

COVER SHEET

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S.E.C. Registration Number

H A U S T A L K , I N C .

(Company's Full Name)

U N I T 7 0 1 O R I E N T S Q U A R E

B L D G . F . O R T I G A S J R . R D .

O R T I G A S C E N T E R

P A S I G C I T Y

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

Maria Agnes M. Siapno

Contact Person

(632) 8634 8712

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC FORM 17-Q

FORM TYPE

July

Month

Last Wed

Day

Annual Meeting

Secondary License Type, If Applicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel
concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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

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

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

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

12. Indicate by check mark whether the registrant:

- 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, 2025 & 2024 (Unaudited) & December 31, 2024 (Audited)
(In Philippine Peso)

ASSETS	June 30, 2025	June 30, 2024	December 31, 2024
CURRENT ASSETS			
Cash	91,325,491	157,413,071	244,377,548
Receivables	2,017,989,541	1,498,208,658	1,610,423,916
Real estate inventories	3,737,142,141	2,640,150,131	2,948,626,556
Prepayments and other current assets	8,848,816	11,048,599	7,403,681
Total Current Assets	5,855,305,989	4,306,820,458	4,810,831,701
NON-CURRENT ASSETS			
Receivables - net of current portion	76,492,974	76,813,766	79,928,610
Property and equipment - net	1,067,643,703	1,050,817,215	1,075,445,189
Other non-current asset	30,565,837	24,054,268	30,535,837
Total Non-Current Assets	1,174,702,514	1,151,685,249	1,185,909,636
TOTAL ASSETS	7,030,008,503	5,458,505,708	5,996,741,337
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	248,228,202	232,358,731	235,422,607
Income tax payable	-	-	-
Loans and borrowings - current portion	879,173,831	187,615,373	782,700,538
Total Current Liabilities	1,127,402,033	419,974,104	1,018,123,145
NON-CURRENT LIABILITIES			
Loans and borrowings - net of current portion	1,762,292,421	1,224,828,609	974,138,084
Advances from related parties	163,883,560	175,067,831	173,928,719
Defined benefit obligation	12,703,551	7,094,630	12,703,551
Total Non-Current Liabilities	1,938,879,532	1,406,991,069	1,160,770,354
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	1,233,866,335	898,915,646	1,087,987,235
Actuarial gain on defined benefit obligation	11,010,975	13,775,261	11,010,975
Total Equity	3,963,726,938	3,631,540,534	3,817,847,838
TOTAL LIABILITIES AND EQUITY	7,030,008,503	5,458,505,708	5,996,741,337

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, 2024 and 2023 (Unaudited)
(In Philippine Peso)

	6 Mos. Interim Jan to Jun		3 Mos. Interim Apr to Jun	
	2025	2024	2025	2024
REVENUE				
Real estate sales	601,776,200	569,722,000	368,003,800	382,500,000
Other operating income	5,985,765	5,909,967	2,967,816	2,879,637
Total Revenue	607,761,965	575,631,967	370,971,616	385,379,637
COST OF REAL ESTATE SALES	342,587,656	310,447,645	213,143,862	210,408,044
GROSS PROFIT	265,174,309	265,184,322	157,827,754	174,971,593
OPERATING EXPENSES				
Selling expenses	29,667,435	44,943,167	15,915,738	35,159,784
General and administrative expenses	88,075,612	85,649,180	47,374,956	49,602,769
Total Operating Expenses	117,743,047	130,592,347	63,290,694	84,762,553
NET OPERATING INCOME	147,431,262	134,591,975	94,537,060	90,209,040
FINANCE COST, NET	1,429,669	4,198,228	793,433	2,847,870
INCOME BEFORE TAX	146,001,593	130,393,747	93,743,627	87,361,170
INCOME TAX EXPENSE	- 122,494	- 2,651,839	- 17,393	- 1,433,110
NET INCOME	145,879,099	127,741,909	93,726,234	85,928,060
OTHER COMPREHENSIVE INCOME				
Actuarial gain (loss) on retirement plan	- 2,764,286	10,439,443	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	143,114,813	138,181,352	93,726,234	85,928,060
BASIC EARNINGS PER SHARE	0.058	0.051	0.037	0.034

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, 2023	2,500,000,000	218,849,628	771,173,737	13,775,261	3,503,798,626
Net income			41,813,848		41,813,848
BALANCE AT MARCH 31, 2024	2,500,000,000	218,849,628	812,987,585	13,775,261	3,545,612,474
Net income			85,928,060		85,928,060
BALANCE AT JUNE 30, 2024	2,500,000,000	218,849,628	898,915,645	13,775,261	3,631,540,534
Dividend declared			- 50,000,000		- 50,000,000
Net income			239,071,590		239,071,590
Other comprehensive income				- 2,764,286	- 2,764,286
BALANCE AT DECEMBER 31, 2024	2,500,000,000	218,849,628	1,087,987,235	11,010,975	3,817,847,838
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

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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, 2025 & 2024 (Unaudited) & December 31, 2024 (Audited)
(In Philippine Peso)

	June 30,		December 31,
	2025	2024	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax	146,001,593	130,393,747	363,091,792
Adjustments for:			
Prior period adjustment	-	-	-
Interest expense - bank loans	1,450,872	4,198,228	27,504,052
Interest expense - defined benefit obligation			431,833
Retirement expense			2,412,802
Interest income earned	- 11,641	- 24,255	- 65,047
Depreciation	7,162,990	4,723,693	10,979,777
Operating income before changes in working capital	154,603,814	139,291,414	404,355,209
Changes in assets and liabilities:			
Increase in receivables	- 404,129,989	- 471,317,452	- 586,647,555
Decrease (Increase) in real estate inventories	- 788,515,585	- 13,335,050	- 321,811,475
Decrease (Increase) in prepayments and other current assets	- 1,445,135	990,889	4,635,807
Decrease in other non-current assets	- 30,000	- 5,333,911	- 5,821,530
Increase (Decrease) in accounts and other payables	12,805,595	11,784,728	14,848,604
Decrease in advances to related parties			-
Defined benefit obligation			-
Cash generated from operations	-1,026,711,300	- 337,919,382	- 490,440,940
Interest received	11,641	24,255	65,047
Income taxes paid	-	- 2,651,841	- 2,272,245
Net Cash from Operating Activities	- 1,026,699,659	- 340,546,968	- 492,648,138
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	516,003	- 9,002,647	- 39,886,704
Acquisition of intangible assets			
Dividend declaration	-		- 50,000,000
Net Cash from Investing Activities	516,003	- 9,002,647	- 89,886,704
CASH FLOWS FROM FINANCING ACTIVITIES			
Additions to loans and borrowings	884,627,630	302,036,529	646,431,169
Additional advances from related parties			-
Payment of advances from related parties	- 10,045,159	- 2,731,034	- 3,870,146
Interest paid	-		-
Issuance of shares	- 1,450,872	- 4,198,228	- 27,504,052
Net Cash from Financing Activities	873,131,599	295,107,267	615,056,971
NET INCREASE(DECREASE) IN CASH	- 153,052,057	- 54,442,348	32,522,129
CASH, BEGINNING	244,377,548	211,855,419	211,855,419
CASH, END	91,325,491	157,413,071	244,377,548

HAUS TALK, INC. AND ITS SUBSIDIARIES
As of the period ended June 30, 2025 & 2024 (Unaudited) and December 31, 2024 (Audited)
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY
REVISED SRC RULE 68 ANNEX 68-E

