	-	-75,000,000
Net income for the year	359,422,482	302,657,512	359,393,215
Ending balance	₱ 1,731,802,932	₱ 1,390,644,747	₱ 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	September 30, 2026	September 30, 2025	December 31, 2025
Residential units	1,235,899,800	₱ 1,156,241,600	₱ 1,179,594,710
Home improvements	272,618,508	44,820,550	221,623,241
Total	1,508,518,308	₱ 1,201,062,150	₱ 1,401,217,951

Further disaggregation based on timing of recognition:

Particulars	September 30, 2026	September 30, 2025	December 31, 2025
Recognized over time	1,235,899,800	₱ 1,156,241,600	₱ 1,179,594,710
Recognized at a point in time	272,618,508	44,820,550	221,623,241
Total	1,508,518,308	₱ 1,201,062,150	₱ 1,401,217,951

Other operating income

The account consists of the following:

Particulars	September 30, 2026	September 30, 2025	December 31, 2025
Interest - in house financing	₱ 7,840,907	₱ 7,379,052	₱ 11,209,696
Forfeiture	530,000	290,000	630,000
Miscellaneous	1,535,374	1,109,753	1,352,549
Total	₱ 9,906,280	₱ 8,778,805	₱ 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	September 30, 2026	September 30, 2025	December 31, 2025
Land cost development	262,002,029	₱ 204,099,591	₱ 204,099,591
Construction cost	537,026,312	425,894,452	529,280,980
Other cost	31,872,662	30,424,852	30,949,697
Total	830,901,003	₱ 660,418,895	₱ 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	September 30, 2026	September 30, 2025	December 31, 2025
Interest income – bank	₱ 178,951	₱ 31,890	₱ 42,415
Interest expense:			
Retirement benefit			(775,270)
Loans	(37,595,326)	(12,260,401)	(23,706,846)
Subtotal	(37,595,326)	(12,260,401)	(24,482,116)
Net	₱ (37,416,375)	₱ (12,228,511)	₱ (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 September 30, 2026, and 2025 the total borrowing costs recognized as expense amounting to ₱37,595,326 and ₱12,260,401, respectively.

The Group capitalize borrowing costs for September 30, 2026 amounting to ₱170,395,391.

Selling expenses

The account consists of the following:

Particulars	September 30, 2026	September 30, 2025	December 31, 2025
Commissions	₱ 87,204,981	₱ 57,474,618	₱ 62,531,864
Advertising and promotion	7,318,407	5,987,874	8,116,896
Total	₱ 94,523,388	₱ 63,462,492	₱ 70,648,760

General and administrative expenses

The account consists of the following:

Particulars	September 30, 2026	September 30, 2025	December 31, 2025
Salaries, wages and allowances	₱ 86,934,799	₱ 97,287,455	₱ 75,730,107
Depreciation	12,317,719	10,672,651	16,173,656
Taxes and licenses	11,132,838	10,710,386	12,563,379
Processing, registration, and certification fee	42,861,931	7,604,318	10,770,086
Repairs and maintenance	2,667,134	3,010,551	10,620,704
Professional fees	8,802,567	10,366,948	6,671,616
Insurance expense	4,310,207	3,560,381	4,139,807
Dues, subscriptions and donations	1,925,320	1,883,542	3,447,243
Utilities	2,051,344	2,106,591	2,833,857
Retirement expense	-		2,560,363
Rent expense	2,621,076	2,137,535	1,481,845
Stationery and office supplies	965,243	1,097,134	1,386,621
Transportation and travel	1,238,255	797,810	1,103,225
Provision for expected credit losses	258,198	1,282,565	645,495
Miscellaneous expenses	7,731,951	8,805,489	22,421,365
	₱ 185,818,583	₱ 161,323,356	₱ 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 September 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.

September 30, 2026				
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost:				
Cash in bank	₱ 526,711,934	₱ 526,711,934	₱	₱
Receivables – net	1,402,032,370	-	1,402,032,370	
Contract assets	1,834,559,867	-	1,684,285,883	150,273,984
Refundable deposits	21,002,055	-		21,002,055
Total	₱ 3,784,306,227	₱ 526,711,934	₱ 3,086,318,253	₱ 171,276,039
Financial liabilities at amortized cost				
Accounts and other payables*	₱ 172,501,865	₱ -	₱ 172,501,865	₱ -
Contract liabilities	0	-	0	-
Loans and borrowings	4,912,248,840	-	895,091,446	4,017,157,394
Advances from related parties	167,361,054	-	-	167,361,054
Total	₱ 5,252,111,759	₱ -	₱ 1,067,593,311	₱ 4,184,518,448

**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 September 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.

Credit quality per class of financial assets

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 September 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	P 526,711,934	P -	P -	P -	P 526,711,934
Receivables – net	1,402,290,568	-	-	258,198	1,402,032,370
Contract assets	1,834,559,867	-	-	-	1,834,559,867
Refundable deposits	21,002,055	-	-	-	21,002,055
Total	P 3,784,564,424	P -	P -	P 258,198	P 3,784,306,227

	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	P 223,943,372	P -	P -	P -	P 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	P 2,114,946,722	P -	P -	P 645,495	P 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.

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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

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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.

	September 30, 2026	September 30, 2025	December 31, 2025
Financial assets at amortized cost:			

Cash in bank	₱ 526,711,934	₱ 102,952,213	₱ 223,943,372
Receivables – net	1,402,032,370	1,020,934,693	1,115,127,310
Contract assets	1,834,559,867	796,521,912	765,111,690
Refundable deposits	<u>21,002,055</u>	<u>10,193,855</u>	<u>10,118,855</u>
Total	₱ <u>3,784,306,227</u>	₱ <u>1,930,602,673</u>	₱ <u>2,114,301,227</u>

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.

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