

**SECURITIES AND EXCHANGE COMMISSION
AMENDED SEC FORM 17-Q**

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

1. For the quarterly period ended **September 30, 2025**
2. Commission identification number **CS200409462** 3. BIR Tax Identification No **233-687-508**
4. Exact name of issuer as specified in its charter **HAUS TALK, INC.**
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **Unit 701 Orient Square Bldg. F. Ortigas Jr. Ortigas Center, Pasig City** **1605**
Postal Code
Address of issuer's principal office
8. **(02) 8636-6929**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	2,500,000,000

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

Yes No

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

Philippine Stock Exchange	Common Shares
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12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

HAUS TALK, INC. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**As of the period ended Sept. 30, 2025 (Reviewed), Sept. 30, 2025 2024 (Unaudited) & Dec. 31, 2024 (Audited)
(In Philippine Peso)**

ASSETS	Sept. 30,		December 31,	
	2025	2024	2024	2024
CURRENT ASSETS				
Cash	104,003,213	74,627,797	244,377,548	
Receivables	1,195,249,786	707,350,393	772,916,855	
Contract assets - current portion	796,521,912	1,054,806,372	827,156,013	
Real estate inventories	3,630,014,080	2,825,689,799	2,948,626,556	
Prepayments and other current assets	2,588,344	11,400,853	7,403,681	
Total Current Assets	5,728,377,335	4,673,875,214	4,800,480,653	
NON-CURRENT ASSETS				
Receivables - net of current portion	121,760,968	91,937,295	90,279,658	
Advances to related parties				
Property and equipment - net	1,072,100,341	1,064,138,481	1,075,445,189	
Other non-current asset	30,015,870	33,231,102	30,535,837	
Total Non-Current Assets	1,223,877,179	1,189,306,878	1,196,260,684	
TOTAL ASSETS	6,952,254,514	5,863,182,092	5,996,741,337	
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts and other payables	153,187,738	269,908,737	196,125,004	
Contract Liabilities - current	13,959,997	42,824,132	38,015,175	
Income tax payable	2,670,779	851,443	-	
Lease Liability- Current	318,206	-	1,282,428	
Loans and borrowings - current portion	1,073,161,335	104,277,998	782,700,538	
Total Current Liabilities	1,243,298,055	417,862,310	1,018,123,145	
NON-CURRENT LIABILITIES				
Loans and borrowings - net of current portion	1,407,588,439	1,448,926,989	974,138,084	
Advances from related parties	168,159,119	174,425,348	173,928,719	
Defined benefit obligation	12,703,551	7,094,630	12,703,551	
Total Non-Current Liabilities	1,588,451,109	1,630,446,967	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	1,390,644,747	1,082,247,926	1,087,987,235	
Actuarial gain on defined benefit obligation	11,010,975	13,775,261	11,010,975	
Total Equity	4,120,505,350	3,814,872,815	3,817,847,838	
TOTAL LIABILITIES AND EQUITY	6,952,254,514	5,863,182,092	5,996,741,337	

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the period ended Sept. 30, 2025 (Reviewed), Sept. 30, 2024 (Unaudited)
(In Philippine Peso)

	9 Mos. Interim Jan to Sept		3 Mos. Interim Jul to Sept	
	2025	2024	2025	2024
REVENUE				
Real estate sales	1,201,062,150	1,190,558,654	599,285,950	620,836,655
Other operating income	8,778,805	8,397,421	2,793,040	2,487,454
Total Revenue	1,209,840,955	1,198,956,075	602,078,990	623,324,109
COST OF REAL ESTATE SALES	660,418,895	646,276,084	317,831,239	335,828,439
GROSS PROFIT	549,422,060	552,679,992	284,247,751	287,495,670
OPERATING EXPENSES				
Selling expenses	63,462,492	99,729,759	33,795,057	54,786,592
General and administrative expenses	161,323,356	127,721,150	73,247,744	42,072,570
Total Operating Expenses	224,785,848	227,451,509	107,042,801	96,859,162
NET OPERATING INCOME	324,636,212	325,228,483	177,204,950	190,636,508
FINANCE COST, NET	12,228,511	22,126,914	10,798,842	17,928,686
INCOME BEFORE TAX	312,407,701	303,101,568	166,406,108	172,707,821
INCOME TAX EXPENSE	(9,750,189)	7,972,620	(9,627,695)	10,624,459
NET INCOME	302,657,512	311,074,188	156,778,413	183,332,280
OTHER COMPREHENSIVE INCOME				
Actuarial gain (loss) on retirement plan	-	-	2,764,286	(10,439,443)
TOTAL COMPREHENSIVE INCOME (LOSS)	302,657,512	311,074,188	159,542,699	172,892,837
BASIC EARNINGS PER SHARE	0.121	0.124	0.063	0.073

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ending Sept. 30, 2025 (Reviewed), Sept.30, 2025 2024 (Unaudited) & Dec. 31, 2024 & 2023 (Audited)
(In Philippine Peso)

	Share Capital	Share Premium	Retained Earnings	Actuarial Gain (loss) on Defined Benefit Obligation	Total
BALANCE AT DECEMBER 31, 2023	2,500,000,000	218,849,628	771,173,738	13,775,261	3,503,798,627
Dividend paid	-	-	-	-	-
Net income	-	-	311,074,188	-	311,074,188
Other comprehensive income	-	-	-	-	-
BALANCE AS OF SEPTEMBER 30, 2024	2,500,000,000	218,849,628	1,082,247,926	13,775,261	3,814,872,815
Dividend paid	-	-	(50,000,000)	-	(50,000,000)
Net income	-	-	55,739,309	-	55,739,309
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
Dividend paid	-	-	-	-	-
Net income	-	-	302,657,512	-	302,657,512
Other comprehensive income	-	-	-	-	-
BALANCE AS OF SEPTEMBER 30, 2025	2,500,000,000	218,849,628	1,390,644,747	11,010,975	4,120,505,350

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HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
For the period ended Sept. 30, 2025 (Reviewed), Sept. 30, 2024 (Unaudited) & Dec. 31, 2024 (Audited)
(In Philippine Peso)

	Sept. 30,		December 31,	
	2025	2024	2024	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	312,407,701	303,101,568	363,091,792	-
Adjustments for:				
Prior period adjustment	-	-	-	-
Provision for credit losses	1,282,565	22,168,425	27,504,052	-
Interest expense - bank loans	12,260,401	431,833	-	-
Interest expense - defined benefit obligation	-	2,412,802	-	-
Retirement expense	-	-	-	-
Interest income earned	(31,890)	(41,511)	(65,047)	-
Depreciation	10,672,651	7,871,837	12,189,668	-
Operating income before changes in working capital	336,591,429	333,100,319	405,565,100	-
Changes in assets and liabilities:				
Increase in receivables	(423,615,496)	(462,512,432)	(528,078,894)	-
Increase in contract asset	(847,209)	(287,876,656)	(58,568,660)	-
Decrease (Increase) in real estate inventories	(681,387,524)	(198,874,718)	(321,811,475)	-
Decrease (Increase) in prepayments and other current assets	4,815,337	638,635	4,635,807	-
Decrease in other non-current assets	519,967	(14,510,745)	(5,821,530)	-
Increase in accounts and other payables	(42,937,266)	94,458,196	20,674,463	-
Increase in contract liabilities	(24,055,178)	(2,299,331)	(7,108,288)	-
Increase in lease liability	(964,222)	-	1,282,428	-
Decrease in advances to related parties	-	-	-	-
Defined benefit obligation	-	-	-	-
Cash generated from operations	(831,880,162)	(537,876,732)	(489,231,049)	-
Interest received	31,890	41,511	65,047	-
Income taxes paid	(7,079,410)	8,824,063	(2,272,245)	-
Net Cash from Operating Activities	(838,927,683)	(529,011,158)	(491,438,248)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Issuance of shares				
Additional paid up capital				
Acquisition of property and equipment	(7,327,803)	(25,472,056)	(41,096,595)	-
Acquisition of intangible assets				
Dividend declaration			(50,000,000)	-
Net Cash from Investing Activities	(7,327,803)	(25,472,056)	(91,096,595)	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Additions to loans and borrowings	723,911,151	442,797,534	646,431,169	-
Additional advances from related parties				
Payment of advances from related parties	(5,769,599)	(3,373,517)	(3,870,146)	-
Interest paid	(12,260,401)	(22,168,425)	(27,504,052)	-
Issuance of shares				
Net Cash from Financing Activities	705,881,151	417,255,592	615,056,971	-
NET INCREASE(DECREASE) IN CASH	(140,374,335)	(137,227,622)	32,522,129	-
CASH, BEGINNING	244,377,548	211,855,419	211,855,419	-
CASH, END	104,003,213	74,627,797	244,377,548	-

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

	As of Sept. 30, 2025	As of Sept. 30, 2024	As of Dec. 31, 2024
Current Ratio			
Total current assets	5,728,377,335	4,673,875,214	4,800,480,653
Divided by: Total current liabilities	1,243,298,055	417,862,310	1,018,123,145
Current ratio	4.61	11.19	4.72
Acid test ratio			
Total current assets	5,728,377,335	4,673,875,214	4,800,480,653
Less: Other current assets	3,632,602,424	2,837,090,652	2,956,030,237
Quick assets	2,095,774,911	1,836,784,562	1,844,450,416
Divide by: Total current liabilities	1,243,298,055	417,862,310	1,018,123,145
Acid test ratio	1.69	4.40	1.81
Solvency Ratio			
Net income	302,657,512	311,074,188	366,813,496
Add: Depreciation	10,672,651	7,871,837	12,189,668
Total	313,330,163	318,946,025	379,003,164
Divide by: Total liabilities	2,831,749,164	2,048,309,277	2,178,893,499
Solvency ratio	0.11	0.16	0.17
Debt-to-Equity Ratio			
Total liabilities	2,831,749,164	2,048,309,277	2,178,893,499
Divided by: Total Equity	4,120,505,350	3,814,872,815	3,817,847,838
Debt-to-equity ratio	0.69	0.54	0.57
Asset-to-equity ratio			
Total assets	6,952,254,514	5,863,182,092	5,996,741,337
Divided by: Total equity	4,120,505,350	3,814,872,815	3,817,847,838
Asset-to-equity ratio	1.69	1.54	1.57
Interest rate coverage ratio			
Income before income tax	312,407,701	303,101,568	363,091,792
Add: Interest expense	12,228,511	22,126,914	31,471,214
Total	324,636,212	325,228,482	394,563,006
Divided by: Interest expense	12,228,511	22,126,914	31,471,214
Interest rate coverage ratio	26.55	14.70	12.54
Return on average equity			
Net income	302,657,512	311,074,188	366,813,496
Divided by: Average total capital accounts	3,967,689,083	3,617,845,547	5,508,207,458
Return on equity	0.08	0.09	0.07
Return on average assets			
Net income	302,657,512	311,074,188	366,813,496
Divided by: Average total assets	6,407,718,303	5,441,427,836	5,508,207,458
Return on average assets	0.05	0.06	0.07
Net profit margin			
Net income	302,657,512	311,074,188	366,813,496
Net sales	1,201,062,150	1,190,558,654	1,401,027,854
Net profit margin	0.25	0.26	0.26

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

A. Financial Condition

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of the period ended Sept. 30, 2025 (Reviewed) & Dec. 31, 2024 (Audited)
(In Philippine Peso)

ASSETS	Sept. 30, 2025	December 31, 2024	Horizontal Analysis- Sept. '25 vs. Dec '24		Vertical Analysis- Sept. '25 vs. Dec '24	
			Amount	%	%	%
CURRENT ASSETS						
Cash	104,003,213	244,377,548	(140,374,335)	(57.44%)	1.50%	4.08%
Receivables	1,195,249,786	772,916,855	422,332,931	54.64%	17.19%	12.89%
Contract assets - current portion	796,521,912	827,156,013	(30,634,101)	(3.70%)	11.46%	13.79%
Real estate inventories	3,630,014,080	2,948,626,556	681,387,524	23.11%	52.21%	49.17%
Prepayments and other current assets	2,588,344	7,403,681	(4,815,337)	(65.04%)	0.04%	0.12%
Total Current Assets	5,728,377,335	4,800,480,653	958,530,783	19.97%	82.40%	80.05%
NON-CURRENT ASSETS						
Receivables - net of current portion	121,760,968	90,279,658	31,481,310	34.87%	1.75%	1.51%
Advances to related parties	-	-	-	-	0.00%	0.00%
Property and equipment - net	1,072,100,341	1,075,445,189	(3,344,848)	(0.31%)	15.42%	17.93%
Other non-current asset	30,015,870	30,535,837	(519,967)	(1.70%)	0.43%	0.51%
Total Non-Current Assets	1,223,877,179	1,196,260,684	27,616,495	2.31%	17.60%	19.95%
TOTAL ASSETS	6,952,254,514	5,996,741,337	955,513,177	15.93%	100.00%	100.00%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts and other payables	153,187,738	196,125,004	(42,937,266)	(21.89%)	2.20%	3.27%
Contract Liabilities - current	13,959,997	38,015,175	(24,055,178)	(63.28%)	0.20%	0.63%
Income tax payable	2,670,779	-	2,670,779	-	0.04%	0.00%
Lease Liability- Current	318,206	1,282,428	(964,222)	(75.19%)	0.00%	0.02%
Loans and borrowings - current portion	1,073,161,335	782,700,538	290,460,797	37.11%	15.44%	13.05%
Total Current Liabilities	1,243,298,055	1,018,123,145	249,230,088	24.48%	17.88%	16.98%
NON-CURRENT LIABILITIES						
Loans and borrowings - net of current portion	1,407,588,439	974,138,084	433,450,355	44.50%	20.25%	16.24%
Advances from related parties	168,159,119	173,928,719	(5,769,600)	(3.32%)	2.42%	2.90%
Defined benefit obligation	12,703,551	12,703,551	-	0.00%	0.18%	0.21%
Total Non-Current Liabilities	1,588,451,109	1,160,770,354	427,680,755	36.84%	22.85%	19.36%
EQUITY						
Share capital	2,500,000,000	2,500,000,000	-	0.00%	35.96%	41.69%
Share premium	218,849,628	218,849,628	-	0.00%	3.15%	3.65%
Retained earnings	1,390,644,747	1,087,987,235	302,657,512	27.82%	20.00%	18.14%
Actuarial gain on defined benefit obligation	11,010,975	11,010,975	-	0.00%	0.16%	0.18%
Total Equity	4,120,505,350	3,817,847,838	302,657,512	7.93%	59.27%	63.67%
TOTAL LIABILITIES AND EQUITY	6,952,254,514	5,996,741,337	955,513,177	15.93%	100.00%	100.00%

Financial position as of September 30, 2025 (Unaudited) vs. Full Year (FY) of 2024 (Audited)

Total Assets

Haus Talk and its Subsidiaries posted total assets of ₦6.95 billion as of September 30, 2025, a net increase of 15.93%, from ₦6.00 billion as of December 31, 2024.

Cash

The Company's cash decreased by 57.44% and had an ending balance of ₦104.00 million. The decrease is mainly attributable to the land acquisition and construction costs.

Current Receivables

Current receivables increased by 54.64%, reaching ₦1.19 billion as of September 30, 2025, driven mainly by higher operational advances mostly to buyers, suppliers and contractors.

Contract Assets (current)

Contract assets decreased by 3.70% mainly due to lower remaining equity portions of declared sales as these units' progress toward bank take-out.

Real Estate Inventories

Real estate inventories increased by 23.11% or by ₦681.39 million due to ongoing development of units which form part of the real estate inventories.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by 65.04%, mainly due to the utilization of prepaid expense during the period.

Receivables – net of current portion

Receivables, net of current portion increased by 34.87%, mainly due to sales declared with payment terms extending beyond 12 months.

Accounts and Other Payables

Accounts and other payables decreased by ₦42.94 million or 21.89% due to the payment of outstanding invoices from suppliers and subcontractors.

Contract Liabilities (current)

Contract liabilities – current, decreased by 63.28%, primarily due to the recognition of the sales previously reflected as contract liabilities.

Loans and Borrowings (current)

Loans and borrowings – current portion increased by 37.11% from December 31, 2024 to September 30, 2025 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 44.50% due to loan activities during the year.

Retained Earnings

Retained Earnings increased by 27.82%, reflecting the rise in sales and income.

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of the period ended December 31, 2024 and December 31, 2023 (Audited)
(In Philippine Peso)

ASSETS	December 31,		Horizontal Analysis- Dec '24 vs. Dec '23		Vertical Analysis- Dec '24 vs. Dec '23	
	2024	2023	Amount	%	%	%
CURRENT ASSETS						
Cash	244,377,548	211,855,419	32,522,129	15.35%	4.08%	4.22%
Receivables	772,916,855	244,837,961	528,078,894	215.69%	12.89%	4.88%
Contract assets - current portion	827,156,013	768,757,449	58,398,564	7.60%	13.79%	15.31%
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	4,800,480,653	3,864,305,398	936,175,255	24.23%	80.05%	76.98%
NON-CURRENT ASSETS						
Receivables - net of current portion	90,279,658	90,109,562	170,096	0.19%	1.51%	1.80%
Advances to related parties	-	-	-	-	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	1,196,260,684	1,155,368,181	40,892,503	3.54%	19.95%	23.02%
TOTAL ASSETS	5,996,741,337	5,019,673,579	977,067,758	19.46%	100.00%	100.00%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts and other payables	196,125,004	175,450,541	20,674,463	11.78%	3.27%	3.50%
Contract Liabilities - current	38,015,175	45,123,463	(7,108,288)	(15.75%)	0.63%	0.90%
Income tax payable	-	-	-	-	0.00%	0.00%
Lease Liability- Current	1,282,428	-	1,282,428	-	0.02%	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	616,995,530	401,127,615	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	5,019,673,579	977,067,758	19.46%	100.00%	100.00%

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

Total Assets

Haus Talk and its Subsidiaries posted total assets of ₦6.00 billion as of December 31, 2024, a net increase of 19.46%, from ₦5.02 billion as of year-end 2023.

Cash

The company's cash increased by 15.35% or ₦35.52 million and had an ending balance of ₦244.38 million. The increase was derived from collections from prior year's and current year's sales and bank loan proceeds.

Receivables (current)

Current receivables rose by 215.69% mainly due to higher advances and sales already recognized but still awaiting bank take-out.

Contract Assets (current)

Current contract assets increased by 7.60% as these represent reported sales with remaining equity from buyers.

Real Estate Inventories

Real estate inventories rose by 12.25% during the period, driven by construction and development costs of ongoing projects.

Prepayments and Other Current Assets

The prepayments and other current assets decreased by 38.51% or ₦4.63 million due to amortization of the prepayments.

Other Noncurrent Assets

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

Accounts and Other Payables

Accounts and other payables increased by 11.78% or ₦20.67 million due to additional construction materials and services incurred during the period.

Contract Liabilities (current)

Current contract liabilities decreased by 15.75% or ₦7.11 million, primarily due to higher buyer reservations for house and lot units.

Loans and Borrowings (current)

The current portion of loans and borrowings increased by 97.44% or ₦386.28 million primarily due to additional funding requirements for the construction and development of projects, as well as to finance land acquisition activities.

Loans and Borrowings – net of current portion

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.

Defined Benefit Obligation

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

Retained Earnings increased by ₦316.81 million, representing a growth of 41.08%, reflecting the rise in sales and income.

Actuarial Gain on the Defined Benefit Obligation

The actuarial gain on the defined benefit obligation decreased by ₦2.76 million, marking a decline of 20.07%, attributable to a change in assumption in actuarial valuation.

B. Financial Operation

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the period ended December 31, 2024 & December 31, 2023 (Audited)
(In Philippine Peso)

	December 31,		Horizontal Analysis-		Vertical Analysis-	
			Dec '24 vs. Dec '23	Amount	%	Dec '24 vs. Dec '23
REVENUE	2024	2023				
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%

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

Revenues

Haus Talk and its Subsidiaries posted total revenues of ₱1.40 billion for the year 2024, ₱389.92 million or 38.56% growth from the ₱1.01 billion total revenues in 2023. The increase in revenues was primarily attributable to real estate sales which increased by 38.56% to ₱1.40 billion during 2024 versus ₱1.01 billion in 2023. Majority of the sales was attributable to revenues 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 offering and encouraged takeouts through HDMF Fund and bank financing.

Cost of Real Estate Sales

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

Operating Expenses

Selling expenses amounted 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. The 44.07% rise in general and administrative costs from ₱125.68 million in 2023 versus ₱181.08 million in 2024 reflected higher manpower requirements and increased project-related activities.

Finance Costs, net

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

Income Tax Expense

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 BOI. The incentive was applied to the Granary Project, which served as the major contributor to the Company's revenue during the year.

Net Income

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.

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months period Jul. 01 to Sept. 30, 2025 (Reviewed) & Jul. 01 to Sept. 30, 2024 (Unaudited)
(In Philippine Peso)

	Horizontal Analysis-				Vertical Analysis-	
	3 Mos. Interim Jul to Sept		3 Mos. Jul to Sept		3 Mos. Jul to Sept	3 Mos. Jul to Sept
	2025	2024	2025	2024	2025	2024
REVENUE						
Real estate sales	599,285,950	620,836,654	(21,550,704)	(3.47%)	99.54%	99.60%
Other operating income	2,793,040	2,487,454	305,586	12.29%	0.46%	0.40%
Total Revenue	602,078,990	623,324,108	(21,245,118)	(3.41%)	100.00%	100.00%
COST OF REAL ESTATE SALES	317,831,239	335,828,439	(17,997,200)	(5.36%)	52.79%	53.88%
GROSS PROFIT	284,247,751	287,495,669	(3,247,918)	(1.13%)	47.21%	46.12%
OPERATING EXPENSES						
Selling expenses	33,795,057	54,786,592	(20,991,535)	(38.32%)	5.61%	8.79%
General and administrative expenses	73,247,744	42,072,570	31,175,174	74.10%	12.17%	6.75%
Total Operating Expenses	107,042,801	96,859,162	10,183,639	10.51%	17.78%	15.54%
NET OPERATING INCOME	177,204,950	190,636,508	(13,431,558)	(7.05%)	29.43%	30.58%
FINANCE COST, NET	10,798,842	17,928,686	(7,129,844)	(39.77%)	1.79%	2.88%
INCOME BEFORE TAX	166,406,108	172,707,821	(6,301,713)	(3.65%)	27.64%	27.71%
INCOME TAX EXPENSE	-9,627,695	10,624,459	(20,252,154)	(190.62%)	-1.60%	1.70%
NET INCOME	156,778,413	183,332,279	(26,553,866)	(14.48%)	26.04%	29.41%
OTHER COMPREHENSIVE INCOME						
Actuarial gain (loss) on retirement plan	2,764,286	(10,439,443)	13,203,729	(126.48%)	0.46%	(1.67%)
TOTAL COMPREHENSIVE INCOME (LOSS)	159,542,699	172,892,836	(13,350,137)	-7.72%	26.50%	27.74%
BASIC EARNINGS PER SHARE	0.063	0.073				

Financial Operation for three-months period July to Sept 2025 vs. July to Sept 2024

Revenues

Haus Talk and its Subsidiaries posted total real estate sales of ₱599.28 million as of September 2025, a ₱21.55 million or 3.47% lower from ₱620.84 million total revenues for the same period in 2024. Other operating income grew by ₱30 million or 12.29% mainly due to the increase in interest income earned from the sales through the in-house financing scheme.

Cost of Real Estate Sales

Cost of sales amounted to ₱317.83 million as of September 2025, a decrease of ₱18.00 million or 5.36% from ₱335.83 million in September 2024, primarily attributable to improved cost efficiencies and tighter control over construction and development costs during the period.

Operating Expenses

Selling expenses of ₱33.79 million and general and administrative expenses of ₱73.25 million decreased by 38.32% and increased of 74.10%, respectively. The decreased in selling expense primarily due to lower commissions and incentives resulting from the timing of expense recognition, coupled with reduced marketing expenses during the period. The increase in general and administrative expense was due to the Company's rising revenues and the continuous strengthening of support groups to facilitate the Group's ongoing expansion.

Finance Costs, net

Finance costs, net, decreased by ₱7.13 million or by 39.77% primarily attributable to the loans and borrowings.

Net Income

The Group recorded a consolidated net income of ₱156.78 million, marking decrease of ₱26.55 million or 14.48% mainly driven by a slight decline in sales combined with higher general and administrative expenses incurred during the period.

HAUS TALK, INC. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the nine months period September 30, 2025 (Reviewed) & September 30, 2024 (Unaudited) (In Philippine Peso)

	Sept. 30,		Horizontal Analysis- 9 Mos. Jan to Sept		Vertical Analysis- 9 Mos. Jan to Sept	
			Amount	%	2025	2024
REVENUE						
Real estate sales	1,201,062,150	1,190,558,654	10,503,496	0.88%	99.27%	99.30%
Other operating income	8,778,805	8,397,421	381,384	4.54%	0.73%	0.70%
Total Revenue	1,209,840,955	1,198,956,075	10,884,880	0.91%	100.00%	100.00%
COST OF REAL ESTATE SALES	660,418,895	646,276,084	14,142,811	2.19%	54.59%	53.90%
GROSS PROFIT	549,422,060	552,679,992	(3,257,931)	(0.59%)	45.41%	46.10%
OPERATING EXPENSES						
Selling expenses	63,462,492	99,729,759	(36,267,26)	(36.37%)	5.25%	8.32%
General and administrative expenses	161,323,356	127,721,750	33,601,606	26.31%	13.33%	10.65%
Total Operating Expenses	224,785,848	227,451,509	(2,665,661)	(1.17%)	18.58%	18.97%
NET OPERATING INCOME	324,636,212	325,228,483	(592,271)	(0.18%)	26.83%	27.13%
FINANCE COST, NET	12,228,511	22,126,914	(9,898,403)	(44.73%)	1.01%	1.85%

INCOME BEFORE TAX	312,407,701	303,101,568	9,306,133	3.07%	25.82%	25.28%
INCOME TAX EXPENSE	-9,750,189	7,972,620	(17,722,809)	(222.30%)	(0.81%)	0.66%
NET INCOME	302,657,512	311,074,188	(8,416,676)	(2.71%)	25.02%	25.95%
OTHER COMPREHENSIVE INCOME						
Actuarial gain (loss) on retirement plan	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	302,657,512	311,074,188	(8,416,676)	(2.71%)	25.02%	25.95%
BASIC EARNINGS PER SHARE	0.121	0.124				

Financial Operation for the period ended September 30, 2025 vs. September 30, 2024 (Unaudited)

Revenue

HTI reported consolidated revenues of ₲1.21 billion for the nine months ended September 30, 2025, representing a 0.91% increase from the ₲1.20 billion in the same period in 2024. The increase was primarily driven by higher real estate sales, which rose to ₲1.20 billion during the first nine months of 2025 from ₲1.19 billion in the comparable period last year, mainly due to the expansion of the broker network. Other operating income also increased by 4.54% to ₲8.40 million, primarily attributable to the in-house financing scheme.

Cost of Real Estate Sales

HTI's cost of real estate sales increased by 2.19% to ₲660.42 million during the first nine months of 2025 versus ₲646.28 million during the first nine months of 2024 relative to the increase in real estate sales and increase in material costs.

Operating Expenses

Selling expenses decreased by 36.37%, or ₲36.27 million, primarily due to lower marketing and commission costs recognized during the period. General and administrative expenses increased by 26.31%, or ₲33.60 million, due to the adjustment of the salary structure for existing personnel, and other overhead expenses incurred to support company projects.

Finance Costs, net

Finance costs decreased by 44.73%, or ₲9.90 million, primarily due to lower interest expenses resulting from the settlement of certain loan obligations.

Income Tax Expense

Income tax expense increased by 222.30%, amounting to ₲9.75 million during the 9 months ending September 30, 2025, as there was an income tax holiday incentive granted which was applicable for the 9-month period ending September 30, 2024 through the Board of Investments ("BOI").