	As of June 30, 2025	As of June 30, 2024	As of Dec. 31, 2024
Current Ratio			
Total current assets	5,855,305,989	4,306,820,458	4,810,831,701
Divided by: Total current liabilities	1,127,402,033	419,974,104	1,018,123,145
Current ratio	5.19	10.25	4.73
Acid test ratio			
Total current assets	5,855,305,989	4,306,820,458	4,810,831,701
Less: Other current assets	3,745,990,957	2,651,198,729	2,956,030,237
Quick assets	2,109,315,032	1,655,621,729	1,854,801,464
Divide by: Total current liabilities	1,127,402,033	419,974,104	1,018,123,145
Acid test ratio	1.87	3.94	1.82
Solvency Ratio			
Net income	145,879,099	127,741,909	366,813,496
Add: Depreciation	7,162,990	4,723,693	10,979,777
Total	153,042,089	132,465,602	377,793,273
Divide by: Total liabilities	3,066,281,565	1,826,965,174	2,178,893,499
Solvency ratio	0.05	0.07	0.17
Debt-to-Equity Ratio			
Total liabilities	3,066,281,565	1,826,965,174	2,178,893,499
Divided by: Total Equity	3,963,726,938	3,631,540,534	3,817,847,838
Debt-to-equity ratio	0.77	0.50	0.57
Asset-to-equity ratio			
Total assets	7,030,008,503	5,458,505,708	5,996,741,337
Divided by: Total equity	3,963,726,938	3,631,540,534	3,817,847,838
Asset-to-equity ratio	1.77	1.50	1.57
Interest rate coverage ratio			
Income before income tax	146,001,593	130,393,747	363,091,792
Add: Interest expense	1,429,669	4,198,228	31,471,214
Total	147,431,262	134,591,975	394,563,006
Divided by: Interest expense	1,429,669	4,198,228	31,471,214
Interest rate coverage ratio	103.12	32.06	12.54
Return on average equity			
Net income	145,879,099	127,741,909	366,813,496
Divided by: Average total capital accounts	3,797,633,736	3,503,826,732	3,660,823,233
Return on equity	0.04	0.04	0.10
Return on average assets			
Net income	145,879,099	127,741,909	366,813,496
Divided by: Average total assets	6,244,318,352	5,005,913,869	5,508,207,458
Return on average assets	0.02	0.03	0.07
Net profit margin			
Net income	145,879,099	127,741,909	366,813,496
Net sales	601,776,200	569,722,000	1,401,027,854
Net profit margin	0.24	0.22	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, 2025 & 2024 (Unaudited) & December 31, 2024 (Audited)
(In Philippine Peso)

ASSETS	June 30, 2025	Dec. 31, 2024	Horizontal Analysis- Jun '25 vs. Dec '24		Vertical Analysis- Jun '25 vs. Dec '24	
			Amount	%	%	%
CURRENT ASSETS						
Cash	91,325,491	244,377,548	-153,052,057	-62.63%	1.30%	4.08%
Receivables	2,017,989,541	1,610,423,916	407,565,625	25.31%	28.70%	26.85%
Real estate inventories	3,737,142,141	2,948,626,556	788,515,585	26.74%	53.16%	49.17%
Prepayments and other current assets	8,848,816	7,403,681	1,445,135	19.52%	0.13%	0.12%
Total Current Assets	5,855,305,989	4,810,831,701	1,044,474,288	21.71%	83.29%	80.22%
NON-CURRENT ASSETS						
Receivables - net of current portion	76,492,974	79,928,610	- 3,435,636	-4.30%	1.09%	1.33%
Advances to related parties		-	-		0.00%	0.00%
Property and equipment - net	1,067,643,703	1,075,445,189	- 7,801,486	-0.73%	15.19%	17.93%
Other non-current asset	30,565,837	30,535,837	30,000	0.10%	0.43%	0.51%
Total Non-Current Assets	1,174,702,514	1,185,909,636	- 11,207,122	-0.95%	16.71%	19.78%
TOTAL ASSETS	7,030,008,503	5,996,741,337	1,033,267,166	17.23%	100.00%	100.00%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts and other payables	248,228,202	235,422,607	12,805,595	5.44%	3.53%	3.93%
Income tax payable	-	-	-		0.00%	0.00%
Lease Liability- Current			-		0.00%	0.00%
Loans and borrowings - current portion	879,173,831	782,700,538	96,473,293	12.33%	12.51%	13.05%
Total Current Liabilities	1,127,402,033	1,018,123,145	109,278,888	10.73%	16.04%	16.98%
NON-CURRENT LIABILITIES						
Loans and borrowings - net of current portion	1,762,292,421	974,138,084	788,154,337	80.91%	25.07%	16.24%
Advances from related parties	163,883,560	173,928,719	- 10,045,159	-5.78%	2.33%	2.90%
Defined benefit obligation	12,703,551	12,703,551	-	0.00%	0.18%	0.21%
Total Non-Current Liabilities	1,938,879,532	1,160,770,354	778,109,178	67.03%	27.58%	19.36%

EQUITY						
Share capital	2,500,000,000	2,500,000,000	-	0.00%	35.56%	41.69%
Share premium	218,849,628	218,849,628	-	0.00%	3.11%	3.65%
Retained earnings	1,233,866,335	1,087,987,235	145,879,100	13.41%	17.55%	18.14%
Actuarial gain on defined benefit obligation	11,010,975	11,010,975	-	0.00%	0.16%	0.18%
Total Equity	3,963,726,938	3,817,847,838	145,879,100	3.82%	56.38%	63.67%
TOTAL LIABILITIES AND EQUITY						
	7,030,008,503	5,996,741,337	1,033,267,166	17.23%	100.00%	100.00%

Financial Position for the First Half (H1) of 2025 (Unaudited) vis-à-vis Full Year (FY) of 2024 (Audited):

Cash

Decreased by 62.63% or Php 153.05 million, mainly due to the acquisition of new properties in Laguna and Antipolo and continued project development expenditures.

Receivables – Current Portion

Increased by 25.31% or Php 407.56 million, driven by new installment sales recorded during the period.

Real Estate Inventories

Increased by 26.74% or Php 788.51 million, primarily due to land acquisitions and the construction of new housing units added to inventory.

Prepayments and Other Current Assets

Decreased by 19.52% or Php 1.45 million, mainly due to the amortization of prepaid expenses.

Accounts and Other Payables

Increased by 5.44% or Php 12.81 million, attributable to purchases and operating expenses related to project construction.

Loans and Borrowings – Current

Increased by 12.33% or Php 96.47 million, due to the availment of new bank loans.

Loans and Borrowings – Non-Current

Increased by 80.91% or Php 788.15 million, also driven by additional loan facilities obtained from banks.

Retained Earnings

Increased by 13.41% or Php 145.88 million, reflecting the income generated during the period.

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HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of the period ending December 31, 2024 & December 31, 2023 (Audited)
(In Philippine Peso)

ASSETS	December 31, 2024	2023	Horizontal Analysis- Dec '24 vs. Dec '23 Amount	%	Vertical Analysis- Dec '24 vs. Dec '23 %	%
CURRENT ASSETS						
Cash	244,377,548	211,855,419	32,522,129	15.35%	4.08%	4.22%
Receivables	1,610,423,916	1,022,237,233	588,186,683	57.54%	26.85%	20.36%
Real estate inventories	2,948,626,556	2,626,815,081	321,811,475	12.25%	49.17%	52.33%
Prepayments and other current assets	7,403,681	12,039,488	- 4,635,807	-38.51%	0.12%	0.24%
Total Current Assets	4,810,831,701	3,872,947,221	937,884,480	24.22%	80.22%	77.16%
NON-CURRENT ASSETS						
Receivables - net of current portion	79,928,610	81,467,738	- 1,539,128	-1.89%	1.33%	1.62%
Advances to related parties	-	-	-	#DIV/0!	0.00%	0.00%
Property and equipment - net	1,075,445,189	1,046,538,262	28,906,927	2.76%	17.93%	20.85%
Other non-current asset	30,535,837	18,720,357	11,815,480	63.12%	0.51%	0.37%
Total Non-Current Assets	1,185,909,636	1,146,726,357	39,183,279	3.42%	19.78%	22.84%
TOTAL ASSETS	5,996,741,337	5,019,673,578	977,067,759	19.46%	100.00%	100.00%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts and other payables	235,422,607	220,574,003	14,848,604	6.73%	3.93%	4.39%
Income tax payable	-	-	-	-	0.00%	0.00%
Lease Liability- Current	-	-	-	-	0.00%	0.00%
Loans and borrowings - current portion	782,700,538	396,421,526	386,279,012	97.44%	13.05%	7.90%
Total Current Liabilities	1,018,123,145	616,995,529	401,127,616	65.01%	16.98%	12.29%
NON-CURRENT LIABILITIES						
Loans and borrowings - net of current portion	974,138,084	713,985,927	260,152,157	36.44%	16.24%	14.22%
Advances from related parties	173,928,719	177,798,865	- 3,870,146	-2.18%	2.90%	3.54%
Defined benefit obligation	12,703,551	7,094,630	5,608,921	79.06%	0.21%	0.14%
Total Non-Current Liabilities	1,160,770,354	898,879,422	261,890,932	29.14%	19.36%	17.91%
EQUITY						
Share capital	2,500,000,000	2,500,000,000	-	0.00%	41.69%	49.80%
Share premium	218,849,628	218,849,628	-	0.00%	3.65%	4.36%
Retained earnings	1,087,987,235	771,173,738	316,813,497	41.08%	18.14%	15.36%
Actuarial gain on defined benefit obligation	11,010,975	13,775,261	- 2,764,286	-20.07%	0.18%	0.27%
Total Equity	3,817,847,838	3,503,798,627	314,049,211	8.96%	63.67%	69.80%

