

# HausTalk, Inc.

## Where your stories begin.

### HAUS TALK, INC.

(A corporation organized and existing under Philippine laws)  
Unit 701 Orient Square Building,  
F. Ortigas, Jr. Road, Ortigas Center,  
Pasig City

### PRELIMINARY PROSPECTUS

Fixed Rate Retail Bonds in the aggregate principal amount of up to ₱2,000,000,000.00

Base Offer of up to ₱1,000,000,000.00  
with an Oversubscription Option of up to ₱1,000,000,000.00

consisting of:

[•]% p.a. Series A Bonds due 2029  
[•]% p.a. Series B Bonds due 2031

Offer Price: 100% of Face Value

to be listed and traded through the Philippine Dealing & Exchange Corp.

Issue Manager, Underwriter and Bookrunner



Trustee  
RCBC Trust Corporation

This Prospectus is dated December 19, 2025

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

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Haus Talk, Inc. (“**HTI**”, “**Haus Talk**”, the “**Issuer**”, or the “**Company**”) is offering Fixed-Rate Peso Retail Bonds with an aggregate principal amount of up to ₱2,000,000,000.00 consisting of a base issue amount of up to ₱1,000,000,00.00 (the “**Base Offer**”) with an oversubscription option of up to ₱1,000,000,000.00 (the “**Oversubscription Option**”) (the “**Bonds**”). The Bonds will be issued by the Company pursuant to the terms and conditions of the Bonds on [March 11, 2026] (the “**Issue Date**”).

The Bonds will be issued in two bond series, namely: Series A Bonds, which shall have a term of three years from the Issue Date, and Series B Bonds, which shall have a term of five years from the Issue Date, with fixed interest rates equivalent to [•] p.a. and [•]% p.a., respectively and which shall be payable quarterly in arrears starting on [June 11, 2026] for the first Interest Payment Date, and [September 11], [December 11], [March 11], and [June 11] of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The Issuer has the discretion to allocate the Bonds among the Series A Bonds and Series B Bonds, or, depending on market conditions, to fully allocate the Bonds in just one (1) series based on the results of the bookbuilding process to be conducted by the Issue Manager, Underwriter and Bookrunner.

The Bonds shall be repaid at maturity at par (or 100% of face value) on their respective Maturity Dates, or on [March 11], 2029 for the Series A Bonds and [March 11], 2031 for the Series B Bonds, unless the Company exercises its Early Redemption Option according to the conditions therefore (see “*Description of the Bonds*” – “*Redemption and Purchase*” on page [52]).

Upon issuance, the Bonds shall constitute the direct, unconditional, unsecured, and unsubordinated obligations of the Company and shall at all times rank pari passu and ratably without any preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of HTI, other than obligations preferred by law. The Bonds shall effectively be subordinated in right of payment to, among others, all of HTI’s secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines (see “*Description of the Bonds*” – “*Ranking*” on page [50]).

The Bonds have been rated “PRS A with a Stable Outlook” by Philippine Rating Services Corporation (“**PhilRatings**”). Obligations rated PRS A have favorable investment attributes and are considered as upper-medium grade obligations. The rating also denotes that the Company’s capacity to meet its financial commitments on the obligation is still strong. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

A rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the Bonds are outstanding.

The Bonds are offered to the public at face value through the Issue Manager, Underwriter and Bookrunner with the Philippine Depository & Trust Corp. (“**PDTC**”) as the Registrar of the Bonds. It is intended that upon issuance, the Bonds shall be issued in scripless form, with the PDTC maintaining the scripless Register of Bondholders. The Bonds are intended to be listed on the Philippine Dealing & Exchange Corp. (“**PDEX**”). The Bonds shall be issued in minimum denominations of ₱50,000.00 each, and in integral multiples of ₱10,000.00 thereafter. The Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

HTI expects to raise gross proceeds amounting to ₱1,000,000,000.00, and up to a maximum of ₱2,000,000,000.00, if the Oversubscription Option is fully exercised. Without exercising such Oversubscription Option, the net proceeds are estimated to be approximately ₱975.36 million, after deducting fees, commissions, and expenses relating to the issuance of the Bonds. If the

Oversubscription Option is fully exercised, the net proceeds are estimated to be approximately ₱1,955.85 million after deducting fees, commissions, and expenses relating to the issuance of the Bonds. Proceeds of the Offer shall be used to partially fund the Company's land banking activities, partially support the Company's project developments and to support the general corporate purposes requirement of the Company, which are discussed further in the section entitled "Use of Proceeds" on page [79] of this Prospectus.

Security Bank Capital Corporation has been appointed as the Issue Manager, Underwriter and Bookrunner for the Offer. Subject to certain conditions being complied with, it has agreed to underwrite the Offer in the aggregate principal amount of [up to ₱1.00 billion] pursuant to an underwriting agreement executed on [●]. In the event that the Oversubscription Option is exercised by the Issue Manager, Underwriter and Bookrunner, the amount of the Oversubscription Option, to the extent exercised, shall likewise be underwritten by the Issue Manager, Underwriter and Bookrunner on a firm basis. It shall receive a fee of [1.05)% on the final aggregate principal amount of the Bonds issued, which is inclusive of underwriting fees and selling commission to be ceded to other potential underwriters and/or selling agents, if any. The Issue Manager, Underwriter and Bookrunner may acquire for its own account a portion of the Bonds. For a more detailed discussion on the Issue Manager, Underwriter and Bookrunner, please see "Plan of Distribution" of this Prospectus.

The Company is allowed under Philippine laws to declare dividends, subject to certain requirements. The Company shall maintain an annual dividend payout ratio of at least 20% of its net income as of period to be determined by the Board of Directors of the Company. The Board of Directors shall have the authority to declare dividends subject to the requirements of applicable laws and regulations and the absence of circumstances which may restrict their declaration and payment. The Company has declared cash dividends for the year 2023 at the rate of ₱0.01 per share, in 2024 at the rate of ₱0.02 per share, and in 2025 at the rate of ₱0.03 per share.

HTI confirms that this Prospectus contains all material information relating to the Company as well as all material information on the issue and offering of and the Bonds as may be required by the applicable laws of the Republic of the Philippines. There is no misstatement and no facts have been omitted that would make any statement in this Prospectus misleading in any material respect. HTI confirms that it has made all reasonable inquiries with respect to any information, data, and analyses provided to it by its advisors and consultants, or which is otherwise publicly-available for inclusion into this Prospectus. HTI, however, has not independently verified any or all such publicly-available information, data, or analyses. The Issue Manager, Underwriter and Bookrunner assumes no liability for any information supplied herein by HTI. Accordingly, HTI accepts responsibility.

The price of securities can and does fluctuate. Any individual security may experience upward or downward movements, and may lose all or part of its value over time. The future performance of a security may defy the trends of its past performance, and there may be a significant difference between the buying price and the selling price of any security. As such, there is an inherent risk that losses may be incurred, rather than profit made, as a result of buying and selling securities. Thus, an investment in the Bonds described in this Prospectus involves a certain degree of risk.

In deciding whether to invest in the Bonds, a prospective purchaser of the Bonds ("Prospective Bondholder") should, therefore, carefully consider all the information contained in this Prospectus, including but not limited to, several external factors that may affect the Company, which include significant competition, exposure to risks relating to the performance of the economies of other countries, and other risks relating to customer default (detailed in "Risk Factors and Other Considerations" section on page [29] of this Prospectus), and those risks relevant to the Philippines vis-à-vis risks inherent to the Bonds.

No representation or warranty, express or implied, is made by the Issue Manager, Underwriter, and Bookrunner as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor any sale made pursuant to the Offering shall, under any circumstances, constitute a representation or create any implication that the information contained or referred to in this Prospectus is accurate, complete, or correct as of any time subsequent to the date hereof or that there has been no change in the affairs of HTI since the date of this Prospectus.

The contents of this Prospectus are not to be considered as definitive legal, business or tax advice. Each Prospective Bondholder receiving a copy of this Prospectus acknowledges that he has not relied on the Issue Manager, Underwriter and Bookrunner, or any person affiliated with the Issue Manager, Underwriter and Bookrunner, in his investigation of the accuracy of any information found in this Prospectus or in his investment decision. Prospective Bondholders should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds, among others. It bears emphasis that investing in the Bonds involves certain risks. It is best to refer again to the section on *"Risk Factors and Other Considerations"* for a discussion of certain considerations with respect to an investment in the Bonds.

No person nor group of persons has been authorized by HTI, the Issue Manager, Underwriter and Bookrunner to give any information or to make any representation concerning HTI or the Bonds other than as contained in this Prospectus and, if given or made, any such other information or representation should not be relied upon as having been authorized by HTI or the Issue Manager, Underwriter and Bookrunner.

All information in this Prospectus is as of the date hereof, unless otherwise indicated. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Issuer and its Subsidiaries since such date.

All disclosures, reports, and filings of the Issuer, including those made after the date of this Prospectus, submitted to the SEC and/or the Philippine Stock Exchange, Inc. ("PSE") pursuant to applicable laws and regulations are incorporated or deemed incorporated by reference in this Prospectus (the **"Company Disclosures"**). Copies of the Company Disclosures may be viewed at the Electronic Disclosure Generation Technology of the PSE or PSE EDGE. The Company Disclosures contain material and meaningful information relating to the Issuer and its Subsidiaries and investors should review all information in the Company Disclosures as the information is incorporated or deemed incorporated herein by reference.

HTI is duly organized under the laws of the Philippines. Its principal office is at Unit 701 Orient Square Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City, Metro Manila, Philippines with telephone number +63 2 8634 8712.

**A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.**

[Signature page follows.]

**HAUS TALK, INC.**

By:

**MARIA RACHEL D. MADLAMBAYAN**

President

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ in \_\_\_\_\_, Philippines, affiant exhibiting the following:

<b>Affiant</b>	<b>Competent Evidence of Identity</b>	<b>Place and Date of Issue</b>
Maria Rachel D. Madlambayan	Passport ID No. P6375688A	DFA NCR East

Doc No. \_\_\_\_\_

Page No. \_\_\_\_\_

Book No. \_\_\_\_\_

Series of 2025

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## FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties and should not in any way be confused or considered as statements of historical fact. Some of these statements can be identified by "forward looking terms," such as "anticipate," "believe," "can," "could," "estimate," "expect," "intend," "may," "plan," "should," "will," "would," or other similar words. These words, however, are not the exclusive means of identifying forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- (a) Known and unknown risks;
- (b) Uncertainties and other factors which may cause HTI's actual results, performance, or achievements to deviate significantly from any future results;
- (c) Performance or achievements expressed or implied by forward-looking statements;
- (d) HTI's overall future business, financial condition, and results of operations, including, but not limited to, its financial position or cash flow;
- (e) HTI's goals for or estimated of its future operational performance of results;
- (f) HTI's dividend policy; and,
- (g) Changes in HTI's regulatory environment including, but not limited to, policies, decisions, and determinations of governmental or regulatory authorities.

Such forward-looking statements are based on numerous assumptions regarding HTI's present and future business strategies and the environment in which HTI will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance, or achievements to differ materially from those in the forward-looking statements include, among other things:

- (a) HTI's ability to successfully implement its strategy;
- (b) HTI's ability to anticipate and respond to consumer trends;
- (c) HTI's ability to successfully manage aggressive growth;
- (d) HTI's ability to maintain its reputation for on-time project completion;
- (e) The condition and changes in the Philippine, Asian, or global economies;
- (f) General political, social, and economic conditions in the Philippines;
- (g) Changes in interest rates, inflation rates, and the value of the peso against the U.S. dollar and other currencies;
- (h) Changes in government regulations, including tax laws or licensing in the Philippines;
- (i) Competition in the property investment and development industries in the Philippines;
- (j) Changes in the Philippine real estate market and the demand for HTI's housing and land development; and,
- (k) Changes in the amount of remittances received from overseas Filipino workers ("OFWs").

Additional factors that could cause HTI's actual results, performance, or achievements to differ materially include, but are not limited to, those disclosed under "*Risk Factors and other Considerations*" on page [30] of this Prospectus. These forward-looking statements speak only as of the date of this

Prospectus. HTI, the Issue Manager, Underwriter, and Bookrunner, expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in HTI's expectations with regard thereto or any change in events, conditions, assumptions, or circumstances on which any statement is based. In the light of all the risks, uncertainties, and assumptions associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur in the way HTI expects or even at all. Investors should not place undue reliance on any forward-looking information.

## GLOSSARY OF TERMS

As used in this Prospectus, the following terms shall have the meanings ascribed to them:

<b>“Applicable Law”</b>	shall refer to (i) any statute, law, regulation, ordinance, rule, judgment, order, decree, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, and (ii) any directive, guideline, policy or requirement of any Governmental Authority having the force and effect of law.
<b>“Application to Purchase”</b>	shall refer to the document to be executed by any Person or entity qualified to become a Bondholder.
<b>“Business Day”</b>	shall refer to a day, other than a public non-working holiday, Saturday, or Sunday, on which the BSP’s Philippine Payment and Settlement System (PhilPaSS) and the Philippine Clearing House Corporation (PCHC) (or, in the event of the discontinuance of their respective functions, their respective replacements) are open and available for clearing and settlement, and banks are open for business in Metro Manila, Philippines.
<b>“Beneficial Owner”</b>	<p>shall refer to any person (and <b>“Beneficial Ownership”</b> shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that a person shall be deemed to have an indirect beneficial ownership interest in any security which is held by:</p> <ul style="list-style-type: none"> <li>i. members of his immediate family sharing the same household;</li> <li>ii. a partnership in which he is a general partner;</li> <li>iii. a corporation of which he is a controlling shareholder; or</li> <li>iv. subject to any contract, arrangement or understanding, which gives him voting power or investment power with respect to such securities; provided, however, that the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the Issuer: <ul style="list-style-type: none"> <li>a. A broker dealer;</li> <li>b. An investment house registered under the Investment Houses Law;</li> <li>c. A bank authorized to operate as such by the BSP;</li> <li>d. An insurance company subject to the supervision of the Office of the Insurance Commission;</li> <li>e. An investment company registered under the Investment Company Act;</li> <li>f. A pension plan subject to regulation and supervision by the BIR</li> </ul> </li> </ul>

	<p>and/or the SEC or relevant authority; and</p> <p>g. A group in which all of the members are persons specified above.</p>
<b>“BIR”</b>	shall refer to the Philippine Bureau of Internal Revenue.
<b>“BOI”</b>	shall refer to the Board of Investments.
<b>“Bonds”</b>	shall refer to the SEC-registered fixed-rate Peso-denominated retail bonds with an aggregate principal amount of ₱2,000,000,000.00 with a base offer of up to ₱1,000,000,000.00 and an oversubscription option of up to ₱1,000,000,000.00, which shall be issued by HTI on [March 11, 2026].
<b>“Bond Agreements”</b>	shall refer to the Trust Agreement between the Issuer and the Trustee, the Registry and Paying Agency Agreement between the Issuer, the Registrar and the Paying Agent, and the Underwriting Agreement between the Issuer and the Issue Manager, Underwriter, and Bookrunner.
<b>“Bondholder”</b>	shall refer to a Person whose name appears, at any time, as a holder of the Bonds in the Register of Bondholders.
<b>“BSP”</b>	shall refer to the <i>Bangko Sentral ng Pilipinas</i> .
<b>“Company”, “HTI” or “Issuer”</b>	shall refer to Haus Talk, Inc., and, as the context may require, its Subsidiaries.
<b>“DAR”</b>	shall refer to the Philippine Department of Agrarian Reform.
<b>“DENR”</b>	shall refer to the Philippine Department of Environment and Natural Resources.
<b>“DHSUD”</b>	shall refer to the Department of Human Settlements and Urban Development.
<b>“EBITDA”</b>	shall refer to Earnings Before Interest, Taxes, Depreciation, and Amortization.
<b>“Economic”</b>	shall refer to horizontal or vertical units or projects with price ceiling of ₱2,500,000.00.
<b>“Government”</b>	shall refer to the Government of the Republic of the Philippines.
<b>“Governmental Authority”</b>	shall refer to any government agency, authority, bureau, department, court, tribunal, legislative body, statutory or legal entity (whether autonomous or not), commission, corporation, or instrumentality, whether national or local, of the Republic of the Philippines.
<b>“Group”</b>	shall refer to the Company and its Subsidiaries.
<b>“HGC”</b>	shall refer to the Home Guaranty Corporation.
<b>“HLURB”</b>	shall refer to the Housing and Land Use Regulatory Board.
<b>“HUDCC”</b>	shall refer to the Housing and Urban Development Coordinating Council.
<b>“HRB”</b>	shall refer to high-rise building.
<b>“IAS”</b>	shall refer to International Accounting Standards.

<b>“IFRS”</b>	shall refer to International Financial Reporting Standard.
<b>“Interest Payment Date”</b>	shall refer to, for the Bonds, [June 11, 2026] for the first Interest Payment Date and [September 11], [December 11], [March 11], and [June 11] of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day, without adjustment if such Interest Payment Date is not a Business Day. The last Interest Payment Date shall fall on the Maturity Date for the Bonds.
<b>“Issue Date”</b>	shall refer to [March 11, 2026] or such date on which the Bonds shall be issued by HTI to the Bondholders.
<b>“Issue Manager, Underwriter and Bookrunner”</b>	shall refer to Security Bank Capital Investment Corporation.
<b>“LGU”</b>	shall refer to the Local Government Unit.
<b>“Lien”</b>	shall refer to, with respect to any property or asset, (a) any mortgage, lien, pledge, charge, security interest, encumbrance or other preferential arrangement of any kind in respect of such property or asset, including, without limitation, any preference or priority under Article 2244(14)(a) of the Civil Code of the Philippines, as the same may be amended from time to time, in each case, to the extent securing payment or performance of a debt prior to any general creditor of such Person; and (b) the right of a vendor, lessor, or similar party under any conditional sales agreement, capital lease or other title retention agreement relating to such property or asset, and any other right of or arrangement with any creditor to have its claims satisfied out of any property or asset, or the proceeds therefrom, prior to any general creditor of the owner thereof.
<b>“LLDA”</b>	shall refer to Laguna Lake Development Authority.
<b>“Maceda Law”</b>	shall refer to Republic Act No. 6552, a Philippine statute entitled “An Act to Provide Protection to Buyers of Real Estate on Installment Payments.”
<b>“Majority Bondholders”</b>	<ul style="list-style-type: none"> <li>(a) With respect to matters relating only to the Series A Bonds, Bondholders representing more than 50% of the outstanding principal amount of the Series A Bonds;</li> <li>(b) With respect to matters relating only to the Series B Bonds, Bondholders representing more than 50% of the outstanding principal amount of the Series B Bonds; and</li> <li>(c) With respect to matters affecting the Series A Bonds and Series B Bonds, Bondholders representing more than 50% of the outstanding principal amount of the Bonds.</li> </ul>
<b>“Master Certificates of Indebtedness”</b>	shall refer to, with respect to each series of the Bonds, the bond certificate issued by the Issuer in the name of the Trustee for the benefit of the Bondholders covering the entire principal amount of the relevant series of the Bonds purchased during the Offer Period and to be issued by the Issuer on the Issue Date, which shall be substantially in the form attached as Annex B of the Trust Agreement.
<b>“Material Adverse Effect”</b>	shall refer to a Material Adverse Effect on (a) the ability of HTI to perform or comply with its material obligations, or to exercise any of its material rights, under the Bond Agreements in a timely manner; (b) the business, operations, prospects, or financial condition of HTI; or (c) the rights or

	interests of the Bondholders under the Bond Agreements or any security interest granted pursuant thereto.
<b>“Maturity Date”</b>	has the meaning given to such term in the <i>“Description of the Bonds—Final Redemption”</i> .
<b>“Mid-Market”</b>	shall refer to horizontal and vertical units or projects with price ceiling of ₱6,600,00.00.
<b>“Offer” or the “Offering”</b>	shall refer to the issuance of Bonds by HTI under the conditions as herein contained.
<b>“Offer Period”</b>	shall refer to the period, commencing at 9:00am on [February 23], 2026 and ending at 5:00pm on [March 3], 2026 or such other date as may be mutually agreed between the Issuer and the Issue Manager, Underwriter, and Bookrunner during which the Bonds shall be offered to the public.
<b>“PAS”</b>	shall refer to Philippine Accounting Standards.
<b>“PCD Nominee”</b>	shall refer to PCD Nominee Corporation, a corporation wholly owned by the PDTC.
<b>“PDEX”</b>	shall refer to the Philippine Dealing & Exchange Corp.
<b>“PDTC”</b>	shall refer to the Philippine Depository & Trust Corp., (formerly, the Philippine Central Depository, Inc.), which provides an infrastructure post trade securities services through the operations of the central depository; and likewise provides registry services in relation to which it maintains the electronic official registry or records of title to the Bonds, in accordance with the PDTC Rules, and its successor-in-interest.
<b>“PDTC Rules”</b>	shall refer to the SEC-approved rules of the PDTC, including the PDTC Operating Procedures and PDTC Operating Manual, as may be amended, supplemented, or modified from time to time.
<b>“Permitted Lien”</b>	<p>(a) Any Lien over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase or acquisition price, or cost of leasehold rights, of such asset or another asset; or (ii) the payment of the cost and expenses for the development of such asset, or for the construction of new projects in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefore) incurred for the purpose of financing the purchase, lease or development of such asset or another asset; or (iv) the normal rediscounting of receivable activities of the Issuer made in the ordinary course of business;</p> <p>(b) Any Lien created for the purpose of paying current taxes, assessments, or other governmental charges which are not delinquent or remain payable, without any penalty, or the validity of which is contested in good faith by appropriate proceedings diligently conducted by the Issuer upon stay of execution of the enforcement thereof and adequate reserves having been provided for payment thereof to the extent required in accordance with generally accepted accounting principles in the Philippines as interpreted by the Auditor, or where penalties and consequences for a delay in the payment thereof will not result in a Material Adverse Effect. For purposes of this paragraph, “Auditor” means Valdes Abad &amp; Company, CPAs or any auditing firm which is</p>

	<p>affiliated with an internationally recognized firm of independent public accountants as the Issuer may from time to time appoint as its auditors;</p> <p>(c) Any Lien to secure, in the normal course of the business of the Issuer or its Subsidiaries: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;</p> <p>(d) Any Lien: (i) imposed by, or arising by operation of, Applicable Law, such as carriers', warehousemen's, mechanics', landlords', materialman's liens and other similar liens arising in the ordinary course of business; (ii) arising out of pledges or deposits under workmen's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits or similar legislation; and (iii) arising out of the set-off provision in the normal course of its financial arrangements, provided that, the Bondholders hereunder shall also have, to the extent permitted by Applicable Law and upon notice to the Issuer, a similar right of set-off;</p> <p>(e) Any Lien established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets;</p> <p>(f) Any Lien over or affecting any asset of any company which becomes a member of the Group after the date of the Trust Agreement, where the Lien is created prior to the date on which that company becomes a member of the Group;</p> <p>(g) Any Lien created by or resulting from any litigation or legal proceeding which is effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings and with respect to which the Issuer or its Subsidiary, as applicable, has established adequate reserves on its books in accordance with PFRS;</p> <p>(h) Any Lien created with the prior written consent of the Majority Bondholders;</p> <p>(i) Any Lien existing on the date of the Trust Agreement; and</p> <p>(j) Any extension, renewal, supplement, or replacement (or successive extensions, renewals, supplements, or replacements) in whole or in part of any Lien referred to in paragraphs (a) to (k) above, or any indebtedness or obligation secured thereby; provided that such extension, renewal, supplement, or replacement is limited to all or any part of the same property that secured the Lien extended, renewed, supplemented, or replaced (plus any construction, repair, or improvement on such property) and shall secure no larger amount of indebtedness or obligation than that existing at the time of such extension, renewal, supplement, or replacement.</p>
<b>“Person”</b>	shall refer to any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political

	subdivision or agency or instrumentality thereof, or any other entity or organization.
<b>“Pesos”, “₱”, “₱” and “Philippine currency”</b>	shall refer to the legal currency of the Republic of the Philippines.
<b>“Philippines”</b>	shall refer to the Republic of the Philippines.
<b>“PhilRatings”</b>	shall refer to the Philippine Rating Services Corporation.
<b>“PFRS”</b>	shall refer to Philippine Financial Reporting Standards.
<b>“PSE”</b>	shall refer to The Philippine Stock Exchange, Inc.
<b>“Q1”, “Q2”, “Q3”, and “Q4”</b>	shall refer to, first calendar quarter, second calendar quarter, third calendar quarter, and fourth calendar quarter, respectively.
<b>“Register of Bondholders” or “Registry of Bondholders”</b>	shall refer to the electronic registry book of the Registrar containing the official information on the names and address of the Bondholders and the amount of Bonds they respectively hold, including all transfers and assignments thereof or any liens or encumbrances thereon to be maintained by the Registrar pursuant to and under the terms of the Registry and Paying Agency Agreement.
<b>“Registrar”, “Paying Agent” or “Registrar and Paying Agent”</b>	shall refer to PDTC, the party which shall receive the funds from the Issuer for payment of principal, interest and other amounts due on the Bonds and remit the same to the Bondholders based on the records shown in the Registry of Bondholders. The term includes, wherever the context permits, all other Person or Persons for the time being acting as paying agent or paying agents under the Registry and Paying Agency Agreement or other relevant agreement.
<b>“Registry and Paying Agency Agreement”</b>	shall refer to the agreement so titled dated on or about the date of this Prospectus between the Issuer, the Registrar and the Paying Agent, setting forth, among others, the procedure for receiving, collating, and screening Applications, processing checks and payments, submission of sales reports, and the disbursement of the proceeds of the Bonds.
<b>“SEC”</b>	shall refer to the Philippine Securities and Exchange Commission.
<b>“SEC Permit”</b>	shall refer the Permit to Sell Securities issued by the SEC in connection with the Offer.
<b>“Security”</b>	shall refer to any mortgage, pledge, lien, or encumbrance constituted on any of the Issuer’s properties.
<b>“Socialized”</b>	shall refer to horizontal units or projects with price ceiling of ₱844,440.00 for 24 to 26 square meter unit, and ₱950,000.00 for 27 square-meter unit; and vertical units or projects with price ceiling of ₱1,280,000.00 for 24 to 26 square-meter unit and ₱1,500,000.00 for 27 square-meter unit for three to five floor building, and ₱1,600,000.00 for 24 to 26 square-meter unit and ₱1,800,000.00 for 27 square-meter unit for building above five floors.
<b>“SRC”</b>	shall refer to Republic Act No. 8799 or the Securities Regulation Code of the Philippines, as amended.
<b>“Subsidiary”</b>	shall refer to an entity of which a Person has direct or indirect Control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership.