Net Income

HTI's consolidated net income declined by 2.71% to ₲302.66 million during the first nine months of 2025 as compared to the ₲311.04 million level recorded during the same period in the prior year due to an increase in income tax expense.

SUMMARY OF AMENDMENTS TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The accompanying financial statements have been amended from those previously issued and approved on November 12, 2025 for the periods ended September 30, 2025 and 2024, and December 31, 2023.

These amendments were made in compliance with the requirements of the Securities and Exchange Commission (SEC) to submit reviewed financial statements in connection with the Company's bond listing application.

The amendments primarily relate to changes in accounting estimates, reclassification of certain accounts and recognition of provisions. These changes were identified during the review on the interim financial statements performed by the Company's external auditor.

Further details on the movements and changes in the affected accounts are presented in the table below.

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of the period ended September 30, 2025 (Reviewed) & September 30, 2024 (Unaudited) & December 31, 2024 (Audited)
(In Philippine Peso)

ASSETS	Sept. 30,		December 31,			
	2025 FROM	TO	2024 FROM	TO	2024 FROM	TO
CURRENT ASSETS						
Cash	104,003,213	104,003,213	74,627,797	74,627,797	244,377,548	244,377,548
Receivables	2,001,924,194	1,195,249,786	1,770,862,439	707,350,393	1,610,423,916	772,916,855
Contract assets - current portion	-	796,521,912	-	1,054,806,372	-	827,156,013
Real estate inventories	3,630,014,080	3,630,014,080	2,825,689,799	2,825,689,799	2,948,626,556	2,948,626,556
Prepayments and other current assets	3,548,798	2,588,344	7,986,191	11,400,853	7,403,681	7,403,681
Total Current Assets	5,739,490,285	5,728,377,335	4,679,166,226	4,673,875,214	4,810,831,701	4,800,480,653
NON-CURRENT ASSETS						
Receivables - net of current portion	112,891,037	121,760,968	83,231,620	91,937,295	79,928,610	90,279,658
Advances to related parties	1,072,100,341	1,072,100,341	1,064,138,480	1,064,138,481	1,075,445,189	1,075,445,189
Property and equipment - net	30,525,557	30,015,870	24,407,040	33,231,102	30,535,837	30,535,837
Total Non-Current Assets	1,215,516,935	1,223,877,179	1,171,777,140	1,189,306,878	1,185,909,636	1,196,260,684
TOTAL ASSETS	6,955,007,220	6,952,254,514	5,850,943,366	5,863,182,092	5,996,741,337	5,996,741,337
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts and other payables	167,465,941	153,187,738	312,732,869	269,908,737	235,422,607	196,125,004
Contract Liabilities - current	-	13,959,997	-	42,824,132	-	38,015,175
Income tax payable	5,468,549	2,670,779	-	851,443	-	-
Lease Liability- Current	-	318,206	-	-	-	1,282,428
Loans and borrowings - current portion	1,073,161,334	1,073,161,335	104,277,997	104,277,998	782,700,538	782,700,538
Total Current Liabilities	1,246,095,824	1,243,298,055	417,010,866	417,862,310	1,018,123,145	1,018,123,145
NON-CURRENT LIABILITIES						
Loans and borrowings - net of current portion	1,407,588,439	1,407,588,439	1,448,926,989	1,448,926,989	974,138,084	974,138,084
Advances from related parties	168,159,120	168,159,119	174,425,348	174,425,348	173,928,719	173,928,719
Defined benefit obligation	12,703,551	12,703,551	7,094,630	7,094,630	12,703,551	12,703,551

Total Non-Current Liabilities	1,588,451,110	1,588,451,109	1,630,446,967	1,630,446,967	1,160,770,354	1,160,770,354
EQUITY						
Share capital	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Share premium	218,849,628	218,849,628	218,849,628	218,849,628	218,849,628	218,849,628
Retained earnings	1,390,599,683	1,390,644,747	1,070,860,645	1,082,247,926	1,087,987,235	1,087,987,235
Actuarial gain on defined benefit obligation	11,010,975	11,010,975	13,775,261	13,775,261	11,010,975	11,010,975
Total Equity	4,120,460,286	4,120,505,350	3,803,485,534	3,814,872,815	3,817,847,838	3,817,847,838
TOTAL LIABILITIES AND EQUITY	6,955,007,220	6,952,254,514	5,850,943,367	5,863,182,092	5,996,741,337	5,996,741,337

HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of the period ended September 30, 2025 (Reviewed) & September 30, 2024 (Unaudited) & December 31, 2024 (Audited)
(In Philippine Peso)

	Sept. 30,		December 31,	
	2025		2024	
	FROM	TO	FROM	TO
REVENUE				
Real estate sales	1,201,062,150	1,201,062,150	1,190,558,655	1,190,558,654
Other operating income	8,778,805	8,778,805	8,397,421	8,397,421
Total Revenue	1,209,840,955	1,209,840,955	1,198,956,076	1,198,956,075
COST OF REAL ESTATE SALES	660,418,895	660,418,895	646,276,084	646,276,084
GROSS PROFIT	549,422,060	549,422,060	552,679,992	552,679,991
OPERATING EXPENSES				
Selling expenses	63,462,492	63,462,492	99,729,759	99,729,759
General and administrative expenses	170,291,796	161,323,356	140,482,538	127,721,750
Total Operating Expenses	233,754,288	224,785,848	240,212,297	227,451,509
NET OPERATING INCOME	315,667,772	324,636,212	312,467,696	325,228,483
FINANCE COST, NET	1,977,507	12,228,511	9,366,126	22,126,914
INCOME BEFORE TAX	313,690,265	312,407,701	303,101,569	303,101,568
INCOME TAX EXPENSE	(11,077,818)	(9,750,189)	(3,414,661)	7,972,620
NET INCOME	302,612,447	302,657,512	299,686,908	311,074,188
OTHER COMPREHENSIVE INCOME				
Actuarial gain (loss) on retirement plan	(2,764,286)	-	10,439,443	-

TOTAL COMPREHENSIVE INCOME (LOSS)	299,848,161	302,657,512	310,126,351	311,074,188	364,049,210	364,049,210
BASIC EARNINGS PER SHARE	0.121	0.121	0.120	0.124	0.147	0.147

**HAUS TALK, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW**

**For the period ended September 30, 2025 (Reviewed) & September 30, 2024 (Unaudited) & December 31, 2024 (Audited)
(In Philippine Peso)**

	Sept. 30,		2024		December 31, 2024		
	2025	FROM	TO	FROM	TO	FROM	TO
CASH FLOWS FROM OPERATING ACTIVITIES							
Income before tax		313,690,265	312,407,701	303,101,569	303,101,568	363,091,792	363,091,792
Adjustments for:							
Prior period adjustment		-	-	-	-	-	-
Provision for credit losses		-	1,282,565	-	-	-	-
Interest expense - bank loans		2,009,397	12,260,401	9,366,126	22,168,425	27,504,052	27,504,052
Interest expense - defined benefit obligation		-	-	-	-	431,833	431,833
Retirement expense		-	-	-	-	2,412,802	2,412,802
Interest income earned		(31,890)	(31,890)	(41,511)	(41,511)	(65,047)	(65,047)
Depreciation		10,672,651	10,672,651	7,871,837	7,871,837	10,979,777	12,189,668
Operating income before changes in working capital		326,340,424	336,591,429	320,298,021	333,100,319	404,355,209	405,565,100
Changes in assets and liabilities:							
Increase in receivables		(424,462,705)	(423,615,496)	(750,389,088)	(462,512,432)	(586,647,555)	(528,078,894)
Increase in contract asset		-	(847,209)	-	(287,876,656)	-	(58,568,660)
Decrease (Increase) in real estate inventories		(681,387,524)	(681,387,524)	(198,874,718)	(198,874,718)	(321,811,475)	(321,811,475)
Decrease (Increase) in prepayments and other current assets		3,854,883	4,815,337	4,053,297	638,635	4,635,807	4,635,807
Decrease in other non-current assets		10,280	519,967	(5,686,685)	(14,510,745)	(5,821,530)	(5,821,530)
Increase in accounts and other payables		(67,956,666)	(42,937,266)	92,158,866	94,458,196	14,848,604	20,674,463
Increase in contract liabilities		-	(24,055,178)	-	(2,299,331)	-	(7,108,288)
Increase in lease liability		-	(964,222)	-	-	-	1,282,428
Decrease in advances to related parties		-	-	-	-	-	-
Defined benefit obligation		-	-	-	-	-	-
Cash generated from operations		(843,601,308)	(831,880,162)	(538,440,307)	(537,876,732)	(490,440,940)	(489,231,049)
Interest received		31,890	31,890	41,511	41,511	65,047	65,047
Income taxes paid		(5,468,549)	(7,079,410)	(3,414,661)	8,824,063	(2,272,245)	(2,272,245)
Net Cash from Operating Activities		(849,037,968)	(838,927,683)	(541,813,457)	(529,011,158)	(492,648,139)	(491,438,248)
CASH FLOWS FROM INVESTING ACTIVITIES							
Issuance of shares							
Additional paid up capital							
Acquisition of property and equipment		(7,468,522)	(7,327,803)	(25,472,055)	(25,472,056)	(39,886,704)	(41,096,595)
Acquisition of intangible assets							
Dividend declaration						(50,000,000)	(50,000,000)
Net Cash from Investing Activities		(7,468,522)	(7,327,803)	(25,472,055)	(25,472,056)	(89,886,704)	(91,096,595)
CASH FLOWS FROM FINANCING ACTIVITIES							

Additions to loans and borrowings	723,911,151	723,911,151	442,797,533	442,797,534	646,431,169	646,431,169
Additional advances from related parties	-	-	-	-	-	-
Payment of advances from related parties	(5,769,599)	(5,769,599)	(3,373,517)	(3,373,517)	(3,870,146)	(3,870,146)
Interest paid	(2,009,397)	(12,260,401)	(9,366,126)	(22,168,425)	(27,504,052)	(27,504,052)
Issuance of shares	-	-	-	-	-	-
Net Cash from Financing Activities	716,132,155	705,881,151	430,057,890	417,255,592	615,056,971	615,056,971
NET INCREASE(DECREASE) IN CASH	(140,374,335)	(140,374,335)	(137,227,622)	(137,227,622)	(32,522,129)	(32,522,129)
CASH, BEGINNING	244,377,548	244,377,548	211,855,419	211,855,419	211,855,419	211,855,419
CASH, END	104,003,213	104,003,213	74,627,797	74,627,797	244,377,548	244,377,548

Explanation on the Movement and Changes of Accounts

The preparation of the Group's consolidated financial statements as of September 30, 2025 and 2024, and December 31, 2024 requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, assumptions and judgments are reviewed and evaluated on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

As a result of management's evaluation of relevant facts and circumstances as of the reporting date, the following revisions to accounting estimates are recognized in Group's consolidated financial statements as of September 30, 2025 and 2024, and December 31, 2024 as follows:

Receivables and Contract Asset

The Group concluded that receivables 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) resulting to recognize contract asset for the earned consideration that is conditional.

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.

Provision for Expected Credit Losses

The Group records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. For loan receivables, the Group has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

As of September 30, 2025, and 2024 and December 2024, the account consists of:

RECEIVABLES – NET

Particulars	September 2025	September 2024	December 2024
Receivables from customers	₱ 1,022,126,600	₱ 638,871,981	₱ 690,989,584
Receivables at amortized cost from:			
Contractors	₱ 38,807,693	₱ 8,379,969	₱ 11,033,388
Officers and employees	₱ 13,266,361	₱ 2,276,110	₱ 7,721,999
Buyer	₱ 6,323,171	₱ 5,139,929	₱ 5,747,489
Broker	₱ 4,939,779	₱ 4,054,779	₱ 4,509,779
Suppliers	₱ 1,492,073	₱ 5,074,469	₱ 2,097,893
Others	₱ 109,486,016	₱ 43,553,156	₱ 50,816,723
Gross receivables	₱ 1,196,441,693	₱ 707,350,393	₱ 772,916,855
Less: Allowance for expected credit losses	₱ 1,191,907	-	-
Net	₱ 1,195,249,786	₱ 707,350,393	₱ 772,916,855

CONTRACT ASSETS

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Contract asset	₱ 918,373,537	₱ 1,146,743,667	₱ 917,435,671
Less: Contract assets – non-current portion	₱ 121,760,968	₱ 91,937,295	₱ 90,279,658
Less: Allowance for expected credit losses	₱ 90,657	-	-
Total	₱ 796,521,912	₱ 1,054,806,372	₱ 827,156,013

Prepayment and Other Current Assets

The Group makes the necessary adjustments to its prepaid income tax account after recalculating its income tax computation. Presented as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Deferred MCIT	₱ 720,336	₱ -	₱ 720,336
Prepaid rent	₱ 676,992	₱ 2,037,650	₱ 253,872
Prepaid taxes and licenses	₱ 405,049	₱ 966,854	₱ 499,187
Tax credit	₱ 26,644	₱ 750,336	₱ -
Prepaid insurance	₱ 26,690	₱ 153,274	₱ 64,614
Prepaid income tax	₱ -	₱ 3,414,661	₱ 5,176,380
Input VAT	₱ -	₱ -	₱ 264,745
Prepaid Interest	₱ -	₱ 656,095	₱ -
Others	₱ 732,633	₱ 3,421,983	₱ 424,547
Total	₱ 2,588,344	₱ 11,400,853	₱ 7,403,681

Other Non-current Asset

The Group recognized necessary adjustment on the movement of deferred tax assets after considering the computation of its income tax expense (benefit) consist of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Current tax expense	₱ 9,425,432	₱ 851,442	₱ 2,272,246
Deferred tax (income) expense, net	₱ 324,757	₱ (8,824,062)	₱ (5,993,950)
Income tax expense (benefit)	₱ 9,750,189	₱ (7,972,620)	₱ (3,721,704)

Accounts and Other Payables, Lease Liability and Contract Liabilities

The Group opts to present the Lease Liability—Current and Contract Liabilities account as a separate line item of the Group's consolidated financial statement. Prior to this, the mentioned accounts were presented as part of Accounts and Other Payables.

Income Tax Payable

The Group recognized necessary adjustment to its income tax payable after reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income.

General and Administrative Expenses and Finance Cost

The Group considers moving the interest expense previously included in the general and administrative expenses to the finance cost presented in the consolidated statements of comprehensive income. The movement is mainly to present the consolidated financial statement comparability as relevant and accurate to the users accounts.

For the periods ended September 30, 2025 and 2024 and December 2024, the account consists of:

FINANCE COST - NET

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Interest income – bank	₱ <u>31,890</u>	₱ <u>41,511</u>	₱ <u>65,047</u>
Interest expense - loans	₱ <u>(12,260,401)</u>	₱ <u>(22,168,425)</u>	₱ <u>(30,951,948)</u>
Interest expense – retirement benefit (Note 18)	₱ <u>-</u>	₱ <u>-</u>	₱ <u>(431,833)</u>
Interest expense – right of use	₱ <u>-</u>	₱ <u>-</u>	₱ <u>(152,480)</u>
Subtotal	₱ <u>(12,260,401)</u>	₱ <u>(22,168,425)</u>	₱ <u>(31,536,261)</u>
Net	₱ <u>(12,228,511)</u>	₱ <u>(22,126,914)</u>	₱ <u>(31,471,214)</u>

GENERAL AND ADMINISTRATIVE EXPENSES

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Salaries, wages and allowances	₱ <u>97,287,455</u>	₱ <u>64,496,832</u>	₱ <u>94,250,215</u>
Taxes and licenses	₱ <u>10,710,386</u>	₱ <u>10,794,268</u>	₱ <u>14,834,252</u>
Depreciation	₱ <u>10,672,651</u>	₱ <u>7,871,837</u>	₱ <u>12,189,667</u>
Professional fees	₱ <u>10,366,948</u>	₱ <u>9,866,782</u>	₱ <u>12,716,173</u>
Processing, registration, listing, certification fees	₱ <u>7,604,318</u>	₱ <u>13,275,327</u>	₱ <u>13,530,773</u>
Insurance expense	₱ <u>3,560,381</u>	₱ <u>347,826</u>	₱ <u>483,326</u>
Repairs and maintenance	₱ <u>3,010,551</u>	₱ <u>2,681,260</u>	₱ <u>3,420,764</u>
Rent expense	₱ <u>2,137,535</u>	₱ <u>4,241,799</u>	₱ <u>1,020,534</u>
Utilities	₱ <u>2,106,591</u>	₱ <u>1,718,120</u>	₱ <u>2,390,642</u>
Dues, subscriptions and donations	₱ <u>1,883,542</u>	₱ <u>2,165,514</u>	₱ <u>2,936,372</u>
Provision for expected credit losses (Note 12,13)	₱ <u>1,282,565</u>	₱ <u>-</u>	₱ <u>-</u>
Stationery and office supplies	₱ <u>1,097,134</u>	₱ <u>965,093</u>	₱ <u>1,254,274</u>
Transportation and travel	₱ <u>797,810</u>	₱ <u>684,763</u>	₱ <u>885,347</u>
Retirement expense	₱ <u>-</u>	₱ <u>-</u>	₱ <u>2,412,802</u>
Miscellaneous expenses	₱ <u>8,805,489</u>	₱ <u>8,610,305</u>	₱ <u>18,751,004</u>
Total	₱ <u>161,323,356</u>	₱ <u>127,721,750</u>	₱ <u>181,076,145</u>

PART II--OTHER INFORMATION

The following items are the material reports filed by the Company using SEC Form 17-C during the third quarter of the year until the date of this report.

July 30, 2025	Results of Annual Stockholders' Meeting
July 30, 2025	Results of Organizational Meeting of the Board of Directors
August 5, 2025	<p>HTI Recognized as Top Pag-IBIG Partner-Developer</p> <p>HTI, a leading developer of affordable and mid-market housing, was honored as one of the Top 10 Partner-Developers by the Pag-IBIG Fund for the first half of 2025. The citation was presented at the annual Pag-IBIG Fund Stakeholders Accomplishment Report held on August 1 at the Centennial Hall of the Manila Hotel in Ermita, Manila. HTI President, Ma. Rachel D. Madlambayan, received the award on behalf of HTI.</p> <p>The annual event, which celebrates Pag-IBIG'S overall performance and milestones, recognizing top-performing partners who have made significant contributions to the fund's mission of providing housing for Filipinos. The HTI recognition is a testament to its aggressive push to service the underserved affordable housing segment.</p>
October 14, 2025	<p>The Board of Directors of HTI approved on October 14, 2025 the following:</p> <ol style="list-style-type: none"> 1. Issuance of Securities and Exchange Commission - registered fixed rate, Philippine Peso-denominated Bonds ("Bonds") with up to PhP1,000,000,000.00 base offer and an oversubscription option of up to PhP1,000,000,000.00, and listing of the same with the Philippine Dealing and Exchange Corporation. <p>The Board delegated to the Management the authority to determine the final issue amount, interest rate, offer price, tenors, and other terms and conditions of the Bonds offering, including the appointment of the parties that will be involved in the Bond offering, with the Chairman of the Board and/or the President as the authorized signatories.</p> <p>The Board also approved the appointment of Security Bank Capital Investment Corporation as the issue manager, lead underwriter and bookrunner for the public offer, distribution, sale and issuance of the Bonds.</p> <ol style="list-style-type: none"> 2. Declaration of a cash dividend in the total amount of Php75,000,000.00, equivalent to Php0.03 per common share. <p>The cash dividend shall be taken from the unrestricted retained earnings of the Corporation as of December 31, 2024, to be made available to all stockholders of record as of November 17, 2025 and payable on December 10, 2025.</p>

On November 8, 2025, Haus Talk, Inc. marked another important milestone with the grand launching, blessing, and ribbon cutting of its Project “The Hammond”, the newest residential project located in the thriving East area.

The event began with the solemn blessing of The Hammond’s model units, led by a priest who invoked prayers for prosperity, safety, and continued success. The blessing symbolized Haus Talk’s dedication to building not just houses, but homes founded on faith, hope, and hard work.

The ceremonial ribbon cutting, was led by the Madlambayan family, the founding family behind Haus Talk, Inc. The moment symbolized the company’s heritage, values, and continued pursuit of excellence.

Brokers, clients, partner banks, Pag-IBIG Fund officials and representatives from local government graced the occasion, symbolizing the strong partnerships that continue to fuel Haus Talk’s growth. Their presence underscored the company’s trusted partnerships and its contribution to community growth.

On December 18, 2025, the Board of Directors approved the issuance of the reviewed consolidated financial statements of the Group as of and for the period ended September 30, 2025 and, 2024 for the year ended December 31, 2024 and 2023.

On December 23, 2025, the Philippine Rating Services Corporation assigned an Issue Credit Rating of PRS A, with a Stable Outlook, to HTI’s proposed bond issuance amounting to Php1.0 billion, with an oversubscription option of up to Php1.0 billion.

SIGNATURES

Pursuant to the requirements of 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 December 29, 2025.

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
As of September 30, 2025, and 2024, and December 31, 2024

NOTE 1 – 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.

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.

Approval of Consolidated Financial Statements

The accompanying consolidated financial statements of the Group as of and for the period ended September 30, 2025 and, 2024 for the year ended December 31, 2024 and 2023 were approved and authorized for issuance by the Board of Directors on December 18, 2025.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The accompanying consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretation Committee (IFRIC), which have been approved by the Financial Reporting Standards Council (FRSC) and adapted by Securities and Exchange Commission (SEC).

2.2 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

2.3 Going concern assumption

The preparation of the accompanying condensed consolidated financial statements of the Group is based on the premise that the Group operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

2.4 Functional and presentation currency

The consolidated financial statements are presented in Philippine peso, which is the presentation and functional currency of the Group. All financial information presented has been rounded off to the nearest Peso unless otherwise stated.

2.5 Use of judgment and estimates

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group’s consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group’s significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management’s evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in Note 4.

2.6 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries, after the elimination of intercompany transactions.

The separate financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and losses, are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

Investment in subsidiaries

Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

When the Parent Company has less than majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control. Consolidation of a subsidiary begins when control is obtained over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Non-controlling interests

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statement of comprehensive income. Non-controlling interests consist of the amount of those interests at the date of original business combination and the non-controlling interests' share on changes in equity since the date of the business combination.

There is no non-controlling interest as of September 30, 2025 and 2024 and December 31, 2024.

2.7 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and

pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, is measured at fair value with changes in fair value recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Transactions with non-controlling interests

The Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests results in gains and losses for the Group that are also recognized in equity.

There are no transactions with non-controlling interests as of September 30, 2025 and 2024, and December 31, 2024.

Loss of control and disposal of subsidiaries

When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Parent Company loses control over the subsidiary, it:

- Derecognizes the assets, including goodwill, and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative transaction differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of the any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss retained earnings, as appropriate.

2.8 Adoption of new and revised accounting standards

The accounting policies adopted in the preparation of the Group's financial statements are consistent with those of the previous financial year except for the adoption of the following new and amended standards and interpretations. The adoption of these new and amended standards and interpretations did not have significant impact on the Group consolidated financial statements unless otherwise stated.

Effective beginning on or after January 1, 2024

Adopted the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry.

On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

- a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
- b. Accounting for significant financing components discussed in PIC Q&A No. 2018-12-D
- c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods under Philippine Accounting Standards (PAS) 23, Borrowing Cost, for Real Estate industry.

The adoption of the above provision did not have material impact on the consolidated financial statements.

Amendment to PFRS 16 – Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to PAS 1 – Non-current liabilities with covenants. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to PAS 7 and PFRS 7 - Supplier finance. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The amendments do not have material impact on the consolidated financial statements.

Standards and Interpretations Issued but not yet Effective

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

Effective beginning on or after January 1, 2025

Amendments to PAS 21 - Lack of Exchangeability. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
 - Amendments to PAS 7, *Cost Method*
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a "De Facto Agent"*

The Group is currently assessing the impact of adopting these standards on its consolidated financial statements.

Effective beginning on or after January 1, 2027

PFRS 18, Presentation and Disclosure in Financial Statements

The new standard impacts the classification of profit or loss items (i.e. into operating, investing, and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e. operating profit, and profit

before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures.

The Group is currently assessing the impact of adopting this standard on its consolidated financial statements.

Deferred effectivity

Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2026 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the consolidated financial statements in the year of adoption, if applicable.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

3.1 Financial assets and financial liabilities

Date of recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial recognition and measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

Financial assets at amortized cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the financial assets are derecognized and through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets. As of September 30, 2025 and 2024, and December 31, 2024, the Group's cash, receivables, contract assets, refundable deposits, and advances to related parties are included under this category.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income. As of September 30, 2024, and 2023, and December 31, 2024 the Group has no financial assets at FVPL.

Financial assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As of September 30, 2025 and 2024, and December 31, 2024, no accounts are included under this category.

Financial liabilities at amortized cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of September 30, 2025 and 2024 and December 31, 2024, the Group's accounts and other payables, contract liabilities, loans and borrowings, and advances from related parties are included under this category.

3.2 Reclassification

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

3.3 Impairment of financial assets at amortized cost and FVOCI

The Group records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. For loan receivables, the Group has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.4 Derecognition of financial assets and liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the consolidated statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

3.5 Offsetting financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

3.6 Classification of financial instrument between liability and equity

A financial instrument is classified as a liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

3.7 Current versus non-current classification

The Group presents financial statements based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the financial reporting period;
- Expected to be settled on demand; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting period.

All other assets are classified as noncurrent

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the financial reporting period;
- It is expected to be settled on demand; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting period

The Group classifies all other liabilities as noncurrent.

3.8 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Group at the respective functional currency rates prevailing at the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statements of comprehensive income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in OCI until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits applicable to exchange differences on these monetary items are also recorded in the OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the par value is determined.

3.9 Fair value measurements

The Group measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption

that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Executive Committee (ExeCom), its chief operating decision-maker. The ExeCom is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's main service lines as disclosed in Note 6, which represent the main services provided by the Group.

Each of these operating segments is managed separately as each of these service lines require different resources as well as marketing approaches. All intersegment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, Operating Segments, are the same as those used in its consolidated financial statements.

There have been no significant changes from prior periods in the measurement methods used to determine reported segment profit or loss.

3.11 Cash

Cash includes cash on hand and in banks which are measured at face value. Cash in banks earns interest at respective bank deposit rates

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.

3.12 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.

3.13 Real estate inventories

Real estate inventories consist of subdivision land, residential houses and lots for sale and development. These are properties acquired or being developed and constructed for sale in the ordinary course of business.

Inventories are carried at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated cost of completion, and estimated costs necessary to make sale.

Cost includes the costs incurred for acquisition cost, development and improvement of properties including borrowing costs.

When the NRV of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the statement of income.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

3.14 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.

Prepaid expenses and other current assets include input value-added tax (VAT), deferred input tax and prepaid taxes and licenses.

3.15 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.

3.16 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 years
Construction equipment	5 years
Transportation equipment	5 years
Furniture and fixture	5 years
Office equipment	3 years
Computer software	3 years
Construction tools	2 years

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 useful lives, and depreciation methods are reviewed periodically to ensure that the estimated, residual values, periods and methods of depreciation 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 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.

3.17 Impairment of non-financial assets

General

An assessment is made at each balance sheet date of whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the assets recoverable amount is calculated as the higher of the assets' value in use or net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but only to the extent of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is credit to current operations.

Property and equipment

The Group assesses at each financial reporting date whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amounts, the assets or cash generating units (CGU) are written down to their estimated recoverable amounts. The estimated recoverable amount of an asset is the greater of the fair value less cost to sell

and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal, while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the CGU to which the asset belongs. Impairment losses of continuing operations are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and depletion) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statements of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

3.18 Accounts and other payables

Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer); otherwise, they are presented as noncurrent liabilities.

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with supplier including amounts due to employees. It is necessary to estimate the amounts of accruals; however, the uncertainty is generally much less than for provision.

Government dues and remittances include withholding income taxes which represent taxes retained by the Group for an item of income required to be remitted to the Bureau of Internal Revenue (BIR). The obligation of the Group to deduct and withhold the taxes arises at the time the income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever comes first. The term "payable" refers to the date the obligation becomes due, demandable, or legally enforceable.