**TOTAL LIABILITIES AND
EQUITY**

5,996,741,337 5,019,673,578 977,067,759 19.46% 100.00% 100.00%

Financial Position as of December 31, 2024 and December 31, 2023

Haus Talk and its Subsidiaries posted total assets of ₱6.00B as of December 31, 2024, a net increase of 19.46%, from ₱5.02B as of year-end 2023. The company's cash increased by 15.35% or ₱35.52M and had an ending balance of ₱244.38.85M. The increase was derived from collections from prior year's and current year's sales and bank loan proceeds.

Current trade receivables increased by 57.54%, reaching ₱1.61B as of December 31, 2024, reflecting the sales generated during the year.

The prepayments and other current assets decreased by 38.51% or P4.64M due to amortization of the prepayments.

Other noncurrent assets increased by 63.12% or 11.82M due to the additional refundable deposits and increased deferred tax assets.

Accounts and other payables increased by ₱14.85M or 6.73%. The increase in accounts payable is attributed to the procurement of construction materials, supplies, and subcontracted services related to project unit construction and land development. Additionally, there was an increase in payables for brokers' commissions due to higher sales.

The current portion of loans and borrowings increased by 97.44% or P386.28M, primarily due to additional funding requirements for the construction and development of projects, as well as to finance land acquisition activities.

Likewise, loans and borrowings, net of the current portion, increased by 36.44% or ₱260.15 million, also driven by the funding requirements of existing projects and the acquisition of new properties.

The Defined Benefit Obligation increased by 79.06% or ₱5.61 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 increased by P316.81 million, representing a growth of 41.08%, reflecting the rise in sales and income.

The actuarial gain on the defined benefit obligation decreased by P2.76 million, marking a decline of 20.07%, attributable to a change in assumption in actuarial valuation.

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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, 2025 & 2024 (Unaudited)
(In Philippine Peso)

ASSETS	June 30, 2025	June 30, 2024	Horizontal Analysis- Jun '25 vs. Jun '24 Amount	%	Vertical Analysis- Jun '25 vs. Jun '24 %	%
CURRENT ASSETS						
Cash	91,325,491	157,413,071	- 66,087,580	-41.98%	1.30%	2.88%
Receivables	2,017,989,541	1,498,208,658	519,780,883	34.69%	28.70%	27.45%
Real estate inventories	3,737,142,141	2,640,150,131	1,096,992,010	41.55%	53.16%	48.37%
Prepayments and other current assets	8,848,816	11,048,599	- 2,199,783	-19.91%	0.13%	0.20%
Total Current Assets	5,855,305,989	4,306,820,458	1,548,485,531	35.95%	83.29%	78.90%
NON-CURRENT ASSETS						
Receivables - net of current portion	76,492,974	76,813,766	- 320,792	-0.42%	1.09%	1.41%
Advances to related parties			-		0.00%	0.00%
Property and equipment - net	1,067,643,703	1,050,817,215	16,826,488	1.60%	15.19%	19.25%
Other non-current asset	30,565,837	24,054,268	6,511,569	27.07%	0.43%	0.44%
Total Non-Current Assets	1,174,702,514	1,151,685,249	23,017,265	2.00%	16.71%	21.10%
TOTAL ASSETS	7,030,008,503	5,458,505,708	1,571,502,795	28.79%	100.00%	100.00%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts and other payables	248,228,202	232,358,731	15,869,471	6.83%	3.53%	4.26%
Income tax payable	-	-	-		0.00%	0.00%
Lease Liability- Current			-		0.00%	0.00%
Loans and borrowings - current portion	879,173,831	187,615,373	691,558,458	368.60%	12.51%	3.44%
Total Current Liabilities	1,127,402,033	419,974,104	707,427,929	168.45%	16.04%	7.69%
NON-CURRENT LIABILITIES						
Loans and borrowings - net of current portion	1,762,292,421	1,224,828,609	537,463,812	43.88%	25.07%	22.44%
Advances from related parties	163,883,560	175,067,831	- 11,184,271	-6.39%	2.33%	3.21%
Defined benefit obligation	12,703,551	7,094,630	5,608,921	79.06%	0.18%	0.13%
Total Non-Current Liabilities	1,938,879,532	1,406,991,069	531,888,463	37.80%	27.58%	25.78%
EQUITY						
Share capital	2,500,000,000	2,500,000,000	-	0.00%	35.56%	45.80%
Share premium	218,849,628	218,849,628	-		3.11%	4.01%
Retained earnings	1,233,866,335	898,915,646	334,950,689	37.26%	17.55%	16.47%
Actuarial gain on defined benefit obligation	11,010,975	13,775,261	2,764,286	-20.07%	0.16%	0.25%
Total Equity	3,963,726,938	3,631,540,534	332,186,404	9.15%	56.38%	66.53%

**TOTAL LIABILITIES AND
EQUITY****7,030,008,503 5,458,505,708 1,571,502,795 28.79% 100.00% 100.00%****Financial Position as of June 30, 2025 vs. June 30, 2024 (Unaudited)****Cash**

Decreased by 41.98% or Php 66.09 million, primarily due to the acquisition of new properties in Laguna and Antipolo, as well as ongoing project developments.

Receivables – Current Portion

Increased by 34.69% or Php 519.78 million, majority driven by new installment sales recorded during the period and receivable from contractors.

Real Estate Inventories

Increased by 41.55% or Php 1,096.99 million, mainly due to land acquisitions and the construction of new housing units added to inventory.

Prepayments and Other Current Assets

Decreased by 19.91% or Php 2.20 million, primarily due to the amortization of prepaid expenses during the period.

Other Non-Current Assets

Increased by 27.07% or Php 6.51 million, attributable to refundable deposits and deferred tax assets during the second quarter.

Accounts and Other Payables

Increased by 6.83% or Php 15.87 million, mainly due to purchases of materials, supplies, and payables to subcontractors.

Loans and Borrowings – Current Portion

Increased by 368.60% or Php 691.56 million, primarily due to additional bank loans and bridge financing obtained for operational activities and land acquisitions.

Loans and Borrowings – Non-Current Portion

Increased by 43.88% or Php 537.47 million, also due to additional bank loans and bridge financing for land acquisitions and operational requirements.

Advances from Related Parties

Decreased by 6.39% or Php 11.18 million, due to payments made during the period.

Defined Benefit Obligation

Increased by 79.06%, or ₱5.61 million, primarily due to the annual actuarial valuation, which reflected higher projected retirement benefits resulting from salary adjustments, additional qualifying service from employees, and changes in actuarial assumptions, including a lower discount rate.