	<p>As of September 30, 2025 and as set out under the section “<i>Company’s Business – Subsidiaries</i>” at page [92] of this Prospectus, the Subsidiaries of the Issuer are:</p> <ol style="list-style-type: none"> <li>1. Tradition Homes, Inc. (THI); and</li> <li>2. Lifestyle Development Corporation (LDC).</li> </ol>
“ <b>Tax Code</b> ”	shall refer to Republic Act No. 8424 or the Philippine National Internal Revenue Code of 1997, as amended.
“ <b>Taxes</b> ”	shall refer to any present or future taxes, including, but not limited to, documentary stamp tax, levies, imposts, filing, and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof, including surcharges, penalties, and interests on said taxes, but excluding final withholding tax, gross receipts tax, taxes on the overall income of the underwriter or of the Bondholders, value added tax, and taxes on any gains realized from the sale of the Bonds.
“ <b>Trust Agreement</b> ”	shall refer to the agreement executed by and between the Issuer and the Trustee dated on or about the date of Prospectus in connection with the distribution and sale by the Issuer of the Bonds.
“ <b>Trustee</b> ”	shall refer to RCBC Trust Corporation the entity appointed by HTI which shall act as the legal title holder of the Bonds and shall monitor compliance and observance of all covenants of and performance by HTI of its obligations under the Bonds and enforce all possible remedies pursuant to such mandate.
“ <b>\$</b> or “ <b>US\$</b> ”	shall refer to United States Dollars, being the currency of the United States of America.
“ <b>VAT</b> ”	shall refer to value-added tax.
“ <b>YoY</b> ”	shall refer to year on year.

## EXECUTIVE SUMMARY

*The following summary is qualified in its entirety by, and is subject to, the more detailed information presented in this Prospectus, including the audited financial statements and the notes thereto, included elsewhere in this Prospectus. Because it is a summary, it does not contain all the information that a prospective investor should consider before investing. Prospective investors of the Bonds must read the entire Prospectus carefully, including the section on “Risk Factors and Other Considerations” and the financial statements and the related notes to those statements annexed to this Prospectus. Capitalized terms not defined in this summary are defined in the —Glossary of Terms or elsewhere in this Prospectus.*

### **BUSINESS OVERVIEW**

The Company was registered as a corporation in 2004 with the SEC (with Registration Number CS200409462) as Haus Talk Project Managers, Inc. Guided by the Madlambayan family values and passion for the real estate industry, the members of the family directed the Company to become one of the best performing residential real estate companies in the areas where they operate by being committed to their developments and the communities they serve. The Company amended its corporate name to Haus Talk, Inc. on June 7, 2017.

The Company's primary purpose is to engage in the business of general construction and building of all kinds of houses, homes, structures, edifices, roads, bridges, and in general, all kinds of vertical and horizontal construction works including subdivisions.

Haus Talk is a residential real estate developer whose projects are based in Rizal and Laguna. The Company was organized in 2004 and is run by the Madlambayan family. Over the past 20 years, Haus Talk is one of the leading affordable housing developers in the CALABARZON region with top quality residential projects and ever-growing reach. The success of Haus Talk can be credited to the Company's thorough strategic planning, timely completion and delivery of units, hands-on and personalized approach of the management towards their personnel and clients alike.

With Haus Talk's projects located in regions with improving accessibility, growing commercial industries, and increasing urbanization, the Company utilizes the locations of its projects by offering its products to the different socioeconomic classes (*i.e.*, mid-market, economic, and socialized housing). The Company's ability to study and optimize the locations of its projects has enhanced the Company's business model leading to quicker return on investment.

Haus Talk prides itself in its strategic planning, timely construction, and delivery of projects. On the average, Haus Talk completes its projects within three to five years from project launch, with the first year being allocated to planning and land development.

Moreover, Haus Talk's offerings have consistently performed well in the market. Its projects usually sell out within months after being opened to the market with the demand surpassing the supply regularly. Haus Talk's notable projects include The Granary, a residential subdivision located in Brgy. San Antonio, Binan, Laguna, whose development timeline has been shortened from five years to three years due to the market's strong and overwhelming reception; Celestis I & II, residential projects which sit on a 1.3-hectare terrain in Brgy. Bayugo, Antipolo, Rizal; Southview Homes Calendola, a residential subdivision located in San Pedro, Laguna; and Eastview Residences Premiere, a residential subdivision located in Antipolo, Rizal. The strong demand and turnover for Haus Talk's product, as proven by the quick project completion period, has translated into fast cash flow and is cemented by quick depletion of Haus Talk's inventory.

In total, Haus Talk has completed 14 projects comprising 1,644 housing units and has four ongoing projects covering 1,967 units, with seven more projects in the pipeline. Haus Talk aspires to continue its growth and become the leading developer in affordable housing segment in Rizal and Laguna areas.

On January 17, 2022, the Company completed its initial public offering and was listed in the Small, Medium and Emerging Board of the PSE with the stock symbol 'HTI'.

The Company has two wholly owned subsidiaries, namely Tradition Homes, Inc. (formerly Tradition Homes Project Managers, Inc.) and Lifestyle Development Corporation, both of which are engaged in real estate development.

### **REAL ESTATE DEVELOPMENT OVERVIEW**

Haus Talk's developments are exclusively residential projects. To date, Haus Talk has completed 14 residential developments, and currently has four ongoing projects in various stages of development. The Company has seven projects in its pipeline which the Company plans to launch in the coming months or years.

Batas Pambansa Blg. 220 ("BP 220") establishes the minimum standards for the design and development of socialized housing in the Philippines under the supervision of the DHSUD. Presidential Decree 957 ("PD 957"), on the other hand, relates to laws applicable to open market and medium cost subdivision and condominium projects.

#### **Completed Projects**

Haus Talk's completed projects are exclusively residential developments, majority of which are horizontal residential projects, with the exception of one vertical development. All the said projects are fully sold out, demonstrating the trustworthiness of the Haus Talk brand in the local market. They are a mix of economic and mid-end market housing projects in Rizal, Laguna and Metro Manila. The details of the projects are seen in the tables below.

#### Haus Talk, Inc.

<b>COMPLETED PROJECTS – HAUS TALK, INC.</b>							
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	YEAR COMPLETED	UNITS SOLD	SALEABLE UNITS
Eastview Homes 1	Brgy. San Roque, Antipolo City	Horizontal	Economic BP 220	2006	2009	83	83
Eastview Homes 2	Brgy. San Roque, Antipolo City	Horizontal	Economic BP 220	2010	2013	157	157
Eastview Town Homes – Marikina	Marikina Heights, Marikina City	Horizontal	Economic BP 220	2010	2012	20	20
Eastview Homes - Marikina	B.G. Molina, Parang, Marikina	Horizontal	Mid-Market PD 957	2010	2012	34	34
Eastview Homes 3	Brgy. San Roque, Antipolo City	Horizontal	Mid-Market PD 957	2014	2018	325	377
Eastview Residences Premiere	Brgy. San Roque, Antipolo City	Horizontal	Mid-Market PD 957	2019	2024	42	42
Celestis 1	Buliran Road, Brgy. San Luis, Antipolo City	Horizontal	Mid-Market PD 957	2021	2025	36	36
<b>TOTAL</b>						<b>697</b>	<b>749</b>

#### Tradition Homes, Inc.

<b>COMPLETED PROJECTS – TRADITION HOMES, INC.</b>							
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	YEAR COMPLETED	UNITS SOLD	SALEABLE UNITS
Tradition Square - Maceda	Maceda St., Sampaloc Manila	Vertical	Mid-Market PD 957	2005	2006	20	20

COMPLETED PROJECTS – TRADITION HOMES, INC.							
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	YEAR COMPLETED	UNITS SOLD	SALEABLE UNITS
Southview Homes 1 - Extension	Brgy. San Vicente, San Pedro, Laguna	Horizontal	Mid-End PD 957	2006	2008	105	105
Southview Homes 2	Brgy. San Vicente, San Pedro, Laguna	Horizontal	Economic BP 220	2008	2010	132	132
South Hills – San Pedro Laguna	Brgy. San Vicente, San Pedro, Laguna	Horizontal	Economic BP 220	2010	2012	161	161
Tradition Square – Cubao	Cubao, Quezon City	Horizontal	High-End PD 957	2013	2016	8	8
Winn Residences Phase 1	Brgy. Bagong Silangan, Quezon City	Vertical	Socialized BP 220	2016	2020	278	278
Southview Homes – Sta. Rosa	Brgy. Ibaba, Sta. Rosa, Laguna	Horizontal	BP220	2017	2019	261	261
						<b>TOTAL</b>	<b>965</b>
						<b>965</b>	

### Ongoing projects

The Company has ongoing projects in various stages of development located in Rizal and Laguna.

#### Haus Talk, Inc.

ONGOING PROJECTS – HAUS TALK, INC.								
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	TARGET COMPLETION	SALEABLE UNITS	UNITS SOLD	% SOLD [1]
Celestis 2	Buliran Rd., Brgy. San Luis, Antipolo City	Horizontal	Mid-Market PD 957	2022	2025	58	54	93%
The Granary with Annex	Bayabas Rd., Brgy. San Antonio, Binan, Laguna	Horizontal	Economic BP 220	2023	2026	1,474	1,168	79%
The Hammond	Sitio Hinapao, Brgy. San Jose, Antipolo City	Horizontal	PD957	2025	2026	143	0	0%
						<b>TOTAL</b>	<b>1,675</b>	<b>1,222</b>

As of September 30, 2025

ONGOING PROJECTS – TRADITION HOMES, INC.								
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	TARGET COMPLETION	SALEABLE UNITS	UNITS SOLD	% SOLD [1]
Southview Homes Calendola	Brgy. Calendola, San Vicente, San Pedro Laguna	Horizontal	Mid-Market PD 957	2018	2026	292	251	86%
						<b>TOTAL</b>	<b>292</b>	<b>251</b>

## ONGOING PROJECTS – TRADITION HOMES, INC.

PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	TARGET COMPLETION	SALEABLE UNITS	UNITS SOLD	% SOLD [1]
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As of September 30, 2025

### Pipeline Projects

The Company is planning to launch seven projects in Antipolo City, Angono, Rizal, and Binan City, Laguna. Majority of these projects are horizontal residential projects, with two vertical developments and one mixed-use project.

PIPELINE PROJECTS OF HAUS TALK INC. AND ITS SUBSIDIARIES						
PROJECT NAME*	LOCATION	TYPE	CLASSIFICATION	TARGET YEAR		NO. OF UNITS
				START	COMPLETE	
Molavera	Brgy. San Luis, Antipolo City	Horizontal	BP 220	1Q 2026	2028	240
Amberwood	Brgy. Soro-soro, Biñan, Laguna	Horizontal	PD 957	1Q 2026	2029	178
Cornerstone	Brgy. Soro-soro, Biñan, Laguna	Vertical	BP 220	1Q 2026	2031	2,100
Whistlewood	Brgy. San Luis, Antipolo City	Horizontal	BP 220	2Q 2026	2029	948
The Canvas	Mahabang Parang, Angono, Rizal	Mixed-use	BP 220 / PD 957	3Q 2026 (Phase 1)	2032	1,891
Ellery Homes	Tagbak Rd., Sitio Hinapao, Brgy. San Jose, Antipolo City	Vertical	Socialized	2Q 2026	2031	144
Southview Homes 2 Extension	San Vicente, San Pedro, Laguna	Horizontal	BP 220	To be determined	To be determined	83

\*Project details are subject to change upon formal launch of the project.

### COMPETITIVE STRENGTHS

The Company considers the following as its competitive strengths:

- One of the leading residential developers in Rizal and Laguna areas with a distinguished brand and reliable track record of project execution;
- Strategic location selection to provide value-for-money proposition to customers;
- Diversified portfolio of socio-economic housing markets;
- Experienced management team and organizational culture;
- Socially responsible organization;
- Established track record of strong profitability and healthy margins; and
- Well defined and integrated set-up comprising key aspects of the real estate business.

### KEY STRATEGIES

The Company's business strategies include the following:

- Capitalize on the sustained growth of and demand for economic and middle-income housing;
- Integrate commercial developments to complement real estate projects leading to diversification of revenue streams;
- Capitalize on pipeline projects; and
- Invest in new and innovative technologies aimed to further enhance operational efficiency.

## **RISKS OF INVESTING**

Before making an investment decision, investors are advised to carefully consider all the information contained in this Prospectus, including the following key points characterizing the potential risks associated with an investment in the Bonds. These include risks arising from the nature of the Company and its business, risks relating to the economic and political environment in the Philippines, and risks relating to the Bonds. Please refer to the “*Risk Factors and Other Considerations*” on page [30] of this Prospectus for a discussion, which, while not meant to be exhaustive, should be considered in connection with an investment in the Bonds.

## **CORPORATE INFORMATION**

The Company's principal office is at Unit 701 Orient Square Bldg. F. Ortigas, Jr. Road., Ortigas Center Pasig City, Philippines with telephone number (+632) 8634-8712. The Company's website is <https://www.haustalk.com.ph>.

The Company can likewise be reached for inquiries on its Investor Relations Program through the Company's Investor Relations Office, with contact details as follows:

**Address:** Unit 701 Orient Square Bldg., F. Ortigas Jr. Road., Ortigas Center,

Pasig City, Philippines

**Landline:** (+632) 8634-8712

**E-mail:** [investorrelations@haustalk.com.ph](mailto:investorrelations@haustalk.com.ph)

*Remainder of this page is intentionally left blank.*

## SELECTED FINANCIAL AND OTHER INFORMATION

The following tables present the summary of financial information and should be read in conjunction with the independent auditor's reports and the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus, and the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." The summary financial information as of and for the years ended December 31, 2024, 2023 and 2022 was derived from the Company's consolidated audited financial statements, which were prepared in accordance with PFRS and were audited by Valdes Abad & Company in accordance with the PSA and summary financial information for the interim or nine months period ended September 30, 2025 and 2024 were derived from the reviewed interim consolidated financial statements of the Company reviewed by the same auditor, Valdes Abad & Company.

The summary financial information below is not necessarily indicative of the results of future operations.

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the nine months ended				
	For the years ended Dec. 31,		Sept. 30,		
	2024	2023	2022	2025	2024
(₱ in thousands, except EPS numbers)					
<b>REVENUE</b>					
Real Estate Sales	1,401,028	1,011,107	619,525	1,201,062	1,190,559
Other Operating Income	12,491	38,622	16,006	8,779	8,397
<b>Total Revenue</b>	<b>1,413,519</b>	<b>1,049,728</b>	<b>635,531</b>	<b>1,209,841</b>	<b>1,198,956</b>
<b>COST OF REAL ESTATE SALES</b>	<b>772,605</b>	<b>582,282</b>	<b>335,813</b>	<b>660,419</b>	<b>646,276</b>
<b>GROSS PROFIT</b>	<b>640,914</b>	<b>467,446</b>	<b>299,718</b>	<b>549,422</b>	<b>552,680</b>
<b>OPERATING EXPENSES</b>					
Selling expenses	65,275	58,523	23,603	63,462	99,730
General and administrative expenses	181,076	125,684	80,327	161,323	127,722
<b>Total Operating Expenses</b>	<b>246,351</b>	<b>184,207</b>	<b>103,930</b>	<b>224,786</b>	<b>227,452</b>
<b>Net Operating Income</b>	<b>394,563</b>	<b>283,239</b>	<b>195,788</b>	<b>324,636</b>	<b>325,228</b>
Finance Cost, Net	31,471	18,936	16,387	12,229	22,127
<b>Income Before Tax</b>	<b>363,092</b>	<b>264,303</b>	<b>179,401</b>	<b>312,408</b>	<b>303,102</b>
Income Tax Expense	3,722	(21,656)	(41,254)	(9,750)	7,973
<b>NET INCOME</b>	<b>366,813</b>	<b>242,647</b>	<b>138,148</b>	<b>302,658</b>	<b>311,074</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Actuarial gain on retirement plan	(2,764)	10,439	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>364,049</b>	<b>253,086</b>	<b>138,148</b>	<b>302,658</b>	<b>311,074</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>0.15</b>	<b>0.10</b>	<b>0.06</b>	<b>0.12</b>	<b>0.12</b>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at Dec. 31,		As at Sept. 30,							
	2024	2023	2022	2025	2024					
	(₱ in thousands)									
<b>ASSETS</b>										
<b>CURRENT ASSETS</b>										
Cash	244,378	211,855	51,715	104,003	74,628					
Receivables	772,917	244,838	201,022	1,195,250	707,350					
Contract assets - current portion	827,156	768,757	373,881	796,522	1,054,806					
Real estate inventories	2,948,627	2,626,815	2,507,806	3,630,014	2,825,690					
Prepayments and other current assets	7,404	12,039	14,259	2,588	11,401					
<b>Total Current Assets</b>	<b>4,800,481</b>	<b>3,864,305</b>	<b>3,148,684</b>	<b>5,728,377</b>	<b>4,673,875</b>					
<b>NON-CURRENT ASSETS</b>										
Receivables, net of current portion	90,280	90,110	102,764	121,761	91,937					
Property and equipment, net	1,075,445	1,046,538	1,026,234	1,072,100	1,064,138					
Other non-current asset	30,536	18,720	17,969	30,016	33,231					
<b>Total Non-Current Assets</b>	<b>1,196,261</b>	<b>1,155,368</b>	<b>1,146,968</b>	<b>1,223,877</b>	<b>1,189,307</b>					
<b>TOTAL ASSETS</b>	<b>5,996,741</b>	<b>5,019,674</b>	<b>4,295,651</b>	<b>6,952,255</b>	<b>5,863,182</b>					
<b>LIABILITIES AND EQUITY</b>										
<b>CURRENT LIABILITIES</b>										
Accounts and other payables	196,125	175,451	230,407	153,188	269,909					
Contract Liabilities - current	38,015	45,123	74,270	13,960	42,824					
Income tax payable	-	-	6,004	2,671	851					
Lease liability	1,282	-	-	318	-					
Loans and borrowings - current portion	782,701	396,422	202,951	1,073,161	104,278					
<b>Total Current Liabilities</b>	<b>1,018,123</b>	<b>616,996</b>	<b>513,632</b>	<b>1,243,298</b>	<b>417,862</b>					
<b>NON-CURRENT LIABILITIES</b>										
Loans and borrowings, net of current portion	974,138	713,986	223,073	1,407,588	1,448,927					
Advances from related parties	173,929	177,799	244,672	168,159	174,425					
Defined benefit obligation	12,704	7,095	15,397	12,704	7,095					
<b>Total Non-Current Liabilities</b>	<b>1,160,770</b>	<b>898,879</b>	<b>483,141</b>	<b>1,588,451</b>	<b>1,630,447</b>					
<b>EQUITY</b>										
Share capital	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000					
Share premium	218,850	218,850	218,850	218,850	218,850					
Retained earnings	1,087,987	771,174	576,693	1,390,645	1,082,248					
Actuarial gain (loss) on defined benefit obligation	11,011	13,775	3,336	11,011	13,775					
<b>Total Equity</b>	<b>3,817,848</b>	<b>3,503,799</b>	<b>3,298,878</b>	<b>4,120,506</b>	<b>3,814,873</b>					
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,996,741</b>	<b>5,019,674</b>	<b>4,295,651</b>	<b>6,952,255</b>	<b>5,863,182</b>					

## CONSOLIDATED STATEMENTS OF CASH FLOW

	For the years ended Dec. 31,		For the nine months ended Sept. 30,		
	2024	2023	2022	2025	2024
	(P in thousands)				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Income before tax	363,092	264,303	179,401	312,408	303,102
Adjustments for:					
Prior period adjustment	-	-	-	1,283	-
Provision for expected credit losses					
Interest expense - bank loans	27,504	17,945	9,669	12,260	22,168
Interest expense - defined benefit obligation	432	1,051	655	-	-
Retirement expense	2,413	1,846	4,398	-	-
Interest income earned	(65)	(59)	(13)	(32)	(42)
Depreciation	12,190	11,254	5,255	10,673	7,872
Operating income before changes in working capital	405,565	296,340	199,366	336,591	333,100
Changes in assets and liabilities:					
Decrease (Increase) in receivables	(528,079)	(31,161)	126,935	(423,615)	(462,512)
Increase in contract asset	(58,569)	(394,876)	(373,881)	(847)	(287,877)
Decrease (Increase) in real estate inventories	(321,811)	(119,009)	(599,288)	(681,388)	(198,875)
Decrease (Increase) in prepayments and other current assets	4,636	2,220	(12,770)	4,815	639
Decrease in other non-current assets	(5,822)	(1,194)	(10,183)	(520)	(14,511)
Increase in accounts and other payables	20,674	(54,956)	52,794	(42,937)	94,458
Increase in contract liabilities	(7,108)	(29,147)	74,270	(24,055)	(2,299)
Increase in lease liability	1,282	-	-	(964)	-
Increase in advances to related parties	-	-	-	-	-
Defined benefit obligation	-	(760)	(2,652)	-	-
Cash generated from operations	(489,231)	(332,544)	(545,408)	(831,880)	(537,877)
Interest received	65	59	13	32	42
Income taxes paid	(2,272)	(27,217)	(51,139)	(7,029)	8,824
Net Cash from Operating Activities	<u>(491,438)</u>	<u>(359,702)</u>	<u>(596,533)</u>	<u>(838,928)</u>	<u>(529,011)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of property and equipment	(41,097)	(31,558)	(167,220)	(7,328)	(25,472)
Dividend declaration	(50,000)	(48,166)	-	-	-
Collections of (additional) advances to related parties					
Net Cash from Investing Activities	<u>(91,097)</u>	<u>(79,724)</u>	<u>(167,220)</u>	<u>(7,328)</u>	<u>(25,472)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Additions to loans and borrowings	646,431	684,384	50,118	723,911	442,798
Payment of advances from related parties	(3,870)	(66,873)	28,188	(5,770)	(3,374)
Issuance of share capital, net of issuance cost	-	-	718,850	-	-
Interest paid	(27,504)	(17,945)	(9,669)	(12,260)	(22,168)
Net Cash from Financing Activities	<u>615,057</u>	<u>599,566</u>	<u>787,486</u>	<u>705,881</u>	<u>417,256</u>
<b>NET INCREASE IN CASH</b>	<b>32,522</b>	<b>160,140</b>	<b>23,734</b>	<b>(140,374)</b>	<b>(137,228)</b>
<b>CASH, BEGINNING</b>	<b>211,855</b>	<b>51,715</b>	<b>27,982</b>	<b>244,378</b>	<b>211,855</b>
<b>CASH, ENDING</b>	<b>244,378</b>	<b>211,855</b>	<b>51,715</b>	<b>104,003</b>	<b>74,628</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(P in thousands)	Share Capital	Share Premium	Retained Earnings	Actuarial gain (loss) on defined benefit obligation	Total
<b>BALANCE AT DECEMBER 31, 2022</b>	<b>2,500,000</b>	<b>218,850</b>	<b>576,693</b>	<b>3,336</b>	<b>3,298,878</b>
Dividend declared	-		(48,166)	-	(48,166)
Net income	-		242,647	-	242,647
Other comprehensive income	-	-	-	10,439	10,439
<b>BALANCE AT DECEMBER 31, 2023</b>	<b>2,500,000</b>	<b>218,850</b>	<b>771,174</b>	<b>13,775</b>	<b>3,503,799</b>
Net income	-		311,074	-	311,074
<b>BALANCE AT SEPTEMBER 30, 2024</b>	<b>2,500,000</b>	<b>218,850</b>	<b>1,082,248</b>	<b>13,775</b>	<b>3,814,873</b>
Net income	-		55,739	-	55,739
Other comprehensive income	-	-	-	(2,764)	(2,764)
Dividend declared	-		(50,000)	-	(50,000)
<b>BALANCE AT DECEMBER 31, 2024</b>	<b>2,500,000</b>	<b>218,850</b>	<b>1,087,987</b>	<b>11,011</b>	<b>3,817,848</b>
Net income	-		302,658	-	302,658
Other comprehensive income	-	-	-	-	-
<b>BALANCE AT SEPTEMBER 30, 2025</b>	<b>2,500,000</b>	<b>218,850</b>	<b>1,390,645</b>	<b>11,011</b>	<b>4,120,506</b>

*Remainder of this page is intentionally left blank.*

## SUMMARY OF THE OFFER

*The following summary should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus, including, but not limited to, the discussion on the “Description of the Bonds” and “Plan of Distribution”. This overview may not contain all the information that prospective investors should consider before deciding to invest in the Bonds. Accordingly, any decision by a prospective investor to invest in the Bonds should be based on a consideration of this Prospectus, the Trust Agreement, the other Bond Agreements, the Company Disclosures, the Articles of Incorporation and By-Laws (each as amended to date), resolutions of the Board of Directors of the Company, and any other agreements or documents relevant to the Offer, as a whole.*

*Prospective Bondholders must make their own appraisal of the Issuer and the Offer and must make their own independent verification of the information contained herein and the other aforementioned documents and any other investigation they may deem appropriate for the purpose of determining whether to participate in the Offer. They must not rely solely on any statement, or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not substitutes for the prospective investor’s independent evaluation and analysis. Prospective Bondholders are likewise encouraged to consult their respective legal counsels and accountants in order to be better advised of the circumstances surrounding the Bonds.*

*Capitalized terms used but not defined herein have the meanings given to them in the “Glossary of Terms” in this Prospectus.*

**IMPORTANT NOTE:** Prospective Investors should refer to the more extended discussion of the Terms and Conditions of the Bonds under the section “Description of the Bonds.”

Issuer	Haus Talk, Inc. (“ <b>HTI</b> ” or the “ <b>Company</b> ”)
Instrument	Securities and Exchange Commission (“ <b>SEC</b> ”)-registered fixed rate, Philippine Peso-denominated Bonds constituting the direct, unconditional, unsecured and unsubordinated obligations of the Issuer
Issue/Issue Amount	SEC-registered fixed rate, Philippine Peso-denominated Bonds in the aggregate principal amount of up to ₱2,000,000,000.00 consisting of a Base Offer of up to ₱1,000,000,000.00 plus an Oversubscription Option of up to ₱1,000,000,000.00  The Issuer has the discretion to allocate the Bonds among the Series A Bonds and Series B Bonds, or, depending on market conditions, to fully allocate the Bonds in just one series based on the results of the bookbuilding process to be conducted by the Issue Manager, Underwriter and Bookrunner.
Manner of Distribution	Public offering in the Philippines to eligible investors
Use of Proceeds	1. To partially support the Company’s land banking activities; 2. To partially support the Company’s project developments; and 3. To support general corporate purposes requirement.
Form and Denomination of the Bonds	The Bonds shall be issued in scripless form in minimum denominations of ₱50,000.00 each, and in integral multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.
Purchase Price	The Bonds shall be issued at par or 100% of face value.
Offer Period	The Offer Period shall commence at 9:00am on [February 23], 2026 and end at 5:00pm on [March 3], 2026 or on such dates and time as the Issuer and the Issue Manager, Underwriter and Bookrunner may agree upon.