Accounts and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.19 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

3.21 Advances from related parties

These include receipts of resources, services or obligations to affiliates, regardless of whether a price is charged from the related parties. The amount is presented as current liability if payment is expected in one year or less, otherwise, they are presented as non-current liabilities.

3.22 Share capital

Share capital is measured at par value for all shares issued. When the shares are sold out at a premium, the difference between the proceeds and the par value is credited to the “Additional paid-in capital” account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Dividends on share capital, if any, are recognized as a liability and deducted from equity when declared and approved by BOD of the Group. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the financial reporting date and disclosed accordingly.

3.23 Retained earnings

Retained earnings represent the cumulative balance of periodic net income or losses of the Group, dividend distribution, 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. When retained earnings account has a debit balance, it is called “deficit”, and presented as a deduction from equity.

Dividends are recognized when they become legally payable. Dividend distribution to equity shareholders is recognized as liability in the Group’s financial statements in the period in which the dividends are declared and approved by the entity’s Board of Directors.

3.24 Revenue recognition

Revenue from contract with customers

The Group derives its real estate revenue from the sale of subdivision land and residential units. Revenue from contracts with customers is recognized 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 those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

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.

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.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contract with customers are disclosed in Note 4.

Real estate sales

The Group entered into reservation agreements with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate units covers subdivision land and residential house units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

The payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customers does not necessarily coincide with the progress of construction, which results in either installment contracts receivable or contract liability.

After the delivery of the completed real estate unit, the Group provides a one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the company as a quality assurance warranty and not treated as a separate performance obligation.

The performance obligations expected to be recognized within one year and more than one year relate to the continuous development of the real estate projects.

Income from forfeited reservations and collections

Income from forfeited reservations 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. Such income is also recognized, subject to the provisions of Republic Act 6552, Realty Installment Buyer Act, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Interest income

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

Other income

Other income is recognized in the consolidated statements of comprehensive income when earned.

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.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

The Group's contract fulfilment assets pertain to land acquisition costs.

3.25 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.

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.

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.

3.26 Employees benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by the employees. It includes short-term employee benefits and post-employment benefits.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Group's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition

and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefit, short-term employee benefits, or other long-term employee benefits.

Retirement benefits

The Group does not have a defined contribution plan or any formal retirement plan that covers the retirement benefits of its employees. However, under the existing regulatory framework, Republic Act No. 7641, otherwise known as the Philippine Retirement Pay Law, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining agreement and other agreements shall not be less than those provided under law. The law does not require minimum funding of the plan.

Republic Act No. 7641 relates to a defined benefit plan. A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group. The Group's defined benefit post-employment plan covers all regular full-time employees.

The liability recognized in the consolidated statement of financial position for defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the financial reporting period less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

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

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurement of net defined benefit liability or asset

Service cost which includes current service costs, past service costs and gains or losses on non-routine settlement are recognized as expense in the statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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

Past-service costs are recognized immediately in the consolidated income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

3.27 Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether the contract meets three key evaluations, which are whether:

- a) The contract contains an *identified asset*, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group,
- b) The Group has the *right to obtain substantially all of the economic benefits* from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,
- c) The Group has the *right to direct the use* of the identified asset throughout the period of use.

The Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use asset

At the initial application date, the Group recognizes a right-of-use asset on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

(b) Lease liability

At the initial application date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.28 Income taxes

Current taxes

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of Minimum Corporate Income Tax (MCIT) over the regular income tax and unused Net Operating Loss Carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits from excess MCIT and unused NOLCO can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither the accounting profit nor taxable profit (or loss).
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same

taxation authority on either the same taxable entity or different taxable entities which intend to either settle the liabilities simultaneously.

3.29 Value Added Taxes (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT, except:

1. Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
2. Receivables and payables that are stated with the amount of VAT included.

For sale of real estates including house and lots and other residential dwellings with a selling price of not more than ₱3,600,000, a tax exemption applies.

Output tax pertains to the 12% VAT received or receivable on the local sale of goods or services by the Group. Input tax pertains to the 12% VAT paid or payable by the Group in the course of its trade or business on purchase of goods or services. At the end of each taxable period, if output tax exceeds input tax, the outstanding balance is paid to the taxation authority. If input tax exceeds output tax, the excess shall be carried over to the succeeding months.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of 'prepayments and other current assets' or 'accounts and other payables' in the consolidated statements of financial position.

3.30 Related party transactions and relationship

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

An entity is related to the Group if any of the following conditions apply:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
- Both entities are joint ventures of the same third party
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity
- The entity is a post-employment benefit plan for the benefit of employees of either the company of an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group
- The entity is controlled or jointly controlled by a person identified above
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner, and dependents of that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Group. Transactions between related parties are based on terms similar to those offered to non-related entities in an economically comparable market, except for non-interest-bearing advances with no definite repayment terms.

3.31 Provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of obligation. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and where, appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense' in the statement of income.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

3.32 Earnings per share (EPS) attributable to equity holders

Basic EPS is calculated by dividing the profit attributable to the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding and assume conversion of all dilutive potential ordinary shares.

If the number of ordinary or potential shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted EPS for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Group has no dilutive potential common shares outstanding.

3.33 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes when material to the consolidated financial statements.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with PFRS requires the Group's management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, assumptions and judgments are reviewed and evaluated on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Judgments

1. Going concern

As of and for the period ended September 30, 2025 and 2024, and As of December 31, 2024, the Group's primary objective is to ensure its ability to continue as a going concern and that it maintains the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2. Determination of functional currency

The consolidated financial statements are presented in the Philippine Peso, which is also the Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

3. Fair value measurements

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

4. Classification of financial instruments

The Group manages its financial assets based on business models that maintain an adequate liquidity level and preserve capital requirements, while maintaining a strategic portfolio of financial assets for accrual and trading activities consistent with its risk appetite.

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial instrument, or a portfolio of financial instruments, belong to taking into consideration the objectives of each business model established by the Group.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

5. Assessing significant influence and control over investee

The Group determines that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Group's voting rights and potential voting rights.

Management has assessed the level of influence the Parent Company has on Tradition Homes, Inc. (formerly known as Tradition Homes Project Managers, Inc.) and Lifestyle Development Corporation and determines that it has control by virtue of the Parent Company holding 100% voting power over both companies.

6. *Identification of the contract*

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contracts to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with customer under PFRS 15.

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

7. *Measure of progress*

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development (which include customized uninstalled materials) to the customers. The Group determined that in the case of customized materials, the Group is not just providing a simple procurement service to the customer as it is significantly involved in the design and details of the manufacture of the materials.

8. *Determining transaction price of sale of real estate*

The Group determines whether a contract contains a significant financing component using portfolio approach by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate. The Group applied practical expedient by not adjusting the effect of financing component when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group determined that its transaction price on sale of real estate recognized over time do not include a significant financing component.

9. *Determining performance obligation*

With respect to equity sale of real properties, the Group concluded that the transfer of goods and services in each contract constitute a performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct in the context contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output.

10. *Determining the timing of satisfaction of the performance obligation*

The Group concluded that revenue from contracts with customers is to be recognized at a point in time since it does not fall within any of the following conditions to be met for recognition over a period of time:

- The customer receives and consumes the benefits of the goods or services as they are provided by the Group;
- The Group's performance does not create an asset with an alternative use and;

- The goods or services create or enhances an asset that the customer controls as that asset is created and enhanced.

The promised property is specifically identified in the contract and the contract has a restriction on the Group for redirecting the use of the property for other purposes. In addition, the customer is contractually obliged to make payments to the developer up to the end of contract terms.

11. Determination whether an arrangement contains a lease

The determination of whether a contract is, or contains a lease, is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

12. Accounting for lease commitments – Group as lessee

The Group has a lease agreement for its office space with a term of 12 months and is renewable upon mutual agreement of both parties. The Group availed of exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Rent expense arising from operating lease agreements amounted to ₦2,137,535, ₦4,241,799 and ₦1,020,534 in September 30, 2025 and 2024, and December 31, 2024, respectively. (see Note 30)

13. Repairs and maintenance

Costs of repairs and maintenance that do not result in an increase in the future economic benefit of an item of property and equipment is charged to operations in the period it is incurred. Otherwise, it is capitalized as part of the asset.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

Fair values of financial instruments

PFRS requires that financial assets and financial liabilities be carried or disclosed at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, and volatility rates), the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any change in the fair values of financial assets and financial liabilities directly affects profit or loss, equity, and the required disclosures.

Where the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair values are determined using valuation techniques that are generally-accepted market valuations including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. The fair values of consolidated financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 9 to the consolidated financial statements.

Revenue recognition method

The Group concluded that revenue from sale of real estate is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The cost to obtain contract (e.g. commission) is determined using the percentage of completion.

Revenue from sale of real estate amounted to ₦1,201,062,150, ₦1,190,558,654 and ₦1,401,027,854 for the period ended September 30, 2025 and 2024, and December 31, 2024, respectively, while the cost of real estate sold amounted to ₦660,418,895, ₦646,276,084 and ₦772,604,842 for the years ended September 30, 2025 and 2024, and December 31, 2024, respectively. (see Note 25 and 27)

Definition of default and credit-impaired installment contracts receivable

The Group defines the account as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria

The customer meets unlikelihood to pay criteria, which indicates the customer is in significant financial difficulty.

These are instances where:

1. The customer is experiencing financial difficulty or is insolvent;
2. The customer is in breach of financial covenant(s);
3. An active market for that financial asset has disappeared because of financial difficulties;
4. Concessions have been granted by the Company, for economic or contractual reasons relating to the customer's financial difficulty;
5. It is becoming probable that the customer will enter bankruptcy or other financial reorganization.

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (ED) throughout the Company's expected loss calculation.

Allowance for expected credit losses of receivables

The Group reviews its impaired receivables at each reporting date to assess whether an additional provision for credit losses should be recorded in the profit and loss. In, particular, judgment by Management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about number of factors and actual results may differ, resulting in future changes to the allowance.

The carrying value of receivables amounted to ₦1,195,249,786, ₦707,350,393, and ₦772,916,855 as of September 30, 2025 and 2024, and December 2024, respectively. (Note 11)

In case of default, dunning letters are to be sent to the customers indicating the overdue accounts. The following actions should be carried out depending if the default payments pertain to equity of amortization.

Equity

1. 1st Equity Default – Issue Forfeiture Letter with Statement of Account (SOA)

2. 2nd Equity Onwards – Issue the 1st Demand Letter with Statement of Account (SOA), call and/or text the customer. If still no payment within five (5) days from receipt of the 1st demand letter, a Final Demand to Pay with the Statement of Account (SOA) will be issued with corresponding call and/or text to the customer. If within sixty (60) days from receipt of the 2nd Demand Letter, no payment has been made, the Group will issue a notarized Notice of cancellation (NOC). After thirty (30) days from receipt of NOC, no payment received from the customer, the unit shall be reopen for resale.

Amortization

1. Customers with delayed payments
 - Issue the 1st Notice of Overdue Payment (NOP) with Statement of Account (SOA) with corresponding call or email to the customer.
 - If within five (5) days from receipt of 1st Notice of Overdue Payment (NOP), no payment has been made, the Group will issue Final Demand to Pay.
2. With payments for two (2) years or less
 - If no payment within sixty (60) days from receipt of Final Demand Letter, the Group will issue a notarized Notice of Cancellation (NOC). However, if the customer response to the NOC, Loan Restructuring will be offered, subject to the approval by the Management. If after thirty (30) days, no response from the customer, contract will be cancelled and open for resale.
3. With payments for more than two (2) years
 - If no payment within ninety (90) days from receipt of Final Demand Letter, the Group will issue a notarized Notice of Cancellation (NOC) and the unit will be re-opened for sale.

Allowance for credit losses was recognized as of September 30, 2025, and nil for both September 2024, and December 31, 2024. Neither write-off nor recoveries were also recognized as of September 30, 2025 and 2024, and December 31, 2024. (Note 11)

Evaluation of net realizable value of real estate inventories

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. For real estate inventories, the Group adjusts the cost of its real estate inventories to its net realizable value based on its assessments of the recoverability of the real estate inventories. In determining the recoverability of the inventories considers whether those inventories are damaged or if their selling process have declined.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Inventories carried at cost amounted to ₦3,630,014,080, ₦2,825,689,799 and ₦2,948,626,556 as of September 30, 2025 and 2024, and December 31, 2024, respectively (Note 13). No impairments were assessed for the inventories as of September 30, 2025 and 2024 and December 31, 2024, respectively.

Estimating residual values, and useful lives of property and equipment

The Group estimates residual values and useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical

evaluation and experience with similar assets. It is possible, however, that the future results of operations could be materially affected by changes in estimates brought by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded expenses and decrease non-current assets.

The carrying amounts of property and equipment amounted to ₦1,072,100,341, ₦1,064,138,481, and ₦1,075,445,189 as of September 30, 2025 and 2024, and December 2024, respectively (see Note 14). Useful lives of property and equipment is disclosed in Note 3.16.

Estimating impairment losses on property and equipment

The Group assesses impairment on its property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review, include the following:

- a) Significant underperformance relative to expected historical or projected future operating results;
- b) Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) Significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from continued use of the assets, the Group is required to make estimates that can materially affect the financial statements.

The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing impairment, assets are assessed at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to statements of loss if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows. There was no provision for impairment loss on property and equipment recognized in September 30, 2025 and 2024 and December 31, 2024.

Estimating allowance for impairment losses on non-financial assets (except property and equipment)

The Group provides allowance for impairment losses on non-financial assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease related assets.

There was no indication of impairment noted on the Group's non-financial assets in September 30, 2025 and 2024, and December 31, 2024.

Realizable amount of deferred tax assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets amounted to ₦9,184,647, ₦12,339,516, and ₦9,509,404 as of September 30, 2025 and 2024, and December 2024, respectively. (Note 31)

4.3 Provision and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 3.31.

NOTE 5 – BUSINESS COMBINATION

On January 18, 2018, the Board of Directors of the Parent Company has approved the decision for the Parent Company to acquire 100% ownership and control of Tradition Homes, Inc. for an acquisition cost of ₡30,000,000. The capital stock exchange was made through conversion of Parent Company's Advances to Tradition Homes, Inc.

On May 26, 2021, the Board of Directors of the Parent Company has approved the decision for the Parent Company to acquire 100% ownership and control of Lifestyle Development Corporation (LDC) for an acquisition cost of ₡105,737,000. The acquisition of LDC during the year in the Business Combination will increase the assets by ₡853.5 million.

NOTE 6 – SEGMENT INFORMATION

The Group has only one business segment which is primarily involved in real estate. The Group operates in one geographic location only and therefore, no information on geographical segment is presented.

NOTE 7 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments are composed of cash, receivables 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.

7.1 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.

7.2 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, 2025 and 2024, and December 2024, only Tradition Homes, Inc. has re-priceable financial instruments subject to variable interest rates but there were 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.

7.3 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, 2025			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost:				
Cash in bank (Note 10)	₱ 102,952,213	₱ 102,952,213	₱ -	₱ -
Receivables (Note 11)	1,020,934,693	-	1,020,934,693	-
Contract assets (Note 12)	796,521,912	-	796,521,912	-
Refundable deposits (Note 16)	10,193,855	-	-	10,193,855
Total	₱ 1,930,602,673	₱ 102,952,213	₱ 1,817,456,605	₱ 10,193,855
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 17)	₱ 122,197,204	₱ -	₱ 122,197,204	₱ -
Contract liabilities (Note 18)	13,959,997	-	13,959,997	-
Loans and borrowings (Note 19)	2,480,749,774	-	-	2,480,749,774
Advances from related parties (Note 21)	168,159,120	-	-	168,159,120
Total	₱ 2,785,066,095	₱ -	₱ 136,157,201	₱ 2,648,908,894

**Excluding government liabilities.*

	September 30, 2024			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost:				
Cash in bank (Note 10)	₱ 73,912,797	₱ 73,912,797	₱ -	₱ -
Receivables (Note 11)	638,871,981	-	638,871,981	-
Contract assets (Note 12)	1,054,806,372	-	1,054,806,372	-
Refundable deposits (Note 16)	11,483,586	-	-	11,483,586
Total	₱ 1,779,074,736	₱ 73,912,797	₱ 1,693,678,353	₱ 11,483,586
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 17)	₱ 277,003,367	₱ -	₱ 277,003,367	₱ -

Contract liabilities (Note 18)	42,824,132	-	42,824,132	-
Loans and borrowings (Note 19)	1,553,204,987	-	-	1,553,204,987
Advances from related parties (Note 21)	174,425,348	-	-	174,425,348
Total	2,047,457,834	¶ -	¶ 319,827,499	¶ 1,727,630,335

**Excluding government liabilities.*

	December 31, 2024			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost:				
Cash in bank (Note 10)	¶ 243,656,548	¶ 243,656,548	¶ -	¶ -
Receivables (Note 11)	690,989,584	-	690,989,584	-
Contract assets (Note 12)	827,156,013		827,156,031	-
Refundable deposits (Note 16)	10,204,135	-	-	10,204,135
Total	¶ 1,772,006,280	¶ 243,656,548	¶ 1,518,145,615	¶ 10,204,135
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 17)	¶ 183,986,719	¶ -	¶ 183,986,719	¶ -
Contract liabilities (Note 18)	38,015,175	-	38,015,175	-
Loans and borrowings (Note 19)	1,756,838,622	-	-	1,756,838,622
Advances from related parties (Note 21)	173,928,719	-	-	173,928,719
Total	¶ 2,152,769,235	¶ -	¶ 222,001,894	¶ 1,930,767,341

**Excluding government liabilities.*

7.4 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, 2025, and 2024, December 31, 2024, 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, 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 (Note 10)	¶ 102,952,213	¶ -	¶ -	¶ -	¶ 102,952,213
Receivables (Note 11)	1,019,652,128	-	-	1,282,565	1,020,934,693
Contract assets (Note 12)	796,521,912	-	-	-	796,521,912
Refundable deposits (Note 16)	10,193,855	-	-	-	10,193,855
Total	¶ 1,929,320,108	¶ -	¶ -	¶ 1,282,565	¶ 1,930,602,673

As at September 30, 2024						
	Neither past due nor impaired		Past due but not impaired	Impaired		Total
	High Grade	Standard Grade				
Financial assets at amortized cost:						
Cash in bank (Note 10)	₽ 73,912,797	₽ -	₽ -	₽ -	₽ -	₽ 73,912,797
Receivables (Note 11)	638,871,981	-	-	-	-	638,871,981
Contract assets (Note 12)	1,054,806,372					1,054,806,372
Refundable deposits (Note 16)	11,483,586	-	-	-	-	11,483,586
Total	₽ 1,779,074,736	₽ -	₽ -	₽ -	₽ -	₽ 1,779,074,736
As at December 31, 2024						
	Neither past due nor impaired		Past due but not impaired	Impaired		Total
	High Grade	Standard Grade				
Financial assets at amortized cost:						
Cash in bank (Note 10)	₽ 243,656,548	₽ -	₽ -	₽ -	₽ -	₽ 243,656,548
Receivables (Note 11)	690,989,584	-	-	-	-	690,989,584
Contract assets (Note 12)	827,156,013					827,156,013
Refundable deposits (Note 16)	10,204,135	-	-	-	-	10,204,135
Total	₽ 1,772,006,280	₽ -	₽ -	₽ -	₽ -	₽ 1,772,006,280

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.

Aging Schedules of Receivables

As of September 30, 2025, aging of receivables consist of the following:

	Total	Neither past due nor impaired	1-30 days	31-60 days	61-90 days	Over 90 days
Current	₽ 1,818,739,169	₽ 1,815,576,978	₽ 1,552,926	₽ 344,362	₽ 221,102	₽ 1,043,802
Noncurrent	₽ 121,760,968	₽ 121,760,968	-	-	-	-
Receivables	₽ 1,940,500,137	₽ 1,937,337,946	₽ 1,552,926	₽ 344,362	₽ 221,102	₽ 1,043,802

As of September 30, 2024, aging of receivables consist of the following:

	Total	Neither past due nor impaired	1-30 days	31-60 days	61-90 days	Over 90 days
Current	₽ 1,693,678,353	₽ 1,693,678,353	- ₽	- ₽	- ₽	- ₽
Noncurrent	<u>91,937,295</u>	<u>91,937,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receivables	₽ 1,785,615,648	₽ 1,785,615,648	- ₽	- ₽	- ₽	- ₽

As of December 31, 2024, aging of receivables consist of the following:

	Total	Neither past due nor impaired	1-30 days	31-60 days	61-90 days	Over 90 days
Current	₽ 1,518,145,597	₽ 1,518,145,597	- ₽	- ₽	- ₽	- ₽
Noncurrent	<u>90,279,658</u>	<u>90,279,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receivables	₽ 1,608,425,255	₽ 1,608,425,255	- ₽	- ₽	- ₽	- ₽

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.

	September 31, 2025	September 31, 2024	December 31, 2024
Financial assets at amortized cost:			
Cash in bank (Note 10)	₽ 102,952,213	₽ 73,912,797	₽ 243,656,548
Receivables (Note 11)	₽ 1,020,934,693	₽ 638,871,981	₽ 690,989,584
Contract assets (Note 12)	₽ 796,521,912	₽ 1,054,806,372	₽ 827,156,013
Refundable deposits (Note 16)	<u>₽ 10,193,855</u>	<u>₽ 11,483,586</u>	<u>₽ 10,204,135</u>
Total	<u>₽ 1,930,602,673</u>	<u>₽ 1,779,074,736</u>	<u>₽ 1,772,006,280</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.

NOTE 8 – CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debt, return capital to shareholders or issue new shares.

The Group considers its equity and loans and borrowings as capital.

The Group monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

	September 30, 2025	September 30, 2024	December 31, 2024
Total liabilities	2,831,749,164	2,048,309,277	2,178,893,499
Total equity	4,120,505,350	3,814,872,815	3,817,847,838
Debt-to-equity ratio	0.69:1	0.54:1	0.57:1

There were no changes in the Group's approach to capital management during the year.

NOTE 9 – FAIR VALUE MEASUREMENT

9.1 Carrying amounts and fair values by category

The table below presents a comparison by category of carrying amounts and fair values of the Group's financial instruments for the year September 30, 2025 and 2024 and December 31, 2024:

	September 30, 2025		September 30, 2024		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortized cost:						
Cash in bank (Note 10)	₽ 102,952,213	₽ 102,952,213	₽ 73,912,797	₽ 73,912,797	₽ 243,656,548	₽ 243,656,548
Receivables (Note 11)	₽ 1,020,934,693	₽ 1,020,934,693	638,871,981	638,871,981	690,989,584	690,989,584
Contract assets (Note 12)	796,521,912	796,521,912	1,054,806,372	1,054,806,372	827,156,013	827,156,013
Refundable deposits (Note 16)	10,193,855	10,193,855	11,483,586	11,483,586	10,204,135	10,204,135
Total	₽ 1,930,602,673	₽ 1,930,602,673	₽ 1,779,074,736	₽ 1,779,074,736	₽ 1,772,006,280	₽ 1,772,006,280
Financial liabilities at amortized cost:						
Accounts and other payables* (Note 17)	₽ 122,197,204	₽ 122,197,204	₽ 277,003,367	₽ 277,003,367	₽ 183,986,719	₽ 183,986,719
Contract liabilities (Note 18)	13,959,997	13,959,997	42,824,132	42,824,132	38,015,175	38,015,175
Loans and borrowings (Note 19)	2,480,749,774	2,480,749,774	1,553,204,987	1,553,204,987	1,756,838,622	1,756,838,622
Advances from related parties (Note 21)	168,159,120	168,159,120	174,425,348	174,425,348	173,928,719	173,928,719
Total	₽ 2,785,066,095	₽ 2,785,066,095	₽ 2,047,457,834	₽ 2,047,457,834	₽ 2,152,769,235	₽ 2,152,769,235

*Excluding government liabilities.

Cash in bank, Receivables, Refundable deposits, Accounts and other payables (excluding government liabilities), and Loans and borrowings. The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments.

Advances to (from) Related Parties. The carrying amounts of these related party transactions approximate their fair values.

9.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy Group's financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

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

The following table summarizes the fair value hierarchy of the Group's financial assets and liabilities, which are measured at fair value or require disclosure as prescribed by other PFRS, as of September 30, 2025 and 2024 and December 31, 2024:

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in bank (Note 10)	P 102,952,213	P -	P -	P 102,952,213
Receivables (Note 11)	P -	P -	P 1,020,934,693	P 1,020,934,693
Contract assets (Note 12)	P -	P -	P 796,521,912	P 796,521,912
Refundable deposits (Note 16)	P -	P -	P 10,193,855	P 10,193,855
Total	P 102,952,213	P -	P 1,827,650,460	P 1,930,602,673
Financial liabilities at amortized cost				
Accounts and other payables*(Note 17)	P -	P -	P 122,197,204	P 122,197,204
Contract liabilities (Note 18)	P -	P -	P 13,959,997	P 13,959,997
Loans and borrowings (Note 19)	P 2,480,749,773	P -	P -	P 2,480,749,774
Advances from related parties (Note 21)	P -	P -	P 168,256,025	P 168,159,120
Total	P 2,480,749,773	P -	P 04,413,226	P 2,785,066,095

**Excluding government liabilities.*

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in bank (Note 10)	P 73,912,797	P -	P -	P 73,912,797
Receivables (Note 11)	P -	P -	P 638,871,981	P 638,871,981
Contract assets (Note 12)	P -	P -	P 1,054,806,372	P 1,054,806,372
Refundable deposits (Note 16)	P -	P -	P 11,483,586	P 11,483,586
Total	P 73,912,797	P -	P 1,705,161,939	P 1,779,074,736
Financial liabilities at amortized cost				
Accounts and other payables* (Note 17)	P -	P -	P 277,003,367	P 277,003,367
Contract liabilities (Note 18)	P -	P -	P 42,824,132	P 42,824,132
Loans and borrowings (Note 19)	P 1,553,204,987	P -	P -	P 1,553,204,987
Advances from related parties (Note 21)	P -	P -	P 174,425,348	P 174,425,348
Total	P 1,553,204,987	P -	P 494,252,847	P 2,047,457,834

**Excluding government liabilities.*

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in bank (Note 10)	₽ 243,656,548	₽ -	₽ -	₽ 243,656,548
Receivables (Note 11)	-	-	690,989,584	690,989,584
Contract assets (Note 12)	-	-	827,156,013	827,156,013
Refundable deposits (Note 16)	-	-	10,204,135	10,204,135
Total	₽ 243,656,548	₽ -	₽ 1,528,349,732	₽ 1,772,006,280
Financial liabilities at amortized cost				
Accounts and other payables* (Note 17)	₽ -	₽ -	₽ 183,986,719	₽ 183,986,719
Contract liabilities (18)	-	-	38,015,175	38,015,175
Loans and borrowings (Note 19)	1,756,838,622	-	-	1,756,838,622
Advances from related parties (Note 21)	-	-	173,928,719	173,928,719
Total	₽ 1,756,838,622	₽ -	₽ 395,930,613	₽ 2,152,769,235

*Excluding government liabilities.

As of September 30, 2025 and 2024, and December 31, 2024, there are no financial assets or financial liabilities measured at fair value. There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2025 and 2024.

Financial instruments not measured at fair value for which fair value is disclosed

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

NOTE 10 – CASH

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Petty cash fund	₽ 1,051,000	₽ 715,000	₽ 721,000
Cash in banks	₽ 102,952,213	₽ 73,912,797	₽ 243,656,548
Total	₽ 104,003,213	₽ 74,627,797	₽ 244,377,548

Cash in bank earns interest at the respective bank deposit rates. Interest income from bank deposits amounted to ₪31,890 and ₪41,511 and ₪65,047 for the period ended September 30, 2025 and 2024 and December 2024, respectively (Note 26).