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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 COMPREHENSIVE INCOME
For the period ended December 31, 2024 & December 31, 2023 (Audited)
(In Philippine Peso)

	December 31,		Horizontal Analysis- Dec '24 vs. Dec '23		Vertical Analysis- Dec '24 vs. Dec '23	
	2024	2023	Amount	%	%	%
REVENUE						
Real estate sales	1,401,027,854	1,011,106,834	389,921,020	38.56%	99.12%	96.32%
Other operating income	12,491,008	38,621,508	-26,130,500	-67.66%	0.88%	3.68%
Total Revenue	1,413,518,862	1,049,728,342	363,790,520	34.66%	100.00%	100.00%
COST OF REAL ESTATE SALES	772,604,842	582,282,221	190,322,621	32.69%	54.66%	55.47%
GROSS PROFIT	640,914,020	467,446,121	173,467,899	37.11%	45.34%	44.53%
OPERATING EXPENSES						
Selling expenses	65,274,869	58,522,753	6,752,116	11.54%	4.62%	5.58%
General and administrative expenses	181,076,145	125,684,011	55,392,134	44.07%	12.81%	11.97%
Total Operating Expenses	246,351,014	184,206,764	62,144,250	33.74%	17.43%	17.55%
NET OPERATING INCOME	394,563,006	283,239,357	111,323,649	39.30%	27.91%	26.98%
FINANCE COST, NET	31,471,214	18,936,316	12,534,898	66.20%	2.23%	1.80%
INCOME BEFORE TAX	363,091,792	264,303,041	98,788,751	37.38%	25.69%	25.18%
INCOME TAX EXPENSE	3,721,704	- 21,656,125	25,377,829	-117.19%	0.26%	-2.06%
NET INCOME	366,813,496	242,646,916	124,166,580	51.17%	25.95%	23.12%
OTHER COMPREHENSIVE INCOME						
Actuarial gain (loss) on retirement plan	- 2,764,286	10,439,443	- 13,203,729	-126.48%	-0.20%	0.99%
TOTAL COMPREHENSIVE INCOME (LOSS)	364,049,210	253,086,359	110,962,851	43.84%	25.75%	24.11%

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Results of Financial Operation for the year ended December 31, 2024 & December 31, 2023

Haus Talk and its Subsidiaries posted total revenues of ₱1.40B for the year 2024, ₱389.21M or 38.56% growth from the ₱1.011B total revenues for the same period in 2023.

The increase in revenues was due to the sales generated majority from The Granary project in Laguna. Other operating income declined by ₱26.13 million or 67.66% compared to the previous year, primarily due to the decrease in in-house financing activities. The Company strategically reduced its in-house financing offerings and encouraged takeouts through Pag-IBIG Fund and bank financing.

Cost of sales amounted to ₱772.60M in 2024 which is ₱190.32M or 32.69% more than the ₱582.28M incurred in 2023. This is attributable to the increase in sales during the year.

Selling expenses amounting to ₱65.27 million and general and administrative expenses totaling ₱181.08 million increased by 11.54% and 44.07%, respectively. The increase in expenses was primarily driven by the growth in revenues and the Company's continued efforts to strengthen its support functions to sustain the Company's ongoing expansion. Additionally, the rise in general and administrative costs reflects higher manpower requirements and increased project-related activities.

Finance costs increased by 66.20% or ₱12.53 million, primarily due to the rise in loans and borrowings during the year.

Income tax expense decreased by ₱25.38 million, representing a 117.19 decline, primarily due to the availment of an income tax holiday granted under the Company's registration with the Board of Investments (BOI). The incentive was applied to the Granary Project, which served as the major contributor to the Company's revenue during the year.

The Company recorded a consolidated net income of ₱366.81 million, reflecting an increase of ₱124.17 million or 51.17% compared to the 2023 net income of ₱242.65 million.

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HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Interim for the three months period April to June 30, 2025 and 2024 (Unaudited)
(In Philippine Peso)

	3 Mos. Interim Apr to Jun		Horizontal Analysis- 3 Mos. Apr to Jun		Vertical Analysis- 3 Mos. Apr to Jun	
	2025	2024	2025	2024	2025	2024
REVENUE						
Real estate sales	368,003,800	382,500,000	-14,496,200.0	-3.79%	99.20%	99.25%
Other operating income	2,967,816	2,879,637	88,178.9	3.06%	0.80%	0.75%
Total Revenue	370,971,616	385,379,637	-14,408,021.1	-3.74%	100.00%	100.00%
COST OF REAL ESTATE SALES	213,143,862	210,408,044	2,735,817.9	1.30%	57.46%	54.60%
GROSS PROFIT	157,827,754	174,971,593	-17,143,839.0	-9.80%	42.54%	45.40%
OPERATING EXPENSES						
Selling expenses	15,915,738	35,159,784	-19,244,046.5	-54.73%	4.29%	9.12%
General and administrative expenses	47,374,956	49,602,769	- 2,227,812.7	-4.49%	12.77%	12.87%
Total Operating Expenses	63,290,694	84,762,553	-21,471,859.1	-25.33%	17.06%	21.99%
NET OPERATING INCOME	94,537,060	90,209,040	4,328,020.1	4.80%	25.48%	23.41%
FINANCE COST, NET	793,433	2,847,870	- 2,054,436.7	-72.14%	0.21%	0.74%
INCOME BEFORE TAX	93,743,627	87,361,170	6,382,456.8	7.31%	25.27%	22.67%
INCOME TAX EXPENSE	- 17,393	- 1,433,110	1,415,717.3	-98.79%	0.00%	-0.37%
NET INCOME	93,726,234	85,928,060	7,798,174.1	9.08%	25.27%	22.30%
OTHER COMPREHENSIVE INCOME						
Actuarial gain (loss) on retirement plan	-	-	-	-	0.00%	0.00%
TOTAL COMPREHENSIVE INCOME (LOSS)	93,726,234	85,928,060	7,798,174.1	9.08%	25.27%	22.30%
BASIC EARNINGS PER SHARE	0.037	0.034				

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Result of Operation for the three-month period April to June 2025 (Unaudited) vis-à-vis April to June 2024 (Unaudited)

Gross profit decreased by 9.80% or Php 17.14 million

The decline was due to a 3.00% drop in real estate sales and a 1.00% increase in cost of sales. Other operating income grew by 3.06% but did not offset the margin compression.

Selling expenses decreased by 54.73% or Php 19.24 million

Lower marketing activities, reduced sales commissions, and cost-control measures drove the decrease.

Total operating expenses decreased by 25.33% or Php 21.47 million

The combined effect of the substantial drop in selling expenses and the modest reduction in general and administrative expenses resulted in a 25.33% decrease in total operating expenses, reflecting improved operational efficiency during the period.

Finance cost decreased by 72.14% or Php 2.05 million

The decline was mainly attributable to the capitalization of a portion of interest expense from additional bank loans and bridge financing facilities secured during the period. Since these borrowings were used for land acquisition, which is classified as inventory, only the non-capitalized interest was recorded as expense. This resulted in a decrease despite higher outstanding loan balances..

Income before tax increased by 7.31% or Php 6.38 million

Lower operating expenses more than offset the decline in gross profit and higher finance costs.

Income tax expense decreased by 98.79% or Php 1.42 million

The decrease was due to the income tax holiday granted by the Board of Investments to The Granary Project.

Net income increased by 9.08% or Php or 7.80 million

Higher income before tax and lower tax expense drove the improvement despite weaker gross profit and higher finance costs.

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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 ending June 30, 2025 and 2024 (Unaudited)
(In Philippine Peso)

	June 30,		Horizontal Analysis- 6 Mos. Jan to Jun		Vertical Analysis- 6 Mos. Jan to Jun	
	2025	2024	Amount	%	2025	2024
REVENUE						
Real estate sales	601,776,200	569,722,000	32,054,200	5.63%	99.02%	98.97%
Other operating income	5,985,765	5,909,967	75,798	1.28%	0.98%	1.03%
Total Revenue	607,761,965	575,631,967	32,129,998	5.58%	100.00%	100.00%
COST OF REAL ESTATE SALES	342,587,656	310,447,645	32,140,011	10.35%	56.37%	53.93%
GROSS PROFIT	265,174,309	265,184,322	- 10,013	0.00%	43.63%	46.07%
OPERATING EXPENSES						
Selling expenses	29,667,435	44,943,167	-15,275,732	-33.99%	4.88%	7.81%
General and administrative expenses	88,075,612	85,649,180	2,426,432	2.83%	14.49%	14.88%
Total Operating Expenses	117,743,047	130,592,347	-12,849,300	-9.84%	19.37%	22.69%
NET OPERATING INCOME	147,431,262	134,591,975	12,839,287	9.54%	24.26%	23.38%
FINANCE COST, NET	1,429,669	4,198,228	- 2,768,559	-65.95%	0.24%	0.73%
INCOME BEFORE TAX	146,001,593	130,393,747	15,607,846	11.97%	24.02%	22.65%
INCOME TAX EXPENSE	- 122,494	- 2,651,839	2,529,345	-95.38%	-0.02%	-0.46%
NET INCOME	145,879,099	127,741,909	18,137,190	14.20%	24.00%	22.19%
OTHER COMPREHENSIVE INCOME						
Actuarial gain (loss) on retirement plan	- 2,764,286	10,439,443	-13,203,729	-126.48%	-0.45%	1.81%
TOTAL COMPREHENSIVE INCOME (LOSS)	143,114,813	138,181,352	4,933,461	3.57%	23.55%	24.01%
BASIC EARNINGS PER SHARE	0.058	0.051				

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Results of Operation for June 30, 2025 vs. June 30, 2024 Unaudited

Real Estate sales

Increased by 5.63% or Php 32.05 million, mainly due to steady sales take-up from ongoing projects and consistent revenue recognition from completed and near-completion units during the period.