Issue Date of the Bonds	[March 11], 2026, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such later date as may be mutually determined by the Issuer and the Issue Manager, Underwriter and Bookrunner for the issuance of the Bonds
Listing Date of the Bonds	The Issue Date of the Bonds, or [March 11], 2026
Tenor	Series A Bonds: Three years from the Issue Date; and Series B Bonds: Five years from the Issue Date
Benchmark Rate	<p>The Benchmark Rate shall be three-day simple average of the following:</p> <p>Series A Bonds Benchmark Rate: The three-year PHP BVAL Reference Rate (or its successor benchmark rate)</p> <p>Series B Bonds Benchmark Rate: The five-year PHP BVAL Reference Rate (or its successor benchmark rate)</p> <p>as published on the relevant page of the Philippine Dealing System Group, or if unavailable, the Philippine Dealing &amp; Exchange Corp. (or such successor entity) of Bloomberg (or such successor electronic service provider) at approximately 5:00pm (Philippine Standard Time), for the three consecutive Business Days immediately preceding and ending on the interest rate setting date, and the respective spread for each series to be determined based on a bookbuilding process.</p> <p>If the Benchmark Rate cannot be determined as provided above, then the Issuer and the Issue Manager, Underwriter and Bookrunner shall agree on a mutually acceptable mechanism to determine the Benchmark Rate/s or otherwise determine the Interest Rate/s.</p> <p>In the event that the Benchmark Rate is replaced by a new benchmark rate as determined by the Bankers Association of the Philippines (“BAP”) or the Bangko Sentral ng Pilipinas (“BSP”), such new benchmark rate shall be adopted for purposes of determining the respective final interest rates for the Bonds (the “<b>New Benchmark Rate</b>”). In the absence of such new replacement benchmark rate as determined by the BAP or BSP, and there is a mandatory directive by the BAP or the BSP to no longer use or apply the BVAL rates, the Company and the Issue Manager, Underwriter and Bookrunner shall exert their best efforts to negotiate and adopt an alternative rate that will serve as the new Benchmark Rate.</p>
Interest Rate	<ul style="list-style-type: none"> <li>Series A Bonds Interest Rate: the sum of (i) the Series A Benchmark Rate; and (ii) the applicable final spread.</li> <li>Series B Bonds Interest Rate: the sum of (i) the Series B Benchmark Rate; and (ii) the applicable final spread.</li> </ul> <p>The applicable final spreads for the Bonds will be determined based on a bookbuilding process, and subject to prevailing market conditions. The final interest rates for the Bonds shall be rounded off to four decimal places.</p>
Interest Payment	<p>Payable quarterly in arrears on [March 11], [June 11], [September 11], and [December 11] of each year while such Bonds are outstanding, or the next Business Day if any such dates fall on a non-Business Day without adjustment to the amount of the interest due, during the term of the Bonds (each, an “<b>Interest Payment Date</b>”).</p> <p>Interest on the Bonds shall be calculated on a European 30/360-day count</p>

	basis regardless of the actual number of days in a month.						
Optional Redemption	<p>The Issuer shall have the right, but not the obligation, to redeem in whole (but not in part) the outstanding Series B Bonds on the dates set out below (the “<b>Optional Redemption Dates</b>”) together with (i) the accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Date; and (ii) the product of the principal amount of the outstanding Series B Bonds and the applicable Optional Redemption Price in accordance with the following schedule:</p> <table border="1" data-bbox="547 505 1389 752"> <thead> <tr> <th>Optional Redemption Dates</th><th>Optional Redemption Price</th></tr> </thead> <tbody> <tr> <td>Three years from the Issue Date and every Interest Payment Date thereafter before the fourth anniversary of the Issue Date</td><td>101.50%</td></tr> <tr> <td>Four years from the Issue Date and every Interest Payment Date thereafter before the Maturity Date.</td><td>101.00%</td></tr> </tbody> </table> <p>provided, that if the relevant Optional Redemption Date falls on a day that is not a Business Day, then the payment of accrued interest and the optional redemption price shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and optional redemption price to be paid. For the avoidance of doubt, the Bondholders shall not have any right to cause the Issuer to redeem the Bonds pursuant to this optional redemption option.</p> <p>The Issuer shall give no more than 60 nor less than 30 days' prior written notice to the Trustee, the Registrar and Paying Agent of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds on the Optional Redemption Date stated in such notice.</p>	Optional Redemption Dates	Optional Redemption Price	Three years from the Issue Date and every Interest Payment Date thereafter before the fourth anniversary of the Issue Date	101.50%	Four years from the Issue Date and every Interest Payment Date thereafter before the Maturity Date.	101.00%
Optional Redemption Dates	Optional Redemption Price						
Three years from the Issue Date and every Interest Payment Date thereafter before the fourth anniversary of the Issue Date	101.50%						
Four years from the Issue Date and every Interest Payment Date thereafter before the Maturity Date.	101.00%						
Final Redemption	<p>The Bonds shall be redeemed at par or 100% of the face value (the “<b>Final Redemption Amount</b>”) on the Maturity Date, unless earlier redeemed or purchased and cancelled by the Issuer.</p> <p>In the event that the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Registrar and Paying Agent, without adjustment for accrued interest and the Final Redemption Amount on the succeeding Business Day.</p>						
Early Redemption for Tax Reasons	If payments under a series of or all the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rules, or regulations, or in the interpretation thereof; and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the relevant Bonds series in whole or all the Bonds in in whole, and not in part only, on any Interest Payment Date at 100% of face value plus accrued interest computed up to the date when the Bonds shall be redeemed earlier than its maturity date provided the Issuer has given not more than 60 nor less than 30 days' prior written notice to the Trustee, Registrar and Paying Agent, and subject to the requirements of Applicable Law.						
Early Redemption by Reason of Change in Law or Circumstance	If any one or more of the events enumerated as a Change in Law or Circumstance shall occur and be continuing for a period of 30 days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said 30-day period, may declare the principal of the Bonds, including all accrued interest, net of applicable						

	withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty, anything contained in the Trust Agreement to be documented or in the Bonds to the contrary notwithstanding, subject to the notice requirements under the discussion on <i>“Description of the Bonds – Notice of Default.”</i>
<b>Purchase Cancellation</b>	<b>and</b> The Issuer may at any time purchase any of the Bonds, in accordance with PDEx rules, as may be amended from time to time, in the open market or by tender or by contract, without any obligation to purchase Bonds pro-rata from all Bondholders and the Bondholders shall not be obliged to sell. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.
Status of the Bonds	The Bonds shall constitute the direct, unconditional, unsubordinated and unsecured obligations of HTI and shall at all times rank <i>pari passu</i> and ratably without any preference or priority amongst themselves and at least <i>pari passu</i> with all other present and future unsubordinated and unsecured debt of HTI, contingent or otherwise, other than debt mandatorily preferred by law, and preferred claims under any bankruptcy, insolvency, reorganization, moratorium, liquidation or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (but not the preference or priority established by Article 2244(14)(a) of the Civil Code of the Philippines).
Negative Pledge	The Bonds will have the benefit of a negative pledge on all properties and assets of the Issuer, subject to Permitted Liens.
Listing	The Issuer will list the Bonds on the Philippine Dealing & Exchange Corp. (“ <b>PDEx</b> ”) on the Issue Date.
Bond Rating	The Bonds have been rated PRS A with a Stable Outlook by the Philippine Rating Services Corporation on December 19, 2025. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the Bonds are outstanding.
Issue Manager, Underwriter and Bookrunner	Security Bank Capital Investment Corporation
Registrar and Paying Agent	Philippine Depository & Trust Corp. (“ <b>PDTC</b> ”)
Trustee	RCBC Trust Corporation
Counsel to the Issuer	Tan Venturanza Valdez
Counsel to the Issue Manager, Underwriter and Bookrunner	SyCip Salazar Hernandez & Gatmaitan
Auditor	Valdes Abad & Company, CPAs

*Remainder of this page is intentionally left blank.*

## RISK FACTORS AND OTHER CONSIDERATIONS

*An investment in the Bonds involves a number of risks. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit be made as a result of buying and selling securities. The Company's past performance is not a guide to its future performance. There may be a large difference between the buying price and the selling price of the Bonds.*

*An investor deals in a range of investments, each of which may carry a different level of risk. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Bonds. The occurrence of any of the following events, or other events not currently anticipated, could have a Material Adverse Effect on the Company's business prospects, financial condition, results of operations, and the market price of the Bonds. All or part of an investment in the Bonds could be lost.*

*The means by which the Company intends to address certain of the risk factors discussed herein are principally presented under "Business — Competitive Strengths", "Business — Strategies", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Board of Directors and Senior Management" in this Prospectus. Investors should note, however, that many of the risks and uncertainties discussed below are entirely beyond the Company's control.*

*This risk factors discussion does not purport to disclose all of the risks and other significant aspects of investing in the Offer Shares, nor does the order of one risk factor indicate the size or priority of that risk. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors may request publicly available information on the Company from the SEC. An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of this Offer or the nature of risks involved in purchasing, holding, and trading the Shares. Each investor should consult his or her own counsel, accountant, and other advisors as to the legal, tax, business, financial, and related aspects of an investment in the Shares.*

*The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks, or of the scope of any potential harm to the Group's business, results of operations, financial condition, and prospects.*

### GENERAL RISK WARNING

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. Past performance is not a guide to future performance. There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying price and the selling price of these securities. An investor deals in a range of investments each of which may carry a different level of risk.

### PRUDENCE REQUIRED

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his/her/its own research and study on the trading of securities before commencing any trading activity. Investors may request information on the securities and Issuer thereof from the SEC and PSE which are available to the public.

### PROFESSIONAL ADVICE

Investors should seek professional advice regarding any aspect of the securities such as the nature of the risks involved in the trading of the securities, especially in the trading of high-risk securities.

Each investor should consult his/her/its own counsel, accountant, and other advisors as to legal, tax, business, financial, and related aspects of an investment in the Bonds.

## **RISKS RELATING TO THE COMPANY AND ITS BUSINESS**

### **The Company's performance may be affected by the highly competitive nature of the real estate industry.**

The Company's ability to sell its projects may be adversely affected by the competition from other real estate developers, some with greater financial and developmental resources, more attractive locations of projects, and a more aggressive approach to prospective projects and clients.

The Company faces competition from local affordable housing players such as PHirst Park Homes, Camella Homes, Amaia Land, Suntrust Properties, and a host of other local and national players. Nevertheless, the Company believes that it has the ability to establish itself as the leading local housing developer due to its strong track record.

To mitigate this risk, the Company will continue to focus on its particular niche and on prime and mature locations for its prospective projects. The Company believes that having projects located in premier locations, competitive pricing, and proper identification of the target market for each project will allow the Company to successfully sell its projects.

### **The ability to acquire land for the development of projects as well as the availability thereof has a substantial impact on the Company's growth.**

The Company's future growth and development is directly affected by its ability to enter into agreements for the acquisition and/or development of additional land deemed viable for the Company's future projects. In the event the Company is unable to acquire suitable land at acceptable prices, with reasonable returns, its growth prospects could be limited and its business and results of operations could be adversely affected.

To mitigate this risk, the Company, subject to appropriate due diligence, remains flexible in its investment structures, whether these be direct land acquisitions, joint venture developments, long-term leases, or take-overs of existing projects.

Furthermore, the Company will normally not be in the market to acquire huge tracts of land (more than 50 hectares) for any single project. The Company has focused on smaller property cuts that would fit its intended market. Typically, larger property companies would not be in the market for smaller cuts of land.

### **The Company may have limited access to bank credit or capital given its relatively smaller size compared to its peers. This may restrain the Company's ability to landbank and undertake development.**

The Company cannot assure its investors that conditions in the bank lending, capital, and other financial markets will not deteriorate or that the Company's access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings, renewals or refinancing.

The Company must continuously seek providers of capital and/or acquire land for its own account to replenish and expand its land inventory. Risks inherent in purchasing and developing land increase as consumer demand for residential real estate decreases. The market value of land and subdivision lots can fluctuate significantly because of changing market conditions. The Company cannot assure investors that the measures it employs to manage land inventory risks will be successful.

Changes in economic or market conditions may require the Company to defer the commencement of projects. This would require the Company to continue to carry the cost of acquired but undeveloped land on its financial statement, as well as reduce the amount of property available for sale.

Any of the foregoing events would have a Material Adverse Effect on the Company's business and financial condition.

To mitigate this risk, the Company continues to establish good relationships with its existing creditors. The Company also attempts to manage this risk by closely monitoring and managing the Company's balance sheet and resources while preserving the long-term financial health of the Company.

**The Company's profitability and reputation will be affected if it is not able to comply with the agreed turn over date of its projects.**

The Company's reputation will be negatively affected if any of its projects experience construction or infrastructure failures, design flaws, significant project delays, and quality control issues. This will consequently make it more difficult for the Company to attract new customers for its future projects. Any negative effect that would stain the Company's reputation may pose difficulties in pre-selling its projects and may have a domino effect to its other current and future housing and developmental projects. This will adversely affect the Company's ability to raise its capital as well as the results of its operations and financial performance.

As of the date of this Prospectus, the Company has not experienced any significant delays in construction, project failure, nor any quality control issues, although there is no assurance that no such delays or issues will arise in the future. To mitigate this risk, the Company engages the services of reputable project managers and general contractors to ensure that its projects are constructed in accordance with plans and specifications and follow the agreed schedules. The selection of project managers and general contractors will pass through a prequalification process and competitive bidding. Contracts will include provisions for warranties, penalties, and liquidated damages for delay and unsatisfactory workmanship.

**The Company may be held liable for customer complaints arising out of faults and defects in construction.**

Philippine law provides that property developers, such as the Company, warrant the structural integrity of houses and/or buildings that were designed or built by them for a period of 15 years from the date of completion of the house/building. The Company may also be held responsible for hidden (*i.e.*, latent or non-observable) defects in a house or building sold by it when such hidden defects render the house or building unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect.

This warranty may be enforced within six months from the delivery of the house/building to the buyer. In addition, Republic Act No. 6541, as amended, or the National Building Code of the Philippines (the "**Building Code**"), which governs the design and construction of buildings, among others, and sets certain requirements and standards that must be complied with by the Company. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code.

There can be no assurance that the Company will not be held liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by the Company's insurance and not subject to effective indemnification agreements with the Company's contractors.

Neither can there be any assurance that the contractors hired by the Company will be able to either correct any such defects or indemnify the Company for the costs incurred by the Company to correct the same. In the event a substantial number of claims arising from structural or construction defects arise, this could have a Material Adverse Effect on the Company's reputation and its business, financial condition, and results of operations. The Company, however, has not experienced any significant construction, project failure, or quality control issues in the past.

To mitigate this risk, the Company ensures that all its projects are carefully executed to meet the required standards. The Company sources and/or requires its contractors to source its construction

materials from reputable suppliers to ensure their quality. The selection of suppliers involves a prequalification and competitive bidding process. In addition, each project will be covered by adequate bonds and insurances.

**The Company is exposed to risks associated with its sale on installment activities, including the risk of customer default which can affect the Company's business, financial condition, and results of operations.**

The Company has provided sale on installment to its customers, particularly for buyers of its affordable and middle-income real estate products. Around 1% of the Company's sales are through its in-house installment program. In cases where the Company provides sale on installment, it charges customers interest rates that are substantially higher than comparable rates for bank financing. As a result, and particularly during periods when interest rates are relatively high, the Company faces the risk that a greater number of customers who utilize the Company's sale on installment facilities will default on their payment obligations. This would require the Company to incur expenses such as those relating to sales cancellations and project reselling.

There can be no assurance that the Company will not experience a substantial number of cancellations in the future. Should it happen, it will have an adverse effect on the Company's business, financial condition, and results of operations.

Nevertheless, the Company has not experienced any significant defaults, even in the height of the COVID-19 pandemic in 2020. The Company believes that the impact of customer defaults is minimized since the Company conducts extensive credit checks on its customers, and the possession and physical title of these properties remain with the Company until all required payments are made and completed.

To prevent cancellations, the Company ensures value for its customers' money with its competitive pricing, quality locations, planning and design, generous amenities, timely and high-quality construction, well-established customer care, and after-sales and property management support. Furthermore, to minimize the risk of cancellations, the Company targets a prudent mix of clients, the bulk of which are employed professionals and employees. The Company aims to diversify its market further to avoid excessive dependency on a particular geographic location of buyers. In addition, the Company can resell the property at the prevailing price within a short period of time due to high demand for the Company's products.

**The Company does not guarantee that all its business plans and strategies will be successfully executed.**

Every business is susceptible to the failure of the implementation of the business plans and strategies, especially with respect to new projects, expansions, and operational undertakings. Delays, unforeseen constraints, or changes in market conditions may impede the timely or effective realization of planned objectives.

The Company seeks to mitigate these risks through careful formation of its strategies, structured organization of its operating units, and regular monitoring of performance against established targets. Regular meetings are conducted to ensure that goals are on track and remain achievable. Where synergies and operational efficiencies will be beneficial, the Company will take advantage of structures, resources, and partnerships already in place to help mitigate this risk and reduce potential setbacks.

**Financing and finance costs have a significant effect on the business.**

The Company uses short-term financing to cover all of its pre-development and development costs. There is no assurance that the Company will be able to obtain such financing at favorable terms.

Aside from this, higher inflation and interest rates could have a Material Adverse Effect on the ability of the Company and its customers to obtain financing.

Higher interest rates and factors that affect interest rates, such as the Government's fiscal policy, inflation, and foreign exchange rates, could have a Material Adverse Effect on the Company and on demand for its products. For example:

- Higher interest rates will make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.
- Higher interest rates will make it more expensive for prospective and current customers who procure financing to fund their property purchases, and therefore could adversely affect demand for the Company's residential projects.
- Significantly higher Government borrowings in the domestic currency market may reduce the amount of bank financing available to real estate developers including the Company, and drive up interest rates charged by banks and other financial institutions
- Higher inflation rates could result in increased cost of raw materials, which the Company may not be able to pass on to its customers as increased prices, and also result in higher interest rates.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a Material Adverse Effect on the Company's business, financial condition, and results of operations.

While these risks are uncontrollable, the Company practices prudent financial management to minimize its possible effects. Total projects costs included in construction contracts are also typically fixed, which alleviate the impact of inflationary pressures.

**The Company may fail to secure the licenses, permits, and other authorizations for its operations, fulfill the terms and conditions thereof, or fail to renew them on expiration.**

The Company is required to secure and maintain business licenses, permits, and other authorizations, including those relating to certain construction activities for its properties, and is also required to obtain and renew various permits, including business permits and permits concerning, for example, health, safety, and environmental standards. The Company's licenses, permits, and other authorizations contain various requirements that must be complied with to remain valid. If the Company fails to meet the terms and conditions of any of its licenses, permits, or other authorizations necessary for its operations, these may be suspended or terminated, leading to temporary or potentially permanent closure of properties, suspension of construction activities, or other adverse consequences. In addition, there is no certainty that any given license, permit or authorization will be deemed sufficient by the relevant governmental authorities to fully cover activities conducted in reliance on such license, permit, or authorization.

There can be no assurance that the Company will continue to be able to secure or renew, as the case maybe, the necessary licenses, permits, and other authorizations for its properties as necessary or that such licenses, permits, and other authorizations will not be revoked. If the Company is unable to obtain or renew them, or is only able to do so on unfavorable terms, this could have an adverse effect on its business, financial condition, and results of operations.

To manage the risk, the Company shall ensure that its licenses and permits are renewed on time and that the Company complies with the terms and conditions of its licenses and permits.

**The Company has no control over adverse claims over owned lands.**

While the Philippines has adopted a system of land registration which is intended to conclusively confirm land ownership, and which is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued. There have been cases in the Philippines in which third parties have produced false or forged certificates of title over the land.

Although the Company has not been involved in any case or action wherein it has defend its title to property, the Company, which owns lands with various titles under its name, may, from time to time, be required to defend itself against third parties who claim to be the rightful owners of land which has been either titled in the name of the persons selling the land to the Company or which has already

been titled in the name of the Company. In such event, the Company may be required to devote significant time and incur significant costs in defending the Company against such claims or to settle such third-party.

To mitigate this risk, the Company conducts comprehensive due diligence and extensive title research before acquiring properties or parcels of land.

**The Company might risk being exposed to housing price bubbles brought by historically low interest rates, expansion in overall liquidity, and extensive construction of housing units.**

With the aggressiveness of real estate sector developments in the country, a steep rise in property prices was observed. A housing price bubble occurs when demand for property suddenly decreases and the supply on real estate property increases. The rapid upsurge in asset prices might result in an eventual decline in prices as markets recalibrate. In addition, housing price bubble may also happen when speculative investing, which is ubiquitous in China, Hong Kong, and Singapore, is apparent. To counter that, the demand registered in the local sector is backed by demands from end-users rather than speculative buyers. This, in turn, diminishes the probability of having asset bubbles since real estate properties are not bought as investments but for residential purposes.

Central banks worldwide have kept overall interest rates at historically low levels for an extended period of time. Along with the sustained levels of domestic liquidity owing to strong and growing remittances from OFWs, the expansion of consumer credit provided by banks, the expiry of the BSP's requirement for banks to maintain special deposit accounts, and strong inflows of foreign investments, among other factors, the real estate industry is expected to take advantage of the stronger purchasing power in the current economic environment.

The Company is confident in the efforts of the BSP to control inflation and prevent the formation of asset bubbles in real estate. In addition, the Company operates and competes in a market segment where there remains a significant backlog of housing units for end-users comprising of middle-income individuals, couples, and families. By doing so, the Company is catering to a market segment which has a particular and real housing need.

**A portion of demand for the Company's products is from overseas Filipinos, which exposes the Company to risks relating to the economic performance of the countries where these potential customers are located.**

Sales to overseas Filipinos, including OFWs and Filipino expatriates, generate a significant portion of the demand for the Company's housing and land development projects. A number of factors could lead to reduced remittances from OFWs, reduced number of overseas Filipinos, or reduced purchasing power of overseas Filipinos. These factors are:

- an appreciation of the Philippine peso, which would result in decreased value of the other currencies transmitted by overseas Filipinos;
- any difficulties in the repatriation of funds;
- a downturn in the economic performance of the countries and regions where a significant number of these potential customers and supporters are located such as the United States, the Middle East, Italy, the United Kingdom, Singapore, Hong Kong, and Japan;
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of restrictions by the Government on the deployment of OFWs to particular countries or regions such as the Middle East; and
- restrictions imposed by other countries on the entry or the continued employment of foreign workers.

Any of these events could adversely affect demand for the Company's projects from overseas Filipinos, which could have a Material Adverse Effect on the Company's business, financial condition and results of operations.

OFW remittances continue to enjoy consistent growth reaching an all-time high in 2024. According to the BSP, personal remittances from OFWs reached \$38.34 billion in 2024 marking a 3% increase

from \$37.21 billion in 2023. This represents approximately 8.3% of the Philippines' Gross Domestic Product ("GDP"). Given this sustained upward trend, the Company's expects increased demand for its housing products from overseas Filipinos and their families, supported by stable financing from OFW remittances.

**The Company engages third-party brokers and agents to sell its residential housing and condominiums.**

The Company uses third-party brokers to market and sell its various real estate offerings to potential customers. If these brokers do not meet their sales targets, the Company's business, financial condition, and results of operations could be adversely affected. Moreover, there is competition for the services of third-party brokers in the Philippines and many of the Company's competitors may attempt to recruit brokers away from the Company. If a large number of these third-party brokers were to cease selling for the Company, the Company would be required to seek other external brokers, and there can be no assurance that the Company could do so quickly or in sufficient numbers.

Nevertheless, the Company has maintained a very professional and harmonious working relationship with its extensive brokerage network. All brokers and agents must secure accreditation from the Company as this allows the Company to properly screen, monitor, and onboard these third-party brokers and agents. As part of its quality commitment, the Company schedules weekly product knowledge seminars which provide a comprehensive orientation per project. This equips brokers and agents with the latest project data, and gives them greater confidence in the diverse offerings of the Company. With inventory in almost all residential segments and its growing commercial portfolio, these third-party brokers are able to offer more enticing options to their potential buyers. The Company has also pioneered various incentive programs for its brokers, which have paved the way for multiple and repeat selling efforts from individual sellers and brokerages.

**Cancellation of sales involving the Company's projects could adversely affect its business, financial condition, and results of operations.**

As a developer and seller of residential real estate, the Company's business, financial condition, and results of operations could be adversely affected if a material number of residential sales are cancelled. Historically, the Company has a minimal cancellation rate. However, this is no assurance that it will not experience a material number of cancellations in the future. Should it happen, it will have a substantial adverse effect on the Company's business, financial condition, and results of operations.

To prevent cancellations, the Company ensures value for its customers' money with its competitive pricing, quality locations, planning and design, generous amenities, timely and quality construction, well-established customer care, and after-sales and property management support. Furthermore, to mitigate the negative impact of cancellation, the Company offers flexible payment arrangements to its buyers upon the approval of the Company management.

**Credit and collection risk from customers**

The Company is exposed to the credit risk of its customers. Defaults on material payments owed to it by customers could significantly reduce its operating cash flows and liquidity, as well as have a Material Adverse Effect on its financial condition and results of operations. The Company's customers could also experience cash flow difficulties that could in turn lead to the Company being unable to collect payments or experiencing long delays in collection of payments. There is no assurance that the Company's exposure to the risk of customers' delayed payments or defaults in payment will not increase, or that the Company will not experience losses or cash flow constraints as a result. If any of these events were to occur, these could have a Material Adverse Effect on the Company's financial condition, results of operations, and liquidity.

The Company places high priority in payment collection as evidenced by its bimonthly Accounts Receivable alignment meetings, weekly cash flow updates, and expanded Credit and Collection Team.

Internal controls have been established towards the prevention of any mishandling of cash and towards the protection of the Company's assets. The Company has an Internal Audit Group responsible for documenting all processes, including financial and operational matters, and ensuring that proper internal controls are in place. The Internal Audit Group assesses the Company's internal control policies regularly and provides recommendations towards the improvement of these processes. The Treasury Group monitors cash flow to ensure proper funding of daily disbursements and investing free cash under the best available yield and terms in the market.

Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost.

In addition, the Company ordinarily requires a 20% downpayment from its buyers before the commencement of construction.

**The Company's inability to comply with environmental laws could adversely affect the Company's business.**

Real estate developers are required to strictly follow the guidelines of the DENR. Any changes in the current environmental laws and regulations applicable to the Company may increase the Company's operating expenses.

The Company complies with environmental laws and will keep abreast of any changes in such laws which may have an impact on its business. However, the Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered, or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, environmental laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operation.

**The Company's properties may be mortgaged to obtain financing.**

Given the capital intensive nature of the real estate business, the Company may sometimes be required by financial institutions to mortgage some of its properties when obtaining financing for the completion of its projects. There is a risk that in the event that the Company is unable to service these obligations to its creditors or is delayed in servicing the same, foreclosure proceedings may be instituted by said creditor.

To mitigate this risk, the Company practices sound and prudent financial management to ensure a healthy balance sheet and prompt payment of its obligations as they fall due.

**The Company may be adversely affected by the illiquidity of real estate investments.**

Real estate investments, particularly investments in land, are relatively illiquid. Such illiquidity may affect the Company's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market, or other conditions, which could materially and adversely affect the Company's financial condition and results of operations, and its ability to make distributions to Shareholders.

To manage the foregoing risk, the Company will actively manage its capital structure and intend to implement a well-balanced risk management strategy. The Company also can obtain debt financing if necessary.

**The Company is a party to a number of related party transactions.**

Certain companies controlled by the Madlambayan family enter into commercial transactions with the Company. The Company enters into a number of transactions with related parties, which primarily consist of advances for working capital purposes and deposits for future stock subscription. The

Company's related party transactions are described in greater detail under "*Related Party Transactions*" found in page [152] of this Prospectus.

Such interdependence may mean that any material adverse changes in the operations or financial condition of the companies which are controlled by the Madlambayan Family could adversely affect the Company's results of operations.