NOTE 11 – RECEIVABLES – NET

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 2025	September 2024	December 2024
Receivables from customers	₽ 1,022,126,600	₽ 638,871,981	₽ 690,989,584
Receivables at amortized cost from:			
Contractors	38,807,693	8,379,969	11,033,388
Officers and employees	13,266,361	2,276,110	7,721,999
Buyer	6,323,171	5,139,929	5,747,489

Broker	4,939,779	4,054,779	4,509,779
Suppliers	1,492,073	5,074,469	2,097,893
Others	<u>109,486,016</u>	<u>43,553,156</u>	<u>50,816,723</u>
Gross receivables	1,196,441,693	707,350,393	772,916,855
Less: Allowance for expected credit losses	1,191,907	-	-
Net	1,195,249,786	707,350,393	772,916,855

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 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 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 typically has contractual rights, which may include the right to charge penalties, interest of overdue amounts, or, as a last resort, to cancel the contract and potentially repossess the property. Given the current market conditions of the real estate sales, finding another interested buyer is manageable.

Movements in the allowance for ECL are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Beginning balance	₱ -	₱ -	₱ -
Addition	1,191,970	-	-
Reversal	-	-	-
Recovery	-	-	-
Ending balance	1,191,970	₱ -	₱ -

NOTE 12 – CONTRACT ASSETS – CURRENT PORTION

As of September 30, 2025 and 2024 and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Contract asset	₱ 918,373,537	₱ 1,146,743,667	₱ 917,435,671
Less: Contract assets – non-current portion	121,760,968	91,937,295	90,279,658
Less: Allowance for expected credit losses	90,657	-	-
Total	₱ 796,521,912	₱ 1,054,806,372	₱ 827,156,013

Contract Assets – Real Estate

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.

Movements in the allowance for ECL are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Beginning balance	₱ -	₱ -	₱ -
Addition	90,657	-	-
Reversal	-	-	-
Recovery	-	-	-
Ending balance	₱ 90,657	₱ -	₱ -

NOTE 13 – REAL ESTATE INVENTORIES

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Land for sale and development	₱ 3,188,941,643	₱ 2,590,416,992	₱ 2,487,714,684
Residential units and development	432,525,475	226,725,845	452,364,910
Model units	8,546,962	8,546,962	8,546,962
Total	₱ 3,630,014,080	₱ 2,825,689,799	₱ 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 September 30, 2025 and 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.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 637 and License to Sell No. 816 on August 15, 2022, for the sale of lots/units/lots with units of their housing project namely Celestis 2 with 58 lots and units located at Brgy. San Luis, Antipolo City, Rizal.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 445 for their housing project namely The Granary with an area of 104,661 sq.m on January 30, 2023 and License to Sell No. 1556 on July 21, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary (Phase 1) with 260 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 1682 on November 24, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 2 with 454 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 571 on June 7, 2024, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 3 with 456 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 571 on June 7, 2024, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 3 with 456 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 2981 and License to Sell No. 3465 for their housing project namely The Granary Extension with an area of 26,030 sq.m on July 9, 2025, for the sale of lots/units/ lots with units of their housing project with 288 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 3053 and License to Sell No. 3548 for their housing project namely The Hammond with an area of 14,932 sq.m on September 2, 2025, for the sale of lots/units/ lots with units of their housing project with 143 lots and units located at Brgy. San Jose, Antipolo City, Rizal.

The real estate inventories used as collateral or pledged as security to secure the borrowings of the Group are as follows:

A Real Estate Mortgage for the loan was registered as a collateral for the titles: TCT Nos. 163-2019001804, 163-2019001803 and 163-2023000429 located along Hinapao-Tacbac Road, Brgy. San Jose, Antipolo City, Rizal.

A Real Estate Mortgage for the loan was registered as a collateral for the title (or its subdivided titles): TCT No. 170-2023004067 covering 26,030 sqm named under the Company located within Brgy. San Antonio, Biñan City, Laguna.

A 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.

A Real Estate Mortgage for the loan was registered as a collateral with the following titles (Cluster B to D) located at Subdivision Road, St. Francis Subdivision XV, San Antonio, Biñan City, Laguna:

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

A Real Estate Mortgage for the loan was registered as a collateral for the titles: TCT No.: T-93608 and (060-T-94742) 170-0002896 with a lot area of 10,000 sqm and 6,486 sqm for the 1.65-hectares Amberwood Project located Biñan City, Laguna.

A Real Estate Mortgage for the loan was registered as a collateral for the titles: TCT Nos. 163-2019001804, 163-2019001803 and 163-2023000429 with a lot area of 16,041 sqm The Hammond Project located along Hinapao-Tacbac Road, Brgy. San Jose, Antipolo City, Rizal

NOTE 14 – PREPAYMENTS AND OTHER CURRENT ASSETS

As of September 30, 2025 and 2024 and December 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Deferred MCIT	₱ 720,336	₱ -	₱ 720,336
Prepaid rent	₱ 676,992	₱ 2,037,650	₱ 253,872
Prepaid taxes and licenses	₱ 405,049	₱ 966,854	₱ 499,187
Tax credit	₱ 26,644	₱ 750,336	₱ -
Prepaid insurance	₱ 26,690	₱ 153,274	₱ 64,614
Prepaid income tax	₱ -	₱ 3,414,661	₱ 5,176,380
Input VAT	₱ -	₱ -	₱ 264,745
Prepaid Interest	₱ -	₱ 656,095	₱ -
Others	₱ 732,633	₱ 3,421,983	₱ 424,547
Total	₱ 2,588,344	₱ 11,400,853	₱ 7,403,681

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.

NOTE 15 – PROPERTY AND EQUIPMENT - NET

As of September 30, 2025, the movement of the account as follows:

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	(167,211)	₱ 8,952,840
Construction equipment	₱ 51,323,180	₱ 5,969,100	₱ 57,292,280
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	₱ 13,287,604	₱ 1,145,301,150
Accumulated depreciation:			
Office improvement	₱ 3,409,121	₱ 27,194	₱ 3,436,315
Office equipment	6,101,640	(101,248)	6,000,392
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	199,164	603,422
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	₱ 16,706,506	₱ 73,200,809
Net book value	₱ 1,075,445,189		₱ 1,072,100,341

As of September 30, 2024, the movement of the account as follows:

Particulars	Beginning Balances	Additions/Provisions	Ending Balances
Cost:			
Land	₱ 1,005,141,700	₱ 11,749	₱ 1,005,153,450
Office improvement	3,375,886	181,287	3,557,173
Office equipment	6,985,712	181,448	7,167,160
Construction equipment	33,290,641	18,032,540	51,323,181
Transportation equipment	9,078,968	-	9,078,968
Furniture and fixture	962,561	89,685	1,052,246
Construction tools	20,473,886	5,124,231	25,598,118
Warehouse equipment	139,268	43,464	182,732
Temporary facilities	440,600	6,555,673	6,996,273
Leasehold improvement	-	3,020,906	3,020,906
Total Cost	₱ 1,079,889,222	₱ 33,240,983	₱ 1,113,130,207
Accumulated depreciation:			
Office improvement	₱ 3,372,915	₱ 27,142	₱ 3,400,057
Office equipment	4,576,735	(243,494)	4,333,241
Construction equipment	13,427,888	5,089,914	18,517,802
Transportation equipment	5,426,918	814,174	6,241,092
Furniture and fixture	214,034	137,233	351,267
Construction tools	6,169,305	9,178,427	15,347,732
Warehouse equipment	75,045	22,358	97,403
Temporary facilities	88,120	615,012	703,132
Right of use Asset	-	-	-
Total Accumulated Depreciation	₱ 33,350,960	₱ 15,640,766	₱ 48,991,726
Net book value	₱ 1,046,538,262		₱ 1,064,138,481

As of December 31, 2024, the movement of the account as follows:

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 Cost	₽ 1,079,889,222	₽ 52,124,324	₽ 1,132,013,546
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 Accumulated Depreciation	₽ 33,350,960	₽ 23,217,397	₽ 56,568,357
Net book value	₽ 1,046,538,262		₽ 1,075,445,189

The Group elected to use the cost model to account the property and equipment.

As of September 30, 2025, and 2024 and December 2024, there are no indication of any impairment loss on the carrying amount of property and equipment since its recoverable amount exceeds its carrying amount.

The amount of depreciation charged to general and administrative expenses for the years September 30, 2025 and 2024, and December 31, 2024 amounted to ₽10,672,651, ₽7,871,837 and ₽12,189,667, respectively (Note 28).

Certain properties were pledged or mortgaged as collateral to secure some of the Group's loans (see Note 17).

NOTE 16 – OTHER NON-CURRENT ASSETS

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Refundable deposits	₽ 10,193,855	₽ 11,483,586	₽ 10,204,135
Deferred tax assets (Note 31)	₽ 9,184,647	₽ 12,339,516	₽ 9,509,404
Security deposits	₽ 1,414,297	-	₽ 1,414,298
Other deposits	₽ 9,223,071	₽ 9,408,000	₽ 9,408,000
Total	₽ 30,015,870	₽ 33,231,102	₽ 30,535,837

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

Other deposits pertain to computer software that is still under implementation.

NOTE 17 – ACCOUNTS AND OTHER PAYABLES

As of September 30, 2025 and 2024 and December 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Trade payables	₽ 88,260,957	₽ 123,932,777	₽ 139,460,458
Accrued expenses	₽ 7,745,429	₽ 93,526,975	-
Government liabilities	₽ 6,768,774	₽ 4,654,501	₽ 3,389,203
Retention payable	₽ 49,191,628	₽ 30,939,957	₽ 37,109,687
Other liabilities	₽ 1,220,950	₽ 16,854,527	₽ 16,165,656
Total	₽ 153,187,738	₽ 269,908,737	₽ 196,125,004

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.

Accrued expenses

Accrued expenses pertain to various expenses incurred but not yet paid as of reporting date which includes electric and water billings, utilities expenses, and subscriptions. These are normally settled on the following months.

Government liabilities

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

Retention payable

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

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.

NOTE 18 – CONTRACT LIABILITIES

As of September 30, 2025 and 2024, and December 31, 2024, the account amounting to ₱13,959,997, ₱42,824,132 and ₱38,015,175, 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

NOTE 19 – LOANS AND BORROWINGS

Loan agreements with local banks. These loans were obtained to augment the Company's funding for its operations. The outstanding balances of the account are as follows:

As of September 31, 2025, the account consists of the following:

Lender	Interest Rate	Terms	Security	Balance
Current				
Financing (Individual and Corporation)	11.00% - 15.00%	1 year	Secured	₱ 236,000,000
China Banking Corporation	7.63%	3 months	Secured	48,663,398
China Banking Corporation	7.41%	5 years	Secured	21,666,667
China Banking Corporation - CTS	7.50%	5 years	Secured	7,855,405
China Banking Corporation	8.65%	10 years	Secured	2,032,057
Sterling Bank of Asia	10.50%	5 years	Secured	10,512,492
Sterling Bank of Asia - CTS	9.00% - 11.00%	5 years	Secured	34,904,826
Security Bank Corporation	8.00%	5 years	Secured	95,531,915
Security Bank Corporation - CTS	7.50%-8.00%	2 years	Secured	601,361,588
Asia United Bank	8.30%	3 years	Secured	14,632,988
Subtotal				₱ 1,073,161,335
Non-current				
Financing (Individual and Corporation)	11.00% - 15.00%	2 years	Secured	₱ 173,000,000
China Banking Corporation	7.41%	5 years	Secured	43,333,333
China Banking Corporation - CTS	7.50%	5 years	Secured	13,529,536

China Banking Corporation	8.65%	10 years	Secured	4,229,497
Sterling Bank of Asia	10.50%	5 years	Secured	25,770,353
Sterling Bank of Asia - CTS	9.00% - 11.00%	5 years	Secured	445,413,569
Security Bank Corporation	8.00%	5 years	Secured	659,219,858
Security Bank Corporation - CTS	8.00%	5 years	Secured	41,531,139
Asia United Bank (Car loans)	9.25%	5 years	Secured	1,561,153
Subtotal				₱ 1,407,588,439
Total				₱ 2,480,749,774

As of September 31, 2024, the account consists of the following:

Lending institution	Interest Rate	Terms	Security	Balance
Current				
China Banking Corporation	7.63%	3 months	Secured	₱ 1,422,236
China Banking Corporation - CTS	7.50%	5 years	Secured	50,858,211
Sterling Bank of Asia - CTS	9.0% - 11.0%	5 years	Secured	6,303,107
Bank of the Philippines	7.50%	10 years	Secured	10,000,000
Security Bank Corporation - CTS	8.00%	5 years	Secured	10,694,444
Arq Capital SME Finance, Inc.	12.00%	1 years	Secured	25,000,000
Subtotal				₱ 104,277,998
Non-current				
China Banking Corporation	7.41%	5 years	Secured	₱ 65,000,000
China Banking Corporation - CTS	7.50%	5 years	Secured	28,595,405
China Banking Corporation	8.65%	10 years	Secured	6,871,374
Sterling Bank of Asia	10.50%	5 years	Secured	45,000,000
Sterling Bank of Asia - CTS	9.0% - 11.0%	5 years	Secured	179,767,752
Security Bank Corporation	8.00%	5 years	Secured	403,755,910
Security Bank Corporation - CTS	8.00%	5 years	Secured	668,973,138
Asia United Bank	8.30%	3 years	Secured	30,208,105
Asia United Bank (Car loans)	9.25%	5 years	Secured	755,305
Subtotal				₱ 1,448,926,989
Total				₱ 1,553,204,987

As of December 31, 2024, the account consists of the following:

Lending institution	Interest Rate	Terms	Security	Balance
Current				
Financing (Individual and Corporation)	12.50%	1 year	Secured	₱ 142,900,000
China Banking Corporation	7.63%	3 months	Secured	48,663,398
China Banking Corporation	7.41%	5 years	Secured	5,416,667
China Banking Corporation	8.65%	10 years	Secured	2,032,123
China Banking Corporation - CTS	7.50%	10 years	Secured	7,368,702
Sterling Bank of Asia	10.50%	5 years	Secured	9,719,720
Sterling Bank of Asia	11.00%	5 years	Secured	13,685,864
Sterling Bank of Asia - CTS	9.0% - 11.0%	10 years	Secured	30,690,136
Security Bank Corporation	8.00%	5 years	Secured	73,125,000
Security Bank Corporation	8.00%	4 years	Secured	49,326,241
Sterling Bank of Asia - CTS	9.0% - 11.0%	10 years	Secured	399,601,030
Asia United Bank (Car loan)	9.25%	5 years	Secured	171,657
Subtotal				₱ 782,700,538
Non-current				
Financing (Individual and Corporation)	12.50%	2 years	Secured	₱ 35,000,000
China Banking Corporation	7.41%	5 years	Secured	59,583,333
China Banking Corporation	8.65%	10 years	Secured	5,922,812
China Banking Corporation - CTS	7.50%	10 years	Secured	21,402,384

Sterling Bank of Asia	10.50%	5 years	Secured	33,756,840
Sterling Bank of Asia	11.00%	5 years	Secured	51,314,136
Sterling Bank of Asia - CTS	9.0% - 11.0%	10 years	Secured	414,167,850
Security Bank Corporation	8.00%	5 years	Secured	163,125,000
Security Bank Corporation	8.00%	4 years	Secured	110,035,461
Security Bank Corporation - CTS	8.00%	4 years	Secured	50,033,516.00
Asia United Bank	8.30%	3 years	Secured	29,253,602.00
Asia United Bank (Car loans)	9.25%	5 years	Secured	543,150.00
Subtotal				₱ 974,138,084
Total				₱ 1,756,838,622

Bridge Loan – Financing and Individual Corporation

The Company availed a financing loan from various individuals and corporations to be used exclusively to partially finance its land acquisition activities, with details as follows:

The Group borrowed a loan total of ₱70,000,000 with a term of two (2) years with an interest rate of 12.50% and (3) years with an interest rate of 15%. The drawdown was made on October 17, 2024 and August 05, 2025 amounting to ₱35,000,000 and ₱35,000,000 respectively. 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, equivalent to a total of 126,000,000 shares.

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 unsecured.

The Group borrowed a loan total of ₱128,000,000 with a term of one (1) to two (2) years with an interest rate of 12.0% to 12.50% and (3) years with an interest rate of 15%. The drawdown was made on October 28, 2024, November 08, 2024, December 19, 2024, April 04, 2025, April 11, 2025, May 14, 2025 and August 01, 2025 amounting to ₱20,000,000, ₱8,000,000, ₱20,000,000, ₱30,000,000, ₱10,000,000, ₱10,000,000 and ₱30,000,000 respectively. 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, equivalent to a total of 160,000,000 shares.

The Group borrowed a loan total of ₱181,000,000 from Atram Trust Corporation with a term of one (1) to two (2) years with an interest rate of 11%. The drawdown was made on May 20, 2025, May 29, 2025, July 10, 2025, and August 22, 2025 amounting to ₱90,000,000, ₱10,000,000, ₱21,000,000 and ₱60,000,000 respectively. The loan is secured by 108,600 sqm., property located in 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 Parent Company obtained a straight loan from China Bank amounting to ₱35,000,000 and ₱15,000,000 with maturity due at December 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 Parent Company with Sterling Bank of Asia:

Term Loan

On October 26, 2023, the Parent 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 Parent Company.

Contract-to-Sell (CTS) Financing Line

On March 12, 2019, the Parent 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 Parent 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 – Calendula. 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 – Term Loan

On December 22, 2024, the Parent Company obtained another 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 Parent 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 Parent 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-543746, 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 Parent 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.

Security Bank Corporation - Contract to Sell Credit Facility

On June 19, 2024, the Parent 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.

Finance costs arising from these loans amounted to ₱119,393,835, ₱89,701,072 and ₱119,940,555 for the years ended September 30, 2025 and 2024 and December 31, 2024, respectively.

In September 30, 2025 and 2024 and December 31, 2024, the borrowing cost capitalized in the real estate projects amounted to ₱109,142,831, ₱76,898,773 and 104,983,506 respectively. The capitalization rate used to determine the amount of borrowing cost eligible for capitalization is ranging to 5% to 20%.

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

NOTE 20 – DEFINED BENEFIT OBLIGATION

The Group does not maintain a 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.

The obligation status and amounts recognized under retirement obligation account in the consolidated statements of financial position for the retirement plan as of September 30, 2025 and 2024 and December 31, 2024 are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Present value of benefit obligation	₱ 12,703,551	₱ 7,094,630	₱ 12,703,551
Fair value of plan assets	–	–	–
Deficit	12,703,551	7,094,630	12,703,551
Effect of asset ceiling	–	–	–
Liability to be recognized	₱ 12,703,551	₱ 7,094,630	₱ 12,703,551

Net plan costs for the year are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Current service cost	₱ 2,412,820	₱ 1,086,485	₱ 2,412,820
Net interest cost	431,833	1,051,006	431,833
Benefits paid	–	(393,102)	–
Net plan cost to be recognized on profit or loss	2,844,653	1,744,389	2,844,653
Actuarial (gain) loss	738,392	(2,030,949)	738,392
Changes in the effect of asset ceiling	–	–	–
Re-measurement on plan assets	–	–	–
Total (gain) loss to be recognized on other comprehensive income	738,392	(2,030,949)	738,392
Net plan cost (gain) to be recognized on total comprehensive income	₱ 3,583,045	₱ (286,560)	₱ 3,583,045

Changes in the present value of the defined benefit obligation are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
At beginning of the year	₱ 7,094,630	₱ 15,396,582	₱ 7,094,630
Interest cost	431,833	1,051,006	431,833
Current service cost	2,412,802	1,162,485	2,412,802

Benefits paid	-	(-76,000)	-
Actuarial gain	-	-	2,764,286
At end of the year	₱ <u>9,939,265</u>	₱ <u>17,534,073</u>	₱ <u>12,703,551</u>

Changes in the fair value of plan assets are as follows:

Particulars	September 30, 2025	September 31, 2024	December 31, 2024
At beginning of the year	₱ -	₱ -	₱ -
Interest	-	-	-
Contributions	-	-	-
Benefits paid	-	-	-
Re-measurement on plan asset	-	-	-
At end of the year	₱ -	₱ -	₱ -

The principal assumptions used in determining retirement benefits are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Discount rate	6.08%	6.05%	6.08%
Salary increase rate	6.00%	6.00%	6.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average working life expectancy of an individual retiring at the age of 60 is 20 years of both male and female.

NOTE 21 – 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.

As of September 30, 2025, significant transactions with related parties are as follows:

Particulars	Transaction	Balance	Nature	Terms and Conditions
Advances from related party			Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Stockholders	₱ <u>(6,266,229)</u>	₱ <u>168,159,119</u>		

As of September 30, 2024, significant transactions with related parties are as follows:

Particulars	Transaction	Balance	Nature	Terms and Conditions
Advances from related party			Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Stockholders	₱ <u>(47,634,470)</u>	₱ <u>174,425,3489</u>		

As of December 31, 2024, significant transactions with related parties are as follows:

Particulars	Transaction	Balance	Nature	Terms and Conditions
Advances from related party				

Stockholders	₱ <u>(3,870,146)</u>	₱ <u>173,928,719</u>	Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
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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.

Compensation of Key Management Personnel

Key management compensation for the period ended September 30, 2025 and 2024, and December 2024 amounted to ₱45,160,766, ₱64,496,832 and ₱43,750,881, respectively.

NOTE 22 – SHARE CAPITAL

As of September 30, 2025 and 2024 and December 2024, the account consists of:

Particulars	September 30, 2025		September 30, 2024		December 31, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorized at ₱1.00 par value per share:						
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>	<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>	<u>2,000,000,000</u>	₱ <u>2,000,000,000</u>

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 Company completed its IPO and was listed in the PSE under the stock symbol "HTI".

NOTE 23 – SHARE PREMIUM

As of September 30, 2025 and 2024 and December 31, 2024, the movement of additional paid-in capital are as follows:

	September 30, 2025	September 30, 2024	December 31, 2024
At January 1	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>
Share premium on common shares: issued			
Gross proceeds	-	-	-
Less: Directly attributable issuance costs	-	-	-
Par value of issued shares	-	-	-
Subtotal	<u>218,849,628</u>	<u>218,849,628</u>	<u>218,849,628</u>
End	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>

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

NOTE 24 – RETAINED EARNINGS

As of September 30, 2025 and 2024 and December 31, 2024, the account consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Retained earnings, beginning	₱ 1,087,987,235	₱ 771,173,738	₱ 1,071,712,088
Dividend paid	-	-	(50,000,000)
Net income for the year	302,657,512	311,074,188	66,275,147
Retained earnings, ending	₱ 1,390,644,747	₱ 1,082,247,926	₱ 1,087,987,235

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

The Group Board of Directors approved and declared a cash dividend on October 9, 2024 in the total amount of ₱50,000,000 equivalent to ₱0.02 per share. The cash dividend was taken from the unrestricted retained earnings of the Corporation as of December 31, 2023 as was made available to all stockholders of record as of November 8, 2024, and was paid on December 2, 2024.

The Group Board of Directors approved and declared a cash dividend on October 14, 2025 in the total amount of ₱75,000,000 equivalent to ₱0.03 per share. The cash dividend was taken from the unrestricted retained earnings of the Corporation as of December 31, 2024 as was made available to all stockholders of record as of November 17, 2025, and was paid on December 10, 2025.

NOTE 25 – REAL ESTATE SALES

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of residential house and lot amounting to ₱1,201,062,150, ₱1,190,558,654 and ₱1,401,027,854, respectively.

NOTE 26 – OTHER OPERATING INCOME

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Interest - in house financing	₱ 7,379,052	₱ 7,281,377	₱ 10,716,075
Forfeiture	290,000	240,000	510,000
Miscellaneous	1,109,753	876,044	1,264,933
Total	₱ 8,778,805	₱ 8,397,421	₱ 12,491,008

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

NOTE 27 – COST OF REAL ESTATE SALES

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Construction cost	₱ 425,894,452	₱ 412,301,842	₱ 536,364,761
Land cost development	204,099,591	187,875,147	202,192,693
Other cost	30,424,852	46,099,095	34,047,388
Total	₱ 660,418,895	₱ 646,276,084	₱ 772,604,842

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

NOTE 28 – FINANCE COST - NET

For the periods ended September 30, 2025 and 2024 and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Interest income – bank	₱ <u>31,890</u>	₱ <u>41,511</u>	₱ <u>65,047</u>
Interest expense - loans	(12,260,401)	(22,168,425)	(30,951,948)
Interest expense – retirement benefit (Note 18)	-	-	(431,833)
Interest expense – right of use	-	-	(152,480)
Subtotal	<u>(12,260,401)</u>	<u>(22,168,425)</u>	<u>(31,536,261)</u>
Net	₱ <u>(12,228,511)</u>	₱ <u>(22,126,914)</u>	₱ <u>(31,471,214)</u>

NOTE 29 – SELLING EXPENSES

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Commissions	₱ <u>57,474,618</u>	₱ <u>93,367,891</u>	₱ <u>44,168,587</u>
Advertising and promotion	₱ <u>5,987,874</u>	₱ <u>6,361,868</u>	₱ <u>21,106,282</u>
Total	₱ <u>63,462,492</u>	₱ <u>99,729,759</u>	₱ <u>65,274,869</u>

NOTE 30 – GENERAL AND ADMINISTRATIVE EXPENSES

For the periods ended September 30, 2025 and 2024 and December 31, 2024, the account consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Salaries, wages and allowances	₱ <u>97,287,455</u>	₱ <u>64,496,832</u>	₱ <u>94,250,215</u>
Taxes and licenses	₱ <u>10,710,386</u>	₱ <u>10,794,268</u>	₱ <u>14,834,252</u>
Depreciation	₱ <u>10,672,651</u>	₱ <u>7,871,837</u>	₱ <u>12,189,667</u>
Professional fees	₱ <u>10,366,948</u>	₱ <u>9,866,782</u>	₱ <u>12,716,173</u>
Processing, registration, listing, certification fees	₱ <u>7,604,318</u>	₱ <u>13,275,327</u>	₱ <u>13,530,773</u>
Insurance expense	₱ <u>3,560,381</u>	₱ <u>347,826</u>	₱ <u>483,326</u>
Repairs and maintenance	₱ <u>3,010,551</u>	₱ <u>2,681,260</u>	₱ <u>3,420,764</u>
Rent expense	₱ <u>2,137,535</u>	₱ <u>4,241,799</u>	₱ <u>1,020,534</u>
Utilities	₱ <u>2,106,591</u>	₱ <u>1,718,120</u>	₱ <u>2,390,642</u>
Dues, subscriptions and donations	₱ <u>1,883,542</u>	₱ <u>2,165,514</u>	₱ <u>2,936,372</u>
Provision for expected credit losses (Note 12,13)	₱ <u>1,282,565</u>	₱ <u>-</u>	₱ <u>-</u>
Stationery and office supplies	₱ <u>1,097,134</u>	₱ <u>965,093</u>	₱ <u>1,254,274</u>
Transportation and travel	₱ <u>797,810</u>	₱ <u>684,763</u>	₱ <u>885,347</u>
Retirement expense	₱ <u>-</u>	₱ <u>-</u>	₱ <u>2,412,802</u>
Miscellaneous expenses	₱ <u>8,805,489</u>	₱ <u>8,610,305</u>	₱ <u>18,751,004</u>
Total	₱ <u>161,323,356</u>	₱ <u>127,721,750</u>	₱ <u>181,076,145</u>

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

NOTE 31 – INCOME TAXES

On January 5, 2024, Ease of Paying Taxes (EOPT) Act was passed into law. The EOPT Act introduced significant amendments to the National Internal Revenue Code of 1997 (“The Code”) which are intended to protect and safeguard taxpayer rights and welfare to modernize tax administration by providing mechanisms that encourage easy compliance at the best cost and resources, and to update the tax system and adopt best practices.

The amendments include the following:

- File and pay anywhere mechanism. Taxes shall be paid either electronically or manually at the time the return is filed.
- Classification of taxpayers into micro, small, medium and large taxpayers.
- Withholding of tax on income payments only when payable.
- Imposing value-added tax (VAT) on services, based on gross sales, no longer on gross receipts.
- VAT invoices are sufficient to substantiate input VAT arising from the purchase at both goods and services.
- Removal of “business style” as a VAT invoicing requirement.
- Removal of withholding tax as requirement for deductibility of income payments.