Cost of real estate sales

Increased by 5.58% or Php 32.13 million, in line with the growth in sales volume and corresponding construction and development costs.

Selling expense

Decreased by 33.99% or Php 15.28 million, due to lower marketing and promotional activities compared to the previous year.

Total operating expenses

Decreased by 9.84% or Php 12.85 million, primarily as a result of the reduction in selling expenses and continued cost-control measures.

Net operating income

Increased by 9.54% or Php 12.84 million due to higher revenues and reduced operating expenses.

Finance cost

Decreased by 65.95% or Php 2.77 million, primarily due to partial repayments of bank loans and bridge financing facilities, which reduced interest expense during the period, coupled with the capitalization of a portion of interest on borrowings used for land acquisition, recorded as part of inventory

Income before tax

Increased by 11.97% or Php 15.61 million as the growth in operating income was further supported by lower finance costs.

Income tax expense

Decreased by 95.38% or Php 2.53 million, mainly due to the income tax holiday granted by the Board of Investments for The Granary Project.

Net income

Increased by 14.20% or Php 18.14 million as higher income before tax and the substantial reduction in tax expense boosted overall profitability.

PART II--OTHER INFORMATION

The following items are the material reports filed by the Company using SEC Form 17-C during the second quarter of the year.

May 13, 2025	Approval of the following: <ol style="list-style-type: none">1. Holding of the Annual Stockholders' Meeting of the Company on July 30,2025 at 2:00 p.m., with the record date set on June 30, 2025. The meeting shall be held online via Zoom.2. Acquisition from the National Steel Corporation of 5 parcels of land in Antipolo, Rizal with an aggregate area of 135,980.5 square meters.
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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
13 AUG 2025
_____.

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, 2025 & June 30, 2024 (Unaudited)
and December 31, 2024 (Audited)

General Information

HAUS TALK, INC. (the “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.

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

The 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 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 Company acquired 100% ownership and control of Lifestyle Development Corporation for an acquisition cost of ₱105,737,000.

Cash

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. Cash in banks include demand deposits which are unrestricted as to withdrawal.

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

The account consists of:

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Petty cash fund	₱ 691,000	₱ 705,000	₱ 721,000
Cash in bank	<u>90,634,491</u>	<u>156,708,071</u>	<u>243,656,548</u>
Total	<u>₱ 91,325,491</u>	<u>₱ 157,413,071</u>	<u>₱ 244,377,548</u>

Receivables

Receivables are amounts due from clients for services performed in the ordinary course of business, if collection is expected in one year or less (or in the normal operating cycle of the business longer), they are classified as current assets. Otherwise, they are presented as non-current assets.

Receivables are measured at the transaction price determined under PFRS 15 (*refer to the accounting policies for Revenue from contract with customers*). Accounts and other receivables are recognized

initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method, less provision for impairment.

The account consists of:

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Installment contracts receivables at amortized cost	₱ 1,950,744,239	₱ 1,515,293,527	₱ 1,608,425,255
Receivables at amortized cost from:			
Contractors	22,615,938	6,726,618	11,033,388
Officers and employees	9,005,470	5,933,446	7,721,999
Suppliers	1,432,917	2,670,798	5,747,489
Broker	4,594,779	3,712,203	4,509,779
Buyer	6,082,328	5,412,361	2,097,893
Others	100,006,845	35,273,470	50,816,723
Total	2,094,482,516	1,575,022,423	1,690,352,526
Less: Noncurrent portion of installment contract receivables	76,492,974	76,813,766	79,928,610
Receivables, current portion	₱ 2,017,989,541	₱ 1,498,208,658	₱ 1,610,423,916

Installment contract receivables at amortized cost

Installment contracts receivable consists of accounts 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 at amortized cost are non-interest bearing and collectible within one year from the 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 Company 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, 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 Company's 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.

Aging Schedules of Receivables

This account as of June 30, 2025 consists of the following:

	Total	Neither past due nor impaired	1-30 days	31-60 days	61-90 days	over 90 days
Receivables	1,950,744,239	1,948,263,042	962,249	414,601	184,508	919,839
Current	1,874,251,265	1,871,770,068	962,249	414,601	184,508	919,839
Noncurrent	76,492,974	76,492,974	-	-	-	-

Real estate inventories

The account consists of:

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Land for sale and development	₱ 3,296,930,309	₱ 2,472,387,610	₱ 2,487,714,684
Residential units and development	431,664,870	159,215,558	452,364,910
Model units	8,546,962	8,546,962	8,546,962
Total	₱ 3,737,142,141	₱ 2,640,150,131	₱ 2,948,626,556

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. There was no allowance for impairment of inventories as of March 31, 2025 and December 31, 2024.

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.

Real estate inventories recognized as cost of sales are included as cost of real estate sales in the consolidated statements of comprehensive income. Cost of real estate sales includes acquisition cost of subdivision land, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real estate inventories to its intended condition.

Prepayments and other current assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the company statements of financial position as current assets when they are expected to be expensed within one year. Otherwise, prepayments are classified as non-current.

The account consists of:

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Prepaid income tax	₱ 5,053,887	₱	₱ 5,176,380
Prepaid taxes and licenses	168,574	1,134,329	499,187
Input VAT		1,826,058	264,745
Prepaid rent	676,992	3,260,240	253,872

Deferred MCIT	720,336		720,336
Prepaid insurance	46,709	203,651	64,614
Prepaid interest		656,095	
Creditable withholding tax	1,637,597		
Others	544,721	3,968,226	424,547
	<hr/>	<hr/>	<hr/>
Total	₱ 8,848,816	₱ 11,048,599	₱ 7,403,681
	<hr/>	<hr/>	<hr/>

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.

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

Advances to related parties

These includes transfer of resources, services or obligations to affiliates, regardless of whether a price is charged. The amount is presented as current assets if collection is expected in one year or less, otherwise, they are presented as non-current assets.

Advances to parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method, less provision for impairment.

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are considered related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives then significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation on other assets is charged to allocate the cost of assets less their fair value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Particulars	No. of Years
Office improvement	5
Construction equipment	5
Transportation equipment	5
Furniture and fixture	5
Office equipment	3
Computer software	3
Construction tools	2

Depreciation of property and equipment begins when it becomes available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation and depletion ceases at the earlier of the date that the item is classified as held for sale in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated recoverable reserves, useful lives, and depreciation and depletion methods are reviewed periodically to ensure that the estimated recoverable reserves, residual values, periods and methods of depreciation and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. The residual values, if any, are reviewed and adjusted, if appropriate, at each end of reporting period. If there is an indication that there has been a significant change in depreciation and depletion rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When properties are retired or otherwise disposed of, the cost and related accumulated depreciation and depletion and any allowance for impairment loss are eliminated from the accounts and any resulting gain or loss is credited or charged to the consolidated statements of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the items) is included in the consolidated statements of comprehensive income in the year the asset is derecognized.

Fully depreciated assets are retained as property and equipment until these are no longer in use.