Under Section 50 of the Tax Code, in the case of two or more businesses owned or controlled directly or indirectly by the same interests, the BIR Commissioner is authorized to distribute, apportion, or allocate gross income or deductions between or among such businesses upon determination of the necessity to prevent evasion of taxes or to clearly reflect the income of any such business. On January 23, 2013, the BIR issued Regulation No. 2-2013 on Transfer Pricing Regulations (the "**Transfer Pricing Regulations**") which adheres to the arm's length methodologies set out under the Organization for Economic Cooperation and Development Transfer Pricing Guidelines in addressing Base Erosion and Profit Shifting. The Transfer Pricing Regulations are applicable to cross-border and domestic transactions between related parties and associated enterprises. The Transfer Pricing Regulations define related parties as two or more enterprises where one enterprise participates directly or indirectly in the management, control, or capital of the other; or if the same persons participate directly or indirectly in the management, control, or capital of the enterprises. The arm's length principle requires the transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party such that if two related parties derive profits at levels above or below comparable market levels solely by reason of the special relationship between them, the profits will be deemed as non-arm's length. In such a case, the BIR, pursuant to the BIR Commissioner's authority to distribute, apportion, or allocate gross income or deductions between or among two or more businesses owned or controlled directly or indirectly by the same interests (if such is necessary in order to clearly reflect the income of such business), may make the necessary transfer pricing adjustments to the taxable profits of the related parties to ensure that taxpayers clearly reflect income attributable to controlled transactions and to prevent the avoidance of taxes with respect to such transactions. While the Company believes that it enters transactions with related parties on an arm's length basis which are documented pursuant to the Transfer Pricing Regulations, there can be no assurance that the BIR will confirm these transactions as arm's length on the basis of the Transfer Pricing Regulations. There can also be no assurance that any transfer pricing adjustments by the BIR will not have a Material Adverse Effect on the Company's business, financial condition, or results of operations.

The Company can provide no assurance that its level of related party transactions will not have an adverse effect on the Company's business or results of operations. To mitigate this risk, the Company has adopted a Related Party Transaction policy in line with corporate governance requirements applicable to publicly listed companies.

**The Company may be unable to attract and retain skilled professionals such as architects and engineers.**

The Company's ability to plan, design, and execute current and future projects depends on its ability to attract, train, motivate, and retain highly skilled personnel, particularly architects and engineers. Any inability on the part of Company in hiring and, more importantly, retaining qualified personnel could impair its ability to undertake project design, planning, and execution activities in-house, and could require the Company to incur additional costs by having to engage third parties to perform these activities.

The Company believes that it has been successful in fostering good relationships with its employees. To mitigate the risk of the Company being unable to attract and retain skilled professionals, the Company will continue to provide professional training programs to enable its employees to serve its customers better, increase productivity, and improve their skills. The Company also provides competitive compensation and benefit packages.

**RISKS RELATING TO REAL ESTATE INDUSTRY**

**The Philippine real estate industry is subject to extensive regulation from the Government, including local governmental authorities, and the Philippine Competition Commission.**

The Philippine real estate industry is subject to extensive government regulation. See “*Regulatory and Environmental Matters*” on Page [166] of this Prospectus. The Company must comply with the various requirements of the Government, including local governmental authorities in the areas in which the Company’s Properties are located, and the regulations of the Philippine Competition Commission. The Government influences the property sector by imposing industry policies and economic measures, including those that affect the classification of land available for property development, foreign exchange restrictions, property financing, taxation, acquisition and development, and foreign investment. Property laws and regulations, including relevant judicial decisions, are at times ambiguous and may be subject to inconsistent and contradictory interpretations. These Government regulators include the SEC, BIR, DHSUD, the Board of Investments, the Anti-Money Laundering Council, DENR, various LGUs and the National Privacy Commission. Further, such laws and regulations are constantly evolving and therefore consistent interpretations of such regulations are difficult to anticipate. New laws and regulations or modifications may also be passed, which would impose more stringent and complex requirements on the Company, thereby adversely affecting the Company’s business, financial condition, and results of operations. On August 8, 2015, Republic Act No. 10667, otherwise known as the Philippine Competition Act (the “PCA”) became effective. The PCA prohibits and penalizes anti-competitive agreements and abuse of dominance. It likewise provides for mandatory notification for mergers and acquisitions meeting the set thresholds under the PCA and its Implementing Rules and Regulations. Given the usual volume of the Sponsor’s and its Affiliates’ transactions, mergers or acquisitions undertaken by the Company may meet the notification threshold under the PCA and its Implementing Rules and Regulations. The mandatory process of notification may delay the consummation of the Company’s transactions.

To mitigate the risk of development and application regulations in the Philippines having an adverse effect on the Company’s projects, the Company ensures that all projects are compliant with Government regulations and specifications.

In addition, government regulations strictly mandate compliance with environmental laws. The Company incurs expenses for the purpose of complying with environmental laws and regulations, which costs consist primarily of payments for Government regulatory fees.

**The BSP may limit bank’s exposure to real estate which can adversely affect the Company’s business, financial condition and results of operations.**

As of December 19, 2025, loans may be secured by real estate collateral for up to 60% of the appraised value of the property based on the 2022 Manual of Regulations for Banks and BSP Circular No. 855, Series of 2014. If the BSP lowers the cap on the loan-to-collateral value ratio, the amount of capital accessible to the buyers of the Company’s projects would be limited.

The Company’s finance and treasury functions operate as a centralized service for managing financial risks and activities as well as providing cost-efficient funding.

To manage interest rate risk, the Company’s long-term loans are a combination of floating-rate and fixed-rate loans.

## **RISKS RELATING TO THE PHILIPPINES**

**The Company is exposed to risks associated with the Philippines, including the performance of the Philippine economy.**

The Philippine economy remains exposed to significant economic and political risks. Recent data shows that GDP growth slowed to 4.0% YoY in the third quarter of 2025 versus 5.2% in the same period in 2024, driven by a 2.8% drop in gross capital formation and weakened public construction activity. The performance of the Philippine economy may influence, in general, the results of the Company’s operations. Any deterioration in the economic conditions in the Philippines may adversely affect consumer sentiment. There can be no assurance that current or future Governments will adopt economic policies conducive to sustaining economic growth.

The Company's results of operations depend on the performance of the Philippine economy. Movement in interest rates will affect the Company's cost of capital as well as the financial viability of its projects. Any deterioration in the Philippine economy could materially and adversely affect the Company's financial condition and results of operations.

The Company has derived all of its sales and operating profits from its development activities in the Philippines and its business is highly dependent on the state of the Philippine economy and the Philippine property market. Demand for, and prevailing prices of, developed land, and house and lot units are directly related to the economic, political, and security conditions in the Philippines.

The Philippine housing market is at a pivotal point. There is an oversupply of mid-to-high units while in contrast there is a shortage of affordable homes. While property development accelerated in recent years, there is growing disconnect between property prices and household incomes. Based on the recent Residential Real Estate Price Index (RREPI) there is increase in house prices but household income remains stagnant, hence, the affordability gap.

Over different periods, the Philippines has faced declining economic growth rate with high inflation rate. The Philippine property market suffered a sharp downturn as a result of the Asian financial crisis in 1997 and the political crisis in 2000 brought about by the impeachment proceedings against, and eventual resignation, of former President Joseph Estrada. These crises led to a steep drop in real estate demand and consequently to an oversupply in the property market, depressed property prices and reduced demand for new residential projects. The global economic recession in 2008 resulted in higher cost of end-consumer products and financial market turmoil. During the 2020 pandemic property industry experienced slowdown in productivity and sales due to work stoppages however, there was a quick rebound due to consumer desire to relocate outside metro area.

While the risks related to the Philippine economy in general and to the Philippine real estate industry in particular are uncontrollable, the Company practices prudent financial management to minimize their possible effects.

**The Company's business could be significantly affected by the country's political or social instability.**

Since the 2022 general elections, tensions between key political leaders have intensified. In mid-2024, Vice President Sara Duterte stepped down from her Cabinet post following disagreements with President Ferdinand Marcos, Jr., and subsequent impeachment efforts have triggered legal disputes. In July 2025, the Supreme Court ruled these impeachment proceedings unconstitutional, citing procedural violations and clarifying that any new complaint cannot be filed until 2026. In the Philippine Congress, the Senate underwent a leadership coup in September 2025, with Senator Francis Escudero losing the Senate presidency and the majority leader and president pro tempore stepping down. Congressman Martin Romualdez also resigned as House speaker.

These events have heightened political uncertainty and could affect investor confidence. Any additional political and terrorist threats could adversely affect the general conditions and business environment in the Philippines, which could have a material effect on the operations and financial performance of the Company.

The Philippines has from time to time experienced political, social, and military instability and no assurance can be given that the future political environment in the Philippines will be stable. Adding to this volatility, former President Rodrigo Duterte was arrested under a warrant by the International Criminal Court ("ICC") in relation to alleged crimes against humanity during the "war on drugs" campaign. He was subsequently transferred to The Hague for trial, drawing global attention and fueling domestic political divisions. Such high-profile events can disrupt governance priorities and create uncertainty in policy direction.

Political instability has from time-to-time occurred in the Philippines such as in the late-1980's when Presidents Ferdinand Marcos and Corazon Aquino held office. In 2000, former President Joseph Estrada resigned from office after allegations of corruption led to impeachment proceedings, mass public protests and withdrawal of support of the military. In February 2006, President Gloria Arroyo issued Proclamation 1017 which declared a state of national emergency in response to reports of an

alleged attempted coup d'etat. The state of national emergency was lifted in March 2006.

**Acts of terrorism could destabilize the country and could have a material adverse effect on the Company's business, financial position and results of operations.**

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping and terrorist activities in the Philippines and is also alleged to have ties to the Al-Qaeda terrorist network and, along with certain other organizations, has been identified as being responsible for certain kidnapping incidents and other terrorist activities particularly in the southern part of the Philippines.

Furthermore, the Government and the Armed Forces of the Philippines ("AFP") have been in conflict with members of several extremist and separatist groups seeking greater autonomy, including the Moro Islamic Liberation Front, the Moro National Liberation Front, the New People's Army, and the Islamic State of Lanao. There have been numerous bombing incidents in Mindanao and elsewhere in the Philippines in the past such as the siege of Marawi in 2017. These have resulted in death and injury to the civilian population as well as military and security personnel.

The Company's projects are currently in more urban areas of the Philippines and are generally far from areas where the extremist and separatist groups are known to operate. This notwithstanding, any increase in the frequency, severity, or geographic reach of these terrorist acts, violent crimes, bombings, and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy in general. Thus, any such destabilization could materially and adversely affect the business, financial condition, and results of operations.

These continued conflict between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the AFP, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

**Natural catastrophes, including severe weather conditions, may materially disrupt the Company's operations and result in losses not covered by insurance.**

The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, has experienced a number of major natural catastrophes over the years, including typhoons, droughts, floods, volcanic eruptions, and earthquakes.

In January 2020, the Taal Volcano entered into a period of intense unrest beginning with phreatic or steam-driven activity in several points inside the Main Crater that progressed into magmatic eruption. The Philippine Institute of Volcanology and Seismology ("PHIVOLCS") raised the alert level to Alert Level 4 on January 12, 2020. Pursuant to such events, PHIVOLCS ordered the total evacuation of the Volcano Island and high-risk areas within a 14-kilometer radius from the Taal Main Crater. PHIVOLCS has thereafter lowered the Alert Level covering Taal to Level 1, but subsequently raised it to Alert Level 3 in March 2022 when Taal Volcano erupted again. While Taal Volcano currently has a classification of Alert Level 1, in September 2023, it spewed above average sulfur dioxide and volcanic smog, prompting authorities to close schools in dozens of cities and towns and to urge people to stay indoors. While the impact of the Taal activities have been mostly confined in nearby localities, there have been instances when volcanic materials reached nearby provinces, including the Metro Manila area. There can be no assurance that Taal Volcano will not increase seismic activity or erupt in the future.

Typhoons are also regular occurrences in the Philippines, with about twenty (20) entering the territory each year. Super Typhoon Odette/Rai, Tropical Storm Paeng, and Tropical Storm Kabayan/Jelawat were among the strongest storms that hit the Philippines in 2021, 2022, and 2023 respectively. In 2024, the Philippines experiences an unprecedented typhoon season when it was hit by six storms in under a month. Finally, in 2025, the country was hit by successive typhoons like Tropical Storm Ramil/Fengshen, Typhoon Tino//Kalmaegi, and Super Typhoon Uwan/Fung-Wong, all of which brought unprecedented flooding in major cities mostly in the southern parts of the county.

The Philippines is also situated in the “Pacific Ring of Fire”, a path along the Pacific Ocean characterized by active volcanoes and frequent earthquakes. Recent earthquakes in the region include a 6.7 magnitude earthquake on November 17, 2023 in the province of Sarangani, and a 7.7 magnitude earthquake in December 2023, off the coast of Surigao del Sur. More recently, in September 2025, a 6.9 magnitude earthquake struck in the Visayas, particularly in Cebu Province and nearby areas.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt HTI's operations. These factors, which are not within the Company's control, could potentially have significant effects on its operations.

**Public health epidemics, such as the COVID-19 pandemic, and outbreaks of diseases along with measures intended to prevent its spread could have a material adverse effect on the Company's business, results of operations, cash flows and financial condition.**

In April 2009, an outbreak of the H1N1 virus, commonly referred to as “swine flu,” occurred in Mexico and spread to other countries, including the Philippines. In August 2014, the World Health Organization (“WHO”) declared the Ebola outbreak that originated in West Africa as an international health emergency in view of the rising death toll due to the disease. That month, a Filipino seaman in Togo was quarantined for exhibiting symptoms of Ebola virus infection but was later released after testing negative for the disease. While still Ebola-free, the Philippines, however, remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of overseas Filipino workers in the Ebola-hit West African countries; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In March 2016, the Director-General of WHO terminated the Public Health Emergency of International Concern on the Ebola Virus Disease outbreak.

In February 2015, a Filipina nurse who arrived from Saudi Arabia tested positive for the MERS-CoV (*i.e.*, the Middle East Respiratory Syndrome-Corona virus). She was quarantined, received medical treatment, and later discharged and cleared of the disease by the Department of Health (“DOH”). All known contacts of the said nurse, including some passengers in the same flight that arrived from Saudi Arabia, were also cleared of the infection, putting the country once again free of an active case of the disease.

In March 2016, reports of an American woman who stayed in the Philippines for four weeks in January 2016, tested positive for the Zika virus upon returning home, indicating the local transmission of the disease through the Aedes aegypti mosquito. In May 2016, a South Korean national was reported to have acquired the infection while visiting the Philippines, following earlier reports of two other confirmed cases of the viral infection in the country. All of the patients had recovered, indicating that the Zika viral infection acquired in the country was self-limiting. In August 2017, an outbreak of bird flu from a poultry farm in Central Luzon was confirmed, and the avian influenza strain was later found to be transmissible to humans.

In response to the outbreak, restrictions on the transport and sale of birds and poultry products outside a seven-kilometer radius control area surrounding the affected site were imposed. The Philippines has since been cleared of any human infection of the avian influenza virus.

In late 2019, COVID-19, an infectious disease that was first reported to have been transmitted to humans in 2019 has spread globally over the course of 2020, and in March 2020, it was declared as a pandemic by the World Health Organization. While the WHO has declared the COVID-19 pandemic to be over in May 2023, there are still active and recurring cases globally, including in the Philippines. In July 2023, the President of the Philippines issued Presidential Proclamation No. 297 effectively lifting the State of Public Health Emergency throughout the Philippines brought about by the COVID-19 pandemic.

The extent of the impact of COVID-19 on the Philippine economy and the speed and certainty of any economic recovery cannot be predicted for certain, and any new surge in infections may result in stricter quarantine or lockdown measures across provinces, cities and municipalities and may lead

to further contraction of the Philippine economy, closure of businesses, and rise in unemployment rates.

Since early May 2022, cases of monkeypox have been reported from countries where the disease is not endemic and continue to be reported in several endemic countries. In July 2022, WHO Director-General Tedros Adhanom Ghebreyesus declared the ongoing monkeypox outbreak a Public Health Emergency of International Concern.

In 2023, an outbreak of the Nipah virus was reported in India. According to the WHO, patients who contracted the Nipah virus have a 40% to 75% mortality rate depending on the public health response to the virus. In September 2023, the DOH confirmed that there are no cases of Nipah virus in the Philippines.

If the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, COVID-19, monkeypox, Nipah virus, or any public health epidemic becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect HTI's business, financial condition, and results of operations.

### **Foreign Exchange Risk**

Any change in the value of the peso against the U.S. dollar could affect the dollar value of a foreign investor's return on an investment in the Offer Shares. Foreign exchange required for the repatriation of capital or remittance of dividends may be sourced from the Philippine banking system provided that the foreign investor registers his investment with the BSP. In certain instances, the BSP, with the approval of the President of the Philippines, may restrict the availability of foreign exchange. No assurances can be given that exchange controls and regulations in the future will not be changed.

As the revenues and expenses of the Company are in Peso denomination, it is not directly affected by foreign exchange risk. The Company's foreign exchange risk exposure is limited to the cost of materials which, although locally sourced, may be imported.

### **Territorial and other disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.**

The Philippines, China, and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the South China Sea, also locally called the West Philippine Sea. Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused one another of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal during the late spring and summer of 2012. These actions threatened to disrupt trade and other ties between the two (2) countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese embassy in Manila that it intended to seek international arbitration to resolve the dispute under the United Nations Convention on the Law of the Sea. China has rejected and returned the notice sent by the Philippines requesting arbitral proceedings. Chinese vessels have also recently confronted Philippine vessels in the area, and the Chinese government has warned the Philippines against what it calls provocative actions. Recent talks between the Government of the Philippines and the United States of America about increased American military presence in the country, particularly through possible American forays into and use of Philippine military installations, may further increase tensions.

In February 2013, several hundred armed Filipino-Muslim followers of Sultan Jamalul Kiram III, the self-proclaimed Sultan of Sulu from the south of the Philippines, illegally entered Lahad Datu, Sabah, Malaysia in a bid to enforce the Sultan of Sulu's historical claim on the territory. As a result of the illegal entry, these followers engaged in a three-week standoff with the Malaysian armed forces, resulting in casualties on both sides. Clashes between the Malaysian authorities and followers of the Sultan of Sulu have killed at least 98 Filipino Muslims and 10 Malaysian policemen army since March

01, 2013. In addition, about 4,000 Filipino-Muslims working in Sabah have reportedly returned to the southern Philippines.

On May 9, 2013, a Philippine Coast Guard ship opened fire on a Taiwanese fisherman's vessel in a disputed exclusive economic zone between Taiwan and the Philippines, killing a 65-year old Taiwanese fisherman. Although the Philippine government maintained that the loss of life was unintended, Taiwan imposed economic sanctions on the Philippines in the aftermath of the incident. Taiwan eventually lifted the sanctions in August 2013 after a formal apology was issued by the Government of the Philippines. However, the incident has raised tensions between the two countries.

On March 30, 2014, the Philippines invoked the compulsory settlement of dispute clause under the U.N. Convention on the Law of the Seas and submitted a case to the Permanent Court of Arbitration in The Hague against China over the territorial dispute in the West Philippine Sea. On July 12, 2016, the international tribunal issued a decision stating among others that there was no legal basis for China to claim historic rights to resources within the sea-areas falling within the nine-dash line and that China violated the Philippines' sovereign rights in its exclusive economic zone by: a) interfering with Philippine fishing and petroleum exploration; b) constructing artificial islands; and c) failing to prevent Chinese fishermen from fishing in the zone. However, the international tribunal found that it lacked jurisdiction to consider the implications of a stand-off between Philippine marines and Chinese naval and law enforcement vessels holding that the dispute involved military activities and was therefore excluded from compulsory settlement. However, as of date, China has yet to recognize and comply with the rulings of the international tribunal.

Since 2022, under President Ferdinand Marcos Jr., the Philippines has shifted to a more assertive stance on the West Philippine Sea, conducting joint maritime drills with the United States, Japan, and Australia. As of October 2025, the Department of Foreign Affairs had filed 47 diplomatic protests against China in 2025, and a total of 245 diplomatic protests since 2022, over China's aggression in the West Philippine Sea. China has continued to deploy coast guard and militia ships and expand artificial island facilities, despite repeated diplomatic protests from Manila. These actions have heightened geopolitical tensions and increased the risk of trade disruptions, retaliatory measures, and security incidents. Any escalation—such as a blockade or armed confrontation—could disrupt shipping lanes, raise insurance costs, and negatively impact investor confidence. While closer security ties with western allies aim to deter aggression, they have also drawn sharp warnings from Beijing, adding to uncertainty in the business environment.

There is no guarantee that the territorial dispute between the Philippine and other countries, including China, would end or that any existing tension will not escalate further, as China has taken steps to exercise control over the disputed territory. Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result.

**Corporate governance and disclosure standards in the Philippines may be less stringent than those in other countries.**

There may be less publicly available information about Philippine public companies than that which is regularly made available by public companies in certain other countries. SEC and PSE requirements with respect to corporate governance standards may also be less stringent than those applicable in certain other jurisdictions. For example, the SEC requires publicly listed companies to have at least two independent directors or such number of independent directors as is equal to 20% of its board of directors, whichever is lesser, but in no case less than two independent directors. The Company historically have had two independent directors and, as of the date of this Prospectus, have two independent directors. Many other countries require significantly more independent directors. Furthermore, rules against self-dealing and those protecting minority shareholders may be less stringent or developed in the Philippines. Such potentially lower standards in certain areas of disclosure and corporate governance may materially and adversely affect the interests of the Company's shareholders, particularly those of minority shareholders.

**The credit ratings of the Philippines may restrict the access to capital of Philippine companies, including the Company's business.**

The Philippines currently maintains investment-grade sovereign ratings from major international credit rating agencies: S&P Global Ratings (“**S&P**”) at BBB+ with a Positive outlook, Fitch Ratings (“**Fitch**”) at BBB with a Stable outlook, and Moody’s Investors Service (“**Moody’s**”) at Baa2 with a Stable outlook.

In November 2025, S&P affirmed its BBB+ long-term rating on the Philippines, with a positive outlook, citing the government’s continuing fiscal consolidation, stabilizing debt burden, and external position; while believing the recent slowdown in public infrastructure spending to be temporary. In April 2025, Fitch Ratings affirmed the Philippines’ credit rating at BBB with a Stable Outlook, citing, among others, solid domestically driven growth, limited direct exposure to trade tensions, and strong medium-term prospects, with domestic political uncertainty and weaker governance standards relative to other ‘BBB’ peers as downside risks. In August 2024, Moody’s affirmed its Baa2 with a Stable outlook rating on the Philippines, citing key factors such as fiscal consolidation efforts, robust macroeconomic fundamentals, and efforts to liberalize the economy; and structural challenges including low per capita income relative to similarly-rated peers, constraints to the quality of institutions, exposure to climate risks, and heightened geopolitical uncertainty being considered.

The Philippine Government’s credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. There is no assurance can be given that S&P, Fitch, Moody’s, or any other international credit rating agency will not downgrade the credit ratings of the Philippine Government in the future and, therefore, Philippine companies. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, the ability of the Philippine Government and Philippine companies, including the Company, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

## **RISKS RELATING TO THE BONDS**

### **Liquidity Risk**

The Philippine debt securities markets, particularly the market for corporate debt securities are substantially smaller, less liquid and more concentrated than other securities markets. The Company cannot guarantee whether an active trading market for the Bonds will develop or if the liquidity of Bonds will be sustained throughout its life. Even if the Bonds are listed on the PDEX, trading in securities such as the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, adverse business developments in the Company and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed at prices and volumes at instances best deemed appropriate by their holders.

### **Pricing Risk**

The market price of the Bonds will be subject to market and interest rate fluctuations, which may result in the investment being appreciated or reduced in value. The Bonds when sold in the secondary market will be worth more if interest rates decrease since the Bonds will have a higher interest rate, relative to similar debt instruments being offered in the market, further increasing demand for Bonds. However, if interest rates increase, the Bond might be worth less when sold in the secondary market. Thus, a Bondholder could face possible losses if he decides to sell in the secondary market.

### **Reinvestment Risk**

Prior to the relevant Maturity Dates, the Issuer shall have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Bonds on the relevant Early Redemption Option Dates (see “Description of the Bonds – Redemption and Purchase (a) Optional Redemption”). In the event that the Company exercises this early redemption option, all Bonds will be redeemed and the Company would pay the amounts to which Bondholders would be entitled. Following such redemption and payment, there can be no assurance that investors of the redeemed Bonds will be able to reinvest such amounts in securities that would offer a comparative or better yield or terms, at such time.

### **Retention of Ratings Risk**

There is no assurance that the rating of the bonds will be retained throughout the life of the Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

### **Bonds have No Preference under Article 2244(14) of the Civil Code**

The Master Certificates of Indebtedness, which represent the Bonds, shall not be notarized and, thus, will not be deemed a public instrument under Article 2244(14) of the Civil Code. As such, the Bonds shall not enjoy preference under Article 2244(14) of the Civil Code, unless the Issuer procures a waiver of the preference created by any notarization of credit instruments or equally and ratably extends such preference to the Bonds.

## **RISKS RELATING TO CERTAIN STATISTICAL INFORMATION IN THE PROSPECTUS**

### **Certain information contained herein is derived from unofficial publications**

Certain information in this Prospectus relating to the Philippines, the industries in which the Company competes, and the markets wherein it operates, including statistics relating to market size, are derived from various Government and private publications. This Prospectus also contains industry information which was prepared from publicly available third-party sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. The information contained in the Industry section may not be consistent with other information. Similarly, industry forecasts and other market research data, including those contained or extracted herein have not been independently verified by the Company, the Issue Manager, Underwriter and Bookrunner, or any of their respective affiliates or advisors, and may not be accurate, complete, up-to-date, or consistent with other information compiled within or outside the Philippines. Prospective investors are cautioned accordingly

### **Non-verification of Certain Information**

The section of this Prospectus entitled "Industry" was not independently verified by the Company, the Issue Manager, Underwriter and Bookrunner, or any of their respective affiliates or advisors.

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## **DESCRIPTION OF THE BONDS**

*The following does not purport to be a complete listing of all the rights, obligations, or privileges of the Bonds. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective Bondholders are enjoined to carefully review the Articles of Incorporation and By-Laws (each as amended to date), resolutions of the Board of Directors and Shareholders of HTI, the information contained in this Prospectus, the Trust Agreement, Underwriting Agreement, the other Bond Agreements, the Application to Purchase, and other agreements relevant to the Offer.*

*Prospective holders of the Bonds should perform their own independent investigation and analysis of the Issuer and the Bonds. Prospective holders of the Bonds should make their own appraisal of the Issuer and the Offer and must make their own independent verification of the information contained herein and the other aforementioned documents and any other investigation they may deem appropriate for the purpose of determining whether to participate in the Offer. They must not rely solely on any statement or on the significance, adequacy or accuracy of any information contained herein. The information and data contained in the “Description of the Bonds” are not a substitute for the prospective Bondholder’s independent evaluation and analysis. Prospective holders of the Bonds are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Bonds being offered.*

*Capitalized terms used but not defined herein have the meanings given to them in the “Glossary of Terms” in this Prospectus.*

## **1. GENERAL**

These term and conditions set out below (the “**Terms and Conditions of the Bonds**”) relate to the Fixed-Rate Peso Retail Bonds with an aggregate principal amount of up to ₱2,000,000,000.00 consisting of a Base Offer of up to ₱1,000,000,00.00 with an Oversubscription Option of up to ₱1,000,000,000.00, constituting the direct, unconditional, unsecured, and general obligations of the Issuer. The public distribution and sale of the Bonds in the Philippines was authorized by a resolution of the Board of Directors of the Issuer on October 14, 2025.

The Issue Date of the Bonds shall be [March 11], 2026, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such later date as may be mutually determined by the Issuer and the Issue Manager, Underwriter and Bookrunner for the issuance of the Bonds.