For the periods ended September 30, 2025, and 2024, and December 31, 2024, income tax expense (benefit) consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Current tax expense	₱ 9,425,432	₱ 851,442	₱ 2,272,246
Deferred tax (income) expense, net	₱ 324,757	₱ (8,824,062)	₱ (5,993,950)
Income tax expense (benefit)	₱ 9,750,189	₱ (7,972,620)	₱ (3,721,704)

The reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income is as follows:

Particulars	September 30, 2024	September 30, 2023	December 31, 2024
Income before tax	₱ 312,407,702	₱ 303,101,568	₱ 363,091,792
Income tax at statutory tax rate	₱ 78,101,925	₱ 75,775,392	₱ 90,772,948
Tax effects of:			
Tax exempt housing projects	₱ (68,715,742)	₱ (83,740,274)	₱ (95,470,442)
Non-deductible expenses	₱ 1,993	₱ 2,579	₱ 986,922
Income subject to final tax	₱ (7,972)	₱ (10,317)	₱ (16,262)
Unrecorded NOLCO – LDC	₱ 369,985	₱ -	₱ 5,130
Income tax expense (benefit)	₱ 9,750,189	₱ (7,972,620)	₱ (3,721,704)

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the Group is subject to Regular Corporate Income Tax (RCIT) which higher than the Minimum Corporate Income Tax (MCIT).

The Subsidiary Lifestyle Development Corporation does not recognize the tax effect from Net Operating Loss Carry Over as Management believes that it is not probable that sufficient taxable profit will be available against which the related tax benefits may be utilized.

Details of recognized and unrecognized deferred tax assets of the Group are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Unrecognized per book:			
NOLCO – LDC	₱ 369,985	₱ -	₱ 5,130

Recognized per book:					
NOLCO – HTI and THI	₱ 1,501,209	₱ 8,824,062	₱ 1,501,209		
Retirement liability	5,251,842	3,361,620	5,251,842		
Customer deposits	2,110,955	153,834	2,756,353		
Provision for ECL	320,641	-	-		
Total	₱ 9,184,647	₱ 12,339,516	₱ 9,509,404		

The NOLCO of the business for any taxable year shall be carried over as a deduction from gross income for the next three (3) consecutive years. In effect, therefore, a tax benefit arises on the year the losses were incurred. Such tax benefits are reported in the consolidated statements of financial position as deferred tax asset, and are reported at current statutory tax rates.

As of September 30, 2025, the movement of deferred tax assets are as follows:

Particulars	Tax Base Movement	Tax Rate	Tax Effect		
			Beginning	Movement	Ending
Deferred MCIT	₱ -	25%	₱ 1,501,209	₱ -	₱ 1,501,209
Retirement expense	₱ -	25%	5,251,842	-	5,251,842
Customer deposit	(2,581,592)	25%	2,756,353	(645,398)	2,110,955
Provision for ECL	1,282,564	25%	-	320,641	320,641
Total	₱ (1,299,028)		₱ 9,509,404	₱ (324,757)	₱ 9,184,647

As of September 30, 2024, the movement of deferred tax assets are as follows:

Particulars	Tax Base Movement	Tax Rate	Tax Effect		
			Beginning	Movement	Ending
Deferred MCIT	₱ 35,296,249	₱ -	8,824,062	₱ -	8,824,062
Retirement expense	-	25%	3,361,620	-	3,361,620
Customer deposit	-	25%	153,834	-	153,834
Total	₱ 35,296,249		₱ 3,515,454	₱ 8,824,062	₱ 12,339,516

As of December 31, 2024, the movement of deferred tax assets are as follows:

Particulars	Tax Base Movement	Tax Rate	Tax Effect		
			Beginning	Movement	Ending
Deferred MCIT	₱ 6,004,837	25%	₱ -	₱ 1,501,209	₱ 1,501,209
Retirement expense	7,560,886	25%	3,361,620	1,890,222	5,251,842
Customer deposit	10,410,077	25%	153,834	2,602,519	2,756,353
Leases	-	25%	18,134	-	18,134
Total	₱ 23,975,800		₱ 3,533,588	₱ 5,993,950	₱ 9,509,404

As of September 30, 2025 and 2024 and December 31, 2024, the income tax still due (overpayment) of the Group is presented as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024		
Income tax due for the year	₱ 9,425,432	₱ 851,443	₱ 2,992,582		
Overpayment due to prior year	(4,996,539)	-	(6,611,330)		
Quarterly tax payments	-	-	-		
Creditable withholding taxes applied	(1,758,114)	-	(1,377,790)		
Income tax still due	₱ 2,670,779	₱ 851,443	-		

NOTE 32 – BASIC EARNINGS PER SHARE

As of September 30, 2025 and 2024 and December 31, 2024, the financial information pertinent to the derivation of the basic and diluted earnings per share are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Net income attributable to the equity holders of the Group	₱ <u>302,657,512</u>	₱ <u>311,074,188</u>	₱ <u>366,813,496</u>
Weighted average number of shares outstanding:			
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>
Total weighted average number of shares outstanding:	<u>2,500,000,000</u>	<u>2,500,000,000</u>	<u>2,500,000,000</u>
Basic/Diluted earnings per share	₱ <u>0.121</u>	₱ <u>0.124</u>	₱ <u>0.147</u>

Diluted earnings per share is equal to the basic earnings per share since the Group does not have potential dilutive shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial reporting date and the date of authorization of these consolidated financial statements.

NOTE 33 – SIGNIFICANT COMMITMENTS

Lease Agreement

Since November 1, 2016, the Group has been using an approximately one hundred fifty-nine (159sqm) square meter office space located at Unit 701 Orient Square Building, along F. Ortigas Center, Pasig City, covered by CCT No. PT 54210 which is gratuitously granted for use by the owner, Miss Noemi D. Madlambayan, a major stockholder of the Company. As discussed in Note 2, the asset pertaining to such lease was classified as a short-term lease and its related rental payments are recognized in profit or loss on a straight-line basis.

Rent expense amounted to ₱2,137,535, ₱4,241,799 and ₱1,020,534 in September 30, 2025 and 2024 and December 31, 2024, respectively (see Note 30).

Housing and Land Use Regulatory Board

The Parent Company has registered with the Housing and Land Use Regulatory Board and was issued Certificate of Registration no. 24744 and License to sell on September 18, 2013, for the sale of lots/units/lots with units of their housing project namely Eastview Homes 3 Antipolo with 379 lots and units located at Brgy. San Roque, Antipolo City.

The Certificate of Registration and License to Sell were subsequently amended 029480 and 034564 as a result of the alterations made by the development plan which reduced the saleable lots and units to 377.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Provisional Certificate of Registration No. 065 and Provisional License to Sell No. 101 on July 30, 2020, for the sale of lots/units/lots with units of their housing project namely Eastview Residences – Premiere with 42 lots and units located at Brgy. San Roque, Antipolo City, Rizal.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Provisional Certificate of Registration No. 637 and Provisional License to Sell No. 815 on August 15, 2022, for the sale of lots/units/lots with units of their housing project namely Celestis 1 with 36 lots and units located at Brgy. San Luis, Antipolo City, Rizal.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Provisional Certificate of Registration No. 638 and Provisional License to Sell No. 816 on August 15, 2022, for the sale of lots/units/lots with units of their housing project namely Celestis 2 with 58 lots and units located at Brgy. San Luis, Antipolo City, Rizal.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 445 and License to Sell No. 1556 on July 21, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary (Phase 1) with 260 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 1682 on November 24, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 2 with 454 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 571 on June 7, 2024, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 3 with 456 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

THI has registered under Certificate of Registration no. 028698 and approved on August 30, 2017 with the Housing and Land Use Regulatory Board for the license to sell of the saleable lots/units/ lots with units of their housing project namely Southview Homes – Sta. Rosa with 261 lots and units located at Brgy. Ibaba, Sta. Rosa City, Laguna.

THI has registered Certificate of Registration no. 028195 and approved on May 10, 2018 with the Housing and Land Use Regulatory Board for the license to sell of the saleable lots/units/ lots with units of their housing project namely Southview Homes – Sta. Rosa with 278 lots and units located at Hopeful St., Area 4, Sitio Veterans, Brgy. Bagong Silangan, Quezon City.

THI has registered with the Department of Human Settlements and Urban Development, was granted Provisional Certificate of Registration No. 067 and Provisional License to Sell No. 103 on July 29, 2020 for the sale of lots/units/ lots with units of their housing project name Southview Homes – Calendola with 398 lots and unit located at Brgy. Calendola, San Pedro City, Laguna. On September 9, 2022, amended Provisional Certificate of Registration No. 238 and Provisional License to Sell No. 342 was issued due to alteration of Plan and change of housing price ceiling.

Acquisition of Asset

On September 20, 2024 the Group entered into a Memorandum of Agreement with Liberty Flour Mills, Inc. (the “Seller”) for the purchase of eight (8) contiguous lots constituting 372,201 square meters, in the Province of Rizal for a total contract price of ₱1 Billion.

On the same period, the Group paid an amount of Ten Million Pesos (₱10,000,000.00) as and by way of earnest money.

NOTE 34 – OTHER MATTERS

Supplemental disclosure of cash flow information

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes.

Particulars	January 1, 2025	Cash flows	Interest expense	September 30, 2025
Loans and borrowings	₱ 2,199,636,156	₱ 723,911,152	₱ -	₱ 2,923,547,308
Advances from related parties	₱ 170,555,202	₱ (5,769,600)	₱ -	₱ 164,785,602
Total liabilities from financing activities	₱ 2,370,191,358	₱ 718,141,552	₱ -	₱ 3,088,332,910
Particulars	January 1, 2023	Cash flows	Interest expense	September 30, 2024
Loans and borrowings	₱ 1,110,407,453	₱ 442,797,534	₱ -	₱ 1,553,204,987
Advances from related parties	₱ 177,798,865	₱ (3,373,517)	₱ -	₱ 174,425,348

Total liabilities from financing activities	₱ <u>1,288,206,318</u>	₱ <u>439,424,017</u>	₱ <u>-</u>	₱ <u>1,727,630,335</u>
Particulars	October 1, 2024	Cash flows	Interest expense	December 31, 2024
Loans and borrowings	₱ <u>1,553,204,987</u>	₱ <u>646,431,169</u>	₱ <u>-</u>	₱ <u>2,199,636,156</u>
Advances from related parties	₱ <u>174,425,348</u>	₱ <u>(3,870,146)</u>	₱ <u>-</u>	₱ <u>170,555,202</u>
Total liabilities from financing activities	₱ <u>1,727,630,335</u>	₱ <u>642,561,023</u>	₱ <u>-</u>	₱ <u>2,370,191,358</u>

Non-cash Activities

The Group had no material non-cash investing or financing activity-related transactions for the years ended September 30, 2025 and 2024 and December 2024.

NOTE 35 – CONTINGENCIES

As of September 30, 2024, the Group has the following legal cases:

(a) Tradition Homes Project Managers and Development Inc. vs. Cristina A. Inoue (O.P. Case No. 16-j-216)

On June 30, 2022, Tradition Homes Project Managers and Development Inc. received the Decision dated May 20, 2022 issued by the Office of the President, which affirmed the Decision dated September 9, 2016 of the Board of Commissioners of the Housing and Land Use Regulatory Board in favor of the Complainant-Appellee. The Decision: (1) declared the cancellation of the contract covering Block 2, Lot 22, Phase 2 of the South Hills Subdivision Project in San Pedro, Laguna; (2) directed the Company to refund the Complainant the amount of ₱342,262, with interest at 6% per annum from the filing of the complaint until full payment; and (3) ordered the Company to pay ₱50,000 as moral damages, ₱50,000 as attorney's fees, ₱30,000 as exemplary damages, and costs of suit.

On July 14, 2022, Tradition Homes Project Managers and Development Inc. filed a Motion for Reconsideration of the Decision dated May 20, 2022. As of December 2025, Tradition Homes Project Managers and Development Inc. has not yet received a Resolution from the Office of the President on the appeal.

(b) Sps. Rafael Inocando and Marites Inocando vs. Haustalk Project Managers, Inc. (HSAC-REM-A-220426-0681)

The Company received the Decision dated August 25, 2022 issued by HSAC on the appeal filed by the Company from the Decision dated 02 February 2022 of OIC-Assistant Regional Adjudicator Atty. Michelle Ligsay. HSAC ruled as follows: (a) ordering the Company to refund Spouses Inocando the amount of ₱139,875.96; and (b) ordering Spouses Inocando to vacate and turn over possession of the house and lot (Block 6, Lot 21, Eastview Homes 3, Brgy. San Roque, Antipolo) to the Company.

Sometime in 2024, the Company filed a Motion for Issuance of Writ of Execution which as of August 05, 2024 was submitted for resolution. However, since there was an error in the Entry of Judgment as attorneys' fees and damages were erroneously included, Haus Talk was directed to file necessary motions to correct the Entry of Judgment, in order to proceed with the execution. As of December 2025, Haustalk Project Managers, Inc. is waiting for the release of the corrected Entry of Judgment and the resolution of the Motion.

(c) Cornelio Vasquez vs. Haus Talk Project Managers & Maria Leah Madlambayan (HSAC Case No. RIVA-REM-230126-00657)

On February 22, 2024, HSAC Regional Adjudication Branch directed the Respondents to refund the Complainant ₱813,519.49, with legal interest of 6% per annum from finality of decision until full payment. On appeal, HSAC issued the Decision dated August 6, 2024 granting the appeal and: (a) dismissing the

complaint against Ms. Madlambayan; (b) declaring the Contract to Sell valid and existing; and (c) ordering the Company to abide by the terms of the Contract.

On September 19, 2024, the Complainant filed a Petition for Review with the Court of Appeals (“CA”). The CA, in a Decision dated December 3, 2024, denied the Petition. Mr. Vasquez filed a Motion for Reconsideration, which was denied in the Decision dated May 13, 2025. On June 10, 2025, Vasquez, through counsel, filed a Motion for Extension to File Petition for Certiorari before the Supreme Court. No Petition was received as of this date. Meanwhile, on 30 May 2025, HSAC already issued an Entry of Judgment for the Decision dated August 6, 2024, and due to the withdrawal of the counsel of the Complainant due to lack of coordination by the Complainant, the CA issued Entry of Judgment.

(d) *Dion Ducusin et. al. vs. Haustalk Project Managers, Inc. (NLRC Case No. 11-00064-22)*

In a Decision dated October 26, 2023, the Labor Arbiter ruled in favor of the Complainants and ordered the Company to pay full back wages and other monetary claims. Haustalk Project Managers, Inc. appealed, and the appeal was partly granted in the Decision dated July 11, 2024. In February 2025, Haustalk Project Managers, Inc. filed a Petition for Certiorari with Application for Temporary Restraining Order before the Court of Appeals. Haustalk Project Managers, Inc. is presently awaiting the CA’s Resolution.

On April 3, 2025, the Pre-Execution Conference commenced and was terminated on July 16, 2025. On July 28, 2025, Haustalk Project Managers, Inc. filed its Comment on the computation of the monetary award amounting to ₱5,880,362.41. On August 8, 2025, the Complainants filed a Motion for Issuance of Writ of Execution. On November 21, 2025, Haustalk Project Managers, Inc. received an Order from the Labor Arbiter granting the Motion for Execution filed by the Complainants. On December 01, 2025, Haustalk Project Managers, Inc. availed of the extraordinary remedies under the NLRC Rules and filed a Verified Petition with Application for a Temporary Restraining Order (“TRO”) and/or a Writ of Preliminary Injunction (“WPI”) before the NLRC.

NOTE 31 – SUBSEQUENT EVENTS

Declaration of Cash Dividends

The Group Board of Directors approved and declared a cash dividend on October 14, 2025 in the total amount of ₱75,000,000 equivalent to ₱0.03 per share. The cash dividend was taken from the unrestricted retained earnings of the Corporation as of December 31, 2024 as was made available to all stockholders of record as of November 17, 2025, and was paid on December 10, 2025.

Authority to Issue Bond

The Group Board of Directors on October 14, 2025 approved the application and filing of the registration statement for the Securities and Exchange Commission (“SEC”)-registered fixed rate, Philippine Peso-denominated Bonds constituting the direct, unconditional, unsecured and unsubordinated obligations of the Corporation as the Issuer (the “Bonds” or the “Offer Bonds”) and to issue the Bonds consisting of up to PESOS: ONE BILLION (PhP1,000,000,000.00) base offer and an oversubscription option of up to PESOS: ONE BILLION (PhP1,000,000,000.00).

HAUS TALK, INC. AND ITS SUBSIDIARIES
(Formerly Haus Talk Project Managers, Inc. and its Subsidiary)
 Schedule of Philippine Financial Reporting Standards

**SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
 DIVIDEND DECLARATION**

September 30, 2025 and 2024, and December 31, 2024

Items	September 30, 2025	September 30, 2024	December 31, 2024
Unappropriated Retained Earnings, beginning	₱ 1,087,987,235	₱ 771,173,738	₱ 1,071,712,088
Dividend declaration	-	-	(50,000,000)
Net Income based on the face of AFS	302,657,512	311,074,188	66,275,147
Less: Non-actual/unrealized income net of tax			
• Equity in net income/(loss) of associate/joint venture	-	-	-
• Equity in net income/(loss) of associate/joint venture	-	-	-
• Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	-	-
• Unrealized actuarial gain	-	-	-
• Fair value adjustment (M2M gains)	-	-	-
• Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain	-	-	-
• Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-	-
Add: Non-actual losses			
• Depreciation on revaluation increment (after tax)	-	-	-
• Adjustment due to deviation from PFRS/GAAP – loss	-	-	-
• Loss on fair value adjustment of investment property (after tax)	-	-	-
• FMV gain/(loss) transferred to equity as a result of disposal of equity investment at FVOCI	-	-	-
Gain/(loss) from disposal of financial assets at FVOCI	-	-	-
Net Income Actual/Realized	-	-	-
Unappropriated Retained Earnings, as adjusted, ending	<u>₱ 1,390,644,747</u>	<u>₱ 1,082,247,926</u>	<u>₱ 1,087,987,235</u>

The Board of Directors and the Stockholders
HAUS TALK, INC. AND ITS SUBSIDIARIES
 Unit 701 Orient Square Building,
 F. Ortigas, Jr. Road, Ortigas Center,
 Pasig City

We have reviewed the consolidated financial statements of **HAUS TALK, INC. AND ITS SUBSIDIARIES** at September 30, 2025, which comprise of the consolidated statements of financial position, and the related consolidated statements of comprehensive income, consolidated changes in equity and consolidated cash flows for the nine-month period then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the Philippine Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. This Standard requires that we plan and perform the review to obtain limited assurance as to whether the consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements as at September 30, 2025 and of its financial performance and its cash flows for the nine-month period then ended are not presented fairly, in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRS).

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 0314 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-000-2024

Issued on April 05, 2024, Valid until April 04, 2027

For the firm:



ALFONSO L. CAY-AN

Partner

CPA Registration No. 99805, Valid until December 14, 2026

TIN No. 213-410-741-000

PTR No. 10479078, Issued Date: January 10, 2025, Makati City

BOA/PRC Reg. No. 0314

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 99805 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-005-2024

Issued on April 05, 2024, Valid until April 04, 2027

Makati City, Philippines
 December 18, 2025

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Philippine Peso)

ASSETS	Note	September 30,		December 31, 2024
		2025	2024	
CURRENT ASSETS				
Cash	10	104,003,213	74,627,797	244,377,548
Receivables - net	11	1,195,249,786	707,350,393	772,916,855
Contract assets - current portion	12	796,521,912	1,054,806,372	827,156,013
Real estate inventories	13	3,630,014,080	2,825,689,799	2,948,626,556
Prepayments and other current assets	14	2,588,344	11,400,853	7,403,681
Total Current Assets		5,728,377,335	4,673,875,214	4,800,480,653
NON-CURRENT ASSETS				
Contract assets - net of current portion	12	121,760,968	91,937,295	90,279,658
Property and equipment - net	15	1,072,100,341	1,064,138,481	1,075,445,189
Other non-current asset	16	30,015,870	33,231,102	30,535,837
Total Non-Current Assets		1,223,877,179	1,189,306,878	1,196,260,684
TOTAL ASSETS		6,952,254,514	5,863,182,092	5,996,741,337
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts and other payables	17	153,187,738	269,908,737	196,125,004
Contract Liabilities - current	18	13,959,997	42,824,132	38,015,175
Income tax payable	31	2,670,779	851,443	-
Lease liability		318,206	-	1,282,428
Loans and borrowings - current portion	19	1,073,161,335	104,277,998	782,700,538
Total Current Liabilities		1,243,298,055	417,862,310	1,018,123,145
NON-CURRENT LIABILITIES				
Loans and borrowings - net of current portion	19	1,407,588,439	1,448,926,989	974,138,084
Advances from related parties	21	168,159,119	174,425,348	173,928,719
Defined benefit obligation	20	12,703,551	7,094,630	12,703,551
Total Non-Current Liabilities		1,588,451,109	1,630,446,967	1,160,770,354
EQUITY				
Share capital	22	2,500,000,000	2,500,000,000	2,500,000,000
Share premium	23	218,849,628	218,849,628	218,849,628
Retained earnings	24	1,390,644,747	1,082,247,926	1,087,987,235
Actuarial gain on defined benefit obligation		11,010,975	13,775,261	11,010,975
Total Equity		4,120,505,350	3,814,872,815	3,817,847,838
TOTAL LIABILITIES AND EQUITY		6,952,254,514	5,863,182,092	5,996,741,337

See Consolidated Notes to Financial Statements

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Philippine Peso)

For the Periods and Year Ended,	Note	September 30,	December 31,
		2025	2024
REVENUE			
Real estate sales	25	1,201,062,150	1,190,558,654
Other operating income	26	8,778,805	8,397,421
Total Revenue		1,209,840,955	1,198,956,075
COST OF REAL ESTATE SALES	27	660,418,895	646,276,084
GROSS PROFIT		549,422,060	552,679,991
OPERATING EXPENSES			
Selling expenses	29	63,462,492	99,729,759
General and administrative expenses	30	161,323,356	127,721,750
Total Operating Expenses		224,785,848	227,451,509
NET OPERATING INCOME		324,636,212	325,228,482
FINANCE COST - NET	28	12,228,511	22,126,914
INCOME BEFORE TAX	31	312,407,701	303,101,568
INCOME TAX (EXPENSE) BENEFIT	31	(9,750,189)	7,972,620
NET INCOME		302,657,512	311,074,188
OTHER COMPREHENSIVE INCOME			
Actuarial gain on retirement plan	20	-	-
TOTAL COMPREHENSIVE INCOME		302,657,512	311,074,188
BASIC EARNINGS PER SHARE		0.121	0.124
		0.147	

See Consolidated Notes to Financial Statements

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Philippine Peso)

For the Period and Years Ended,	Note	September 30, 2025	September 30, 2024	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	31	312,407,701	303,101,568	363,091,792
Adjustments for:				
Provision for expected credit losses	12,13	1,282,565	-	-
Interest expense - bank loans	28	12,260,401	22,168,425	27,504,052
Interest expense - defined benefit obligation	28	-	-	431,833
Retirement expense	30	-	-	2,412,802
Interest income earned	10	(31,890)	(41,511)	(65,047)
Depreciation	15	10,672,651	7,871,837	12,189,668
Operating income before changes in working capital		336,591,428	333,100,319	405,565,100
Changes in assets and liabilities:				
Decrease (Increase) in receivables		(423,615,496)	(462,512,432)	(528,078,894)
Increase in contract asset		(847,209)	(287,876,656)	(58,568,660)
Decrease (Increase) in real estate inventories		(681,387,524)	(198,874,718)	(321,811,475)
Decrease (Increase) in prepayments and other current assets		4,815,337	638,635	4,635,807
Decrease in other non-current assets		519,967	(14,510,745)	(5,821,530)
Increase in accounts and other payables		(42,937,266)	94,458,196	20,674,463
Increase in contract liabilities		(24,055,178)	(2,299,331)	(7,108,288)
Increase in lease liability		(964,222)	-	1,282,428
Cash generated from operations		(831,880,163)	(537,876,732)	(489,231,049)
Interest received	28	31,890	41,511	65,047
Income taxes paid		(7,079,410)	8,824,063	(2,272,245)
Net Cash from Operating Activities		(838,927,683)	(529,011,158)	(491,438,247)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment		(7,327,803)	(25,472,056)	(41,096,595)
Dividend declaration	21	-	-	(50,000,000)
Net Cash from Investing Activities		(7,327,803)	(25,472,056)	(91,096,595)
CASH FLOWS FROM FINANCING ACTIVITIES				
Additions to loans and borrowings		723,911,152	442,797,534	646,431,169
Payment of advances from related parties		(5,769,600)	(3,373,517)	(3,870,146)
Interest paid	28	(12,260,401)	(22,168,425)	(27,504,052)
Net Cash from Financing Activities		705,881,151	417,255,592	615,056,971
NET INCREASE IN CASH		(140,374,335)	(137,227,622)	32,522,129
CASH, BEGINNING	10	244,377,548	211,855,419	211,855,419
CASH, ENDING	10	104,003,213	74,627,797	244,377,548

See Consolidated Notes to Financial Statements

HAUS TALK, INC. AND ITS SUBSIDIARIES
(formerly Haus Talk Project Managers, Inc. and its Subsidiary)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In Philippine Peso)

	Share Capital (Note 20)	Share Premium (Note 21)	Retained Earnings (Note 22)	Actuarial Gain (loss) on Defined Benefit Obligation (Note 18)	Total
BALANCE AT DECEMBER 31, 2023	2,500,000,000	218,849,628	771,173,738	13,775,261	3,503,798,627
Dividend paid (Note 22)	-	-	-	-	-
Net income	-	-	311,074,188	-	311,074,188
BALANCE AS OF SEPTEMBER 30, 2024	2,500,000,000	218,849,628	1,082,247,926	13,775,261	3,814,872,815
Dividend paid (Note 22)	-	-	(50,000,000)		(50,000,000)
Net income	-	-	55,739,309		55,739,309
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
Dividend paid (Note 22)	-	-	-	-	-
Net income	-	-	302,657,512	-	302,657,512
BALANCE AS OF SEPTEMBER 30, 2025	2,500,000,000	218,849,628	1,390,644,747	11,010,975	4,120,505,350

See Consolidated Notes to Financial Statements

HAUS TALK, INC. AND ITS SUBSIDIARIES
(Formerly Haus Talk Project Managers, Inc. and its Subsidiary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of September 30, 2025 and 2024, and December 31, 2024

NOTE 1 – 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.

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.

Approval of Consolidated Financial Statements

The accompanying consolidated financial statements of the Group as of and for the period ended September 30, 2025 and, 2024 for the year ended December 31, 2024 and 2023 were approved and authorized for issuance by the Board of Directors on December 18, 2025.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The accompanying consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretation Committee (IFRIC), which have been approved by the Financial Reporting Standards Council (FRSC) and adapted by Securities and Exchange Commission (SEC).

2.2 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

2.3 Going concern assumption

The preparation of the accompanying condensed consolidated financial statements of the Group is based on the premise that the Group operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

2.4 Functional and presentation currency

The consolidated financial statements are presented in Philippine peso, which is the presentation and functional currency of the Group. All financial information presented has been rounded off to the nearest Peso unless otherwise stated.

2.5 Use of judgment and estimates

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group’s consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group’s significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management’s evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in Note 4.

2.6 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries, after the elimination of intercompany transactions.

The separate financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and losses, are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

Investment in subsidiaries

Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

When the Parent Company has less than majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control. Consolidation of a subsidiary begins when control is obtained over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Non-controlling interests

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statement of comprehensive income. Non-controlling interests consist of the amount of those interests at the date of original business combination and the non-controlling interests' share on changes in equity since the date of the business combination.

There is no non-controlling interest as of September 30, 2025 and 2024 and December 31, 2024.