The movements of property and equipment are as follows:

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	<u>₱ 1,130,677,597</u>	<u>₱ 4,995,587</u>	<u>₱ 1,135,673,184</u>
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	<u>₱ 55,232,408</u>	<u>₱ 12,643,248</u>	<u>₱ 68,029,481</u>
Net Book Value	<u>₱ 1,075,445,189</u>		<u>₱ 1,067,643,703</u>

June 30, 2024

Particulars	Beginning Balances	Additions/ Provisions	Disposals/ Adjustments	Ending Balances
Cost:				
Land	₱ 1,005,141,700	₱ 10,858.89	₱ -	₱ 1,005,152,559
Office improvement	3,375,886	181,287.37		3,557,173
Office equipment	6,985,712	835,575.85		7,821,288
Construction equipment	33,290,641	6,341,589		39,632,230
Transportation equipment	9,078,968			9,078,968
Furniture and fixture	962,561	75,622		1,038,183
Construction tools	20,473,886			20,473,887
Warehouse equipment	139,268			139,268
Temporary facilities	440,600	6,555,673		6,996,273
Leasehold improvement		1,500,127		1,500,127
Total	<u>₱ 1,079,889,222</u>	<u>₱ 13,989,748</u>	<u>₱</u>	<u>₱ 1,095,389,956</u>
Accumulated depreciation:				
Office improvement	₱ 3,372,915	₱ 18,078	₱	₱ 3,390,993
Office equipment	4,576,735	685,927		5,262,662
Construction equipment	13,427,888	3,008,138		16,436,026
Transportation equipment	5,426,918	590,025		6,016,943
Furniture and fixture	214,034	89,989		304,023
Construction tools	6,169,305	6,547,524		12,716,829
Warehouse equipment	75,045	16,901		91,946
Temporary facilities	88,120	265,198		353,318
Total	<u>₱ 33,350,960</u>	<u>₱ 11,221,781</u>	<u>₱</u>	<u>₱ 44,572,741</u>

Net Book Value	₱	<u>1,046,538,262</u>	₱	<u>1,050,817,215</u>
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December 31, 2024

Particulars	Beginning Balances	Additions/ Provisions	Ending Balances
Cost:			
Land	₱ 1,005,141,700	₱ 14,163,740	₱ 1,019,305,440
Office improvement	3,375,886	181,288	3,557,174
Office equipment	6,985,712	2,134,339	9,120,051
Construction equipment	33,290,641	18,032,539	51,323,180
Transportation equipment	9,078,968	-	9,078,968
Furniture and fixture	962,561	411,113	1,373,674
Construction tools	20,473,886	5,124,230	25,598,116
Warehouse equipment	139,268	43,464	182,732
Temporary facilities	440,600	6,555,673	6,996,273
Leasehold improvement	-	3,058,158	3,058,158
Right of use Asset	-	2,419,780	2,419,780
Total	<u>1,079,889,222</u>	₱ <u>52,124,324</u>	<u>1,132,013,546</u>
Accumulated depreciation:			
Office improvement	3,372,915	₱ 36,206	₱ 3,409,121
Office equipment	4,576,735	1,524,905	6,101,640
Construction equipment	13,427,888	7,318,581	20,746,469
Transportation equipment	5,426,918	1,038,322	6,465,240
Furniture and fixture	214,034	190,224	404,258
Construction tools	6,169,305	11,117,119	17,286,424
Warehouse equipment	75,045	29,264	104,309
Temporary facilities	-	752,886	841,006
Right of use Asset	88,120	1,209,890	1,209,890
Total	<u>33,350,960</u>	₱ <u>23,217,397</u>	<u>56,568,357</u>
Net Book Value	₱ <u>1,046,538,262</u>	₱ <u>1,075,445,189</u>	

Other non-current assets

The account consists of:

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Refundable deposits	₱ 10,235,721	₱ 9,718,103	₱ 10,204,135
Deferred tax assets	9,509,404	3,515,454	9,509,404
Security deposits	1,412,711	1,412,711	1,414,298
Other deposit	<u>9,408,000</u>	<u>9,408,000</u>	<u>9,408,000</u>
Total	₱ <u>30,565,837</u>	₱ <u>24,054,268</u>	₱ <u>30,535,837</u>

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 under implementation

Accounts and other payables

The account consists of:

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Trade payables	₱ 145,925,579	₱ 142,987,699	₱ 139,460,458
Accrued expenses	5,503,679	4,882,103	
Retention payable	47,363,791	24,721,428	37,109,687
Customer deposits	43,337,736	39,195,607	38,015,175
Government liabilities	3,418,006	3,274,356	3,389,203
Other liabilities	2,679,410	17,297,539	17,448,084
Total	₱ 248,228,202	₱ 232,358,731	₱ 235,422,607

Trade payables

Trade payables represents 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.

Customer deposits

Customer deposits consist mainly of collections from real estate customers which will be applied the contract price.

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.

Loans and borrowings

Bridge Loan – Financing and Individual Corporation

In the third quarter of 2024, the Group availed a bridge loan from various individuals and corporations to be used exclusively to partially finance its land acquisition activities, with details as follows:

On October 17, 2024, the Group borrowed a loan amounting to ₱35,000,000 with a term of one (1) year and an interest rate of 12.5%. The loan is secured by share collaterals owned by and registered under the names of each or both of Terence Restituto D. Madlambayan and Rachel D. Madlambayan, particularly, the 63,000,000 shares.

On October 28, 2024, the Group borrowed a loan amounting to ₱20,000,000 with a term of one (1) year and an interest rate of 12.5%. The loan is secured by share collaterals owned by and registered under the name of Terence Restituto D. Madlambayan, particularly, the 25,000,000 shares.

On November 8, 2024, the Group borrowed a loan amounting to ₱8,000,000 with a term of one (1) year and an interest rate of 12.5%. The loan is secured by share collaterals owned by and registered under the name of Terence Restituto D. Madlambayan, particularly, the 10,000,000 shares.

On December 19, 2024, the Group borrowed a loan amounting to ₱20,000,000 with a term of one (1) year and an interest rate of 12.5%. The loan is secured by share collaterals owned by and registered under the name of Rachel D. Madlambayan, particularly, the 25,000,000 shares.

On April 4, 2025, the Group borrowed a loan amounting to ₱30,000,000 with a term of two (2) years and an interest rate of 12%. The loan is secured by share collaterals owned by and registered under the names of each or both of Terence Restituto D. Madlambayan and Rachel D. Madlambayan, particularly, the 37,500,000 shares.

On April 11, 2025, the Group borrowed a loan amounting to ₱10,000,000 with a term of two (2) years and an interest rate of 12%. The loan is secured by share collaterals owned by and registered under the names of each or both of Terence Restituto D. Madlambayan and Rachel D. Madlambayan, particularly, the 12,500,000 shares.

On April 11, 2025, the Group borrowed a loan amounting to ₱10,000,000 with a term of two (2) years and an interest rate of 12%. The loan is secured by share collaterals owned by and registered under the names of each or both of Terence Restituto D. Madlambayan and Rachel D. Madlambayan, particularly, the 12,500,000 shares.

On May 14, 2025, the Group borrowed a loan amounting to ₱10,000,000 with a term of two (2) years and an interest rate of 12%. The loan is secured by share collaterals owned by and registered under the names of each or both of Terence Restituto D. Madlambayan and Rachel D. Madlambayan, particularly, the 12,500,000 shares.

On May 29, 2025, the Group borrowed a loan amounting to ₱30,000,000 with a term of one (1) year and an interest rate of 12%. The loan is unsecured.

In May 2025, the Group obtained a loan from Atram Trust Corporation with a term of one (1) year and an interest rate of 11%. Where the first drawn dated May 20, 2025 amounting to ₱90,000,000 and second drawn dated May 29, 2025 amounting to 10,000,000. The loan is secured with properties as collateral located at Mariveles, Bataan.