The Bonds will be issued by the Issuer pursuant to the Terms and Conditions of the Bonds and will be governed by a Trust Agreement executed on [•] by the Issuer and RCBC Trust Corporation as Trustee. The term Trustee shall, wherever the context permits, include all other persons or companies acting and recognized as trustee or trustees under the Trust Agreement. The description of and the terms and conditions of the Bonds as set out below is subject to the detailed provisions of the Trust Agreement. The Trustee has no interest in or relation to the Issuer which may conflict with the performance of its functions as trustee for the Bonds, nor does it have any relation to or interest in the Issue Manager, Underwriter, and Bookrunner. The Terms and Conditions of the Bonds include summaries of, and is subject to, the detailed provisions of the Prospectus (as applicable), the Trust Agreement, the Registry and Paying Agency Agreement, and the Application to Purchase. Such detailed provisions are deemed integral part of the Terms and Conditions of the Bonds.

A Registry and Paying Agency Agreement executed on [•] in relation to the Bonds between HTI and the PDTC as Registrar and Paying Agent. PDTC has no interest in or relation to the Issuer which may conflict with the performance of its functions.

The Series A Bonds shall mature on [March 11, 2029] or three years from the Issue Date, and the Series B Bonds shall mature on [March 11, 2031] or five years from the Issue Date, unless earlier redeemed by HTI pursuant to the terms thereof and subject to the provisions on redemption and payment as detailed below.

Copies of the Trust Agreement and the Registry and Paying Agency Agreement, including the relevant corporate documents of the Issuer, are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Agreement and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

## **2. FORM, DENOMINATION, AND TITLE**

### **2.1. Form and Denomination**

The Bonds shall be issued at par or 100% of face value.

The Bonds shall be issued in scripless form, and shall be issued in denominations of ₱50,000.00 each as a minimum and in integral multiples of ₱10,000.00 thereafter and traded in denominations of ₱10,000.00 in the secondary market.

A Master Certificate of Indebtedness representing each series of the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee for the benefit of the Bondholders.

### **2.2. Title**

Legal title to the Bonds shall be shown in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offering shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording the transfer from the transferor to the transferee in the electronic Register of Bondholders maintained by the Registrar. Settlement with respect to such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, income tax and documentary stamp taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder or the transferee, as applicable.

## **3. BOND RATING**

PhilRatings has assigned a PRS A rating with a Stable Outlook to HTI's proposed issuance of up to ₱2,000,000,000.00 in fixed-rate bonds, inclusive of the ₱1,000,000,000.00 Oversubscription Option, having considered HTI's business plans, growth prospects and cashflow. Obligations rated PRS A have favorable investment attributes and are considered as upper-medium grade obligations. The rating also denotes that the Company's capacity to meet its financial commitments on the obligation is still strong. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

A rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the Bonds are outstanding.

The assigned rating and the corresponding outlook take into account the following key considerations, among others: (i) HTI's strong growth opportunity given its focus on underserved housing market segments in key growth areas within and around Metro Manila; (ii) the Company's ability to sell-out its properties, although its size, scale and geographic presence are currently limited compared to much larger competitors; (iii) sustained earnings growth of the Company; and (iv) HTI's ample liquidity with a relatively conservative capital structure.

This above rating is based on available information and projections at the time that the rating review is ongoing. PhilRatings shall continuously monitor developments relating to HTI and may change the rating at any time, should circumstances warrant a change.

The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the Bonds are outstanding. After Issue Date, the Trustee shall likewise monitor compliance by the Issuer with certain covenants in relation to the Bonds through regular annual reviews.

## **4. TRANSFER OF BONDS**

### **4.1. Register of Bondholders**

The Issuer shall cause the Register of Bondholders to be kept by the Registrar in electronic form. The

names and addresses of the Bondholders, the particulars of the Bonds held by them, and all transfers and assignments of Bonds, including any liens and encumbrances thereon, shall be entered in the Register of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the scripless Registry of Bondholders.

As required under Section 7 of BSP Circular No. 428-04, as amended, the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer), and written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar's system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Save in the case of manifest error or fraud, the foregoing written statement of registry holdings shall be final and binding on the Bondholder. The Bondholder shall examine such statement and promptly (and in no case more than 30 calendar days from receipt thereof) notify the Registrar in writing of any error and they shall together resolve to correct such error promptly (and in no case more than five Business Days from receipt of the notice by the Registrar), failing which such transaction advice, statement or report shall be conclusive against the Bondholder.

Any and/or all requests of Bondholders for certifications, reports, or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfer of Bonds may be made during the period commencing on a Record Date (as defined in the section on Interest Payment Dates below) or during the Closed Period (as defined below).

#### **4.2. Transfers; Tax Status**

Trading of the Bonds will be coursed through a PDEX Trading Participant subject to the applicable PDEX rules and conventions. Trading, transfer and/or settlement of the Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and the Registrar and Paying Agent. Upon any assignment of the Bonds, title thereto will pass by recording of the transfer from the transferor to the transferee in the Registry of Bondholders to be maintained by the Registrar.

The Registrar shall ultimately and conclusively determine all matters regarding the evidence necessary to effect any such transfers. Settlement in respect of such transfers or change of title to the Bonds, including the settlement of any documentary stamp taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder or the transferee, as applicable.

Subject to the provisions of the Registry and Paying Agency Agreement, the relevant rules, conventions and guidelines of PDEX and PDTC, the Bondholders may not transfer their Bonds in any of the following instances, and the Registrar shall not reflect any transfers in the relevant Registry accounts where the same are restricted transfers on the Bonds as follows:

- (a) transfers across Tax Categories on a date other than on an Interest Payment Date that falls on a Business Day; provided, however, that transfers from a tax-exempt Tax Category to a taxable Tax Category on a date other than an Interest Payment Date shall be allowed using the applicable tax-withheld series name on PDEX Trading System, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt person shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "**Tax Categories**" shall refer to the four final withholding tax categories in the PDEX system covering, particularly, tax-exempt persons, 20% tax-withheld persons, 25% tax-withheld persons (aliens), and 25% tax-withheld persons (corporations), as such categories may be revised, amended or supplemented by PDEX in accordance with its rules and Applicable Law. As set out in the Registry and Paying Agency Agreement, this restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented;
- (b) transfers by Bondholders with deficient documents; and
- (c) transfers during a Closed Period. For purposes hereof, "**Closed Period**" means period during which the Registrar shall not register any transfer or assignment of the Bonds, specifically: (i) the period of two Business Days preceding any Interest Payment Date or the due date for any payment of the Final Redemption Amount of the Bonds; or (ii) the period when the Bonds or

relevant series thereof have been previously called for redemption for any payment of the Call Option Price or the Other Redemption Price (as such term is defined in the Registry and Paying Agency Agreement), as applicable.

A Bondholder claiming tax-exempt status is required to submit to the Registry of Bondholders the required tax-exempt documents as detailed in the Registry and Paying Agency Agreement upon submission of the account opening documents to the Registrar and Paying Agent. Please also see the section on *Description of the Bonds – Taxation - Tax-Exempt Status or Entitlement to Preferential Tax Rate* for a detailed discussion on the requirements for claiming a preferential tax status.

Transfers taking place in the Registry of Bondholders after the Bonds are listed on PDEx may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if/and or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC and subject to the discussion under the section *Description of the Bonds – Taxation - Tax-Exempt Status or Entitlement to Preference Tax Rate*.

Notwithstanding the submission by the Bondholder, or the receipt by the Issuer, the Registrar and Paying Agent, or the Issue Manager, Underwriter and Bookrunner of documentary proof of tax-exempt status of a Bondholder, the Issuer may, in its sole and reasonable discretion, determine that such Bondholder is taxable and require the Registrar and Paying Agent to proceed to apply the tax due on the Bonds. Any question on such determination shall be referred to the Issuer.

The Bondholders shall be responsible for monitoring and accurately reflecting their tax status in the Registry of Bondholders. The payment report to be prepared by the Registrar and Paying Agent and submitted to the Issuer in accordance with the Registry and Paying Agency Agreement, which shall be the basis of payments on the Bonds on any Interest Payment Date, shall reflect the tax status of the Bondholders as indicated in their accounts as of the Record Date.

#### **4.3. Secondary Trading of the Bonds**

The Issuer intends to list the Bonds on PDEx for secondary market trading and, for that purpose, the Issuer has filed an application for such listing. However, there can be no assurance that such a listing will actually be achieved or whether such a listing will materially affect the liquidity of the Bonds on the secondary market. Such listing would be subject to the Issuer's execution of a listing agreement with PDEx that may require the Issuer to make certain disclosures, undertakings, and payments on an ongoing basis.

For so long as any of the Bonds are listed on PDEx, the Bonds will be traded in a minimum board lot size of ₱10,000.00, and in multiples of ₱10,000.00 in excess thereof. Secondary market trading in PDEx shall follow the applicable PDEx Rules, including rules, conventions and guidelines governing trading and settlement between Bondholders of different tax status, and shall be subject to the relevant fees of PDEx and PDTC, all of which shall be for the account of the relevant Bondholders.

#### **5. RANKING**

The Bonds constitute direct, unconditional, unsecured, and unsubordinated Peso-denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, contingent or otherwise, other than obligations preferred by operation of law and not by contract, and preferred claims under any bankruptcy, insolvency, reorganization, moratorium, liquidation or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (but not the preference or priority established by Article 2244(14)(a) of the Civil Code of the Philippines), but in the event of insolvency, such financial obligations shall be absolute and unconditional only to the extent permitted by Applicable Law relating to creditors' rights generally.

## 6. INTEREST

### 6.1. Interest Payment Dates

The Bonds shall bear interest on its principal amount from and including Issue Date at the following rates applicable to each of Series A and Series B Bonds, adjusted as and when necessary, pursuant to the conditions set forth below:

- (a) Series A Bonds: [\*] p.a., payable quarterly in arrears, commencing on [June 11, 2026], for the first Interest Payment Date and [September 11], [December 11], [March 11], and [June 11] of each year while such Bonds are outstanding; and
- (b) Series B Bonds: [\*] p.a., payable quarterly in arrears, commencing on [June 11, 2026], for the first Interest Payment Date and [September 11], [December 11], [March 11], and [June 11] of each year while such Bonds are outstanding.

In the event that any Interest Payment Date is not a Business Day, such Interest Payment Date shall be paid on the immediately succeeding Business Day without any adjustment to the amount due. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due, provided that if the Issue Date is set at a date other than [March 11, 2026], then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date.

The cut-off date in determining the existing Bondholders entitled to receive the interest or principal amount due shall be the second Business Day immediately preceding the relevant Interest Payment Date (the “**Record Date**”), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date. In all cases, repayment of principal shall be remitted to the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

The interest rate of the Series A Bonds was based on the sum of (a) the simple average of the three-year PHP BVAL Reference Rate as published on the website of the Philippine Dealing System (“**PDS**”) Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m., for the three consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date and (b) the applicable final spread, to be determined via a bookbuilding process.

The interest rate of the Series B Bonds shall be based on the sum of (a) the simple average of the five-year PHP BVAL Reference Rate as published on the website of the PDS Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m., for the three consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date and (b) the applicable final spread, to be determined via a bookbuilding process.

### 6.2. Interest Accrual

Each Bond shall cease to bear interest from and including the Maturity Date, as defined in the discussion on “*Final Redemption*”, below, unless, upon due presentation, payment of the principal in respect of the Bonds then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see “*Penalty Interest*” below) shall apply.

### 6.3. Determination of Interest Amount

The interest shall be calculated on the basis of a 30/360-day basis, consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

## 7. REDEMPTION AND PURCHASE

### 7.1. Optional Redemption

The Issuer shall have the right, but not the obligation, to redeem in whole (but not in part) the outstanding Series B Bonds on the dates set out below (the “**Optional Redemption Dates**”) together with (i) the accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Date; and (ii) the product of the principal amount of the outstanding Series B Bonds and the applicable Optional Redemption Price in accordance with the following schedule:

Optional Redemption Dates	Optional Redemption Price
Three years from the Issue Date and every Interest Payment Date thereafter before the fourth anniversary of the Issue Date	101.50%
Four years from the Issue Date and every Interest Payment Date thereafter before the Maturity Date.	101.00%

provided, that if the relevant Optional Redemption Date falls on a day that is not a Business Day, then the payment of accrued interest and the optional redemption price shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and optional redemption price to be paid. For the avoidance of doubt, the Bondholders shall not have any right to cause the Issuer to redeem the Bonds pursuant to this Optional Redemption Option.

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Optional Redemption Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as of the Optional Redemption Date.

The Issuer shall give no more than 60 nor less than 30 days’ prior written notice to the Trustee, the Registrar and Paying Agent of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds on the Optional Redemption Date stated in such notice. Upon receipt by the Trustee of such notice, the Trustee through the Issuer shall secure from the Registrar and Paying Agent an updated list of Bondholders as of the Record Date indicated in the notice from the Issuer and provide written notices to all registered Bondholders of the intended early redemption. Each Bondholder in whose name the Series A Bonds or the Series B Bonds subject of the early redemption are registered in the Registry of Bondholders at the close of business on the relevant Record Date shall be entitled to receive the interest and Option Redemption Price. The Issuer shall pay the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

### 7.2. Final Redemption

The maturity dates of the Bonds (the “**Maturity Date**”) are as follows:

- Series A Bonds: the third anniversary of the Issue Date, or on [March 11], 2029; and
- Series B Bonds: the fifth anniversary of the Issue Date, or on [March 11], 2031.

provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the relevant Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid; provided further that if the Issue Date is set at a date other than [March 11, 2026], then the Maturity Date will be adjusted automatically to the date falling on: (i) in respect of the Series D Bonds, the third anniversary of the Issue Date, and (ii) in respect of Series E Bonds, the fifth anniversary of the Issue Date.

Unless the Bonds are otherwise earlier redeemed or purchased and cancelled, the Issuer shall redeem the Bonds at par or 100% of face value on their Maturity Dates. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment in computation as to the amount of interest payable, on the succeeding Business Day.

Each Bondholder in whose name the Bonds are registered in the Registry of Bondholders at the close

of business on the Record Date preceding the relevant Maturity Date shall be entitled to receive the principal amount of the Bonds. In all cases, repayment of principal shall be remitted to the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

### **7.3. Early Redemption for Tax Reasons**

If payments under a series of or all the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rules, or regulations, or in the interpretation thereof; and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the relevant Bonds series in whole or all the Bonds in in whole, and not in part only, on any Interest Payment Date at 100% of face value plus accrued interest computed up to the date when the Bonds shall be redeemed earlier than its maturity date provided the Issuer has given not more than 60 nor less than 30 days' prior written notice to the Trustee, Registrar and Paying Agent, and subject to the requirements of Applicable Law.

If the Issuer does not redeem the relevant Bond series or all the Bonds then all payments of principal and interest in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any such new or additional taxes, duties, assessments or governmental charges, unless such withholding or deduction is required by Applicable Law. In that event, the Issuer shall pay to the Bondholders concerned such additional amount as will result in the receipt by such Bondholders of such amounts as would have been received by them had no such withholding or deduction for new or additional taxes been required.

Upon receipt by the Trustee of the above written notice from the Issuer, the Trustee through the Issuer shall secure from the Registrar an updated list of Bondholders as of the Record Date indicated in the notice from the Issuer and provide written notices to all registered Bondholders of the intended early redemption. Each Bondholder in whose name the Bonds subject of the early redemption is registered in the Registry of Bondholders at the close of business on the relevant Record Date shall be entitled to receive the principal of the Bonds subject of the early redemption and the interest accrued thereon. The Issuer shall pay the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

For the avoidance of doubt, the Issuer shall not, in any case, be liable for Excluded Taxes. Please see "*Description of Bonds - Payment of Additional Amounts – Taxation*" for the enumeration of Excluded Taxes.

Accrued interest on the Bonds to be redeemed under this section for the last Interest Payment Date up to the relevant redemption date shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

### **7.4. Early Redemption by Reason of Change in Law or Circumstance**

Each of the following events shall be considered as a change in law or circumstances ("Change in Law or Circumstance") as it refers to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Agreement and the Bonds:

- (a) Any government and/or non-government consent, license, authorization, registration, or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or the Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, shall materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld.
- (b) Any provision of the Trust Agreement or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that it shall become for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Agreement or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties thereto of their obligations under the Trust Agreement or any other related documents.

- (c) Any concessions, permits, rights, franchise, or privileges required for the conduct of the business and operations of the Issuer shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.
- (d) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize, or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

If any one or more of the events enumerated as a Change in Law or Circumstance shall occur and be continuing for a period of 30 days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said 30-day period, may declare the principal of the Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty, anything contained in the Trust Agreement to be documented or in the Bonds to the contrary notwithstanding, subject to the notice requirements under the discussion on *“Description of the Bonds – Notice of Default.”*

Each Bondholder in whose name the Bonds are registered in the Registry of Bondholders at the close of business on the Record Date indicated in the notice to the Bondholders shall be entitled to receive the principal of the Bonds and the interest accrued thereon. The Issuer shall pay the Bondholders in accordance with the terms of the Registry and Paying Agency Agreement.

Accrued interest on the Bonds to be redeemed under this section for the last Interest Payment Date up to the relevant redemption date shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

## **7.5. Purchase and Cancellation**

The Issuer may at any time purchase any of the Bonds, in accordance with PDEx rules, as may be amended from time to time, in the open market or by tender or by contract, without any obligation to purchase Bonds pro-rata from all Bondholders and the Bondholders shall not be obliged to sell. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

## **8. PAYMENTS**

The principal of, interest on, and all other amounts payable on the Bonds shall be paid to the Bondholders through the Paying Agent. The Paying Agent shall credit the proper amounts received from the Issuer via the Philippine payment settlement system via Real Time Gross Settlement, net of final taxes and fees (if any), to the cash settlement banks of the Bondholders (nominated by the Bondholders in the Application to Purchase or as the Bondholder may notify the Paying Agent in writing), for onward remittance to the relevant cash settlement account of the Bondholder with the cash settlement bank. The principal of, and interest on, and all other amounts payable on the Bonds shall be payable in Philippine Pesos.

In the event that the details of the cash settlement account indicated by the relevant Bondholder in the Application to Purchase are incomplete or erroneous, or the cash settlement account of the relevant Bondholders has been closed, dormant, or nonexistent, due to which payments to the Bondholders cannot be effected in a timely manner, then until the correction of the cash settlement account is effected and until credit of the relevant cash entitlement is completed, such payment shall either be retained in a suspense account with the relevant cash settlement bank or returned to the payment account, or otherwise disposed of by the cash settlement bank, in each case in accordance with the standard operating procedures of the relevant cash settlement bank.

In these cases, the Issuer and the Paying Agent shall not be liable to the relevant Bondholder for any failure or delay in the Bondholder's receipt of such payments.

As mentioned above, the Record Date, which is the cut-off date in determining the existing Bondholders entitled to receive interest, principal, or any other amount due under the Bonds, shall be two Business Days immediately preceding the relevant Payment Date or such other date as the Issuer may duly notify PDTC. The Record Date shall be the reckoning date in determining the Bondholders entitled to receive interest, principal, or any other amount due under the Bonds. No transfers of the Bonds may be made during the Closed Period.

The Issuer shall ensure that so long as any of the Bonds remains outstanding, there shall, at all times, be a Paying Agent for the purposes of the Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the Paying Agent shall be unable or unwilling to continue to act as such, the Issuer shall appoint a qualified financial institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

## **9. NO SINKING FUND**

The Issuer has not established and currently does not intend to establish a sinking fund for the payment of the Bonds.

## **10. TAXATION**

### **10.1. Payment of Additional Amounts – Taxation**

Interest income on the Bonds is subject to a final withholding tax at rates between 10% and 25% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration, or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following ("Excluded Taxes"):

- (a) The withholding tax applicable on interest earned on the Bonds prescribed under the Tax Code and its implementing rules and regulations as may be in effect from time to time; provided, further, that all Bondholders are required to provide the Issuer through the Bondholders' Issue Manager, Underwriter and Bookrunner, or PDEx Trading Participant and endorsed to the Registrar and Paying Agent their validly issued tax identification numbers, issued by the BIR;
- (b) Gross Receipts Tax under Sections 121 and 122 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding;
- (d) VAT under Sections 106 to 108 of the Tax Code, as amended; and
- (e) Any applicable taxes on any subsequent sale or transfer of the Bonds by any holder which shall be for the account of such holder (or its buyer, as the holder and the buyer may have agreed upon).

Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

Please see the section on "Taxation" in the Prospectus for a more detailed discussion on the tax consequences of the acquisition, ownership, and disposition of the Bonds.

### **10.2. Tax-Exempt Status or Entitlement to Preferential Tax Rate**

An investor (which is referred to below as "Bondholder" (which term, for purposes of this section, includes an Applicant)) who is claiming exemption from the aforesaid withholding tax, or that it/he/she is subject to a preferential withholding tax rate shall be required to submit the following requirements, subject to acceptance by the Issuer as being sufficient in form and substance:

- (a) BIR-certified true copy of a valid, current, and subsisting tax exemption certificate, ruling or opinion issued by the BIR and addressed to the Bondholder, confirming its/his/her exemption or its/his/her entitlement to the preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and for tax-exempt Personal Equity Retirement Account ("PERA") established pursuant to PERA Act of 2008, a certified true copy of the Bondholder's current, valid and subsisting Certificate of Accreditation as PERA Administrator;
- (b) with respect to tax treaty relief, the Issuer may apply the preferential tax treaty rate on the interest income of the non-resident foreign Bondholder by relying on the submission by such Bondholder of the following documents before the interest income is paid or, if the Bondholder is a fiscally transparent entity, on the submission of each of the Bondholder's owners or beneficiaries:
  - (i) three originals of a duly signed and executed application form for tax treaty purposes (BIR Form 0901-I (Tax Treaty Relief Application for Interest Income)) or if the Bondholder is a fiscally transparent entity, the following must also be attached to the duly signed and executed BIR Form 0901-I: (a) a copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity; (b) list of owners/beneficiaries of the foreign entity; and (c) proof of ownership of the foreign entity, in the form acceptable for recognition under Philippine laws;
  - (ii) an authenticated or apostilled tax residency certificate/s (TRCs) duly issued by the relevant foreign tax authority in favor of the Bondholder, or if the Bondholder is a fiscally transparent entity, in favor of each of the Bondholder's non-resident foreign owners or beneficiaries, in the form acceptable for recognition under Philippine laws, and which should be updated for such relevant years as required under existing Philippine tax rules and regulations and/or the terms and conditions in the BIR approval document/s;
  - (iii) the relevant provision of the applicable tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer; and
  - (iv) three originals of the duly notarized and consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief.

Prior to the payment of subsequent interests due, the Issuer may apply the preferential tax treaty rate on the interest income of the non-resident foreign Bondholder upon the submission of the following documents:

- (i) three originals of a duly signed and executed application form for tax treaty purposes (BIR Form 0901-I (Tax Treaty Relief Application for Interest Income));
- (ii) an authenticated or apostilled tax residency certificate/s (TRCs) duly issued by the relevant foreign tax authority in favor of the Bondholder, or if the Bondholder is a fiscally transparent entity, in favor of each of the Bondholder's non-resident foreign owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and

(iii) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder or Registrar and Paying Agent to the Issuer no later than the first day of the month when such subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto.

Failure to submit these documents will lead to withholding using the regular tax rates prescribed under the Tax Code, as amended, for non-resident foreign corporations or non-resident aliens not engaged in trade or business in the Philippines, as the case may be, and not the treaty rate.

If the tax treaty rate was applied by the Issuer based on the representations and supporting documents provided by the Bondholder, the Bondholder (either directly or through its duly authorized representatives) will file with the BIR's International Tax Affairs Division ("ITAD") a request for confirmation of the use of the tax treaty rate no later than the last day of the fourth month following the close of the relevant taxable year after the payment of the withholding tax with supporting documents specified in Revenue Memorandum Order No. 14-2021 and in relation to Revenue Memorandum Circular No. 77-2021 and its allied BIR issuances, as may be amended from time to time. In relation thereto, the Issuer requires that copies of the BIR-stamped "Received" request for confirmation (with the complete accompanying documents) be provided by the Bondholder to the Issuer within 60 days from the payment of the interest income to the Bondholder (either directly or through its duly authorized representatives), and without need of prior request or demand from the Issuer. The Bondholder shall submit to the Issuer the original of the Certificate of Entitlement to Treaty Benefit issued by the BIR within 10 days from the Bondholder's receipt of the Certificate of Entitlement to Treaty Benefit. The Bondholder shall ensure compliance with the requisites under the Certificate of Entitlement to Treaty Benefit for entitlement to the tax treaty benefits.

If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the request for confirmation will be denied and the BIR will require the Issuer to pay the deficiency taxes with penalties. In such case, the Bondholder, as the ultimate income earner, shall either advance to the Issuer or reimburse the Issuer, at the option of the Issuer, the total amount of deficiency taxes and penalties imposed by the BIR, as well as all other reasonable and necessary fees that may be incurred by the Issuer as a result of the denial of the BIR application.

In case the Issuer used the regular tax rate under the Tax Code, the non-resident foreign Bondholder may file a tax treaty relief application with ITAD after it has received the interest income with supporting documents specified in Revenue Memorandum Order No. 14-2021 in relation to Revenue Memorandum Circular No. 77-2021. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits, and the Bondholder may apply for a refund of excess withholding tax with the BIR within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the Bondholder may be filed simultaneously with the tax treaty relief application.

(c) a duly notarized undertaking substantially in the form attached as Schedule 4 to the Registry and Paying Agency Agreement or in a form acceptable to the Issuer executed by:

(i) the Bondholder, or in respect of juridical entities (save for a universal bank which is covered by item (ii) below), the corporate secretary or any authorized representative of such Bondholder, who is in possession of the relevant exemption documents as its authorized custodian, or who has personal knowledge of the exemption or entitlement to preferential tax treatment and will have personal knowledge of any amendment, revocation, expiration, change or any circumstance affecting the validity of the exemption or preferential tax treatment, based on his official functions, if the Bondholder purchases or holds the Bonds for its account, or

- (ii) the trust officer, if the Bondholder is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (e.g., Employee Retirement Fund, etc.),

in each case:

- (i) declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and Paying Agent:
  - (1) of any suspension, revocation, amendment, or invalidation (in whole or in part) of the tax exemption or preferential rate entitlement certificate, ruling, or opinion issued by the BIR;
  - (2) if there are any material changes in the factual circumstances of the Bondholder including but not limited to its character, nature, and method of operation, which are inconsistent with the basis of its income tax exemption or preferential rate entitlement; and or
  - (3) if there are any change of circumstance, relevant treaty, law or regulation or any supervening event that may or would result in the interest income of the Bonds being ineligible for exemption or preferential tax rate; and
- (ii) agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax;

provided, that in case of corporate, partnership or trust account investors, such investor shall also submit an original certification from the corporate secretary or an equivalent officer of the investor, setting forth the resolutions of its board of directors or equivalent body authorizing the execution of the undertaking and designating the signatories, with their specimen signatures, for the said purpose; and

- (d) such other documentary requirements as may be reasonably required by the Issuer or the Registrar or Paying Agent, or as may be required under the applicable regulations of the relevant taxing or other authorities; provided, that, the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholders on the Interest payments to such Bondholders.