2.7 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, is measured at fair value with changes in fair value recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Transactions with non-controlling interests

The Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests results in gains and losses for the Group that are also recognized in equity.

There are no transactions with non-controlling interests as of September 30, 2025 and 2024, and December 31, 2024.

Loss of control and disposal of subsidiaries

When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Parent Company loses control over the subsidiary, it:

- Derecognizes the assets, including goodwill, and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative transaction differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of the any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss retained earnings, as appropriate.

2.8 Adoption of new and revised accounting standards

The accounting policies adopted in the preparation of the Group's financial statements are consistent with those of the previous financial year except for the adoption of the following new and amended standards and interpretations. The adoption of these new and amended standards and interpretations did not have significant impact on the Group consolidated financial statements unless otherwise stated.

Effective beginning on or after January 1, 2024

Adopted the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry.

On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

- a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
- b. Accounting for significant financing components discussed in PIC Q&A No. 2018-12-D
- c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods under Philippine Accounting Standards (PAS) 23, Borrowing Cost, for Real Estate industry.

The adoption of the above provision did not have material impact on the consolidated financial statements.

Amendment to PFRS 16 – Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to PAS 1 – Non-current liabilities with covenants. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to PAS 7 and PFRS 7 - Supplier finance. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The amendments do not have material impact on the consolidated financial statements.

Standards and Interpretations Issued but not yet Effective

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

Effective beginning on or after January 1, 2025

Amendments to PAS 21 - Lack of Exchangeability. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
 - Amendments to PAS 7, *Cost Method*
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a "De Facto Agent"*

The Group is currently assessing the impact of adopting these standards on its consolidated financial statements.

Effective beginning on or after January 1, 2027

PFRS 18, Presentation and Disclosure in Financial Statements

The new standard impacts the classification of profit or loss items (i.e. into operating, investing, and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e. operating profit, and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures.

The Group is currently assessing the impact of adopting this standard on its consolidated financial statements.

Deferred effectiveness

Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2026 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the consolidated financial statements in the year of adoption, if applicable.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

3.1 Financial assets and financial liabilities

Date of recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial recognition and measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

Financial assets at amortized cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the financial assets are derecognized and through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets. As of September 30, 2025 and 2024, and December 31, 2024, the Group's cash, receivables, contract assets, refundable deposits, and advances to related parties are included under this category.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income. As of September 30, 2024, and 2023, and December 31, 2024 the Group has no financial assets at FVPL.

Financial assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As of September 30, 2025 and 2024, and December 31, 2024, no accounts are included under this category.

Financial liabilities at amortized cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of September 30, 2025 and 2024 and December 31, 2024, the Group's accounts and other payables, contract liabilities, loans and borrowings, and advances from related parties are included under this category.

3.2 Reclassification

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

3.3 Impairment of financial assets at amortized cost and FVOCI

The Group records an allowance for “expected credit loss” (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset’s original effective interest rate. For loan receivables, the Group has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.4 Derecognition of financial assets and liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the consolidated statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

3.5 Offsetting financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

3.6 Classification of financial instrument between liability and equity

A financial instrument is classified as a liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

3.7 Current versus non-current classification

The Group presents financial statements based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the financial reporting period;
- Expected to be settled on demand; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting period.

All other assets are classified as noncurrent

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the financial reporting period;
- It is expected to be settled on demand; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting period

The Group classifies all other liabilities as noncurrent.

3.8 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Group at the respective functional currency rates prevailing at the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statements of comprehensive income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in OCI until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits applicable to exchange differences on these monetary items are also recorded in the OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the par value is determined.

3.9 Fair value measurements

The Group measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Executive Committee (ExeCom), its chief operating decision-maker. The ExeCom is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's main service lines as disclosed in Note 6, which represent the main services provided by the Group.

Each of these operating segments is managed separately as each of these service lines require different resources as well as marketing approaches. All intersegment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, Operating Segments, are the same as those used in its consolidated financial statements.

There have been no significant changes from prior periods in the measurement methods used to determine reported segment profit or loss.

3.11 Cash

Cash includes cash on hand and in banks which are measured at face value. Cash in banks earns interest at respective bank deposit rates

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.

3.12 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.

3.13 Real estate inventories

Real estate inventories consist of subdivision land, residential houses and lots for sale and development. These are properties acquired or being developed and constructed for sale in the ordinary course of business.

Inventories are carried at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated cost of completion, and estimated costs necessary to make sale.

Cost includes the costs incurred for acquisition cost, development and improvement of properties including borrowing costs.

When the NRV of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the statement of income.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

3.14 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.

Prepaid expenses and other current assets include input value-added tax (VAT), deferred input tax and prepaid taxes and licenses.

3.15 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.

3.16 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 years
Construction equipment	5 years
Transportation equipment	5 years
Furniture and fixture	5 years
Office equipment	3 years
Computer software	3 years
Construction tools	2 years

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 useful lives, and depreciation methods are reviewed periodically to ensure that the estimated, residual values, periods and methods of depreciation 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 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.

3.17 Impairment of non-financial assets

General

An assessment is made at each balance sheet date of whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the assets recoverable amount is calculated as the higher of the assets' value in use or net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but only to the extent of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is credit to current operations.

Property and equipment

The Group assesses at each financial reporting date whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amounts, the assets or cash generating units (CGU) are written down to their estimated recoverable amounts. The estimated recoverable amount of an asset is the greater of the fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the cost of disposal, while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the CGU to which the asset belongs. Impairment losses of continuing operations are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and depletion) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statements of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

3.18 Accounts and other payables

Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer); otherwise, they are presented as noncurrent liabilities.

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with supplier including amounts due to employees. It is necessary to estimate the amounts of accruals; however, the uncertainty is generally much less than for provision.

Government dues and remittances include withholding income taxes which represent taxes retained by the Group for an item of income required to be remitted to the Bureau of Internal Revenue (BIR). The obligation of the Group to deduct and withhold the taxes arises at the time the income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever comes first. The term “payable” refers to the date the obligation becomes due, demandable, or legally enforceable.

Accounts and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.19 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

3.21 Advances from related parties

These include receipts of resources, services or obligations to affiliates, regardless of whether a price is charged from the related parties. The amount is presented as current liability if payment is expected in one year or less, otherwise, they are presented as non-current liabilities.

3.22 Share capital

Share capital is measured at par value for all shares issued. When the shares are sold out at a premium, the difference between the proceeds and the par value is credited to the “Additional paid-in capital” account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Dividends on share capital, if any, are recognized as a liability and deducted from equity when declared and approved by BOD of the Group. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the financial reporting date and disclosed accordingly.

3.23 Retained earnings

Retained earnings represent the cumulative balance of periodic net income or losses of the Group, dividend distribution, 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. When retained earnings account has a debit balance, it is called “deficit”, and presented as a deduction from equity.

Dividends are recognized when they become legally payable. Dividend distribution to equity shareholders is recognized as liability in the Group’s financial statements in the period in which the dividends are declared and approved by the entity’s Board of Directors.

3.24 Revenue recognition

Revenue from contract with customers

The Group derives its real estate revenue from the sale of subdivision land and residential units. Revenue from contracts with customers is recognized 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 those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

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.

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.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contract with customers are disclosed in Note 4.

Real estate sales

The Group entered into reservation agreements with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate units covers subdivision land and residential house units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

The payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customers does not necessarily coincide with the progress of construction, which results in either installment contracts receivable or contract liability.

After the delivery of the completed real estate unit, the Group provides a one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the company as a quality assurance warranty and not treated as a separate performance obligation.

The performance obligations expected to be recognized within one year and more than one year relate to the continuous development of the real estate projects.

Income from forfeited reservations and collections

Income from forfeited reservations 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. Such income is also recognized, subject to the provisions of Republic Act 6552, Realty Installment Buyer Act, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Interest income

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

Other income

Other income is recognized in the consolidated statements of comprehensive income when earned.

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.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

The Group's contract fulfillment assets pertain to land acquisition costs.

3.25 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.

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.

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.

3.26 Employees benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by the employees. It includes short-term employee benefits and post-employment benefits.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Group's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefit, short-term employee benefits, or other long-term employee benefits.

Retirement benefits

The Group does not have a defined contribution plan or any formal retirement plan that covers the retirement benefits of its employees. However, under the existing regulatory framework, Republic Act No. 7641, otherwise known as the Philippine Retirement Pay Law, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining agreement and other agreements shall not be less than those provided under law. The law does not require minimum funding of the plan.

Republic Act No. 7641 relates to a defined benefit plan. A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group. The Group's defined benefit post-employment plan covers all regular full-time employees.

The liability recognized in the consolidated statement of financial position for defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the financial reporting period less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

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

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurement of net defined benefit liability or asset

Service cost which includes current service costs, past service costs and gains or losses on non-routine settlement are recognized as expense in the statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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

Past-service costs are recognized immediately in the consolidated income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

3.27 Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether the contract meets three key evaluations, which are whether:

- a) The contract contains an *identified asset*, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group,
- b) The Group has the *right to obtain substantially all of the economic benefits* from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,
- c) The Group has the *right to direct the use* of the identified asset throughout the period of use.

The Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use asset

At the initial application date, the Group recognizes a right-of-use asset on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

(b) Lease liability

At the initial application date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.28 Income taxes

Current taxes

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of Minimum Corporate Income Tax (MCIT) over the regular income tax and unused Net Operating Loss Carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits from excess MCIT and unused NOLCO can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither the accounting profit nor taxable profit (or loss).
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle the liabilities simultaneously.

3.29 Value Added Taxes (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT, except:

1. Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
2. Receivables and payables that are stated with the amount of VAT included.

For sale of real estates including house and lots and other residential dwellings with a selling price of not more than ₦3,600,000, a tax exemption applies.

Output tax pertains to the 12% VAT received or receivable on the local sale of goods or services by the Group. Input tax pertains to the 12% VAT paid or payable by the Group in the course of its trade or business on purchase of goods or services. At the end of each taxable period, if output tax exceeds input tax, the outstanding balance is paid to the taxation authority. If input tax exceeds output tax, the excess shall be carried over to the succeeding months.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of 'prepayments and other current assets' or 'accounts and other payables' in the consolidated statements of financial position.

3.30 Related party transactions and relationship

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

An entity is related to the Group if any of the following conditions apply:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
- Both entities are joint ventures of the same third party
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity
- The entity is a post-employment benefit plan for the benefit of employees of either the company of an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group
- The entity is controlled or jointly controlled by a person identified above
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner, and dependents of that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Group. Transactions between related parties are based on terms similar to those offered to non-related entities in an economically comparable market, except for non-interest-bearing advances with no definite repayment terms.

3.31 Provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of obligation. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and where, appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense' in the statement of income.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

3.32 Earnings per share (EPS) attributable to equity holders

Basic EPS is calculated by dividing the profit attributable to the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding and assume conversion of all dilutive potential ordinary shares.

If the number of ordinary or potential shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted EPS for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Group has no dilutive potential common shares outstanding.

3.33 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes when material to the consolidated financial statements.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with PFRS requires the Group's management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, assumptions and judgments are reviewed and evaluated on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Judgments

1. Going concern

As of and for the period ended September 30, 2025 and 2024, and As of December 31, 2024, the Group's primary objective is to ensure its ability to continue as a going concern and that it maintains the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2. Determination of functional currency

The consolidated financial statements are presented in the Philippine Peso, which is also the Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

3. Fair value measurements

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

4. Classification of financial instruments

The Group manages its financial assets based on business models that maintain an adequate liquidity level and preserve capital requirements, while maintaining a strategic portfolio of financial assets for accrual and trading activities consistent with its risk appetite.

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial instrument, or a portfolio of financial instruments, belong to taking into consideration the objectives of each business model established by the Group.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such

sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

5. *Assessing significant influence and control over investee.*

The Group determines that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Group's voting rights and potential voting rights.

Management has assessed the level of influence the Parent Company has on Tradition Homes, Inc. (formerly known as Tradition Homes Project Managers, Inc.) and Lifestyle Development Corporation and determines that it has control by virtue of the Parent Company holding 100% voting power over both companies.

6. *Identification of the contract*

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contracts to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with customer under PFRS 15.

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

7. *Measure of progress*

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development (which include customized uninstalled materials) to the customers. The Group determined that in the case of customized materials, the Group is not just providing a simple procurement service to the customer as it is significantly involved in the design and details of the manufacture of the materials.

8. *Determining transaction price of sale of real estate*

The Group determines whether a contract contains a significant financing component using portfolio approach by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate. The Group applied practical expedient by not adjusting the effect of financing component when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group determined that its transaction price on sale of real estate recognized over time do not include a significant financing component.

9. *Determining performance obligation*

With respect to equity sale of real properties, the Group concluded that the transfer of goods and services in each contract constitute a performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct in the

context contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output.

10. Determining the timing of satisfaction of the performance obligation

The Group concluded that revenue from contracts with customers is to be recognized at a point in time since it does not fall within any of the following conditions to be met for recognition over a period of time:

- The customer receives and consumes the benefits of the goods or services as they are provided by the Group;
- The Group's performance does not create an asset with an alternative use and;
- The goods or services create or enhances an asset that the customer controls as that asset is created and enhanced.

The promised property is specifically identified in the contract and the contract has a restriction on the Group for redirecting the use of the property for other purposes. In addition, the customer is contractually obliged to make payments to the developer up to the end of contract terms.

11. Determination whether an arrangement contains a lease

The determination of whether a contract is, or contains a lease, is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

12. Accounting for lease commitments – Group as lessee

The Group has a lease agreement for its office space with a term of 12 months and is renewable upon mutual agreement of both parties. The Group availed of exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Rent expense arising from operating lease agreements amounted to ₦2,137,535, ₦4,241,799 and ₦1,020,534 in September 30, 2025 and 2024, and December 31, 2024, respectively. (see Note 30)

13. Repairs and maintenance

Costs of repairs and maintenance that do not result in an increase in the future economic benefit of an item of property and equipment is charged to operations in the period it is incurred. Otherwise, it is capitalized as part of the asset.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

Fair values of financial instruments

PFRS requires that financial assets and financial liabilities be carried or disclosed at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, and volatility rates), the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any change in the fair values of financial assets and financial liabilities directly affects profit or loss, equity, and the required disclosures.

Where the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair values are determined using valuation techniques that are generally-accepted market valuations including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. The fair values of consolidated financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 9 to the consolidated financial statements.

Revenue recognition method

The Group concluded that revenue from sale of real estate is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The cost to obtain contract (e.g. commission) is determined using the percentage of completion.

Revenue from sale of real estate amounted to ₦1,201,062,150, ₦1,190,558,654 and ₦1,401,027,854 for the period ended September 30, 2025 and 2024, and December 31, 2024, respectively, while the cost of real estate sold amounted to ₦660,418,895, ₦646,276,084 and ₦772,604,842 for the years ended September 30, 2025 and 2024, and December 31, 2024, respectively. (see Note 25 and 27)

Definition of default and credit-impaired installment contracts receivable

The Group defines the account as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria

The customer meets unlikelihood to pay criteria, which indicates the customer is in significant financial difficulty.

These are instances where:

1. The customer is experiencing financial difficulty or is insolvent;
2. The customer is in breach of financial covenant(s);
3. An active market for that financial asset has disappeared because of financial difficulties;
4. Concessions have been granted by the Company, for economic or contractual reasons relating to the customer's financial difficulty;
5. It is becoming probable that the customer will enter bankruptcy or other financial reorganization.

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (ED) throughout the Company's expected loss calculation.

Allowance for expected credit losses of receivables

The Group reviews its impaired receivables at each reporting date to assess whether an additional provision for credit losses should be recorded in the profit and loss. In, particular, judgment by Management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about number of factors and actual results may differ, resulting in future changes to the allowance.

The carrying value of receivables amounted to ₦1,195,249,786, ₦707,350,393, and ₦772,916,855 as of September 30, 2025 and 2024, and December 2024, respectively. (Note 11)

In case of default, dunning letters are to be sent to the customers indicating the overdue accounts. The following actions should be carried out depending if the default payments pertain to equity of amortization.

Equity

1. 1st Equity Default – Issue Forfeiture Letter with Statement of Account (SOA)
2. 2nd Equity Onwards – Issue the 1st Demand Letter with Statement of Account (SOA), call and/or text the customer. If still no payment within five (5) days from receipt of the 1st demand letter, a Final

Demand to Pay with the Statement of Account (SOA) will be issued with corresponding call and/or text to the customer. If within sixty (60) days from receipt of the 2nd Demand Letter, no payment has been made, the Group will issue a notarized Notice of cancellation (NOC). After thirty (30) days from receipt of NOC, no payment received from the customer, the unit shall be reopen for resale.

Amortization

1. Customers with delayed payments
 - Issue the 1st Notice of Overdue Payment (NOP) with Statement of Account (SOA) with corresponding call or email to the customer.
 - If within five (5) days from receipt of 1st Notice of Overdue Payment (NOP), no payment has been made, the Group will issue Final Demand to Pay.
2. With payments for two (2) years or less
 - If no payment within sixty (60) days from receipt of Final Demand Letter, the Group will issue a notarized Notice of Cancellation (NOC). However, if the customer response to the NOC, Loan Restructuring will be offered, subject to the approval by the Management. If after thirty (30) days, no response from the customer, contract will be cancelled and open for resale.
3. With payments for more than two (2) years
 - If no payment within ninety (90) days from receipt of Final Demand Letter, the Group will issue a notarized Notice of Cancellation (NOC) and the unit will be re-opened for sale.

Allowance for credit losses was recognized as of September 30, 2025, and nil for both September 2024, and December 31, 2024. Neither write-off nor recoveries were also recognized as of September 30, 2025 and 2024, and December 31, 2024. (Note 11)

Evaluation of net realizable value of real estate inventories

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. For real estate inventories, the Group adjusts the cost of its real estate inventories to its net realizable value based on its assessments of the recoverability of the real estate inventories. In determining the recoverability of the inventories considers whether those inventories are damaged or if their selling process have declined.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Inventories carried at cost amounted to ₱3,630,014,080, ₱2,825,689,799 and ₱2,948,626,556 as of September 30, 2025 and 2024, and December 31, 2024, respectively (Note 13). No impairments were assessed for the inventories as of September 30, 2025 and 2024 and December 31, 2024, respectively.

Estimating residual values, and useful lives of property and equipment

The Group estimates residual values and useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that the future results of operations could be materially affected by changes in estimates brought by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded expenses and decrease non-current assets.

The carrying amounts of property and equipment amounted to ₦1,072,100,341, ₦1,064,138,481, and ₦1,075,445,189 as of September 30, 2025 and 2024, and December 2024, respectively (see Note 14). Useful lives of property and equipment is disclosed in Note 3.16.

Estimating impairment losses on property and equipment

The Group assesses impairment on its property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review, include the following:

- a) Significant underperformance relative to expected historical or projected future operating results;
- b) Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) Significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from continued use of the assets, the Group is required to make estimates that can materially affect the financial statements.

The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing impairment, assets are assessed at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to statements of loss if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows. There was no provision for impairment loss on property and equipment recognized in September 30, 2025 and 2024 and December 31, 2024.

Estimating allowance for impairment losses on non-financial assets (except property and equipment)

The Group provides allowance for impairment losses on non-financial assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease related assets.

There was no indication of impairment noted on the Group's non-financial assets in September 30, 2025 and 2024, and December 31, 2024.

Realizable amount of deferred tax assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets amounted to ₦9,184,647, ₦12,339,516, and ₦9,509,404 as of September 30, 2025 and 2024, and December 2024, respectively. (Note 31)

4.3 Provision and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 3.31.

NOTE 5 – BUSINESS COMBINATION

On January 18, 2018, the Board of Directors of the Parent Company has approved the decision for the Parent Company to acquire 100% ownership and control of Tradition Homes, Inc. for an acquisition cost of ₦30,000,000. The capital stock exchange was made through conversion of Parent Company's Advances to Tradition Homes, Inc.

On May 26, 2021, the Board of Directors of the Parent Company has approved the decision for the Parent Company to acquire 100% ownership and control of Lifestyle Development Corporation (LDC) for an acquisition

cost of ₦105,737,000. The acquisition of LDC during the year in the Business Combination will increase the assets by ₦853.5 million.

NOTE 6 – SEGMENT INFORMATION

The Group has only one business segment which is primarily involved in real estate. The Group operates in one geographic location only and therefore, no information on geographical segment is presented.

NOTE 7 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments are composed of cash, receivables 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.

7.1 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.

7.2 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, 2025 and 2024, and December 2024, only Tradition Homes, Inc. has re-pricable financial instruments subject to variable interest rates but there were 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.

7.3 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, 2025			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost:				
Cash in bank (Note 10)	₱ 102,952,213	₱ 102,952,213	₱ -	₱ -
Receivables (Note 11)	1,020,934,693	-	1,020,934,693	-
Contract assets (Note 12)	796,521,912	-	796,521,912	-
Refundable deposits (Note 16)	10,193,855	-	-	10,193,855
Total	₱ 1,930,602,673	₱ 102,952,213	₱ 1,817,456,605	₱ 10,193,855
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 17)	₱ 122,197,204	₱ -	₱ 122,197,204	₱ -
Contract liabilities (Note 18)	13,959,997	-	13,959,997	-
Loans and borrowings (Note 19)	2,480,749,774	-	-	2,480,749,774
Advances from related parties (Note 21)	168,159,120	-	-	168,159,120
Total	₱ 2,785,066,095	₱ -	₱ 136,157,201	₱ 2,648,908,894

*Excluding government liabilities.

	September 30, 2024			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost:				
Cash in bank (Note 10)	₱ 73,912,797	₱ 73,912,797	₱ -	₱ -
Receivables (Note 11)	638,871,981	-	638,871,981	-
Contract assets (Note 12)	1,054,806,372	-	1,054,806,372	-
Refundable deposits (Note 16)	11,483,586	-	-	11,483,586
Total	₱ 1,779,074,736	₱ 73,912,797	₱ 1,693,678,353	₱ 11,483,586
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 17)	₱ 277,003,367	₱ -	₱ 277,003,367	₱ -
Contract liabilities (Note 18)	42,824,132	-	42,824,132	-
Loans and borrowings (Note 19)	1,553,204,987	-	-	1,553,204,987
Advances from related parties (Note 21)	174,425,348	-	-	174,425,348
Total	₱ 2,047,457,834	₱ -	₱ 319,827,499	₱ 1,727,630,335

*Excluding government liabilities.

	December 31, 2024			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost:				
Cash in bank (Note 10)	₱ 243,656,548	₱ 243,656,548	₱ -	₱ -
Receivables (Note 11)	690,989,584	-	690,989,584	-
Contract assets (Note 12)	827,156,013	-	827,156,031	-
Refundable deposits (Note 16)	10,204,135	-	-	10,204,135
Total	₱ 1,772,006,280	₱ 243,656,548	₱ 1,518,145,615	₱ 10,204,135

Financial liabilities at amortized cost:							
Accounts and other payables* (Note 17)	₽ 183,986,719	₽ -	₽ 183,986,719	₽ -	₽ -	₽ -	₽ -
Contract liabilities (Note 18)	38,015,175	-	38,015,175	-	-	-	-
Loans and borrowings (Note 19)	1,756,838,622	-	-	-	-	1,756,838,622	-
Advances from related parties (Note 21)	173,928,719	-	-	-	-	173,928,719	-
Total	₽ 2,152,769,235	₽ -	₽ 222,001,894	₽ -	₽ 1,930,767,341		

*Excluding government liabilities.

7.4 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, 2025, and 2024, December 31, 2024, 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, 2025				
	Neither past due nor impaired		Past due but not impaired		
	High Grade	Standard Grade	Impaired		Total
Financial assets at amortized cost:					
Cash in bank (Note 10)	₽ 102,952,213	₽ -	₽ -	₽ -	₽ 102,952,213
Receivables (Note 11)	1,019,652,128	-	-	1,282,565	1,020,934,693
Contract assets (Note 12)	796,521,912	-	-	-	796,521,912
Refundable deposits (Note 16)	10,193,855	-	-	-	10,193,855
Total	₽ 1,929,320,108	₽ -	₽ -	₽ 1,282,565	₽ 1,930,602,673

	As at September 30, 2024				
	Neither past due nor impaired		Past due but not impaired		
	High Grade	Standard Grade	Impaired		Total
Financial assets at amortized cost:					
Cash in bank (Note 10)	₽ 73,912,797	₽ -	₽ -	₽ -	₽ 73,912,797
Receivables (Note 11)	638,871,981	-	-	-	638,871,981
Contract assets (Note 12)	1,054,806,372	-	-	-	1,054,806,372
Refundable deposits (Note 16)	11,483,586	-	-	-	11,483,586
Total	₽ 1,779,074,736	₽ -	₽ -	₽ -	₽ 1,779,074,736

	As at December 31, 2024				
	Neither past due nor impaired		Past due but not impaired		
	High Grade	Standard Grade	Impaired		Total
Financial assets at amortized cost:					
Cash in bank (Note 10)	₽ 243,656,548	₽ -	₽ -	₽ -	₽ 243,656,548
Receivables (Note 11)	690,989,584	-	-	-	690,989,584
Contract assets (Note 12)	827,156,013	-	-	-	827,156,013
Refundable deposits (Note 16)	10,204,135	-	-	-	10,204,135

Total	₽ 1,772,006,280	₽ -	₽ -	₽ -	₽ 1,772,006,280
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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.

Aging Schedules of Receivables

As of September 30, 2025, aging of receivables consist of the following:

		Neither past due nor impaired	1-30 days	31-60 days	61-90 days	Over 90 days
	Total					
Current	₽ 1,818,739,169	₽ 1,815,576,978	₽ 1,552,926	₽ 344,362	₽ 221,102	₽ 1,043,802
Noncurrent	₽ 121,760,968	₽ 121,760,968	₽ -	₽ -	₽ -	₽ -
Receivables	₽ 1,940,500,137	₽ 1,937,337,946	₽ 1,552,926	₽ 344,362	₽ 221,102	₽ 1,043,802

As of September 30, 2024, aging of receivables consist of the following:

		Neither past due nor impaired	1-30 days	31-60 days	61-90 days	Over 90 days
	Total					
Current	₽ 1,693,678,353	₽ 1,693,678,353	₽ -	₽ -	₽ -	₽ -
Noncurrent	₽ 91,937,295	₽ 91,937,295	₽ -	₽ -	₽ -	₽ -
Receivables	₽ 1,785,615,648	₽ 1,785,615,648	₽ -	₽ -	₽ -	₽ -

As of December 31, 2024, aging of receivables consist of the following:

		Neither past due nor impaired	1-30 days	31-60 days	61-90 days	Over 90 days
	Total					
Current	₽ 1,518,145,597	₽ 1,518,145,597	₽ -	₽ -	₽ -	₽ -
Noncurrent	₽ 90,279,658	₽ 90,279,658	₽ -	₽ -	₽ -	₽ -
Receivables	₽ 1,608,425,255	₽ 1,608,425,255	₽ -	₽ -	₽ -	₽ -

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.

	September 31, 2025	September 31, 2024	December 31, 2024
Financial assets at amortized cost:			
Cash in bank (Note 10)	₽ 102,952,213	₽ 73,912,797	₽ 243,656,548
Receivables (Note 11)	1,020,934,693	638,871,981	690,989,584
Contract assets (Note 12)	796,521,912	1,054,806,372	827,156,013
Refundable deposits (Note 16)	<u>10,193,855</u>	<u>11,483,586</u>	<u>10,204,135</u>
Total	₽ 1,930,602,673	₽ 1,779,074,736	₽ 1,772,006,280

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.

NOTE 8 – CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debt, return capital to shareholders or issue new shares.

The Group considers its equity and loans and borrowings as capital.

The Group monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

	September 30, 2025	September 30, 2024	December 31, 2024
Total liabilities	2,831,749,164	2,048,309,277	2,178,893,499
Total equity	4,120,505,350	3,814,872,815	3,817,847,838
Debt-to-equity ratio	0.69:1	0.54:1	0.57:1

There were no changes in the Group's approach to capital management during the year.