Asia United Bank - Term Loan

On February 10, 2023, the Group obtained a Credit Facility One (1) from Asia United Bank amounting to ₱60,000,000 with three (3) years term maturing on April 16, 2026. Where the first drawn dated April 14, 2023 amounting to ₱50,000,000 and the final release of ₱10,000,000 dated August 16, 2023. Secured with a registered real estate mortgage over two (2) properties located at Celestis 1 Lot 4-B along Buliran Road, Brgy. San Luis, Antipolo Rizal and Celestis 2 Lot 2 along Buliran Road, Brgy. San Luis, Antipolo, Rizal together with all improvements/appurtenant thereto, under Transfer Certificate of Title (or its subdivided titles) No. 163-2018007548 (5.25sqm) and Transfer Certificate of Title (or its subdivided titles) No. 163-2018008000 (7,963sqm) named under the Company and Comprehensive Surety Agreement executed by Maria Rachel Madlambayan.

China Banking Corporation

The following loan agreements are entered into by the Group with China Banking Corporation:

Straight Loan

In December 2024, the Company obtained a straight loan from China Bank amounting to ₱35,000,000 and ₱15,000,000 with maturity due at September 3, 2025. The loan has an interest rate of 7.63%.

Term Loan

On August 21, 2024, the Group secured a term loan facility from China Banking Corporation of up to ₱100,000,000. The proceeds shall be used to partially finance the land acquisition cost for the 1.65-hectares Amberwood Project and to partially finance the land development cost. On September 9, 2024 the initial drawdown was made amounting to ₱65,000,000 with a term of four (4) years and interest rate

of 7.4069% to partially finance the land acquisition cost for the Project. Secured with mortgaged properties as a collateral under TCT No.: T-93608 and (060-T-94742) 170-0002896 with a lot area of 10,000 sqm and 6,486 sqm, respectively.

Contract to Sell Purchase Facility

On July 27, 2018, the Group has been granted by China Banking Corporation of a Contract to Sell Purchase Facility (CTSPF) in the amount of ₱100,000,000 for the purpose of liquefying the accounts receivable arising from the installments still payable by the Group buyers under their respective Contracts to Sell (CTS). Whereas in consideration for the bank, the Company has assigned in favor of the Bank all the buyers' rights, interests and participation in their CTS balances in which the assignment shall be with recourse against the Company.

The following loan agreements are entered into by the Subsidiary Company with China Banking Corporation:

Contract to Sell Purchase Facility

On July 27, 2018, THI has been granted by China Banking Corporation of a Contract to Sell Purchase Facility (CTSPF) in the amount of ₱100,000,000 for the purpose of liquefying the accounts receivable arising from the installments still payable by THI's buyers under their respective Contracts to Sell (CTS). Whereas in consideration for the bank, THI has assigned in favor of the Bank all the buyers' rights, interests and participation in their CTS balances in which the assignment shall be with recourse against THI.

Sterling Bank of Asia

The following loan agreements are entered into by the Company with Sterling Bank of Asia:

Term Loan

On October 26, 2023, the Company obtained a term loan from Sterling Bank amounting to ₱45,000,000 payable in sixty (60) months inclusive of one (1) year grace period on principal, with the purpose to reimburse the acquisition cost of the 16,041 sqm lot area located along Hinapao-Tacbac Road, Brgy. San Jose, Antipolo City, Rizal. The loan has an interest rate based on prevailing bank rate, fixed for one (1) year and subject to annual repricing.

A Real Estate Mortgage amounting to ₱45,000,000 was registered as a collateral for the titles: TCT Nos. 163-2019001804, 163-2019001803 and 163-2023000429 to be transferred in the name of the Company.

On December 11, 2023, the Company obtained another term loan from Sterling Bank amounting to ₱65,000,000 payable in sixty (60) months inclusive of one (1) year grace period on principal, with the purpose to reimburse the acquisition cost of the 26,030 sqm lot area located within Brgy. San Antonio, Biñan City, Laguna. The loan has an interest rate based on prevailing bank rate, fixed for one (1) year and subject to annual repricing.

A Real Estate Mortgage amounting to ₱65,000,000 was registered as a collateral for the title (or its subdivided titles): TCT No. 170-2023004067 covering 26,030 sqm named under the Company.

Contract-to-Sell (CTS) Financing Line

On March 12, 2019, the Company availed of the Contract-to-Sell Financing Line by Sterling Bank of Asia with one (1) year availability with renewability, for the financing sale of house and lots from the housing projects of Celestis 1 and 2, Eastview Premiere and The Granary. Each sale of house and lots financed by Sterling Bank is secured with the Deed of Assignment of the Contract to Sell (CTS) which will cover the outstanding balance or the principal amount in the CTS, whichever is lower. Repayment shall be made in equal monthly amortization (principal and interest) payable in arrears to start one (1) month from the release date of loan. On December 7, 2023, the bank granted line increased in the amount of ₱100,000,000 having the Company total amount of ₱200,000,000 Contract-to-Sell Financing Line (with recourse).

The following loan agreements are entered into by the Subsidiary Company with Sterling Bank of Asia:

Contract-to-Sell Financing Line

On March 12, 2019, THI availed of the Contract-to-Sell Financing Line by Sterling Bank of Asia with one (1) year availability with renewability, for the financing sale of house and lots from the housing projects of Southview Homes – Sta. Rosa and Southview Homes – Calendola. Each sale of house and lots financed by Sterling Bank is secured with the Deed of Assignment of the Contract to Sell (CTS) which will cover the outstanding balance or the principal amount in the CTS, whichever is lower. Repayment shall be made in equal monthly amortization (principal and interest) payable in arrears to start one (1) month from the release date of loan. On December 7, 2023, the bank granted line increased in the amount of ₱100,000,000 having the Company total amount of ₱200,000,000 Contract-to-Sell Financing Line (With Recourse).

Security Bank Corporation

The following loan agreements are entered into by the Company with Security Bank Corporation:

Term Loan

On December 22, 2024, the Company obtained a term loan from Security Bank Corporation amounting to ₱200,000,000 with five (5) years term inclusive of one (1) year grace period on principal, with the purpose to partially reimburse its additional 7.5-hectare property under Cluster B to D located at Subdivision Road, St. Francis Subdivision XV, San Antonio, Biñan City, Laguna. The loan has a prevailing bank lending rate, subject to periodic pricing to be set on either monthly, quarterly, semi-annual or annual basis.

On April 2, 2024, the Company obtained a term loan from Security Bank Corporation amounting to ₱80,000,000 with five (5) years term. The loan has an interest rate of 8%.

On June 28, 2024, the Company obtained a term loan from Security Bank Corporation amounting to ₱100,000,000 with five (5) years term. The loan has an interest rate of 8%.

A Real Estate Mortgage for the loan was registered as a collateral with the following titles (Cluster B to D):

Cluster B	T-534478 to T-534508, T-5345109, T-534510 to T-534567, T-534569, T-534571, T-534573, T-534575, T-534577, T-534579, T-534581, T-534583, T-534585, T-534587, T-534589, T-534593, T-534595, T-534597, T-534599, T-534601 to T-534602, T-534604, T-534606, T-534608 to T-534610, T-534612, T-534591, T-534899 to T-534901, T-534904 to T-534906
Cluster C	T-534568, T-534570, T-534572, T-534574, T-534576, T-534578, T-534580, T-534582, T-534584, T-534586, T-534588, T-534590, T-534592, T-534594, T-534596, T-534598, T-534600, T-534603, T-534605, T-534607, T-534611, T-534613 to T-534637, T-534638 to T-534689, T-534690, T-534714, T-534716, T-534718, T-534720, T-534722, T-534724, T-534726, T-534728, T-534730, T-534732, T-534734, T-534736, T-534740, T-534742, T-534744, T-534746, T-534748, T-534750, T-534752, T-534754, T-534756, T-534758, T-534760, T-534738, T-534907 to T-534909, T-170-2023001598 to T-170-2023001599
Cluster D	T-534715, T-534717, T-534719, T-534721, T-534723, T-534725, T-534727, T-534729, T-534731, T-534733, T-534735, T-534737, T-534739, T-534741, T-534743, T-534745, T-534747, T-534749, T-534751, T-534753, T-534755, T-534757, T-534759, T-534761 to T-534774, T-534798 to T-534814, T-534775 to T-534794, T-534822 to T-534898, T-534902, T-534910 to T-534915, T-534919

On April 25, 2025, the Company has been approved by Security Bank Corporation of a term loan in the amount of ₱500,000,000, with the purpose to partially support the acquisition of a 12.56-hectare land

in Antipolo, Rizal owned by National Steel. On June 4, 2025 the drawdown was made amounting to ₱500,000,000 with five (5) years term inclusive of one (1) year grace period on principal payment. The loan has a fixed/floating rate, subject to periodic pricing to be set on either monthly, quarterly, semi-annual or annual basis.