Unless properly provided with satisfactory proof of the tax-exempt status or entitlement to preferential rates of an Applicant or a Bondholder, each of the Issuer and the Registrar and Paying Agent may assume that such Applicant or Bondholder is taxable and proceed to apply the tax due on the Bonds. Notwithstanding the submission by the Applicant or Bondholder, or the receipt by the Issuer or any of its agents, of documentary proof of the tax-exempt status or entitlement to preferential rates of an Applicant or a Bondholder, the Issuer may require the Registrar and Paying Agent to proceed to apply the tax due on the Bonds. Any question on such determination shall be referred to the Issuer.

Unless otherwise indicated above, the foregoing requirements shall be submitted, (i) in respect of an initial issuance of Bonds, upon submission of the Application to Purchase to the Issue Manager, Underwriter, and Bookrunner who shall then forward the same to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, through the intermediary to the Registrar upon submission of the Investor Registration Form (in a form attached as Schedule 8 to the Registrar and Paying Agency Agreement) and other applicable account opening documents, in accordance with the procedures of the Registrar. A selling or purchasing Bondholder claiming tax-exempt status or preferential tax rate is required to submit, together with the account opening documents submitted to the Registry, the documents described above.

Transfers taking place in the Register of Bondholders after the Bonds are listed in PDEx may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if/and or when so allowed under and in accordance with the relevant rules, conventions, and guidelines of PDEx and PDTC and subject to the discussion above.

Failure on the part of the Bondholder to submit the aforementioned document/s within the time prescribed shall result in the application of the regular tax rates.

## 11. FINANCIAL COVENANT

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

- (a) HTI shall maintain a Debt-to-Equity Ratio of not more than 1.50x. Debt-to-Equity ratio is computed as total Financial Indebtedness divided by Total Equity.
- (b) HTI shall maintain a minimum Current Ratio of 1.00x. Current Ratio means the ratio of Current Assets divided by Current Liabilities.
- (c) HTI shall maintain a Debt Service Coverage Ratio of not less than 1.25x. Debt Service Coverage Ratio means the ratio of EBITDA divided by total Debt Service by reference to the immediately preceding 12 months.

For clarity, the foregoing ratios shall be computed using the following definitions:

**“Current Assets”** represents cash, receivables, inventories, and other assets that are likely to be converted into cash, sold, exchanged, or expensed in the normal course of business within one year.

**“Current Liabilities”** represents debt, payables, or other obligations that are coming due within one year.

**“Debt Service”** means all amounts payable by HTI under any Financial Indebtedness, including all principal, interest, fees, commissions, costs, and expenses.

**“EBITDA”** represents net income after adding provisions for income tax, depreciation, and amortization and interest expense.

**“Financial Indebtedness”** means any outstanding indebtedness of HTI and/or any or all of its subsidiaries for or in respect of:

- (i) money borrowed, which, in accordance with PFRS, shall be treated as loans payable, notes payable, bonds payable, or other similar borrowing;
- (ii) any amount raised by acceptance under any acceptance credit facility;
- (iii) any obligation in respect of a standby or documentary letter of credit or any other similar instrument issued by a bank or financial institution;
- (iv) receivables sold or discounted other than receivables to the extent they are sold on a non-recourse basis;
- (v) any amount of any liability (other than trade accounts payable, accrued expenses, and unearned revenues) under an advance or deferred purchase agreement if one of the primary reasons behind entering into that agreement is to raise finance or that agreement is in respect of the supply of assets or services;
- (vi) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with PFRS, be treated as a finance or capital lease;
- (vii) any currency swap, or interest rate swap, cap, or collar arrangement or any other

derivative instrument;

- (viii) any amount raised by the issue of redeemable shares or preferred shares;
- (ix) any amount raised under any other transaction having the commercial effect of a borrowing; and/or
- (x) Any guarantee or indemnity or other assurance against financial loss of any person.

**“Total Equity”** means equity attributable to equity holders of the Company (excluding minority interest in a consolidated subsidiary).

For the avoidance of doubt, any indebtedness to be incurred to refinance, in the same currency or its equivalent amount, an existing indebtedness outstanding on the Issue Date, shall not be construed as an incurrence of additional indebtedness.

Testing of the financial covenants shall be done on the last Business Day of April of each year, using the fiscal year-end audited consolidated financial statements of the Company.

## 12. NEGATIVE PLEDGE

For as long as any of the Bonds remain outstanding, the Issuer covenants that it shall not, without the prior written consent of the Majority Bondholders, permit any indebtedness for borrowed money to be secured by or to benefit from any mortgage, security interest, pledge, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Subsidiaries' obligation in favor of any creditor or class of creditors without providing the Bondholders with the same kind or class of security, the benefit of which is extended equally or ratably among them to secure the Bonds, provided that the foregoing restrictions shall not apply to any Permitted Liens.

## 13. EVENTS OF DEFAULT

The Issuer shall be considered in default under the Bonds and the Trust Agreement in case any of the following events (each an **“Event of Default”**) shall occur and is continuing:

(a) *Payment Default*

The Issuer fails to pay when due and payable any amount which the Issuer is obliged to pay to the Bondholders under the Trust Agreement and the Bonds in the manner, at the place, and in the currency in which it is expressed to be payable, unless such failure arises solely as a result of an administrative or technical error and payment is made within three business days after the date such payment is due (**“Payment Default”**).

(b) *Representation/Warranty Default*

Any representation and warranty of the Issuer hereof and in other Bond Agreements or any certificate or opinion submitted pursuant thereto proves to have been untrue, incorrect, or misleading in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than 30 days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Trustee to that effect.

(c) *Other Default*

The Issuer fails to perform, comply with, or violates any other provision, term, condition, covenant or obligation contained in the Trust Agreement (other than by reason of paragraph (a) above and other paragraphs under this section on **“Events of Default”**), and any such failure, non-compliance or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after 30 days (or such longer curing period as the Majority Bondholders shall approve) from the date after written notice thereof shall have been received by the Issuer from the Trustee; provided that this

paragraph shall not apply in respect of any failure or violation that is specifically covered by the other paragraphs under this section on “*Events of Default*” and, for the avoidance of doubt, such other paragraphs shall apply accordingly.

(d) *Cross Default*

The Issuer and/or any of its Subsidiaries violates any material term or condition of any contract executed by the Issuer or any of its Subsidiaries with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer or such Subsidiary within 10 Business Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer or such Subsidiary, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation shall, further, in the reasonable opinion of the Trustee, adversely and materially affect the performance by the Issuer of its obligations under the Trust Agreement and the Bonds.

(e) *Insolvency Default*

The Issuer or any of its Subsidiaries becomes insolvent or unable to pay its debts when due or commits or permits any act of bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) appointment of a trustee or receiver of all or a substantial portion of its properties; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by the Issuer or such Subsidiary of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal, or administrative agency or body confirming the bankruptcy or insolvency of the Issuer or such Subsidiary or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation, or appointment of trustee or receiver of the Issuer or such Subsidiary or a substantial portion of its property or assets; provided, that items (i) and (ii) shall not be an Event of Default if the same shall have been dismissed or stayed by injunction or otherwise within 90 days from filing of a petition in the case of item (i) or the appointment of a trustee or receiver in the case of item (ii);

(f) *Closure Default*

The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of 30 calendar days except in the case of: (i) strikes or lockouts or when necessary to prevent business losses; (ii) shutdowns or regular preventive repairs; or (iii) when due to fortuitous events or force majeure.

(g) *Expropriation Default*

The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or the substantial portion of the operations of the Issuer and to condemn, seize, nationalize, or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such acts, deeds, or proceedings are contested in good faith by the Issuer.

(h) *Cancellation of Licenses, Permits, etc.*

Any of the licenses, permits, rights, options, or privileges presently or hereafter enjoyed, utilized, or required in the conduct of the business or operations of the Issuer or any of its Subsidiaries shall be revoked, cancelled, or otherwise terminated with finality, or the free and continued use and exercise thereof shall be curtailed or prevented, in each case and in such manner as to materially and adversely affect the ability of the Issuer to meet its obligations under the Trust Agreement and the Bonds, or any similar events that occur which materially and adversely affect the ability of the Issuer to meet its obligations under the Trust Agreement and the Bonds.

(i) *Judgment Default*

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of ₱[150,000,000.00] or its equivalent in any other currency is entered against the Issuer or any of its Subsidiaries and the enforcement of which is not stayed, and is not paid, discharged, or duly bonded within 30 calendar days after the date when payment of such judgment, decree or award is due under the Applicable Law or agreement.

(j) *Writ and Similar Process Default*

Any final and executory judgment, writ, warrant of attachment, injunction, stay order, execution, or similar process shall be issued or levied against any material part of the Issuer's assets, business, or operations and such judgment, writ, warrant, or similar process shall not be released, vacated, or fully bonded within 30 calendar days after its issue or levy.

(k) *Non-Payment of Taxes*

Non-payment of any Taxes, or any assessments or governmental charges levied upon it or against its properties, revenues, and assets by the date on which such Taxes, assessments, or charges attached thereto, which are not contested in good faith by the Issuer or any of its Subsidiaries, or after the lapse of any grace period that may have been granted to the Issuer or any of its Subsidiaries by the BIR or any other Philippine tax body or authority.

(l) *Contest*

The Issuer shall contest in writing the validity or enforceability of the Trust Agreement or any other Bond Agreements or shall deny generally in writing the liability of the Issuer under the Trust Agreement or any other Bond Agreements.

(m) *Illegality*

Any of the Trust Agreement or the other Bond Agreements or any material portion thereof is declared to be illegal or unenforceable in a final and executory judgment rendered by a court of competent jurisdiction, and the Bonds are not redeemed within a period of 30 calendar days after the judgment has become final and executory; provided that this paragraph shall be without prejudice to the right of the Majority Bondholders to require early redemption of the Bonds (e.g., even prior to a final and executory judgment) pursuant to redemption by reason of "Change in Law or Circumstance".

#### **14. NOTICE OF DEFAULT**

The Trustee shall, within 10 Business days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of Payment Default stated under the section "Events of Default", the Trustee shall immediately notify the Bondholders upon the occurrence of such Payment Default.

The existence of a written notice required to be given to the Bondholders hereunder shall be published for at least once a week for two consecutive weeks in at least two newspapers of general circulation in the Philippines, further indicating in the published notice that the Bondholders or their duly authorized representatives may request any information relating to such occurrence of an Event of Default at the principal office of the Trustee upon presentation of sufficient and acceptable identification consistent with the Bondholders' records in the Register of Bondholders. Otherwise, the Trustee may also provide notice via the other modes of notice as provided under Section 17.1 of the Trust Agreement or under "Notice to the Bondholders".

#### **15. CONSEQUENCES OF DEFAULT**

If any one or more of the Events of Default shall have occurred and be continuing without the same

being cured within the periods provided in the Trust Agreement and in these Terms and Conditions, if any, or upon the occurrence of such Event of Default for which no cure period is provided, (i) the Trustee, upon the written direction of the Majority Bondholders, shall, by notice in writing delivered to the Issuer, or (ii) the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, may declare the Issuer in default ("Declaration of Default") and declare the principal of the Bonds then outstanding, together with all accrued and unpaid interest thereon and all amounts due thereunder, to be due and payable not later than five Business Days from the receipt of the Declaration of Default ("Default Payment Date") with a copy to the Registrar and Paying Agent who shall then prepare a payment report in accordance with the Registry and Paying Agency Agreement. Thereupon, the Issuer shall make all payments due on the Bonds in accordance with the Registry and Paying Agency Agreement.

All the unpaid obligations under the Bonds, including accrued Interest, and all other amounts payable thereunder, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Issuer.

## **16. PENALTY INTEREST**

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, fees due to Trustee, Registrar, Paying Agent or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, and other amounts, pay penalty interest on the defaulted amount(s) at the rate of [12]% p.a. (the "Penalty Interest") from the time the amount fell due until it is fully paid in accordance with the Terms and Conditions of the Bonds and the Trust Agreement.

## **17. PAYMENT IN THE EVENT OF DEFAULT**

The Issuer covenants that upon the occurrence of any Event of Default, and provided that there has been a Declaration of Default and acceleration of payment of the Bonds by the Majority Bondholders, HTI shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal and with Penalty Interest, where applicable, based on the payment report no later than the Default Payment Date, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys, and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee.

## **18. APPLICATION OF PAYMENTS**

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Agreement and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows:

- (a) *First:* to the *pro rata* payment to the Trustee, the Paying Agent, and the Registrar, of the costs, expenses, fees, and other charges of collection, including reasonable compensation to them, their agents, attorneys, and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith in carrying out their respective obligations under their respective agreements with the Issuer in connection with the Bonds;.
- (b) *Second:* to the payment of the interest in default, in the order of maturity of such interest with Penalty Interest.
- (c) *Third:* to the payment of all other outstanding interest, in the order of maturity of such interest based on the information on Bondholders reflected in the relevant registry account to be provided by the Registrar and Paying Agent in accordance with the Registry and Paying Agency Agreement.
- (d) *Fourth:* to the payment of the principal amount of the Bonds then due and payable based on

the information on Bondholders reflected in the relevant registry account to be provided by the Registrar and Paying Agent in accordance with the Registry and Paying Agency Agreement.

(e) *Fifth:* the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the Bonds shall require the conformity of the Trustee. The Paying Agent shall render a monthly account of such funds under its control.

## **19. PRESCRIPTION**

Claims with respect to principal and interest or other sums payable hereunder shall prescribe unless made within 10 years (in the case of principal or other sums) or 5 years (in the case of interest) from the date on which payment becomes due.

## **20. REMEDIES**

### **20.1. General**

Subject to the discussion below under "*Description of the Bonds – Ability to File Suit.*"

(a) all remedies conferred by the Trust Agreement to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extrajudicial proceedings appropriate to enforce the conditions and covenants of the Trust Agreement, and

(b) Unless the claim has already prescribed as set out in the section above on "*Prescription*", no delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Agreement to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

### **20.2. Ability to File Suit**

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Agreement to institute any suit, action, or proceeding for the collection of any sum due from HTI hereunder on account of principal, interest, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds;

(b) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name;

(c) the Trustee for 60 days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit, or proceeding; and

(d) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders,

it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Agreement to affect, disturb, or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Agreement, except in the manner herein provided and for the equal, ratable, and common benefit of all the Bondholders. For the protection and

enforcement of this ability to file suit, each Bondholder and the Trustee shall be entitled to such relief as can be given under Applicable Law.

### **20.3. Waiver of Default by the Bondholders**

The Majority Bondholders may direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and on behalf of the Bondholders to waive any past default, except the events of default specified in Sections 13(a), (d), (e), (f), and (g) above, and its consequences. In case of any such waiver, the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

## **21. SUBSTITUTION**

Substitution of the Bonds is not contemplated.

## **22. TRUSTEE; NOTICES**

### **(a) *Notice to the Trustee***

All documents required to be submitted to the Trustee pursuant to the Trust Agreement and this Prospectus and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee : RCBC Trust Corporation  
Attention : Ryan Roy W. Sinaon  
Subject : Haus Talk, Inc. Bond Trusteeship  
Address : 9F Yuchengco Tower 1,  
RCBC Plaza, 6819 Ayala Avenue,  
Makati City 0727  
Telephone : 8894-9000 local 1278  
E-mail address : rwsinaon@rcbc.com

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

### **(b) *Notice to the Bondholders***

Except where the Bonds and the Bond Agreements specifically require another party to send notice to the Bondholders, the Trustee shall send any and all notices to the Bondholders as may be required or necessary under the Bonds and the Bond Agreements to their contact details as set forth in the Registry of Bondholders, it being understood, however, that for purposes of fulfilling its obligations to deliver such notices, the Trustee shall be entitled to rely on the Registry of Bondholders in determining the Bondholders entitled to notice and their respective contact details. Further, while the Trustee shall exert best efforts to meet the periods relative to sending of notices as provided in the Trust Agreement, it shall not be liable for delays that are outside its control.

Except where a specific mode of notification is provided for in the Bond Agreements, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) e-mail; (iii) ordinary mail; (iv) by publication for at least once a week for two consecutive weeks in at least two newspapers of general circulation in the Philippines; (v) personal delivery to the address of record in the Registry of Bondholders; or (vi) disclosure through the Online Disclosure System of the PDEx. If notices to the Bondholders shall be sent by mail or personal delivery, such notices shall be sent to the mailing address of the Bondholders as set forth in the Registry of Bondholders. All notices shall be deemed to

have been received (i) 10 days from posting if transmitted by registered mail; (ii) on the date of receipt of the e-mail in readable form; (iii) 15 days from mailing, if transmitted by ordinary mail; (iv) on the date of last publication, if notice is made by publication; (v) on the date of delivery, for personal delivery; or (vi) on the date of disclosure, if notice is made by disclosure through the Online Disclosure System of the PDEx.

A notice made by the Issuer to the Trustee is notice to the Bondholders. The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by the Issuer to the PDEx on a matter relating to the Bonds shall be deemed a notice to the Bondholders of said matter on the date of the first publication or the date of the disclosure, as the case may be.

(c) *Binding and Conclusive Nature*

Except as provided in the Trust Agreement, all notifications, opinions, determinations, certificates, calculations, quotations, and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Agreement, shall (in the absence of willful default, bad faith, or manifest error) be binding on the Issuer and all Bondholders. No liability of the Issuer, the Paying Agent, or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties, and discretions under the Trust Agreement resulting from the Trustee's reliance on the foregoing.

### **23. DUTIES AND RESPONSIBILITIES OF THE TRUSTEE**

(a) The Trustee shall independently perform each of the following duties for the benefit of the Bondholders:

- (i) Coordinate with the Issuer, the Joint Underwriters and Joint Bookrunners, the Registrar and the Paying Agent in relation to the performance of their respective responsibilities under the relevant Bond Agreements.
- (ii) Have custody of and hold in its name, for and on behalf of the Bondholders, the Master Certificates of Indebtedness for the Bonds.
- (iii) Monitor compliance by the Issuer with the Trust Agreement, including the Issuer's compliance or non-compliance with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Agreement; *provided*, that such monitoring shall be based solely on a sworn certification executed by an authorized officer of the Issuer and delivered to the Trustee within seven days from each Interest Payment Date, substantially in the form attached as Annex C to the Trust Agreement.
- (iv) Monitor compliance by the Registrar and the Paying Agent with their respective functions and responsibilities prescribed under the Registry and Paying Agency Agreement, and from time to time, request information from the Registrar and Paying Agent on the outstanding Bonds, list of Bondholders, and such other information necessary for the performance of the duties and powers of the Trustee under the Trust Agreement; *provided*, that such monitoring shall be based solely on a sworn certification executed by an authorized officer of the Registrar and the Paying Agent and delivered to the Trustee within seven days from each Interest Payment Date, substantially in the form attached as Annex C to the Trust Agreement.
- (v) Report regularly to Bondholders any non-compliance by the Issuer with the Trust Agreement and any development with respect to the Issuer of which the Trustee may have actual notice or knowledge of based on official disclosures to PDEx, PSE, SEC and other regulatory agencies, or those which the Trustee may have been given actual notice or knowledge of that adversely affects the interest of the Bondholders, including any default by the Issuer on any of its obligations of which the Trustee may have actual notice or knowledge, and inform the Bondholders, upon the recommendation of legal counsel, of the alternative courses of action that they may take to protect their interest;

*provided*, that for purposes hereof, the Trustee shall, without need of any further act or notice to the Issuer, publish a notice once in a newspaper of general circulation, binding upon all the Bondholders wherever situated or located, that the Bondholders or their duly authorized representatives may obtain a report regarding the Bonds at the principal office of the Trustee upon presentation of sufficient and acceptable identification. If the foregoing notice via publication is not practicable, the Trustee may issue the relevant notice via the other modes of notification as provided under Section [\*] of the Trust Agreement. Upon advice of legal counsel, the Trustee shall inform the Bondholders of the alternative courses of action that they may take to protect their interest.

(vi) Act on behalf of the Bondholders including calling for and/or attending meetings of the Bondholders in the manner set out in this section. A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of the Bonds under any under any provisions of the Trust Agreement or under Applicable Law or in respect of any matter related to the Bonds.

(1) A meeting (either a face-to-face meeting or a meeting held through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication) of the Bondholders, for purposes of taking any actions authorized under the Trust Agreement or under Applicable Law or in respect of any matter related to the Bonds may be called by the following: (a) the Trustee, on its own accord or upon the written request of the Issuer, or (b) the Bondholders representing more than 25% of the outstanding principal amount of the Bonds. The meeting may be held at such time and at such place or via such mode (as applicable) as the Trustee shall determine.

(2) Unless otherwise provided in the Trust Agreement, the Trustee shall give notice of every meeting of the Bondholders (which notice must state the purpose thereof in reasonable detail and set forth the time, place, mode (as applicable), requirements and procedures for participating and voting in meetings held through remote communication, and purpose of such meeting in reasonable detail) to the Issuer and each of the registered Bondholders not earlier than 45 days nor later than 15 days prior to the date fixed for the meeting and shall publish such notice once in a newspaper of general circulation; provided that, if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration of Default, the notice shall be made at least five days prior to the date fixed for the meeting; provided further that, if the foregoing notice via publication is not practicable, the Trustee may issue the relevant notice via the other modes of notification as provided under Section 17.1 of the Trust Agreement.

The Trustee shall fix the record date for determining the Bondholders entitled to notice and vote during the meeting, which record date shall not be earlier than 45 days before the date of the meeting; provided that, if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration of Default, the record date shall not be earlier than 15 days before the date of the meeting.

(3) Failure of the Trustee to call a meeting upon the written request of either the Issuer or the Bondholders representing more than 25% of the outstanding principal amount of the Bonds within 10 Business Days from receipt of such request shall entitle the requesting party to send and publish the appropriate notice of the Bondholders' meeting and fix the record date for determining the Bondholders entitled to attend and vote in accordance with the procedure in accordance with Section 21(a)(vi)(2) and Section 25(a) (*Notice of Meetings*) of Annex A of the Trust Agreement or of this section "*Description of the Bonds*."

(4) The presence of the Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders. The Trustee shall determine and record the presence of the Majority Bondholders based on the list of Bondholders prepared by the Registrar in accordance with the Registry and Paying Agency Agreement, which list shall include (a) the complete names of the Bondholders (including the name of the authorized representative of the Bondholder, where applicable), (b) the amount of Bonds held by the Bondholders as of the relevant record date, (c) the complete address and contact details of the Bondholders, (d) the specimen signatures of the Bondholders' authorized signatories, and (e) such other information necessary for the performance of the duties and powers of the Trustee under the Trust Agreement as may be requested by the Trustee. The Registrar shall, and the Issuer shall cause the Registrar to, provide the Trustee with a list of Bondholders at least five Business Days upon receipt of written request from the Trustee.

(5) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Majority Bondholders as provided in Section 21(a)(vi)(3) and Section 25(b) (*Failure of the Trustee to Call a Meeting*) of Annex A of the Trust Agreement or of this section *Description of the Bonds* in which case the Issuer or the Majority Bondholders calling the meeting, as the case may be, shall move for the election of the chairman and secretary of the meeting. The elected secretary shall take down the minutes of the meeting, covering all matters presented for resolutions by and the results of the votes cast by the Bondholders entitled to vote at the meeting and/or the person appointed by a public instrument in writing as proxy or agent by any such Bondholder in accordance with Section 21(vi)(7) and Section 25(e) (*Voting Rights*) of Annex A of the Trust Agreement or of this section *Description of the Bonds*. The elected secretary shall immediately provide the Trustee with the copy of the minutes of the meeting which copy shall be made available at any time to the Issuer and all Bondholders upon receipt of written request, provided that the cost of furnishing the same to the requesting party shall be for such person's account.

(6) Any meeting of the Bondholders may be adjourned from time to time for a period not to exceed in the aggregate one year from the date for which the meeting shall originally have been called, and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by Persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(7) To be entitled to vote at any meeting of the Bondholders, a Person should be a registered holder of the Bonds as reflected in the Registry of Bondholders on the relevant record date fixed pursuant to Section 21(a)(vi)(2) of Annex A of the Trust Agreement or of this section *Description of the Bonds*, as the case may be, or a Person should be appointed by a public instrument as proxy or agent by any such Bondholder (and, in case of corporate or institutional Bondholders, duly supported by the resolutions of its board of directors or equivalent body authorizing the appointment of the proxy or agent duly certified by its corporate secretary or an authorized officer) for the meeting. The only Persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the Persons entitled to vote at such meeting and any representative of the Trustee, of the Issuer and their respective legal counsels. Please refer also to Section 25(e) of Annex A of the Trust Agreement or of this section *Description of the Bonds – Voting Rights*.

(8) Except as otherwise specifically provided in the Trust Agreement, all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority

Bondholders (which should present or represented in a meeting at which there is a quorum).

Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Trustee.

- (9) Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of Bonds may take any action (including the making of any demand or request, the giving of any notice or consent, or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined such action may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing in accordance with Section 21(a)(vi)(7) and Section 25(e) (*Voting Rights*) of Annex A of the Trust Agreement or of this section "*Description of the Bonds*"; (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instruments and any such record of meeting of the Bondholders.
- (10) Notwithstanding the provisions in this section and other provisions of the Trust Agreement, the Trustee may make such reasonable regulations (not inconsistent with the terms and conditions of the Trust Agreement) as it may deem advisable for any meeting of the Bondholders, with regard to the proof of ownership of the Bonds, the appointment of proxies by the Bondholders, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem fit.
- (11) All costs and expenses incurred by the Trustee in connection with the meetings of the Bondholders shall be for the account of the Issuer and shall be paid or reimbursed by the Issuer within 10 Business Days from receipt of the duly supported billing statement.
- (12) Whenever this section or any other provision of the Trust Agreement provides for a certain percentage of Bondholders who may take any action, this section or any such provision shall be construed (a) with respect to matters relating only to the Series A Bonds, Bondholders representing the relevant percentage of the outstanding principal amount of the Series A Bonds; (b) with respect to matters relating only to the Series B Bonds, Bondholders representing the relevant percentage of the outstanding principal amount of the Series B Bonds; or (d) with respect to matters affecting the Series A Bonds and Series B Bonds, Bondholders representing the relevant percentage of the outstanding principal amount of the Bonds.

- (vii) Safekeep (1) all records enumerated in Section 3.2 of the Trust Agreement, (2) copies of all submissions of the Issuer to the SEC in connection with the procurement and maintenance of the SEC Registration Documents (as such term is defined in the Trust Agreement), the Bonds Agreements, and (3) such other documents that may be deemed pertinent and as may be reasonably requested by the Trustee in the performance of its functions.
- (viii) Upon written request by the Issuer no later than 11:30 a.m. within 10 Business Days following the date the Trustee receives such request, send notice of any matter to the Bondholders, other than those matters the notice of which is specifically required to be given to the Bondholders by another party under the Bond Agreements.

For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the

Bondholders shall communicate with respect to any matters that must be taken up with the Issuer.

- (ix) Prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, the Trustee shall perform only such duties as are specifically set forth in the Trust Agreement. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Agreement, and use such diligence, judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters, will exercise in the management of their own affairs.
- (x) The Trustee shall submit the reports described in Section 24 (*Reports to the Bondholders*) of Annex A of the Trust Agreement or of this section “*Description of the Bonds – Reports to the Bondholders*”.
- (xi) The Trustee shall allow the inspection of documents described in Section 1 (*General*) of Annex A of the Trust Agreement or of this section “*Description of the Bonds – General*.”