NOTE 9 – FAIR VALUE MEASUREMENT

9.1 Carrying amounts and fair values by category

The table below presents a comparison by category of carrying amounts and fair values of the Group's financial instruments for the year September 30, 2025 and 2024 and December 31, 2024:

	September 30, 2025		September 30, 2024		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortized cost:						
Cash in bank (Note 10)	₱ 102,952,213	₱ 102,952,213	₱ 73,912,797	₱ 73,912,797	₱ 243,656,548	₱ 243,656,548
Receivables (Note 11)	₱ 1,020,934,693	₱ 1,020,934,693	₱ 638,871,981	₱ 638,871,981	₱ 690,989,584	₱ 690,989,584
Contract assets (Note 12)	₱ 796,521,912	₱ 796,521,912	₱ 1,054,806,372	₱ 1,054,806,372	₱ 827,156,013	₱ 827,156,013
Refundable deposits (Note 16)	₱ 10,193,855	₱ 10,193,855	₱ 11,483,586	₱ 11,483,586	₱ 10,204,135	₱ 10,204,135
Total	₱ 1,930,602,673	₱ 1,930,602,673	₱ 1,779,074,736	₱ 1,779,074,736	₱ 1,772,006,280	₱ 1,772,006,280
Financial liabilities at amortized cost:						
Accounts and other payables* (Note 17)	₱ 122,197,204	₱ 122,197,204	₱ 277,003,367	₱ 277,003,367	₱ 183,986,719	₱ 183,986,719
Contract liabilities (Note 18)	₱ 13,959,997	₱ 13,959,997	₱ 42,824,132	₱ 42,824,132	₱ 38,015,175	₱ 38,015,175
Loans and borrowings (Note 19)	₱ 2,480,749,774	₱ 2,480,749,774	₱ 1,553,204,987	₱ 1,553,204,987	₱ 1,756,838,622	₱ 1,756,838,622
Advances from related parties (Note 21)	₱ 168,159,120	₱ 168,159,120	₱ 174,425,348	₱ 174,425,348	₱ 173,928,719	₱ 173,928,719
Total	₱ 2,785,066,095	₱ 2,785,066,095	₱ 2,047,457,834	₱ 2,047,457,834	₱ 2,152,769,235	₱ 2,152,769,235

*Excluding government liabilities.

Cash in bank, Receivables, Refundable deposits, Accounts and other payables (excluding government liabilities), and Loans and borrowings. The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments.

Advances to (from) Related Parties. The carrying amounts of these related party transactions approximate their fair values.

9.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy Group's financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

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

The following table summarizes the fair value hierarchy of the Group's financial assets and liabilities, which are measured at fair value or require disclosure as prescribed by other PFRS, as of September 30, 2025 and 2024 and December 31, 2024:

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in bank (Note 10)	₱ 102,952,213	₱ -	₱ -	₱ 102,952,213
Receivables (Note 11)	₱ -	₱ -	₱ 1,020,934,693	₱ 1,020,934,693
Contract assets (Note 12)	₱ -	₱ -	₱ 796,521,912	₱ 796,521,912
Refundable deposits (Note 16)	₱ -	₱ -	₱ 10,193,855	₱ 10,193,855
Total	₱ 102,952,213	₱ -	₱ 1,827,650,460	₱ 1,930,602,673

Financial liabilities at amortized cost

Accounts and other payables*(Note 17)	₱	-	₱	-	₱	122,197,204	₱	122,197,204
Contract liabilities (Note 18)		-		-		13,959,997		13,959,997
Loans and borrowings (Note 19)		2,480,749,773		-		-		2,480,749,774
Advances from related parties (Note 21)		-		-		168,256,025		168,159,120
Total	₱	2,480,749,773	₱	-	₱	04,413,226	₱	2,785,066,095

*Excluding government liabilities.

September 30, 2024

	Level 1	Level 2	Level 3	Total
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Financial assets at amortized cost:

Cash in bank (Note 10)	₱	73,912,797	₱	-	₱	-	₱	73,912,797
Receivables (Note 11)		-		-		638,871,981		638,871,981
Contract assets (Note 12)		-		-		1,054,806,372		1,054,806,372
Refundable deposits (Note 16)		-		-		11,483,586		11,483,586
Total	₱	73,912,797	₱	-	₱	1,705,161,939	₱	1,779,074,736

Financial liabilities at amortized cost

Accounts and other payables* (Note 17)	₱	-	₱	-	₱	277,003,367	₱	277,003,367
Contract liabilities (Note 18)		-		-		42,824,132		42,824,132
Loans and borrowings (Note 19)		1,553,204,987		-		-		1,553,204,987
Advances from related parties (Note 21)		-		-		174,425,348		174,425,348
Total	₱	1,553,204,987	₱	-	₱	494,252,847	₱	2,047,457,834

*Excluding government liabilities.

December 31, 2024

	Level 1	Level 2	Level 3	Total
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Financial assets at amortized cost:

Cash in bank (Note 10)	₱	243,656,548	₱	-	₱	-	₱	243,656,548
Receivables (Note 11)		-		-		690,989,584		690,989,584
Contract assets (Note 12)		-		-		827,156,013		827,156,013
Refundable deposits (Note 16)		-		-		10,204,135		10,204,135
Total	₱	243,656,548	₱	-	₱	1,528,349,732	₱	1,772,006,280

Financial liabilities at amortized cost

Accounts and other payables* (Note 17)	₱	-	₱	-	₱	183,986,719	₱	183,986,719
Contract liabilities (18)		-		-		38,015,175		38,015,175
Loans and borrowings (Note 19)		1,756,838,622		-		-		1,756,838,622
Advances from related parties (Note 21)		-		-		173,928,719		173,928,719
Total	₱	1,756,838,622	₱	-	₱	395,930,613	₱	2,152,769,235

*Excluding government liabilities.

As of September 30, 2025 and 2024, and December 2024, there are no financial assets or financial liabilities measured at fair value. There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2025 and 2024.

Financial instruments not measured at fair value for which fair value is disclosed

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

NOTE 10 – CASH

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Petty cash fund	₱ 1,051,000	₱ 715,000	₱ 721,000
Cash in banks	₱ 102,952,213	₱ 73,912,797	₱ 243,656,548
Total	₱ 104,003,213	₱ 74,627,797	₱ 244,377,548

Cash in bank earns interest at the respective bank deposit rates. Interest income from bank deposits amounted to ₱31,890 and ₱41,511 and ₱65,047 for the period ended September 30, 2025 and 2024 and December 2024, respectively (Note 26).

NOTE 11 – RECEIVABLES – NET

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 2025	September 2024	December 2024
Receivables from customers	₱ 1,022,126,600	₱ 638,871,981	₱ 690,989,584
Receivables at amortized cost from:			
Contractors	₱ 38,807,693	₱ 8,379,969	₱ 11,033,388
Officers and employees	₱ 13,266,361	₱ 2,276,110	₱ 7,721,999
Buyer	₱ 6,323,171	₱ 5,139,929	₱ 5,747,489
Broker	₱ 4,939,779	₱ 4,054,779	₱ 4,509,779
Suppliers	₱ 1,492,073	₱ 5,074,469	₱ 2,097,893
Others	₱ 109,486,016	₱ 43,553,156	₱ 50,816,723
Gross receivables	₱ 1,196,441,693	₱ 707,350,393	₱ 772,916,855
Less: Allowance for expected credit losses	₱ 1,191,907	₱ -	₱ -
Net	₱ 1,195,249,786	₱ 707,350,393	₱ 772,916,855

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 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 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 typically has contractual rights, which may include the right to charge penalties, interest of overdue amounts, or, as a last resort, to cancel the contract and potentially repossess the property. Given the current market conditions of the real estate sales, finding another interested buyer is manageable.

Movements in the allowance for ECL are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Beginning balance	₽ -	₽ -	₽ -
Addition	1,191,970	-	-
Reversal	-	-	-
Recovery	-	-	-
Ending balance	₽ <u>1,191,970</u>	₽ -	₽ -

NOTE 12 – CONTRACT ASSETS – CURRENT PORTION

As of September 30, 2025 and 2024 and December 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Contract asset	₽ 918,373,537	₽ 1,146,743,667	₽ 917,435,671
Less: Contract assets – non-current portion	121,760,968	91,937,295	90,279,658
Less: Allowance for expected credit losses	90,657	-	-
Total	₽ <u>796,521,912</u>	₽ 1,054,806,372	₽ 827,156,013

Contract Assets – Real Estate

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.

Movements in the allowance for ECL are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Beginning balance	₽ -	₽ -	₽ -
Addition	90,657	-	-
Reversal	-	-	-
Recovery	-	-	-
Ending balance	₽ <u>90,657</u>	₽ -	₽ -

NOTE 13 – REAL ESTATE INVENTORIES

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Land for sale and development	₱ 3,188,941,643	₱ 2,590,416,992	₱ 2,487,714,684
Residential units and development	₱ 432,525,475	₱ 226,725,845	₱ 452,364,910
Model units	₱ 8,546,962	₱ 8,546,962	₱ 8,546,962
Total	₱ <u>3,630,014,080</u>	₱ <u>2,825,689,799</u>	₱ <u>2,948,626,556</u>

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 September 30, 2025 and 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.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 637 and License to Sell No. 816 on August 15, 2022, for the sale of lots/units/ lots with units of their housing project namely Celestis 2 with 58 lots and units located at Brgy. San Luis, Antipolo City, Rizal.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 445 for their housing project namely The Granary with an area of 104,661 sq.m on January 30, 2023 and License to Sell No. 1556 on July 21, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary (Phase 1) with 260 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 1682 on November 24, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 2 with 454 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 571 on June 7, 2024, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 3 with 456 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 571 on June 7, 2024, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 3 with 456 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 2981 and License to Sell No. 3465 for their housing project namely The Granary Extension with an area of 26,030 sq.m on July 9, 2025, for the sale of lots/units/ lots with units of their housing project with 288 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Group has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 3053 and License to Sell No. 3548 for their housing project namely The Hammond with an area of 14,932 sq.m on September 2, 2025, for the sale of lots/units/ lots with units of their housing project with 143 lots and units located at Brgy. San Jose, Antipolo City, Rizal.

The real estate inventories used as collateral or pledged as security to secure the borrowings of the Group are as follows:

A Real Estate Mortgage for the loan was registered as a collateral for the titles: TCT Nos. 163-2019001804, 163-2019001803 and 163-2023000429 located along Hinapao-Tacbac Road, Brgy. San Jose, Antipolo City, Rizal.

A Real Estate Mortgage for the loan was registered as a collateral for the title (or its subdivided titles): TCT No. 170-2023004067 covering 26,030 sqm named under the Company located within Brgy. San Antonio, Biñan City, Laguna.

A 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.

A Real Estate Mortgage for the loan was registered as a collateral with the following titles (Cluster B to D) located at Subdivision Road, St. Francis Subdivision XV, San Antonio, Biñan City, Laguna:

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

A Real Estate Mortgage for the loan was registered as a collateral for the titles: TCT No.: T-93608 and (060-T-94742) 170-0002896 with a lot area of 10,000 sqm and 6,486 sqm for the 1.65-hectares Amberwood Project located Biñan City, Laguna.

A Real Estate Mortgage for the loan was registered as a collateral for the titles: TCT Nos. 163-2019001804, 163-2019001803 and 163-2023000429 with a lot area of 16,041 sqm The Hammond Project located along Hinapao-Tacbac Road, Brgy. San Jose, Antipolo City, Rizal

NOTE 14 – PREPAYMENTS AND OTHER CURRENT ASSETS

As of September 30, 2025 and 2024 and December 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Deferred MCIT	₱ 720,336	₱ -	₱ 720,336
Prepaid rent	₱ 676,992	₱ 2,037,650	₱ 253,872
Prepaid taxes and licenses	₱ 405,049	₱ 966,854	₱ 499,187
Tax credit	₱ 26,644	₱ 750,336	₱ -
Prepaid insurance	₱ 26,690	₱ 153,274	₱ 64,614
Prepaid income tax	₱ -	₱ 3,414,661	₱ 5,176,380
Input VAT	₱ -	₱ -	₱ 264,745
Prepaid Interest	₱ -	₱ 656,095	₱ -
Others	₱ 732,633	₱ 3,421,983	₱ 424,547
 Total	 ₱ 2,588,344	 ₱ 11,400,853	 ₱ 7,403,681

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.

NOTE 15 – PROPERTY AND EQUIPMENT - NET

As of September 30, 2025, the movement of the account as follows:

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	(167,211)	8,952,840
Construction equipment	51,323,180	5,969,100	57,292,280
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	 ₱ 13,287,604	 ₱ 1,145,301,150
 Accumulated depreciation:			
Office improvement	₱ 3,409,121	₱ 27,194	₱ 3,436,315
Office equipment	6,101,640	(101,248)	6,000,392
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	199,164	603,422
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	 ₱ 16,706,506	 ₱ 73,200,809
 Net book value	 ₱ 1,075,445,189		 ₱ 1,072,100,341

As of September 30, 2024, the movement of the account as follows:

Particulars	Beginning Balances	Additions/Provisions	Ending Balances
Cost:			
Land	₱ 1,005,141,700	₱ 11,749	₱ 1,005,153,450
Office improvement	3,375,886	181,287	3,557,173
Office equipment	6,985,712	181,448	7,167,160
Construction equipment	33,290,641	18,032,540	51,323,181
Transportation equipment	9,078,968	-	9,078,968
Furniture and fixture	962,561	89,685	1,052,246
Construction tools	20,473,886	5,124,231	25,598,118
Warehouse equipment	139,268	43,464	182,732
Temporary facilities	440,600	6,555,673	6,996,273
Leasehold improvement	-	3,020,906	3,020,906
Total Cost	₱ 1,079,889,222	₱ 33,240,983	₱ 1,113,130,207
Accumulated depreciation:			
Office improvement	₱ 3,372,915	₱ 27,142	₱ 3,400,057
Office equipment	4,576,735	(243,494)	4,333,241
Construction equipment	13,427,888	5,089,914	18,517,802
Transportation equipment	5,426,918	814,174	6,241,092
Furniture and fixture	214,034	137,233	351,267
Construction tools	6,169,305	9,178,427	15,347,732
Warehouse equipment	75,045	22,358	97,403
Temporary facilities	88,120	615,012	703,132
Right of use Asset	-	-	-
Total Accumulated Depreciation	₱ 33,350,960	₱ 15,640,766	₱ 48,991,726
Net book value	₱ 1,046,538,262		₱ 1,064,138,481

As of December 31, 2024, the movement of the account as follows:

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 Cost	₱ 1,079,889,222	₱ 52,124,324	₱ 1,132,013,546
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 Accumulated Depreciation	₱ 33,350,960	₱ 23,217,397	₱ 56,568,357
Net book value	₱ 1,046,538,262		₱ 1,075,445,189

The Group elected to use the cost model to account the property and equipment.

As of September 30, 2025, and 2024 and December 2024, there are no indication of any impairment loss on the carrying amount of property and equipment since its recoverable amount exceeds its carrying amount.

The amount of depreciation charged to general and administrative expenses for the years September 30, 2025 and 2024, and December 31, 2024 amounted to ₦10,672,651, ₦7,871,837 and ₦12,189,667, respectively (Note 28).

Certain properties were pledged or mortgaged as collateral to secure some of the Group's loans (see Note 17).

NOTE 16 – OTHER NON-CURRENT ASSETS

As of September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Refundable deposits	₦ 10,193,855	₦ 11,483,586	₦ 10,204,135
Deferred tax assets (Note 31)	₦ 9,184,647	₦ 12,339,516	₦ 9,509,404
Security deposits	₦ 1,414,297	-	₦ 1,414,298
Other deposits	₦ 9,223,071	₦ 9,408,000	₦ 9,408,000
Total	₦ 30,015,870	₦ 33,231,102	₦ 30,535,837

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

Other deposits pertain to computer software that is still under implementation.

NOTE 17 – ACCOUNTS AND OTHER PAYABLES

As of September 30, 2025 and 2024 and December 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Trade payables	₦ 88,260,957	₦ 123,932,777	₦ 139,460,458
Accrued expenses	₦ 7,745,429	₦ 93,526,975	-
Government liabilities	₦ 6,768,774	₦ 4,654,501	₦ 3,389,203
Retention payable	₦ 49,191,628	₦ 30,939,957	₦ 37,109,687
Other liabilities	₦ 1,220,950	₦ 16,854,527	₦ 16,165,656
Total	₦ 153,187,738	₦ 269,908,737	₦ 196,125,004

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.

Accrued expenses

Accrued expenses pertain to various expenses incurred but not yet paid as of reporting date which includes electric and water billings, utilities expenses, and subscriptions. These are normally settled on the following months.

Government liabilities

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

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.

NOTE 18 – CONTRACT LIABILITIES

As of September 30, 2025 and 2024, and December 31, 2024, the account amounting to ₱13,959,997, ₱42,824,132 and ₱38,015,175, 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

NOTE 19 – LOANS AND BORROWINGS

Loan agreements with local banks. These loans were obtained to augment the Company's funding for its operations. The outstanding balances of the account are as follows:

As of September 31, 2025, the account consists of the following:

Lender	Interest Rate	Terms	Security	Balance
Current				
Financing (Individual and Corporation)	11.00% - 15.00%	1 year	Secured	₱ 236,000,000
China Banking Corporation	7.63%	3 months	Secured	48,663,398
China Banking Corporation	7.41%	5 years	Secured	21,666,667
China Banking Corporation - CTS	7.50%	5 years	Secured	7,855,405
China Banking Corporation	8.65%	10 years	Secured	2,032,057
Sterling Bank of Asia	10.50%	5 years	Secured	10,512,492
Sterling Bank of Asia - CTS	9.00% - 11.00%	5 years	Secured	34,904,826
Security Bank Corporation	8.00%	5 years	Secured	95,531,915
Security Bank Corporation - CTS	7.50%-8.00%	2 years	Secured	601,361,588
Asia United Bank	8.30%	3 years	Secured	14,632,988
Subtotal				₱ 1,073,161,335
Non-current				
Financing (Individual and Corporation)	11.00% - 15.00%	2 years	Secured	₱ 173,000,000
China Banking Corporation	7.41%	5 years	Secured	43,333,333
China Banking Corporation - CTS	7.50%	5 years	Secured	13,529,536
China Banking Corporation	8.65%	10 years	Secured	4,229,497
Sterling Bank of Asia	10.50%	5 years	Secured	25,770,353
Sterling Bank of Asia - CTS	9.00% - 11.00%	5 years	Secured	445,413,569
Security Bank Corporation	8.00%	5 years	Secured	659,219,858
Security Bank Corporation - CTS	8.00%	5 years	Secured	41,531,139
Asia United Bank (Car loans)	9.25%	5 years	Secured	1,561,153
Subtotal				₱ 1,407,588,439
Total				₱ 2,480,749,774

As of September 31, 2024, the account consists of the following:

Lending institution	Interest Rate	Terms	Security	Balance
Current				
China Banking Corporation	7.63%	3 months	Secured	₱ 1,422,236
China Banking Corporation - CTS	7.50%	5 years	Secured	50,858,211
Sterling Bank of Asia - CTS	9.0% - 11.0%	5 years	Secured	6,303,107
Bank of the Philippines	7.50%	10 years	Secured	10,000,000
Security Bank Corporation - CTS	8.00%	5 years	Secured	10,694,444
Arq Capital SME Finance, Inc.	12.00%	1 years	Secured	25,000,000
Subtotal				₱ 104,277,998
Non-current				
China Banking Corporation	7.41%	5 years	Secured	₱ 65,000,000
China Banking Corporation - CTS	7.50%	5 years	Secured	28,595,405
China Banking Corporation	8.65%	10 years	Secured	6,871,374
Sterling Bank of Asia	10.50%	5 years	Secured	45,000,000
Sterling Bank of Asia - CTS	9.0% - 11.0%	5 years	Secured	179,767,752
Security Bank Corporation	8.00%	5 years	Secured	403,755,910
Security Bank Corporation - CTS	8.00%	5 years	Secured	668,973,138
Asia United Bank	8.30%	3 years	Secured	30,208,105
Asia United Bank (Car loans)	9.25%	5 years	Secured	755,305
Subtotal				₱ 1,448,926,989
Total				₱ 1,553,204,987

As of December 31, 2024, the account consists of the following:

Lending institution	Interest Rate	Terms	Security	Balance
Current				
Financing (Individual and Corporation)	12.50%	1 year	Secured	₱ 142,900,000
China Banking Corporation	7.63%	3 months	Secured	48,663,398
China Banking Corporation	7.41%	5 years	Secured	5,416,667
China Banking Corporation	8.65%	10 years	Secured	2,032,123
China Banking Corporation - CTS	7.50%	10 years	Secured	7,368,702
Sterling Bank of Asia	10.50%	5 years	Secured	9,719,720
Sterling Bank of Asia	11.00%	5 years	Secured	13,685,864
Sterling Bank of Asia - CTS	9.0% - 11.0%	10 years	Secured	30,690,136
Security Bank Corporation	8.00%	5 years	Secured	73,125,000
Security Bank Corporation	8.00%	4 years	Secured	49,326,241
Sterling Bank of Asia - CTS	9.0% - 11.0%	10 years	Secured	399,601,030
Asia United Bank (Car loan)	9.25%	5 years	Secured	171,657
Subtotal				₱ 782,700,538
Non-current				
Financing (Individual and Corporation)	12.50%	2 years	Secured	₱ 35,000,000
China Banking Corporation	7.41%	5 years	Secured	59,583,333
China Banking Corporation	8.65%	10 years	Secured	5,922,812
China Banking Corporation - CTS	7.50%	10 years	Secured	21,402,384
Sterling Bank of Asia	10.50%	5 years	Secured	33,756,840
Sterling Bank of Asia	11.00%	5 years	Secured	51,314,136
Sterling Bank of Asia - CTS	9.0% - 11.0%	10 years	Secured	414,167,850
Security Bank Corporation	8.00%	5 years	Secured	163,125,000
Security Bank Corporation	8.00%	4 years	Secured	110,035,461
Security Bank Corporation - CTS	8.00%	4 years	Secured	50,033,516.00
Asia United Bank	8.30%	3 years	Secured	29,253,602.00
Asia United Bank (Car loans)	9.25%	5 years	Secured	543,150.00
Subtotal				₱ 974,138,084
Total				₱ 1,756,838,622

Bridge Loan – Financing and Individual Corporation

The Company availed a financing loan from various individuals and corporations to be used exclusively to partially finance its land acquisition activities, with details as follows:

The Group borrowed a loan total of ₱70,000,000 with a term of two (2) years with an interest rate of 12.50% and (3) years with an interest rate of 15%. The drawdown was made on October 17, 2024 and August 05, 2025 amounting to ₱35,000,000 and ₱35,000,000 respectively. 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, equivalent to a total of 126,000,000 shares.

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 unsecured.

The Group borrowed a loan total of ₱128,000,000 with a term of one (1) to two (2) years with an interest rate of 12.0% to 12.50% and (3) years with an interest rate of 15%. The drawdown was made on October 28, 2024, November 08, 2024, December 19, 2024, April 04, 2025, April 11, 2025, May 14, 2025 and August 01, 2025 amounting to ₱20,000,000, ₱8,000,000, ₱20,000,000, ₱30,000,000, ₱10,000,000, ₱10,000,000 and ₱30,000,000 respectively. 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, equivalent to a total of 160,000,000 shares.

The Group borrowed a loan total of ₱181,000,000 from Atram Trust Corporation with a term of one (1) to two (2) years with an interest rate of 11%. The drawdown was made on May 20, 2025, May 29, 2025, July 10, 2025, and August 22, 2025 amounting to ₱90,000,000, ₱10,000,000, ₱21,000,000 and ₱60,000,000 respectively. The loan is secured by 108,600 sqm., property located in 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 Parent Company obtained a straight loan from China Bank amounting to ₱35,000,000 and ₱15,000,000 with maturity due at December 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 Parent Company with Sterling Bank of Asia:

Term Loan

On October 26, 2023, the Parent 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 Parent Company.

Contract-to-Sell (CTS) Financing Line

On March 12, 2019, the Parent 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 Parent 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 – Calendula. 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 – Term Loan

On December 22, 2024, the Parent Company obtained another 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 Parent 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 Parent 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-543746, 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 Parent 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.

Security Bank Corporation - Contract to Sell Credit Facility

On June 19, 2024, the Parent 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.

Finance costs arising from these loans amounted to ₱119,393,835, ₱89,701,072 and ₱119,940,555 for the years ended September 30, 2025 and 2024 and December 2024, respectively.

In September 30, 2025 and 2024 and December 2024, the borrowing cost capitalized in the real estate projects amounted to ₱109,142,831, ₱76,898,773 and 104,983,506 respectively. The capitalization rate used to determine the amount of borrowing cost eligible for capitalization is ranging to 5% to 20%.

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

NOTE 20 – DEFINED BENEFIT OBLIGATION

The Group does not maintain a 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.

The obligation status and amounts recognized under retirement obligation account in the consolidated statements of financial position for the retirement plan as of September 30, 2025 and December 31, 2024 are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Present value of benefit obligation	₽ 12,703,551	₽ 7,094,630	₽ 12,703,551
Fair value of plan assets	₽ -	₽ -	₽ -
Deficit	₽ 12,703,551	₽ 7,094,630	₽ 12,703,551
Effect of asset ceiling	₽ -	₽ -	₽ -
Liability to be recognized	₽ 12,703,551	₽ <u>7,094,630</u>	₽ <u>12,703,551</u>

Net plan costs for the year are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Current service cost	₽ 2,412,820	₽ 1,086,485	₽ 2,412,820
Net interest cost	₽ 431,833	₽ 1,051,006	₽ 431,833
Benefits paid	₽ -	₽ (393,102)	₽ -
Net plan cost to be recognized on profit or loss	₽ 2,844,653	₽ <u>1,744,389</u>	₽ <u>2,844,653</u>
Actuarial (gain) loss	₽ 738,392	₽ (2,030,949)	₽ 738,392
Changes in the effect of asset ceiling	₽ -	₽ -	₽ -
Re-measurement on plan assets	₽ -	₽ -	₽ -
Total (gain) loss to be recognized on other comprehensive income	₽ 738,392	₽ (2,030,949)	₽ 738,392
Net plan cost (gain) to be recognized on total comprehensive income	₽ 3,583,045	₽ <u>(286,560)</u>	₽ <u>3,583,045</u>

Changes in the present value of the defined benefit obligation are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
At beginning of the year	₽ 7,094,630	₽ 15,396,582	₽ 7,094,630
Interest cost	₽ 431,833	₽ 1,051,006	₽ 431,833
Current service cost	₽ 2,412,802	₽ 1,162,485	₽ 2,412,802
Benefits paid	₽ -	₽ (-76,000)	₽ -
Actuarial gain	₽ -	₽ -	₽ 2,764,286
At end of the year	₽ 9,939,265	₽ <u>17,534,073</u>	₽ <u>12,703,551</u>

Changes in the fair value of plan assets are as follows:

Particulars	September 30, 2025	September 31, 2024	December 31, 2024
At beginning of the year	₱ -	₱ -	₱ -
Interest	-	-	-
Contributions	-	-	-
Benefits paid	-	-	-
Re-measurement on plan asset	---	---	---
At end of the year	₱ -	₱ -	₱ -

The principal assumptions used in determining retirement benefits are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Discount rate	6.08%	6.05%	6.08%
Salary increase rate	6.00%	6.00%	6.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average working life expectancy of an individual retiring at the age of 60 is 20 years of both male and female.

NOTE 21 – 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.

As of September 30, 2025, significant transactions with related parties are as follows:

Particulars	Transaction	Balance	Nature	Terms and Conditions
Advances from related party			Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Stockholders	₱ <u>(6,266,229)</u>	₱ <u>168,159,119</u>		

As of September 30, 2024, significant transactions with related parties are as follows:

Particulars	Transaction	Balance	Nature	Terms and Conditions
Advances from related party			Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Stockholders	₱ <u>(47,634,470)</u>	₱ <u>174,425,3489</u>		

As of December 31, 2024, significant transactions with related parties are as follows:

Particulars	Transaction	Balance	Nature	Terms and Conditions
Advances from related party			Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Stockholders	₱ <u>(3,870,146)</u>	₱ <u>173,928,719</u>		

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.