Loan Line

On April 25, 2025, the Company has been approved by Security Bank Corporation of a loan line in the amount of 120,000,000, to finance pre-operating expenses of the company. On June 4, 2025 the drawdown was made amounting to ₱120,000,000 with up to 90 days term and full payment upon maturity. The loan has a prevailing interest rate, subject to periodic repricing and payment in arrears.

Contract to Sell Credit Facility

On June 19, 2024, the Company has been approved by Security Bank Corporation of a Purchase of Contract Receivables under Contract to Sell with Recourse for regular/in-house and bridge financing in the amount of ₱500,000,000, for the purpose of liquefying receivables from all their residential projects. Collateral documents for the financing are the Deed of Purchase of Receivables and Contract to Sell. The term for regular/in-house financing is co-terminus with the maturity of the CTS or maximum of fifteen (15) years, whichever comes early. Repayment shall be made in equal monthly amortization of principal and interest. The maximum term for bridge financing is twenty-four (24) months payable in interest only while receivables are being bridged finance on a monthly basis. The entire principal is payable upon conversion to home loan or at the end of the term, whichever comes earlier. In May 2025, the bank granted line increased in the amount of ₱500,000,000 having the Company total amount of ₱1,000,000,000 Contract-to-Sell Credit Facility with Recourse.

There were no breaches of loan agreement terms such as any defaults of principal and interest of these loan borrowings during the period.

Defined benefit obligation

The Group does not maintain retirement fund but accrues and recognizes its actuarial estimate to conform with the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which is of the final salary defined type and provides a retirement benefit equal to 22.5 days pay per every year of credited service. The regulatory benefit is paid in a lump sum upon retirement. In accordance with the provisions of the Labor Code, the Group is required to pay eligible employees at least the minimum regulatory benefit upon retirement, subject to age and service requirements.

Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are considered related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives then significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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

As of June 30, the account consists of:

Particulars	2025		2024	
	No. of shares	Amount	No. of shares	Amount
Authorized ₱1.00 par Balance at beginning and end of year	<u>2,500,000,000</u>	<u>₱ 2,500,000,000</u>	<u>2,500,000,000</u>	<u>₱ 2,500,000,000</u>
Issued and Outstanding Balance at beginning and end of year	<u>2,500,000,000</u>	<u>₱ 2,500,000,000</u>	<u>2,000,000,000</u>	<u>₱ 2,000,000,000</u>

Issuance of Capital Stock

On December 23, 2021, the SEC rendered effective the registration for IPO of the Company 500,000,000 common shares at an Offer Price of ₱1.50, with a par value of ₱1.00 per share. Offer shares were listed on January 17, 2022.

Listing Under Small, Medium and Emerging Board (SME) of the PSE

On November 18, 2021 and December 2, 2021, the SEC and the 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 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".

Share Premium

As of June 30, the movements of additional paid-in capital are as follows:

	2025	2024
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	<u>218,849,628</u>	<u>218,849,628</u>
End	<u>₱ 218,849,628</u>	<u>₱ 218,849,628</u>

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

Retained earnings

Retained earnings represent the cumulative balance of periodic net income and losses of the Group, net of dividends declared.

Retained earnings represents the cumulative balance of periodic net income or loss, prior period adjustments, effect of changes in accounting policies in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and other capital adjustments, net of any dividend declaration.

When retained earnings account has a debit balance, it is called “deficit”, and presented as a deduction from equity.

Revenue recognition

Revenue from contract with customers

Revenue from contract with customers is recognized at a point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services. The Group applies this standard with its revenue arrangements on the sale of land and residential house units with modified home improvements

To determine whether to recognize revenue, the Group follows a five-step process:

1. identifying the contract with a customer;
2. identifying the performance obligation;
3. determining the transaction price;
4. allocating the transaction price to the performance obligations; and,
5. recognizing revenue when/as performance obligations are satisfied.

For Step 1 to be achieved, the following gating criteria must be present:

- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party’s rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract; and,
- collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Group’s performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

The transaction price allocated to the performance obligations satisfied at a point in time is recognized as revenue when control of goods or services transfers to the customer. As a matter of accounting policy when applicable, if the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

Real estate sales

The Group recognizes sales to the contracts with customer when the performance obligation has been fulfilled and the related contract revenue has been recognized as earned. These include sale of subdivision land and residential units.

Forfeitures and cancellation of real estate contracts

Income from forfeited reservation and collections is recognized when the deposits from potential buyers are deemed non-refundable due to prescription of the period for entering into a contracted sale.

Other income

Other income is recognized in the statements of comprehensive income as they are earned.

Interest income

Interest income is recognized using effective interest accrues using effective interest method.

Contract balances

Receivable from customers

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

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

Cost to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them.

Costs and expenses recognition

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Costs and expenses are recognized in profit or loss in the consolidated statements of comprehensive income:

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

Real estate sales

The account consists of the following:

For the six (6) months ended June 30, 2025, 2024, and December 31, 2024, the account consists of residential house and lot amounting to ₱601,776,200, ₱569,722,000, ₱1,401,027,854, respectively.

Other operating income

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Interest income – in house financing	₱ 5,149,998	₱ 5,118,232	₱ 10,716,075
Forfeiture income	260,000	210,000	510,000
Miscellaneous income	575,768	581,735	1,264,933
Total	₱ 5,985,766	₱ 5,909,967	₱ 12,491,008

Cost of Real Estate Sales

The Group recognizes costs related to the contracts with customer when the performance obligation has been fulfilled and the related contract revenue has been recognized as earned. These include cost of land, land development costs, building cost, professional fees, depreciation, permits and licenses, and capitalized borrowing costs.

The account consists of the following:

Particulars	June 30, 2025	June 30 2024	December 31, 2024
Land cost development	₱ 109,838,979	₱ 81,717,381	₱ 202,192,693
Construction cost	219,065,520	211,146,665	536,364,761
Other cost	13,683,156	17,583,599	34,047,388
Total	₱ 342,587,656	₱ 310,447,645	₱ 772,604,842

Selling, administrative, and other operating expenses

Selling expenses are costs incurred to sell or distribute inventories. Administrative expenses normally include costs of administering the business as incurred by administrative departments. Other operating expenses are costs incurred other than for selling or administrative purposes.

The account consists of the following:

Particulars	June 30, 2025	June 30, 2024	December 31, 2024
Advertising and promotion	₱ 3,599,511	₱ 4,105,191	₱ 21,106,282
Commissions	26,067,924	40,837,976	44,168,587
	29,667,435	44,943,167	65,274,869

General and administrative expenses

The account consists of the following:

Particulars	June 30, 2025	June 30, 2024	December 31, 2024
Salaries, wages and allowances	₱ 45,881,328	40,804,506	₱ 94,250,215
Processing, registration, listing, certification & other fees	5,761,279	9,563,275	13,530,773
Professional fees	5,286,806	7,152,484	12,716,173
Taxes and licenses	5,235,148	5,826,960	14,834,252
Depreciation	7,162,990	4,723,693	12,189,667
Interest expense	2,064,759	4,712,998	
Rent expense	3,037,339	2,480,412	1,020,534
Miscellaneous expenses	5,183,988	5,087,353	18,751,004
Repairs and maintenance	2,158,774	1,674,715	3,420,764
Dues, subscriptions and donations	1,424,270	1,290,719	2,936,372
Utilities	1,379,803	1,068,230	2,390,642
Stationery and office supplies	692,307	580,085	1,254,274
Transportation and travel	476,812	432,810	885,347
Insurance expense	2,330,009	250,940	483,326
Retirement expense			2,412,802
Total	₱ 88,075,612	₱ 85,649,180	₱ 181,076,145

Miscellaneous expenses consist of administrative expenses, processing, registration and certificate fees, notarization fees, bank charges, and other miscellaneous expenses.