(b) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Agreement, and observe due diligence required of a prudent and reasonable Person under the same circumstances, in the performance of its duties and obligations under the Trust Agreement. The Trustee may perform any of its duties under the Trust Agreement through its directors, officers, employees, agents, or attorneys-in-fact. Subject to the succeeding paragraph, the Trustee shall not be responsible for the inadequacy of the Issuer to meet and discharge any of its obligations under the Bonds or be liable for any depreciation in value or other losses of the Bonds. Neither shall the Trustee be a surety or a guarantor of the solvency or capacity of the Issuer, the Issue Manager, Underwriter and Bookrunner, the Registrar, the Paying Agent, or any of their authorized representatives. Each Bondholder is deemed to have represented and warranted to the Trustee and to the Issuer that it has independently and, without reliance on the Trustee or the Issuer, made its own credit investigation and appraisal of the financial position and affairs of the Issuer on the basis of such documents and information it has deemed appropriate and that it has subscribed to the Bonds on the basis of such independent appraisal, and that it shall continue to make its own credit appraisal without reliance on the Trustee or the Issuer.

In the absence of wilful misconduct, fraud, evident bad faith, gross negligence or breach of Applicable Law on the part of the Trustee, the Issuer and the Bondholders agree to indemnify and hold the Trustee free and harmless from and against any and all claims, liabilities, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations under the Trust Agreement.

(c) Reliance in good faith on the information submitted by the Issuer, the Bondholders, the Issue Manager, Underwriter and Bookrunner, the Registrar and the Paying Agent, or any of their authorized representatives pursuant to the terms and conditions of the Bond Agreements shall absolve the Trustee from any liability. The Trustee shall be fully protected in acting in accordance with the written directions, requests, instructions, and certifications of the Issuer, the Bondholders, the Issue Manager, Underwriter and Bookrunner, the Registrar, or the Paying Agent, or any of their authorized representatives pursuant to the terms and conditions of the Bond Agreements, to the extent permitted by Applicable Law.

The Trustee may rely on any communication or document believed by it in good faith to be genuine, and may rely on the statements of any of the Issuer, the Bondholders, the Issue Manager, Underwriter and Bookrunner, the Paying Agent, the Registrar or any of their authorized representatives, on any matter or fact which might reasonably be expected to be within the knowledge of the latter.

The Trustee may request from the Issuer, the Bondholders, the Issue Manager, Underwriter and Bookrunner, the Paying Agent or the Registrar, or any of their authorized representatives, for any information and/or assistance as the Trustee may reasonably require to enable it to

perform its rights, powers, duties, functions, authorities, and discretion under the Trust Agreement, including but not limited to a certification of compliance (in substantially the form attached as Annex C to the Trust Agreement) to be delivered by the Issuer on a quarterly basis to confirm the Issuer's compliance with its obligations and undertakings under the Bonds and the Trust Agreement. The Issuer shall submit the certification of compliance for the first three quarters of the Issuer's fiscal year within 45 days from the end of the relevant quarter, and the annual certification of compliance within 120 days from the end of its fiscal year.

The Trustee may presume that no Event of Default has occurred until it has received notice thereof and it may conclusively rely upon the certification of compliance to be delivered by the Issuer.

(d) In coordination with the Issuer, the Trustee may seek the advice of legal counsel, and take any action in accordance with the written advice of such legal counsel; provided, however, that coordination with the Issuer shall not be necessary if there is an occurrence of an Event of Default. Any such action taken or suffered in good faith by the Trustee as a consequence of the reasonable opinion of the said legal counsel, shall be conclusive and binding upon the Issuer and the Bondholders, and the Trustee shall be fully protected from any liability for any loss or damage suffered or caused to be suffered by the Issuer and/or the Bondholders by virtue thereof, provided there is no concurrent breach by the Trustee of its obligations under the Trust Agreement.

The Trustee may assume that the Issuer has taken and obtained such necessary legal and other advice and opinion in respect of the actions taken or suffered by the Trustee in accordance with the foregoing paragraph and that the same is satisfactory to it, so that the Trustee shall have no obligation or responsibility to seek or obtain any other independent or additional advice or opinion and shall not be liable for any loss or damage suffered or incurred by the Issuer and/or the Bondholders as a result thereof.

All costs and expenses (if any), including legal fees, incurred by the Trustee in connection with such action shall be reimbursed by the Issuer within five Business Days from receipt of the duly supported billing statement.

(e) The Trustee may refrain from doing anything under the Trust Agreement that would or might in its reasonable opinion be contrary to Applicable Law or render it liable to any Person, and until it has been indemnified or secured to its satisfaction against any and all costs, losses, expenses, or liabilities which it would or might sustain or incur as a result. The Trustee may refrain from performing any action not expressly provided in the Trust Agreement unless it is first given the proper written instructions by the Issuer and until it has been indemnified or secured to its satisfaction against any and all costs, losses, expenses, or liabilities which it would or might sustain or incur as a result, except if there is an occurrence of an Event of Default.

(f) Except as may be necessary to perform its duties under the Trust Agreement and as required by Applicable Law, the Trustee (i) shall permanently keep privileged and confidential, separate and distinct, any information, data, documents, files, properties, funds, or any other matter which it may acquire pursuant to the Trust Agreement or obtained in the course of the performance of its duties and functions as a Trustee, (ii) shall refrain from disclosing any such information or item in any manner, whether written, verbal, telegraphic, coded, or encrypted, whether in physical, electronic, or any other form or media, and (iii) hereby undertakes not to use any such information or item for its own benefit or for the benefit of any of its clients regardless of whether or not such use can be shown to cause disadvantage, injury, or damage to the Issuer; *provided*, that where any disclosure of the foregoing information is required by Applicable Law, the Trustee shall, to the extent permitted by Applicable Law, consult with and properly apprise the Issuer of such legal requirement prior to the proposed disclosure and give reasonable opportunity to the Issuer to consider the same before the Trustee makes any decision to release it. This paragraph (f) shall survive the Trust Agreement.

(g) For the faithful performance of its duties under the Trust Agreement, the Trustee shall not be required to furnish any bond or undertaking.

- (h) Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be party or any corporation succeeding to the business of the Trustee shall be the successor of the Trustee hereunder without the need for the execution or filing of any paper or any further act on the part of any parties hereto, anything to the contrary notwithstanding; provided that such successor trustee shall be eligible to act as trustee under the provisions of the Trust Agreement and under Applicable Law.
- (i) The Trustee shall collect, process, retain, share, dispose and destroy the personal and/or sensitive personal information (the "**Personal Information**") of the Bondholders in accordance with the Data Privacy Act of 2012 and its Implementing Rules and Regulations, as the same may be amended from time to time. The Trustee shall not sell, trade or otherwise share the Personal Information for marketing purposes to third parties without the written consent of the relevant Bondholder. The Trustee may disclose the Personal Information to:
  - (i) government or regulatory agencies if required by the Applicable Law, or if reasonably determined by the Trustee to be necessary in relation to the use of the Personal Information in connection with the provision of any service related to the Trust Agreement, and for data processing, storage, retention, collection, sharing, disposal and destruction as may be necessary for the provision of such service, anti-money laundering monitoring, combating the financing of terrorism, review and reporting, or for purposes of complying with any law or regulation, for law enforcement purposes, national security or public interest (the "**Purpose**");
  - (ii) its employees, directors, officers, representatives, agents, advisors, counsels, and service providers as the Trustee deems it reasonably necessary in relation to the Purpose; and
  - (iii) its Subsidiaries as well as employees, directors, officers, representatives, agents, advisors, counsels, and service providers of such Subsidiaries, as the Trustee deems it reasonably necessary in relation to the Purpose.

In addition to the above, the Trustee is appointed as trustee for and on behalf and benefit of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Agreement.

Except as may be otherwise provided in the Trust Agreement, the Trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under the Trust Agreement if there is reasonable ground to believe that the repayment of such funds or liability is not reasonably assured to it under the terms of the Trust Agreement.

The Trust Agreement provides for other obligations of the Trustee and terms and conditions applicable to the Trustee's discharge of its functions under the agreement.

## 24. RESIGNATION AND CHANGE OF TRUSTEE

- (a) The Trustee may at any time resign by giving 30 days' prior written notice to the Issuer and to the Bondholders of such resignation (or such lesser period as may be agreed by the Issuer).
- (b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee, who shall be acceptable to the Issuer, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the resigning Trustee and one (1) copy to the successor trustee. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Bondholder who has been a *bona fide* holder for at least six months (the "**Bona Fide Bondholder**") may, for and on behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if

any, as it may deem proper, appoint a successor trustee.

- (c) A successor trustee should possess all the qualifications required under pertinent laws; otherwise, the incumbent trustee shall continue to act as such.
- (d) In case at any time the Trustee (i) shall fail to comply with the provisions of the Trust Agreement in relation to conflict of interest, after written request therefor by the Issuer or by any Bondholder, (ii) shall cease to be eligible in accordance with the provisions of the Trust Agreement or Applicable Law and shall fail to resign after written request therefor by the Issuer or by any Bondholder; (iii) in the reasonable opinion of the Issuer, has committed fraud, bad faith, willful misconduct or gross negligence or has otherwise violated Applicable Law, in each case, in the performance of any material obligation under the Trust Agreement; or (iv) shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then HTI may within 30 days from there remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. If HTI fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.
- (e) The Majority Bondholders may at any time remove the Trustee for just and reasonable cause, and with consent of the Issuer (provided that no consent of the Issuer shall be required if there has been an occurrence of an Event of Default), appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee, and to HTI of the required evidence of the action in that regard taken by the Majority Bondholders, which removal shall take effect 30 days from receipt of such notice by the Trustee; provided, that if no successor trustee shall have been appointed within 90 days from the receipt of the Issuer of the written evidence (as provided for in the Trust Agreement) of the action taken, the Majority Bondholders may appoint a successor trustee without the consent of the Issuer. This is without prejudice to whatever remedies may be available to the Majority Bondholders under the law or in equity.
- (f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions the Trust Agreement shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Agreement; or (ii) the effectiveness of the resignation notice sent by the Trustee under the Trust Agreement (the "**Resignation Effective Date**") provided, however, that after the Resignation Effective Date and, as relevant, until such successor trustee is qualified and appointed, the resigning Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor Trustee promptly upon the appointment thereof by HTI.
- (g) Within 15 days from the effectiveness of the resignation or removal of the outgoing trustee and the appointment of the replacement trustee, the outgoing trustee shall transfer and turn over to the replacement trustee, and shall make an accounting of, all the assets, documents or instruments which are in the custody of the outgoing trustee, if any, provided, that if the outgoing trustee does not receive any objections on the final accounting report within 30 days from submission thereof, they shall be deemed to have absolutely and unconditionally accepted the accuracy of the final accounting report.

## 25. SUCCESSOR TRUSTEE

- (a) The successor trustee must have the following qualifications:
  - (i) it is a financial institution duly organized, validly existing, in good standing under and by virtue of the laws of the Philippines with full powers and authority to undertake its duties as trustee and duly authorized by the BSP to engage in trust and other fiduciary business;

- (ii) it must be a third party that has no Subsidiary or Affiliate or any other relationship with the Issuer which would undermine its independence, including any conflict of interest under Section 11.1(c) of the Trust Agreement; and
- (iii) it must have an adequate risk management and must be sufficiently capitalized as evidenced by its compliance with the risk-based capital adequacy ratio prescribed under applicable BSP regulations.

(b) Any successor trustee appointed shall execute, acknowledge, and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties, and obligations of its predecessor in the trusteeship with like effect as if originally named as trustee in the Trust Agreement. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers, and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers, and duties.

(c) Upon acceptance of the appointment by a successor trustee, the Issuer shall notify the Bondholders in writing and/or by publication once in a newspaper of general circulation in Metro Manila, Philippines, of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Bondholders within 10 days after the acceptance of appointment by the trustee, the latter shall cause the Bondholders to be notified at the expense of the Issuer.

## 26. REPORTS TO THE BONDHOLDERS

- (a) Only upon the occurrence of (i) and (ii) below shall the Trustee submit to the Bondholders on or before the 10<sup>th</sup> Business Day after the Issue Date and March 1 of each year from the Issue Date until full payment of the Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:
  - (i) The property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and
  - (ii) Any action taken by the Trustee in the performance of its duties under the Trust Agreement which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.
- (b) Upon due notice to the Trustee, the following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:
  - (i) Trust Agreement;
  - (ii) Registry and Paying Agency Agreement;
  - (iii) Articles of Incorporation and By-Laws of the Company; and/or
  - (iv) Permit to Sell the Bonds.

The Trustee shall submit to the Bondholders a brief report within 90 days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Registrar and Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, the remaining unpaid amounts of such advance is at least 10% of the aggregate outstanding principal amount of the Bonds at such time.

## **27. MEETINGS OF THE BONDHOLDERS**

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or on behalf of the Bondholders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Agreement or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

### **(a) *Notice of Meetings***

A meeting (either a face-to-face meeting or a meeting held through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication) of the Bondholders for purposes of taking any actions authorized under the Trust Agreement or under Applicable Law or in respect of any matter related to the Bonds may be called by the following: (a) the Trustee, on its own accord or upon the written request of the Issuer, or (b) the Bondholders representing more than 25% of the outstanding principal amount of the Bonds. The meeting may be held at such time and at such place or via such mode (as applicable) as the Trustee shall determine.

Unless otherwise provided in the Trust Agreement, the Trustee shall give notice of every meeting of the Bondholders (which notice must state the purpose thereof in reasonable detail and set forth the time, place, mode (as applicable), requirements and procedures for participating and voting therein) to the Issuer and each of the registered Bondholders not earlier than 45 days nor later than 15 days prior to the date fixed for the meeting and shall publish such notice once in a newspaper of general circulation; provided that, if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration of Default, the notice shall be made at least five days prior to the date fixed for the meeting; provided further that, if the foregoing notice via publication is not practicable, the Trustee may issue the relevant notice via the other modes of notification as provided under Section 17.1 of the Trust Agreement (or Section 17.2 (Notice to the Bondholders) of Annex A of the Trust Agreement or of this section *Description of the Bonds – Notice to the Bondholders*).

The Trustee shall fix the record date for determining the Bondholders entitled to notice and vote during the meeting, which record date shall not be earlier than 45 days before the date of the meeting; provided that, if the purpose of the meeting is to take any decision or action in respect of an Event of Default or potential Event of Default or the issuance of a Declaration of Default, the record date shall not be earlier than 15 days before the date of the meeting.

All costs and expenses incurred by the Trustee in connection with the meetings of the Bondholders shall be for the account of the Issuer and shall be paid or reimbursed by the Issuer within ten (10) Business Days from receipt of the duly supported billing statement.

### **(b) *Failure of the Trustee to Call a Meeting***

Failure of the Trustee to call a meeting upon the written request of either the Issuer or the Bondholders representing more than 25% of the outstanding principal amount of the Bonds within 10 Business Days from receipt of such request shall entitle the requesting party to send and publish the appropriate notice of the Bondholders' meeting and fix the record date for determining the Bondholders entitled to attend and vote in accordance with the procedure set forth under Section 18.1(a)(vi)(2) and Section 19.2 (Notice of Meetings) of Annex A of the Trust Agreement or of this section *Description of the Bonds – Notice of Meetings*.

### **(c) *Quorum***

The presence of Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders. The Trustee shall determine and record the presence of the Majority Bondholders based on the list of Bondholders prepared by the Registrar in accordance with the Registry and Paying Agency Agreement, which list shall include (a) the complete names of the Bondholders (including the name of the authorized

representative of the Bondholder, where applicable), (b) the amount of Bonds held by the Bondholders as of the relevant record date, (c) the complete address and contact details of the Bondholders, (d) the specimen signatures of the Bondholders' authorized signatories, and (e) such other information necessary for the performance of the duties and powers of the Trustee under the Trust Agreement as may be requested by the Trustee. The Registrar shall, and the Issuer shall cause the Registrar to, provide the Trustee with a list of Bondholders and the foregoing information at least five (5) Business Days upon receipt of written request from the Trustee.

(d) *Procedure for Meetings*

- (i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Majority Bondholders as provided under Section 23(a)(vi)(3) and Section 19.3 (*Failure of the Trustee to Call a Meeting*) of Annex A of the Trust Agreement or of this section "Description of the Bonds – Failure of the Trustee to Call a Meeting" in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall move for the election of the chairman and secretary of the meeting. The elected secretary shall take down the minutes of the meeting, covering all matters presented for resolutions by and the results of the votes cast by the Bondholders entitled to vote at the meeting and/or the Person appointed by a public instrument as proxy or agent by any such Bondholder in accordance with the procedure set forth in Section 23(vi)(7) and Section 19.6 (Voting Rights) of Annex A of the Trust Agreement or of this section "*Description of the Bonds – Voting Rights*". The elected secretary shall immediately provide the Trustee with a copy of the minutes of the meeting which copy shall be made available at any time to the Issuer and all Bondholders upon receipt of written request, provided that the cost of furnishing the same to the requesting party shall be for such person's account.
- (ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) *Voting Rights*

To be entitled to vote at any meeting of the Bondholders, a Person should be a registered holder of the Bonds as reflected in the Registry of Bondholders on the relevant record date fixed by the Trustee, the Issuer or the Majority Bondholders (as the case may be) pursuant to the Trust Agreement, or a Person appointed in writing by a public instrument as proxy or agent by any such Bondholder (and, in case of corporate or institutional Bondholders, duly supported by the resolutions of its board of directors or equivalent body authorizing the appointment of the proxy or agent duly certified by its corporate secretary or an authorized officer) for the meeting. Bondholders shall be entitled to one (1) vote for every ₦10,000.00 interest. The only Persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the Persons entitled to vote at such meeting, the Trustee, and any representative of the Issuer and its legal counsel.

(f) *Voting Requirement*

Except as otherwise specifically provided in the Trust Agreement, all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders (which should be present or represented in a meeting at which there is a quorum).

Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Trustee.

(g) *Role of the Trustee in Meetings of the Bondholders*

Notwithstanding the provisions in this section and other provisions of the Trust Agreement, the Trustee may make such reasonable regulations (not inconsistent with the Trust Agreement) as it may deem advisable for any meeting of the Bondholders, with regard to proof of ownership of the Bonds, the appointment of proxies by the Bondholders, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem fit.

## **28. AMENDMENTS**

The Issuer and the Trustee may, without notice to, or the consent of the Bondholders or other parties, amend or waive any provisions of the Agreements if such amendment or waiver is of a formal, minor, or technical nature, or to correct a manifest error or inconsistency provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

With the consent of the Majority Bondholders, the Issuer, when authorized by a resolution of its board of directors or the committee of its board of directors, and the Trustee may, from time to time and at any time, enter into an agreement or agreements supplemental to the Trust Agreement for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of the Trust Agreement; provided, that no such supplemental agreement shall:

- (a) without the consent of all Bondholders affected thereby: (i) extend the maturity date of the Bonds; or (ii) reduce the principal amount of the Bonds, or (iii) reduce the rate or extend the time of payment of interest and principal thereon;
- (b) impair the right of any Bondholder to (i) receive payment of principal of and interest on the Bonds on or after the due dates therefore, or (ii) to institute suit for the enforcement of any payment on or with respect to such Bondholder;
- (c) affect the rights of some of the Bondholders without similarly affecting the rights of all the Bondholders;
- (d) make any Bond payable in money other than that stated in the Terms and Conditions;
- (e) subordinate the Bonds to any other obligation of the Issuer;
- (f) amend or modify the provisions of the Terms and Conditions on Taxation, the Events of Default or the provisions under "*Description of the Bonds - Waiver of Default by the Bondholders*";
- (g) reduce the percentage of the Bondholders required to be obtained under the Trust Agreement for their consent to or approval of any supplemental agreement or any waiver provided for in the Trust Agreement, without the consent of all the Bondholders; or
- (h) make any change or waiver of the conditions under this section (*Description of the Bonds - Amendments*).

It shall not be necessary for the consent of the Bondholders under this Condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

Any consent given pursuant hereto shall be conclusive and binding upon all Bondholders and upon all future holders and owners of the Bonds or of any Bonds issued in lieu thereof or in exchange therefor, irrespective of whether or not any notation of such consent is made upon the Bonds.

Promptly after the execution by the Issuer and the Trustee of any supplemental agreement pursuant to the provisions of this section, the Issuer shall send a notice to the Bondholders setting forth in general terms the substance of such supplemental agreement. Any failure of the Issuer to send such notice or

any defect therein shall not, however, in any way impair or affect the validity of any supplemental agreement.

## **29. EVIDENCE SUPPORTING THE ACTION OF THE BONDHOLDERS**

Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing; (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instrument and any such record of meeting of the Bondholders. The Trustee shall rely on the Bondholders' records with the Registrar at all times.

## **30. NON-RELIANCE**

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of HTI on the basis of such documents and information as it has deemed appropriate and that he has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses, and other costs of any kind or nature with respect to its obligations under the Trust Agreement, except for its gross negligence, fraud, evident bad faith, willful misconduct, or breach of Applicable Law on the part of the Trustee.

## **31. OWN RISK**

Investment in the Bonds is not covered by the Philippine Deposit Insurance Corporation. Any loss or depreciation in the value of the assets of the Bondholders resulting from the investments or reinvestment in the Bonds and the regular conduct of the Trustee's trust business shall be for the account of the Bondholder.

## **32. GOVERNING LAW**

The Bond Agreements are governed by and are construed in accordance with Philippine law.

## **33. VENUE**

Any suit, action, or proceeding arising out of, or relating to, the Bonds or the Trust Agreement shall be brought in any competent court in the Cities of Makati and Pasig, to the exclusion of all other courts and venues, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer, the Trustee and the Bondholders expressly waiving other venue.

## **34. WAIVER OF PREFERENCE**

The obligations created under the Bonds and the Trust Agreement shall not enjoy any priority of preference or special privileges by virtue of Article 2244, paragraph 14(a) of the Civil Code of the Philippines over any debt of the Issuer. Accordingly, whatever priorities or preferences that the Bonds and the Trust Agreement may have, or any Person deriving a right hereunder may have under Article 2244, paragraph 14(a) of the Civil Code of the Philippines, are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14(a) of the Civil Code of the Philippines shall be automatically revoked or deemed not given should any bank, lender or creditor to the Issuer or any claimant against the Issuer have a preference or priority over amounts owing under their respective agreements as a result of a notarization, and the Issuer has not either procured a waiver of this preference to the satisfaction of the Trustee in respect of the Bonds and the Trust Agreement, or equally and ratably extend such preference to the Bondholders and the Trustee in respect of the Bonds and the Trust Agreement.

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## USE OF PROCEEDS

Following the Offer and sale of the Bonds, without the Oversubscription Option and after deduction of commissions and expenses, net proceeds would amount to approximately ₱975,360,515.21. If HTI fully exercises the Oversubscription Option, net proceeds would approximately amount to ₱1,955,851,155.42 after fees, commissions and expenses.

Net proceeds from the Bonds are estimated to be as follows (in ₱ and absolute amounts):

<b>For a ₱1.0 billion issue size</b>	
Estimated proceeds from the sale of Bonds	₱1,000,000,000.00
Less: Estimated expenses	
Documentary Stamp Tax	7,500,000.00
SEC Registration Expenses	820,625.00
Issue Management, Underwriting and Selling Fee <sup>1</sup>	10,526,315.79
Rating Fee	1,006,544.00
Listing Application Fee	224,000.00
Trustee Fee	10,000.00
Paying Agency and Registry Fees	84,000.00
Legal and Other Professional Fees <sup>2</sup>	3,968,000.00
Miscellaneous Fees <sup>3</sup>	500,000.00
Estimated net proceeds for ₱1.0 billion Issue	24,639,484.79
	975,360,515.21
<b>For the up to ₱1.0 billion Oversubscription Option</b>	
Estimated proceeds from the sale of Bonds	₱1,000,000,000.00
Less: Estimated expenses	
Documentary Stamp Tax	7,500,000.00
SEC Registration Expenses	252,500.00
Issue Management, Underwriting and Selling Fee	10,526,315.79
Listing Application Fee	224,000.00
Rating Fee	1,006,544.00
Estimated net proceeds for ₱1.0 billion Oversubscription Option	19,509,359.79
	980,490,640.21
<b>Total estimated net proceeds (inclusive of Oversubscription Option)</b>	<b>₱1,955,851,155.42</b>

Aside from the foregoing one-time costs, the Company expects the following annual expenses related to the Bonds:

- (1) PhilRatings Annual Monitoring Fee of ₱336,000.00;
- (2) PDEX Annual Listing Maintenance Fee of ₱336,000.00;
- (3) PDTC Registry and Maintenance Fees of ₱168,000.00;
- (4) PDTC Paying Agency Fee of ₱448,000.00; and
- (5) Trustee Annual Fee of ₱160,000.00.

Expenses incurred in connection with the offering of the securities, including documentary stamp tax,

<sup>1</sup> The Issue Manager, Underwriter and Bookrunner shall receive an Issue Management, Underwriting and Selling Fee equivalent to 105.26 basis points on the total face value of the Bonds issued. This shall be inclusive of all the fees to be paid to the Issue Manager, Underwriter and Bookrunner, and fees to be ceded to participating underwriters and selling agents, if any. The estimated amount includes the applicable gross receipt taxes estimated at 5% of the gross value of the underwriting and selling fees.

<sup>2</sup> Consists of Issuer and Issue Manager, Underwriter and Bookrunner's legal counsel's fees amounting to ₱3,268,000.00 and audit fees amounting to ₱700,000.00.

<sup>3</sup> Miscellaneous fees pertain to allowances for marketing, printing, publication, listing ceremony expenses and out of pocket expenses if any.

fees of the Trustee, and the Registrar and Paying Agent will be for the account of the Issuer.

## USE OF PROCEEDS AND DISBURSEMENT SCHEDULE

The allocation of the net proceeds of the Bond Offer, amounting to approximately ₱975,360,515.21, assuming an issue size of ₱1,000,000,000.00, or ₱1,955,851,155.42, assuming the full exercise of the Oversubscription Option.

The net proceeds will be used by the Company to (1) partially fund the Company's land banking activities; (2) partially support the Company's project developments; and (3) support the general corporate purposes requirement of the company, in the following amounts:

Use of Proceeds	Amount (in ₱)	Timing of Disbursement
<b>Base Offer</b>		
To partially fund the Company's land banking activities	535,000,000	within 12 months from issuance
To partially support the Company's project developments	390,000,000	within 12 months from issuance
To support the general corporate purposes requirement of the company	50,360,151	within 12 months from issuance
<b>TOTAL</b>	<b>975,360,515</b>	
<b>Oversubscription Option is Fully Exercised</b>		
To partially fund the Company's land banking activities	1,075,000,000	within 12 months from issuance
To partially support the Company's project developments	780,000,000	within 12 months from issuance
To support the general corporate purposes requirement of the company	100,851,155	within 12 months from issuance
<b>TOTAL</b>	<b>1,955,851,155</b>	

In the event that the actual expenses relating to the Bond Offer differ from the above estimates, the actual net proceeds may be higher or lower than the expected net proceedings set forth above. Any increase or decrease in the net proceeds will be addressed by corresponding adjustments to the Company's provision for working capital requirements.

### Partially fund the Company's land banking activities

HTI intends to allocate majority of the portion of the net proceeds to fund its land acquisition and land banking initiatives. Expanding the company's land portfolio is essential to ensure and sustain the company's growth and development, ensuring long-term revenue and supporting the company's mission to continue to serve the affordable market segment in different regions. The funds will be used to acquire new properties in key areas in the CALABARZON and Batangas region, further strengthening and expanding HTI's presence in these regions.