Compensation of Key Management Personnel

Key management compensation for the period ended September 30, 2025 and 2024, and December 2024 amounted to ₱45,160,766, ₱64,496,832 and ₱43,750,881, respectively.

NOTE 22 – SHARE CAPITAL

As of September 30, 2025 and 2024 and December 2024, the account consists of:

Particulars	September 30, 2025		September 30, 2024		December 31, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorized at ₱1.00 par value per share:						
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>	<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>	<u>2,000,000,000</u>	₱ <u>2,000,000,000</u>

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 Company completed its IPO and was listed in the PSE under the stock symbol "HTI".

NOTE 23 – SHARE PREMIUM

As of September 30, 2025 and 2024 and December 31, 2024, the movement of additional paid-in capital are as follows:

	September 30, 2025	September 30, 2024	December 31, 2024
At January 1	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>
Share premium on common shares:			
Gross proceeds	-	-	-
Less: Directly attributable issuance	-	-	-
Par value of issued shares	-	-	-
Subtotal	<u>218,849,628</u>	<u>218,849,628</u>	<u>218,849,628</u>
End	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>	₱ <u>218,849,628</u>

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

NOTE 24 – RETAINED EARNINGS

As of September 30, 2025 and 2024 and December 31, 2024, the account consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Retained earnings, beginning	₱ 1,087,987,235	₱ 771,173,738	₱ 1,071,712,088
Dividend paid	-	-	(50,000,000)
Net income for the year	<u>302,657,512</u>	<u>311,074,188</u>	<u>66,275,147</u>
Retained earnings, ending	₱ <u>1,390,644,747</u>	₱ <u>1,082,247,926</u>	₱ <u>1,087,987,235</u>

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

The Group Board of Directors approved and declared a cash dividend on October 9, 2024 in the total amount of ₱50,000,000 equivalent to ₱0.02 per share. The cash dividend was taken from the unrestricted retained earnings of the Corporation as of December 31, 2023 as was made available to all stockholders of record as of November 8, 2024, and was paid on December 2, 2024.

The Group Board of Directors approved and declared a cash dividend on October 14, 2025 in the total amount of ₱75,000,000 equivalent to ₱0.03 per share. The cash dividend was taken from the unrestricted retained earnings of the Corporation as of December 31, 2024 as was made available to all stockholders of record as of November 17, 2025, and was paid on December 10, 2025.

NOTE 25 – REAL ESTATE SALES

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of residential house and lot amounting to ₱1,201,062,150, ₱1,190,558,654 and ₱1,401,027,854, respectively.

NOTE 26 – OTHER OPERATING INCOME

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Interest - in house financing	₱ 7,379,052	₱ 7,281,377	₱ 10,716,075
Forfeiture	<u>290,000</u>	<u>240,000</u>	<u>510,000</u>
Miscellaneous	<u>1,109,753</u>	<u>876,044</u>	<u>1,264,933</u>
Total	₱ <u>8,778,805</u>	₱ <u>8,397,421</u>	₱ <u>12,491,008</u>

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

NOTE 27 – COST OF REAL ESTATE SALES

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Construction cost	₱ 425,894,452	₱ 412,301,842	₱ 536,364,761
Land cost development	<u>204,099,591</u>	<u>187,875,147</u>	<u>202,192,693</u>
Other cost	<u>30,424,852</u>	<u>46,099,095</u>	<u>34,047,388</u>

Total	₽ <u>660,418,895</u>	₽ <u>646,276,084</u>	₽ <u>772,604,842</u>
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Other cost includes various necessary expenses related to the land development and construction cost.

NOTE 28 – FINANCE COST - NET

For the periods ended September 30, 2025 and 2024 and December 31, 2024, the account consists of:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Interest income – bank	₽ <u>31,890</u>	₽ <u>41,511</u>	₽ <u>65,047</u>
Interest expense - loans	⋮ <u>(12,260,401)</u>	⋮ <u>(22,168,425)</u>	⋮ <u>(30,951,948)</u>
Interest expense – retirement benefit (Note 18)	⋮ <u>-</u>	⋮ <u>-</u>	⋮ <u>(431,833)</u>
Interest expense – right of use	⋮ <u>-</u>	⋮ <u>-</u>	⋮ <u>(152,480)</u>
Subtotal	⋮ <u>(12,260,401)</u>	⋮ <u>(22,168,425)</u>	⋮ <u>(31,536,261)</u>
Net	⋮ <u>(12,228,511)</u>	⋮ <u>(22,126,914)</u>	⋮ <u>(31,471,214)</u>

NOTE 29 – SELLING EXPENSES

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the account consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Commissions	⋮ <u>57,474,618</u>	⋮ <u>93,367,891</u>	⋮ <u>44,168,587</u>
Advertising and promotion	⋮ <u>5,987,874</u>	⋮ <u>6,361,868</u>	⋮ <u>21,106,282</u>
Total	⋮ <u>63,462,492</u>	⋮ <u>99,729,759</u>	⋮ <u>65,274,869</u>

NOTE 30 – GENERAL AND ADMINISTRATIVE EXPENSES

For the periods ended September 30, 2025 and 2024 and December 31, 2024, the account consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Salaries, wages and allowances	₽ <u>97,287,455</u>	₽ <u>64,496,832</u>	₽ <u>94,250,215</u>
Taxes and licenses	⋮ <u>10,710,386</u>	⋮ <u>10,794,268</u>	⋮ <u>14,834,252</u>
Depreciation	⋮ <u>10,672,651</u>	⋮ <u>7,871,837</u>	⋮ <u>12,189,667</u>
Professional fees	⋮ <u>10,366,948</u>	⋮ <u>9,866,782</u>	⋮ <u>12,716,173</u>
Processing, registration, listing, certification fees	⋮ <u>7,604,318</u>	⋮ <u>13,275,327</u>	⋮ <u>13,530,773</u>
Insurance expense	⋮ <u>3,560,381</u>	⋮ <u>347,826</u>	⋮ <u>483,326</u>
Repairs and maintenance	⋮ <u>3,010,551</u>	⋮ <u>2,681,260</u>	⋮ <u>3,420,764</u>
Rent expense	⋮ <u>2,137,535</u>	⋮ <u>4,241,799</u>	⋮ <u>1,020,534</u>
Utilities	⋮ <u>2,106,591</u>	⋮ <u>1,718,120</u>	⋮ <u>2,390,642</u>
Dues, subscriptions and donations	⋮ <u>1,883,542</u>	⋮ <u>2,165,514</u>	⋮ <u>2,936,372</u>
Provision for expected credit losses (Note 12,13)	⋮ <u>1,282,565</u>	⋮ <u>-</u>	⋮ <u>-</u>
Stationery and office supplies	⋮ <u>1,097,134</u>	⋮ <u>965,093</u>	⋮ <u>1,254,274</u>
Transportation and travel	⋮ <u>797,810</u>	⋮ <u>684,763</u>	⋮ <u>885,347</u>
Retirement expense	⋮ <u>-</u>	⋮ <u>-</u>	⋮ <u>2,412,802</u>
Miscellaneous expenses	⋮ <u>8,805,489</u>	⋮ <u>8,610,305</u>	⋮ <u>18,751,004</u>
Total	⋮ <u>161,323,356</u>	⋮ <u>127,721,750</u>	⋮ <u>181,076,145</u>

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

NOTE 31 – INCOME TAXES

On January 5, 2024, Ease of Paying Taxes (EOPT) Act was passed into law. The EOPT Act introduced significant amendments to the National Internal Revenue Code of 1997 (“The Code”) which are intended to protect and safeguard taxpayer rights and welfare to modernize tax administration by providing mechanisms that encourage easy compliance at the best cost and resources, and to update the tax system and adopt best practices.

The amendments include the following:

- File and pay anywhere mechanism. Taxes shall be paid either electronically or manually at the time the return is filed.
- Classification of taxpayers into micro, small, medium and large taxpayers.
- Withholding of tax on income payments only when payable.
- Imposing value-added tax (VAT) on services, based on gross sales, no longer on gross receipts.
- VAT invoices are sufficient to substantiate input VAT arising from the purchase at both goods and services.
- Removal of “business style” as a VAT invoicing requirement.
- Removal of withholding tax as requirement for deductibility of income payments.

For the periods ended September 30, 2025, and 2024, and December 31, 2024, income tax expense (benefit) consists of the following:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Current tax expense	₱ 9,425,432	₱ 851,442	₱ 2,272,246
Deferred tax (income) expense, net	₱ 324,757	₱ (8,824,062)	₱ (5,993,950)
Income tax expense (benefit)	₱ 9,750,189	₱ (7,972,620)	₱ (3,721,704)

The reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income is as follows:

Particulars	September 30, 2024	September 30, 2023	December 31, 2024
Income before tax	₱ 312,407,702	₱ 303,101,568	₱ 363,091,792
Income tax at statutory tax rate	78,101,925	75,775,392	90,772,948
Tax effects of:			
Tax exempt housing projects	(68,715,742)	(83,740,274)	(95,470,442)
Non-deductible expenses	1,993	2,579	986,922
Income subject to final tax	(7,972)	(10,317)	(16,262)
Unrecorded NOLCO – LDC	369,985	-	5,130
Income tax expense (benefit)	₱ 9,750,189	₱ (7,972,620)	₱ (3,721,704)

For the periods ended September 30, 2025 and 2024, and December 31, 2024, the Group is subject to Regular Corporate Income Tax (RCIT) which higher than the Minimum Corporate Income Tax (MCIT).

The Subsidiary Lifestyle Development Corporation does not recognize the tax effect from Net Operating Loss Carry Over as Management believes that it is not probable that sufficient taxable profit will be available against which the related tax benefits may be utilized.

Details of recognized and unrecognized deferred tax assets of the Group are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Unrecognized per book:			
NOLCO – LDC	₱ <u>369,985</u>	₱ <u>-</u>	₱ <u>5,130</u>
Recognized per book:			
NOLCO – HTI and THI	₱ <u>1,501,209</u>	₱ <u>8,824,062</u>	₱ <u>1,501,209</u>
Retirement liability	₱ <u>5,251,842</u>	₱ <u>3,361,620</u>	₱ <u>5,251,842</u>
Customer deposits	₱ <u>2,110,955</u>	₱ <u>153,834</u>	₱ <u>2,756,353</u>
Provision for ECL	₱ <u>320,641</u>	₱ <u>-</u>	₱ <u>-</u>
Total	₱ <u>9,184,647</u>	₱ <u>12,339,516</u>	₱ <u>9,509,404</u>

The NOLCO of the business for any taxable year shall be carried over as a deduction from gross income for the next three (3) consecutive years. In effect, therefore, a tax benefit arises on the year the losses were incurred. Such tax benefits are reported in the consolidated statements of financial position as deferred tax asset, and are reported at current statutory tax rates.

As of September 30, 2025, the movement of deferred tax assets are as follows:

Particulars	Tax Base Movement	Tax Rate	Tax Effect		
			Beginning	Movement	Ending
Deferred MCIT	₱ <u>-</u>	25%	₱ <u>1,501,209</u>	₱ <u>-</u>	₱ <u>1,501,209</u>
Retirement expense	₱ <u>-</u>	25%	₱ <u>5,251,842</u>	₱ <u>-</u>	₱ <u>5,251,842</u>
Customer deposit	₱ <u>(2,581,592)</u>	25%	₱ <u>2,756,353</u>	₱ <u>(645,398)</u>	₱ <u>2,110,955</u>
Provision for ECL	₱ <u>1,282,564</u>	25%	₱ <u>-</u>	₱ <u>320,641</u>	₱ <u>320,641</u>
Total	₱ <u>(1,299,028)</u>		₱ <u>9,509,404</u>	₱ <u>(324,757)</u>	₱ <u>9,184,647</u>

As of September 30, 2024, the movement of deferred tax assets are as follows:

Particulars	Tax Base Movement	Tax Rate	Tax Effect		
			Beginning	Movement	Ending
Deferred MCIT	₱ <u>35,296,249</u>		₱ <u>-</u>	₱ <u>8,824,062</u>	₱ <u>8,824,062</u>
Retirement expense	₱ <u>-</u>	25%	₱ <u>3,361,620</u>	₱ <u>-</u>	₱ <u>3,361,620</u>
Customer deposit	₱ <u>-</u>	25%	₱ <u>153,834</u>	₱ <u>-</u>	₱ <u>153,834</u>
Total	₱ <u>35,296,249</u>		₱ <u>3,515,454</u>	₱ <u>8,824,062</u>	₱ <u>12,339,516</u>

As of December 31, 2024, the movement of deferred tax assets are as follows:

Particulars	Tax Base Movement	Tax Rate	Tax Effect		
			Beginning	Movement	Ending
Deferred MCIT	₱ <u>6,004,837</u>	25%	₱ <u>-</u>	₱ <u>1,501,209</u>	₱ <u>1,501,209</u>
Retirement expense	₱ <u>7,560,886</u>	25%	₱ <u>3,361,620</u>	₱ <u>1,890,222</u>	₱ <u>5,251,842</u>
Customer deposit	₱ <u>10,410,077</u>	25%	₱ <u>153,834</u>	₱ <u>2,602,519</u>	₱ <u>2,756,353</u>
Leases	₱ <u>-</u>	25%	₱ <u>18,134</u>	₱ <u>-</u>	₱ <u>18,134</u>
Total	₱ <u>23,975,800</u>		₱ <u>3,533,588</u>	₱ <u>5,993,950</u>	₱ <u>9,509,404</u>

As of September 30, 2025 and 2024 and December 31, 2024, the income tax still due (overpayment) of the Group is presented as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Income tax due for the year	₱ 9,425,432	₱ 851,443	₱ 2,992,582
Overpayment due to prior year	(4,996,539)	-	(6,611,330)
Quarterly tax payments	-	-	-
Creditable withholding taxes applied	(1,758,114)	-	(1,377,790)
Income tax still due	₱ 2,670,779	₱ 851,443	₱ -

NOTE 32 – BASIC EARNINGS PER SHARE

As of September 30, 2025 and 2024 and December 2024, the financial information pertinent to the derivation of the basic and diluted earnings per share are as follows:

Particulars	September 30, 2025	September 30, 2024	December 31, 2024
Net income attributable to the equity holders of the Group	₱ 302,657,512	₱ 311,074,188	₱ 366,813,496
Weighted average number of shares outstanding:			
Balance at beginning and end of year	2,500,000,000	2,500,000,000	2,500,000,000
Total weighted average number of shares outstanding:	2,500,000,000	2,500,000,000	2,500,000,000
Basic/Diluted earnings per share	₱ 0.121	₱ 0.124	₱ 0.147

Diluted earnings per share is equal to the basic earnings per share since the Group does not have potential dilutive shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial reporting date and the date of authorization of these consolidated financial statements.

NOTE 33 – SIGNIFICANT COMMITMENTS

Lease Agreement

Since November 1, 2016, the Group has been using an approximately one hundred fifty-nine (159sqm) square meter office space located at Unit 701 Orient Square Building, along F. Ortigas Center, Pasig City, covered by CCT No. PT 54210 which is gratuitously granted for use by the owner, Miss Noemi D. Madlambayan, a major stockholder of the Company. As discussed in Note 2, the asset pertaining to such lease was classified as a short-term lease and its related rental payments are recognized in profit or loss on a straight-line basis.

Rent expense amounted to ₱2,137,535, ₱4,241,799 and ₱1,020,534 in September 30, 2025 and 2024 and December 31, 2024, respectively (see Note 30).

Housing and Land Use Regulatory Board

The Parent Company has registered with the Housing and Land Use Regulatory Board and was issued Certificate of Registration no. 24744 and License to sell on September 18, 2013, for the sale of lots/units/ lots with units of their housing project namely Eastview Homes 3 Antipolo with 379 lots and units located at Brgy. San Roque, Antipolo City.

The Certificate of Registration and License to Sell were subsequently amended 029480 and 034564 as a result of the alterations made by the development plan which reduced the saleable lots and units to 377.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Provisional Certificate of Registration No. 065 and Provisional License to Sell No. 101 on July 30, 2020,

for the sale of lots/units/ lots with units of their housing project namely Eastview Residences – Premiere with 42 lots and units located at Brgy. San Roque, Antipolo City, Rizal.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Provisional Certificate of Registration No. 637 and Provisional License to Sell No. 815 on August 15, 2022, for the sale of lots/units/ lots with units of their housing project namely Celestis 1 with 36 lots and units located at Brgy. San Luis, Antipolo City, Rizal.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Provisional Certificate of Registration No. 638 and Provisional License to Sell No. 816 on August 15, 2022, for the sale of lots/units/ lots with units of their housing project namely Celestis 2 with 58 lots and units located at Brgy. San Luis, Antipolo City, Rizal.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued Certificate of Registration No. 445 and License to Sell No. 1556 on July 21, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary (Phase 1) with 260 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 1682 on November 24, 2023, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 2 with 454 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

The Parent Company has registered with the Department of Human Settlements and Urban Development and was issued License to Sell No. 571 on June 7, 2024, for the sale of lots/units/ lots with units of their housing project namely The Granary Phase 3 with 456 lots and units located at Brgy. San Antonio, Biñan City, Laguna.

THI has registered under Certificate of Registration no. 028698 and approved on August 30, 2017 with the Housing and Land Use Regulatory Board for the license to sell of the saleable lots/units/ lots with units of their housing project namely Southview Homes – Sta. Rosa with 261 lots and units located at Brgy. Ibaba, Sta. Rosa City, Laguna.

THI has registered Certificate of Registration no. 028195 and approved on May 10, 2018 with the Housing and Land Use Regulatory Board for the license to sell of the saleable lots/units/ lots with units of their housing project namely Southview Homes – Sta. Rosa with 278 lots and units located at Hopeful St., Area 4, Sitio Veterans, Brgy. Bagong Silangan, Quezon City.

THI has registered with the Department of Human Settlements and Urban Development, was granted Provisional Certificate of Registration No. 067 and Provisional License to Sell No. 103 on July 29, 2020 for the sale of lots/units/ lots with units of their housing project name Southview Homes – Calendola with 398 lots and unit located at Brgy. Calendola, San Pedro City, Laguna. On September 9, 2022, amended Provisional Certificate of Registration No. 238 and Provisional License to Sell No. 342 was issued due to alteration of Plan and change of housing price ceiling.

Acquisition of Asset

On September 20, 2024 the Group entered into a Memorandum of Agreement with Liberty Flour Mills, Inc. (the “Seller”) for the purchase of eight (8) contiguous lots constituting 372,201 square meters, in the Province of Rizal for a total contract price of ₱1 Billion.

On the same period, the Group paid an amount of Ten Million Pesos (₱10,000,000.00) as and by way of earnest money.

NOTE 34 – OTHER MATTERS

Supplemental disclosure of cash flow information

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes.

Particulars	January 1, 2025	Cash flows	Interest expense	September 30, 2025
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Loans and borrowings	₱ 2,199,636,156	₱ 723,911,152	₱ -	₱ 2,923,547,308
Advances from related parties	<u>170,555,202</u>	<u>(5,769,600)</u>	<u>-</u>	<u>164,785,602</u>
Total liabilities from financing activities	₱ <u>2,370,191,358</u>	₱ <u>718,141,552</u>	₱ <u>-</u>	₱ <u>3,088,332,910</u>
Particulars	January 1, 2023	Cash flows	Interest expense	September 30, 2024
Loans and borrowings	₱ 1,110,407,453	₱ 442,797,534	₱ -	₱ 1,553,204,987
Advances from related parties	<u>177,798,865</u>	<u>(3,373,517)</u>	<u>-</u>	<u>174,425,348</u>
Total liabilities from financing activities	₱ <u>1,288,206,318</u>	₱ <u>439,424,017</u>	₱ <u>-</u>	₱ <u>1,727,630,335</u>
Particulars	October 1, 2024	Cash flows	Interest expense	December 31, 2024
Loans and borrowings	₱ 1,553,204,987	₱ 646,431,169	₱ -	₱ 2,199,636,156
Advances from related parties	<u>174,425,348</u>	<u>(3,870,146)</u>	<u>-</u>	<u>170,555,202</u>
Total liabilities from financing activities	₱ <u>1,727,630,335</u>	₱ <u>642,561,023</u>	₱ <u>-</u>	₱ <u>2,370,191,358</u>

Non-cash Activities

The Group had no material non-cash investing or financing activity-related transactions for the years ended September 30, 2025 and 2024 and December 2024.

NOTE 35 – CONTINGENCIES

As of September 30, 2024, the Group has the following legal cases:

(a) Tradition Homes Project Managers and Development Inc. vs. Cristina A. Inoue (O.P. Case No. 16-j-216)

On June 30, 2022, Tradition Homes Project Managers and Development Inc. received the Decision dated May 20, 2022 issued by the Office of the President, which affirmed the Decision dated September 9, 2016 of the Board of Commissioners of the Housing and Land Use Regulatory Board in favor of the Complainant-Appellee. The Decision: (1) declared the cancellation of the contract covering Block 2, Lot 22, Phase 2 of the South Hills Subdivision Project in San Pedro, Laguna; (2) directed the Company to refund the Complainant the amount of ₱342,262, with interest at 6% per annum from the filing of the complaint until full payment; and (3) ordered the Company to pay ₱50,000 as moral damages, ₱50,000 as attorney's fees, ₱30,000 as exemplary damages, and costs of suit.

On July 14, 2022, Tradition Homes Project Managers and Development Inc. filed a Motion for Reconsideration of the Decision dated May 20, 2022. As of December 2025, Tradition Homes Project Managers and Development Inc. has not yet received a Resolution from the Office of the President on the appeal.

(b) Sps. Rafael Inocando and Marites Inocando vs. Hastalk Project Managers, Inc. (HSAC-REM-A-220426-0681)

The Company received the Decision dated August 25, 2022 issued by HSAC on the appeal filed by the Company from the Decision dated 02 February 2022 of OIC-Assistant Regional Adjudicator Atty. Michelle Ligsay. HSAC ruled as follows: (a) ordering the Company to refund Spouses Inocando the amount of ₱139,875.96; and (b) ordering Spouses Inocando to vacate and turn over possession of the house and lot (Block 6, Lot 21, Eastview Homes 3, Brgy. San Roque, Antipolo) to the Company.

Sometime in 2024, the Company filed a Motion for Issuance of Writ of Execution which as of August 05, 2024 was submitted for resolution. However, since there was an error in the Entry of Judgment as attorneys' fees and damages were erroneously included, Haus Talk was directed to file necessary motions to correct the

Entry of Judgment, in order to proceed with the execution. As of December 2025, Haustalk Project Managers, Inc. is waiting for the release of the corrected Entry of Judgment and the resolution of the Motion.

(c) *Cornelio Vasquez vs. Haus Talk Project Managers & Maria Leah Madlambayan (HSAC Case No. RIVA-REM-230126-00657)*

On February 22, 2024, HSAC Regional Adjudication Branch directed the Respondents to refund the Complainant ₱813,519.49, with legal interest of 6% per annum from finality of decision until full payment. On appeal, HSAC issued the Decision dated August 6, 2024 granting the appeal and: (a) dismissing the complaint against Ms. Madlambayan; (b) declaring the Contract to Sell valid and existing; and (c) ordering the Company to abide by the terms of the Contract.

On September 19, 2024, the Complainant filed a Petition for Review with the Court of Appeals (“CA”). The CA, in a Decision dated December 3, 2024, denied the Petition. Mr. Vasquez filed a Motion for Reconsideration, which was denied in the Decision dated May 13, 2025. On June 10, 2025, Vasquez, through counsel, filed a Motion for Extension to File Petition for Certiorari before the Supreme Court. No Petition was received as of this date. Meanwhile, on 30 May 2025, HSAC already issued an Entry of Judgment for the Decision dated August 6, 2024, and due to the withdrawal of the counsel of the Complainant due to lack of coordination by the Complainant, the CA issued Entry of Judgment.

(d) *Dion Ducusin et. al. vs. Haustalk Project Managers, Inc. (NLRC Case No. 11-00064-22)*

In a Decision dated October 26, 2023, the Labor Arbiter ruled in favor of the Complainants and ordered the Company to pay full back wages and other monetary claims. Haustalk Project Managers, Inc. appealed, and the appeal was partly granted in the Decision dated July 11, 2024. In February 2025, Haustalk Project Managers, Inc. filed a Petition for Certiorari with Application for Temporary Restraining Order before the Court of Appeals. Haustalk Project Managers, Inc. is presently awaiting the CA’s Resolution.

On April 3, 2025, the Pre-Execution Conference commenced and was terminated on July 16, 2025. On July 28, 2025, Haustalk Project Managers, Inc. filed its Comment on the computation of the monetary award amounting to ₱5,880,362.41. On August 8, 2025, the Complainants filed a Motion for Issuance of Writ of Execution. On November 21, 2025, Haustalk Project Managers, Inc. received an Order from the Labor Arbiter granting the Motion for Execution filed by the Complainants. On December 01, 2025, Haustalk Project Managers, Inc. availed of the extraordinary remedies under the NLRC Rules and filed a Verified Petition with Application for a Temporary Restraining Order (“TRO”) and/or a Writ of Preliminary Injunction (“WPI”) before the NLRC.

NOTE 31 – SUBSEQUENT EVENTS

Declaration of Cash Dividends

The Group Board of Directors approved and declared a cash dividend on October 14, 2025 in the total amount of ₱75,000,000 equivalent to ₱0.03 per share. The cash dividend was taken from the unrestricted retained earnings of the Corporation as of December 31, 2024 as was made available to all stockholders of record as of November 17, 2025, and was paid on December 10, 2025.

Authority to Issue Bond

The Group Board of Directors on October 14, 2025 approved the application and filing of the registration statement for the Securities and Exchange Commission (“SEC”)-registered fixed rate, Philippine Peso-denominated Bonds constituting the direct, unconditional, unsecured and unsubordinated obligations of the Corporation as the Issuer (the “Bonds” or the “Offer Bonds”) and to issue the Bonds consisting of up to PESOS: ONE BILLION (PhP1,000,000,000.00) base offer and an oversubscription option of up to PESOS: ONE BILLION (PhP1,000,000,000.00).

HAUS TALK, INC. AND ITS SUBSIDIARIES
(Formerly Haus Talk Project Managers, Inc. and its Subsidiary)
 Schedule of Philippine Financial Reporting Standards

**SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
 DIVIDEND DECLARATION**

September 30, 2025 and 2024, and December 31, 2024

Items	September 30, 2025	September 30, 2024	December 31, 2024
Unappropriated Retained Earnings, beginning	₱ 1,087,987,235	₱ 771,173,738	₱ 1,071,712,088
Dividend declaration	-	-	(50,000,000)
Net Income based on the face of AFS	302,657,512	311,074,188	66,275,147
Less: Non-actual/unrealized income net of tax			
• Equity in net income/(loss) of associate/joint venture	-	-	-
• Equity in net income/(loss) of associate/joint venture	-	-	-
• Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	-	-
• Unrealized actuarial gain	-	-	-
• Fair value adjustment (M2M gains)	-	-	-
• Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain	-	-	-
• Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-	-
Add: Non-actual losses			
• Depreciation on revaluation increment (after tax)	-	-	-
• Adjustment due to deviation from PFRS/GAAP – loss	-	-	-
• Loss on fair value adjustment of investment property (after tax)	-	-	-
• FMV gain/(loss) transferred to equity as a result of disposal of equity investment at FVOCI	-	-	-
Gain/(loss) from disposal of financial assets at FVOCI	-	-	-
Net Income Actual/Realized	<hr/>	<hr/>	<hr/>
Unappropriated Retained Earnings, as adjusted, ending	₱ <u>1,390,644,747</u>	₱ <u>1,082,247,926</u>	₱ <u>1,087,987,235</u>