### Partially support the Company's project developments

A portion of the net proceeds will be used to partially finance the construction and development of the Company's upcoming projects. This includes land development and housing construction, and other project-level expenditures required to accelerate the developments of the projects and in turn the revenue conversion. The funds allow HTI to improve and make more efficient project execution timelines, leading to the timely delivery of units to buyers. Bolstering HTI's development funds supports quicker turnover time, better operating efficiencies, and increased capacity to support and contribute to the strong market demand in the affordable housing sector.

On the first quarter of 2026, Molavera, Cornerstone and Ellery projects will commence its project development, while the project development of Canvas will start by third quarter of 2026.

### **Support the general corporate purposes requirement of the company**

HTI will allocate a portion of its net proceeds to the company's general corporate purposes, which may include but not limited to its Admin Expense, Operational Requirements, and other day-to-day business activities, to bolster the increased scale of operations of the company. The funds will be used to support the increased scale of the company's operations brought about by new investments and the projected increase in HTI's total land portfolio and pipeline.

Net proceeds from the Offer will be used by HTI directly. Moreover, funds intended for general corporate purposes will be used by HTI. Hence, no funds from the Offer will be infused into a Subsidiary. None of the proceeds will be used to reimburse any officer, director, employee, or shareholder for service rendered, assets previously transferred, money loaned or advance or otherwise.

The Issuer undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed above. However, the Issuer's plans may change, based on factors including changing macroeconomic and market conditions, or new information regarding the cost or feasibility of these plans. The Issuer's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Issuer's management may find it necessary or advisable to reallocate the net proceeds within the categories described above, or to alter its plans, including modifying the projects described in the foregoing and/or pursuing different projects. In the event of any substantial deviation/adjustment in the planned uses of proceeds as approved by the Issuer's Board of Directors, the Issuer shall make the necessary disclosures, as may be required under applicable laws and regulations and shall inform: (i) the SEC and the stockholders within 30 days prior to its utilization; and (ii) the Bondholders, in accordance with the terms of the Trust Agreement.

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## DETERMINATION OF THE OFFER PRICE

The Bonds shall be issued at 100% of the principal amount or face value.

The interest rate of the Series A Bonds shall be based on the sum of (a) the simple average of the three-year PHP BVAL Reference Rate as published on the website of the Philippine Dealing System (“PDS”) Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m., for the three consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date and (b) the applicable final spread, to be determined via a book building process. The final interest rate on the Series A Bonds shall be rounded off to four decimal places.<sup>4</sup>

The interest rate of the Series B Bonds shall be based on the sum of (a) the simple average of the five-year PHP BVAL Reference Rate as published on the website of the PDS Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m., for the three consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date and (b) the applicable final spread, to be determined via a bookbuilding process. The final interest rate on the Series B Bonds shall be rounded off to four decimal places.<sup>5</sup>

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<sup>4</sup> Note to draft: To be updated in the Final Prospectus.

<sup>5</sup> Note to draft: To be updated in the Final Prospectus.

## PLAN OF DISTRIBUTION

HTI plans to issue the Bonds to institutional and retail investors in the Philippines through a public offering to be conducted through the Issue Manager, Underwriter and Bookrunner. The Offer does not include an international offering. The Bonds will be issued with an aggregate principal amount of up ₱2,000,000,000.00 consisting of a base issue amount of up to ₱1,000,000,000.00 and an Oversubscription Option of up to ₱1,000,000,000.00.

### ISSUE MANAGER, UNDERWRITER AND BOOKRUNNER OF THE OFFER

Security Bank Capital Investment Corporation, pursuant to an Underwriting Agreement with HTI executed on [●] (the “**Underwriting Agreement**”), has agreed to act as the Issue Manager, Underwriter and Bookrunner for the Offer and as such, distribute and sell the Bonds at the Offer Price. The Issue Manager, Underwriter and Bookrunner has also committed to underwrite an aggregate principal amount of up to ₱1,000,000,000.00 on a firm basis, subject to the satisfaction of certain conditions and in consideration of certain fees and expenses. The Oversubscription Option, to the extent exercised by the Issue Manager, Underwriter and Bookrunner, shall also be underwritten by the Issue Manager, Underwriter and Bookrunner on a firm basis.

The Issue Manager, Underwriter and Bookrunner will receive an underwriting fee of 1.05% on the final principal amount of the Bonds issued. Such fee shall be inclusive of underwriting and participation commissions. There is no arrangement for the Issue Manager, Underwriter and Bookrunner to return to HTI any unsold Bonds covered by the underwriting commitment. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Bonds being made to HTI. There is no arrangement as well giving the Issue Manager, Underwriter and Bookrunner the right to designate or nominate member(s) to the Board of Directors of HTI.

The Issue Manager, Underwriter and Bookrunner is duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Issue Manager, Underwriter and Bookrunner may, from time to time, engage in transactions with and perform services in the ordinary course of its business for HTI or its related parties.

Security Bank Capital Investment Corporation (formerly, SB Capital Investment Corporation) is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. Security Bank Capital provides a wide range of investment banking services including underwriting of debt and equity securities, project finance, loan syndications, mergers and acquisitions and other corporate/financial advisory services. Security Bank Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major debt and equity issues. As of 31 December 2024, its total assets amounted to ₱2.19 billion while capital base stood at ₱2.13 billion.

The Issue Manager, Underwriter and Bookrunner has no relation with HTI in terms of ownership and it has no right to designate or nominate any member of the board of directors of HTI.

### SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Issue Manager, Underwriter and Bookrunner who shall sell and distribute the Bonds to third party buyers/investors. The Issue Manager, Underwriter and Bookrunners may appoint other underwriters and/or selling agents to distribute and sell the Bonds. Nothing herein shall limit the rights of the Issue Manager, Underwriter and Bookrunner from purchasing the Bonds for its own respective account.

There are no persons to whom the Bonds are allocated or designated. The Bonds shall be offered to the public at large and without preference. No finders are involved in the distribution of the Bonds.

## OFFER PERIOD

The Offer Period shall commence at 9:00am on [February 23], 2026 and end at 5:00pm on [March 3], 2026 or such earlier day or later day as may be determined by HTI and the Issue Manager, Underwriter and Bookrunner.

## APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Issue Manager, Underwriter and Bookrunner properly completed Applications to Purchase, whether originally signed or electronically submitted through e-SIP, together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the Bonds in the manner provided therein.

Corporate and institutional applicants must also submit, in addition to the foregoing:

- (i) an original notarized certificate of the corporate secretary (or the managing director in case of a partnership) or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners, or equivalent body (i) authorizing the purchase of the Bonds indicated in the Application, and (ii) designating the signatories, with their specimen signatures, for the said purposes;
- (ii) Articles of Incorporation, By-Laws (or the Articles of Partnership in case of a partnership), and latest amendments thereof together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);
- (iii) two duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies) (whose authority(ies) and specimen signatures will be submitted to the Registrar and Paying Agent);
- (iv) BIR Certificate of Registration showing the Applicant's Tax Identification Number;
- (v) Identification document(s) of the authorized signatories of the Applicant, as specified in item (a) of the immediately succeeding paragraph below; and
- (vi) such other documents as may be reasonably required by the Issue Manager, Underwriter and Bookrunner or the Registrar and Paying Agent in the implementation of its internal policies regarding "know your customer", anti-money laundering, and combating the financing of terrorism.

Individual applicants must also submit, in addition to accomplished Applications to Purchase and its required attachments, the following:

- (i) a photocopy of any one of the following valid identification cards (ID), which should be valid, bear a recent photo, and not be expired, subject to verification with the original ID: Passport, Driver's License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, SEC or the Insurance Commission, or school ID duly signed by

the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age); or such other ID and documents as may be required or acceptable to the Issue Manager, Underwriter and Bookrunner or Registrar and Paying Agent, which must be valid as of the date of the application;

- (ii) two duly accomplished signature cards containing the specimen signature of the Applicant;
- (iii) validly issued Tax Identification Number issued by the BIR; and
- (iv) such other documents as may be reasonably required by the Issue Manager, Underwriter and Bookrunner or the Registrar and Paying Agent in the implementation of their respective internal policies regarding “know your customer”, anti-money laundering, and combating the financing of terrorism.

A corporate and institutional investor who is exempt from withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

- (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder that: (a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity. Should the submitted tax exemption certificate, ruling or opinion expire during the Offer Period, the Bondholder must submit an updated/revalidated tax exemption certificate, and for tax-exempt Personal Equity Retirement Account (“**PERA**”) established pursuant to PERA Act of 2008, a certified true copy of the Bondholder's current, valid and subsisting Certificate of Accreditation as PERA Administrator;
- (ii) with respect to tax treaty relief, the Issuer may apply the preferential tax treaty rate on the interest income of the non-resident foreign Bondholder by relying on the submission by such Bondholder of the following documents before the interest income is paid or, if the Bondholder is a fiscally transparent entity, on the submission of each of the Bondholder's owners or beneficiaries: (a) prior to the payment of the initial interest due, (i) three originals of the duly signed and executed application form for tax treaty purposes (BIR Form 0901-I (Tax Treaty Relief Application for Interest Income) or, if the Bondholder is a fiscally transparent entity, the following must also be attached to the duly signed and executed BIR Form 0901-I: (x) a copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity; (y) list of owners/beneficiaries of the foreign entity; and (z) proof of ownership of the foreign entity, in the form acceptable for recognition under Philippine laws, (ii) one original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax authority in favor of the Bondholder or, if the Bondholder is a fiscally transparent entity, in favor of each of the Bondholder's non-resident foreign owners or beneficiaries, in the form acceptable for recognition under Philippine laws, and which should be updated for such relevant years as required under existing Philippine tax rules and regulations and/or the terms and conditions in the BIR approval document/s, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due, (i) three originals of the duly executed and apostilled/consularized new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax

authority in favor of the Bondholder, or if the Bondholder is a fiscally transparent entity, in favor of each of the Bondholder's non-resident foreign owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the first day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

- (iii) a duly notarized undertaking executed by (A) the Bondholder, or in respect of juridical entities (save for a universal bank), the Corporate Secretary or any authorized representative of such applicant or Bondholder, who is in possession of the relevant exemption documents as its authorized custodian, or who has personal knowledge of the exemption or entitlement to preferential tax treatment and will have personal knowledge of any amendment, revocation, expiration, change or any circumstance affecting the validity of the exemption or preferential tax treatment, based on his official functions, if the Bondholder purchases or holds the Bonds for its account, or (B) the Trust Officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (e.g., Employee Retirement Fund, etc.), in each case: (a) declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar, and the Paying Agent of: (1) any suspension, revocation, amendment, or invalidation (in whole or in part) of the tax exemption or preferential rate entitlement certificate, ruling or opinion issued by the BIR; (2) if there are any material changes in the factual circumstances of the Bondholder including but not limited to its character, nature, and method of operation, which are inconsistent with the basis of its income tax exemption or preferential rate entitlement, and/or (3) if there are any change of circumstance, relevant treaty, law or regulation or any supervening event that may or would result in the interest income of the Bonds being ineligible for exemption or preferential tax rate, and (b) executed using the prescribed form, with a declaration and warranty of its tax-exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar, the Paying Agent, the Issue Manager, Underwriter and Bookrunner, and the selling agents, if any, free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax, provided, that in case of corporate, partnership or trust account investors, such investor shall also submit an original certification from the corporate secretary or an equivalent officer of the investor, setting forth the resolutions of its board of directors or equivalent body authorizing the execution of the undertaking and designating the signatories, with their specimen signatures, for the said purpose; and
- (iv) such other documentary requirements as may be reasonably required by the Issuer, the Registrar, or the Paying Agent, or as may be required under the applicable regulations of the relevant taxing or other authorities, e.g., BIR Revenue Memorandum Order No. 14-2021, which for purposes of claiming tax treaty withholding rate benefits, shall include, among others, evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided, that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further, that all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Issue Manager, Underwriter and Bookrunner prior to the end of the Offer Period, or such earlier date as may be specified by the Issue Manager, Underwriter and Bookrunner. Acceptance by the Issue Manager, Underwriter and Bookrunner of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by the Issuer. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application

to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase shall be deemed revoked.

## **MINIMUM PURCHASE**

A minimum purchase of ₦50,000 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₦10,000.

## **ALLOTMENT OF THE BONDS**

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted in accordance with the chronological order of submission of properly completed and appropriately accomplished Applications to Purchase on a first-come, first-served basis, without prejudice to HTI's exercise of its right to the acceptance of applications as set out below.

## **ACCEPTANCE OF APPLICATIONS**

HTI and the Issue Manager, Underwriter and Bookrunner, reserve the right to accept, reject, scale down or reallocate any Bond applied for and in case of oversubscription, allocate the Bonds available to the applicants in a manner they deem appropriate. If any application is rejected or accepted in part only, the application money or the appropriate portion thereof will be returned without interest by the Issue Manager, Underwriter and Bookrunner.

## **REFUNDS**

If any application is rejected or accepted in part only, the application money or the appropriate unused portion thereof shall be returned without interest to such applicant through the Issue Manager, Underwriter and Bookrunner and/or selling agent, if any, with whom such application to purchase the Bonds was made.

## **PAYMENTS**

The Paying Agent shall open and maintain a payment account, which shall be operated solely and exclusively by said Paying Agent in accordance with the Registry and Paying Agency Agreement, provided that beneficial ownership of the payment account shall always remain with the Bondholders. The payment account shall be used exclusively for the payment of the relevant interest and principal on each Payment Date.

The Paying Agent shall maintain the payment account for six months from Maturity Date or date of early redemption. Upon closure of the payment account, any balance remaining in such Payment Account shall be returned to HTI and shall be held by HTI in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments.

## **PURCHASE AND CANCELLATION**

HTI may at any time purchase any of the Bonds, in accordance with PDEx rules, in the open market or by tender or by contract, without any obligation to purchase Bonds pro-rata from all Bondholders and the Bondholders shall not be obliged to sell. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

## **REGISTRY OF BONDHOLDERS**

The Bonds shall be issued in scripless form and shall be registered in the electronic Register of Bondholders maintained by the Registrar. Master Certificates of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the Bonds shall be shown in the Register of Bondholders to be maintained by the Registrar.

Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable prevailing Philippine selling restrictions. The names and addresses of the Bondholders and the particulars of the Bonds held by them and all subsequent transfers of Bonds shall be entered in the Register of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the electronic Register of Bondholders.

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## COMPANY'S BUSINESS

### OVERVIEW

Haus Talk, Inc. ("Haus Talk") is a publicly-listed company incorporated on, and has been in the business since, June 21, 2004. Haus Talk is a residential real estate developer whose projects are based in Antipolo, Rizal and the Laguna region. On January 17, 2022, the Company completed its initial public offering and was listed in the Small, Medium and Emerging Board of the PSE with the stock symbol 'HTI'.

For the past two decades, Haus Talk has become one of the top affordable residential housing developers in strategic locations where it operates to include the Rizal and Laguna provinces, providing its customers with top quality residential projects, and ever-growing reach. The success of Haus Talk can be credited to the company's thorough strategic planning, timely completion and delivery of units, and the hands-on and personalized approach of the management towards their personnel and clients alike.

With Haus Talk's projects located in regions with improving accessibility, growing commercial industries, and increasing urbanization, the Company utilizes the locations of its projects by offering its products to the different classes i.e. having projects that classify as mid-market, economic, and socialized housing. The Company's ability to study and optimize the locations of its projects has optimized the company's business model leading to quicker return on investments.

Haus Talk prides itself in its strategic planning, timely construction, and delivery of completed projects. On the average, Haus Talk completes its projects within two to three years, with the first year being allocated to planning and land development.

Moreover, Haus Talk's offerings have consistently performed well in the market. Haus Talk's projects usually sell out within months after being opened to the market with the demand surpassing the supply regularly. Haus Talk's notable projects include, The Granary, a residential subdivision located in Barangay San Antonio, Binan, Laguna, Celestis I & II, residential projects which sit on a 1.3-hectare terrain in Barangay Bayugo, Antipolo, Rizal; Southview Homes Calendola, a residential subdivision located in San Pedro, Laguna; and Eastview Residences Premier, a residential subdivision located in Antipolo, Rizal. The strong demand and turnover for Haus Talk's product, as proven by the quick project completion period, has translated into a fast cash flow and is cemented by quick depletion of Haus Talk's inventory.

In total, Haus Talk has completed 14 projects comprising 1,644 housing units and has four ongoing projects covering 1,967 units, with at least seven more projects in the pipeline. Haus Talk aspires to continue its growth and become the leading developer in affordable housing segment in Rizal and Laguna areas.

Haus Talk aspires to continue its growth and become the leading developer in the Rizal and Laguna provinces.

### HISTORY

The Company was registered in the Securities and Exchange Commission in 2004 with Registration Number CS200409462 as Haus Talk Project Managers, Inc. Guided by the Madlambayan family values, and passion for the real estate industry, the members of the family directed the Company to become of the best performing residential real estate companies in the areas where they operate by being committed to their developments and the communities they serve. The Company amended its corporate name to Haus Talk, Inc. on June 7, 2017.

The Company's primary purpose is to engage in the business of general construction and builders of all kinds of houses, homes, building structures, edifices of all kinds whatsoever, roads, bridges, and in general, all kinds of vertical and all horizontal construction works including subdivision and in the connection with the above purposes to enter into all kinds of contracts, singly or jointly with any other persons juridical or otherwise, builders or consultants for the aforesaid works, for real estate

development and generally to perform any kinds of acts connected with the business above stated or incidental thereto including the hiring of employment of architects, engineers, consultants and other personnel to carry on the business of the Company.

From its incorporation, the Company has grown to be an established developer catering to affordable and middle-class sectors in emerging cities and suburban areas.

In 2006, Haus Talk ventured into its initial project, Eastview Homes 1 in Antipolo City. While on January 16, 2007, Tradition Homes Project Managers and Development, Inc. (now Tradition Homes, Inc.) (“**Tradition Homes**”) was established. Tradition Homes completed the development and marketing of Eastview Homes Marikina and Tradition Square – Maceda, which was started by the Haus Talk. Likewise, in 2007 Tradition Homes acquired its first project, Southview Homes – Extension. Tradition Homes then acquired, developed and marketed Southview Homes 2 and South Hills – San Pedro Laguna.

In 2011, Tradition Homes entered into a Memorandum of Agreement with Allied Community Builders and Development, Inc. for the development and marketing of a parcel of land with an area of around 48,788 sqm with a total of 325 House and Lots Units. This project was known as Southview Homes 3.

In 2016, Tradition Homes started the development and house construction of Winn Residences project. Then in 2017, the Company started the development of Southview Homes Sta. Rosa and the following year, 2018, the development of Southview Homes - Calendola. Likewise, in 2017, Haus Talk acquired properties for the site of Celestis 2 (formerly known as: Eastview Residences 1), Celestis 1 (formerly known as: Eastview Residences 2), and Eastview Residences Premiere.

On January 18, 2018, Tradition Homes changed its name to “Tradition Homes, Inc.”. Furthermore, on the same date, the Company acquired 100% of Tradition Homes through the conversion of the Company’s Advances to Tradition Homes and the sale of all existing shares of Tradition Homes to the Company.

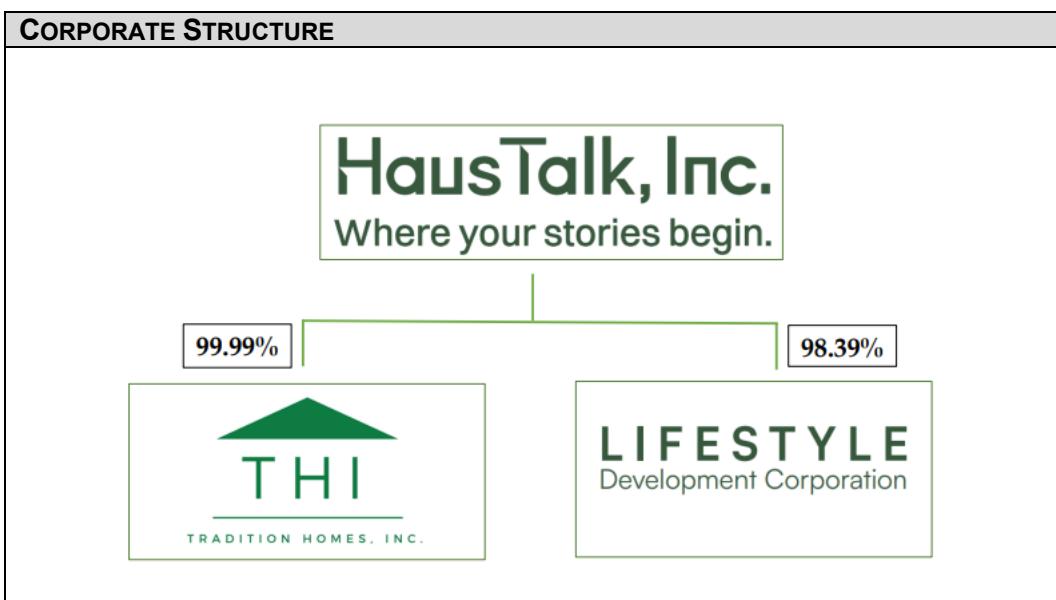
In 2021, the Company developed Celestis 1, a residential subdivision with 36 units located in Buliran Road, Barangay San Luis, Antipolo Rizal and was completely sold out in 2025. During the same year, the Company acquired majority ownership and control of Lifestyle Development Corporation (Lifestyle Development) through conversion of the Company’s advances to Lifestyle Development and the sale of all existing shares of Lifestyle Development to the Company.

In 2022, various residential projects were developed by the Company including Celestis 2 located at Buliran Road, Barangay San Luis, Antipolo Rizal and The Granary Subdivision located at Bayabas Road., Barangay San Antonio, Binan, Laguna.

Haus Talk’s developments are exclusively residential projects. To date, Haus Talk has completed 14 residential developments, and currently has four ongoing projects in various stages in development. The Company has seven projects in its pipeline which the Company plans to launch in the coming months or years.

Remaining true to its core values and faithful to its humble roots, Haus Talk continues to experience sustained growth by building quality communities in strategic locations.

## CORPORATE STRUCTURE



\* Tradition Homes, Inc. is 99.99% by the Company while 0.01% is owned by a member of the Madlambayan family.

\* Lifestyle Development Corporation is 98.39% by the Company while 1.61% is owned by a member of the Madlambayan family.

## Subsidiaries

### Tradition Homes, Inc.

Tradition Homes, Inc. ("Tradition Homes") was incorporated in 2007. Its primary purpose is to market, operate, manage, develop, improve, dispose, mortgage, pledge and deal with residential structure for lot buyers of the Company. Tradition Homes is a subsidiary of the Company.

Tradition Homes developed its first project, Southview Homes 1 – Extension in 2006. The 105-unit Mid-market residential project is located in San Pedro Laguna. The units found in the development had an average floor area of 48 sqm. Each unit has two bedrooms with the option to extend for a third bedroom.

In the same year, the Tradition Square – Maceda, located in Sampaloc, Manila and which was developed by Haus Talk was assigned to Tradition Homes. The development had two room models, one for front facing units and another for rear facing units. The front facing units had footprints ranging from 29 sqm to 42 sqm, while the rear facing units typically had floor areas of 28 sqm.

In 2008, Tradition Homes launched Southview Homes 2, and Economic Housing project with 132 units. The project was completed and sold out in 2010. Southview Homes 2 had two different single attached models.

In 2010, Tradition Homes launched its third development in San Pedro, Laguna, the South Hills – San Pedro Laguna which was completed in 2012. South Hills, offered 161 units for sale with two kinds of units to the market: (i) Townhouse with an area of 42 sqm with two bedrooms and one bath; and (ii) Studio type row house with an area of 24 sqm.

In 2013, Tradition Square – Cubao was launched. The project was a four-storey townhouse located in Barangay. Murphy, Cubao. The project had a total of eight units and was sold out and completed in 2016. Each Unit has a floor area of 132 sqm.

In 2017, Tradition Homes launched Southview Homes Sta. Rosa. The 261unit economic housing development is comprised of units with floor areas that range from 48-55 sqm. and was completed in 2019.

In 2018, Tradition Homes started the development of Southview Homes – Calendola, a 292-unit subdivision project located in San Pedro, Laguna, and as of September 30, 2025, 251 units have been sold.

### **Lifestyle Development Corporation**

Lifestyle Development Corporation (“**Lifestyle Development**”) was incorporated in 1999, but has yet to start its operations. Its primary purpose is to construct, develop, improve, mortgage, pledge and deal with residential structure for lot buyers of the Company. Lifestyle Development was acquired by Haus Talk in 2021.

Lifestyle Development owns parcels of land in Mariveles, Bataan, a portion of which will be developed into socialized housing by Haus Talk.

### **COMPETITIVE STRENGTHS**

#### **One of the leading residential developers in Rizal and Laguna with a distinguished brand and reliable track record of project execution**

Haus Talk is one of the leading residential developers in Rizal and Laguna. Having multiple projects in these areas, Haus Talk has gained extensive knowledge and experience of its market. The Company has also grown strong relationships with the local brokers and agents. By delivering quality products, the Company's brands are, and continue to be, trusted by its buyers and end users.

Haus Talk has been quick in responding to the market in areas where the Company operates, with the fast turn-around and completion of the Company's project offerings. On the average, Haus Talk can develop and sell out its projects within three to five years from project launch, with the first year being used for planning and land development. Even with its fast project turnover the Company still produces quality housing units.

#### **Strategic location selection to provide value-for-money proposition to customers**

Haus Talk has always been meticulous when selecting areas to develop for its projects. The Company consistently studies and seeks location with high-value potential. It is key for the Company to ensure that its residential developments will be in safe areas. The Company also makes it a point to develop in areas which are easily accessible to the customers. This is evident in how Haus Talk's projects are located in fast developing and urbanized regions (*i.e.*, Rizal and Laguna).

Having had multiple projects in Rizal and Laguna areas, Haus Talk has grown familiar with these areas and their respective communities. This gives the Company the ability to choose which locations are best to develop residential projects.

Haus Talk gives its customers good value for their purchase by providing competitive prices, along with best in class design units and generous amenities. To add to this, Haus Talk's projects are constructed and delivered in a timely manner. These measures have reflected in quick sales of the units, as majority of Haus Talk's projects are deemed completed and sold out three to five years after the project's launch.

#### **Diversified portfolio of socio-economic housing markets**

Haus Talk develops and offers residential real estate projects catered to the needs of the affordable housing market. The Company specializes in horizontal projects, but it also has some vertical projects in its portfolio. Haus Talk primarily produces economic and mid-market housing projects, but the Company also has socialized housing development project, such as Winn Residences in Quezon City.

Due to Haus Talk's diverse residential housing projects, the Company should be less affected by negative trends in the economy, should there be any. Haus Talk is also able to optimize its potential by offering products to all economic classes, and provide whatever the market demands.

### **Experienced management team and organizational culture**

Management's effort to professionalize the Company from a young family business to a booming residential real estate company with more than 454 employees shows the Company's resilience, commitment and work ethic. Haus Talk's family-oriented team and the Company's competence to be one of the best in their field have enabled Haus Talk to establish their strong brand value.

The Company has adopted a customer-centric culture since its incorporation in 2004. Haus Talk's customer-centric initiatives include the creation of a separate customer care department that facilitates unit turnover. Moreover, the Company's customer care division extends its service post-turnover by helping the buyers process titles to the property and ensure the payment of real property taxes on the unit.

### **Socially responsible organization**

The Company practices corporate social responsibility by taking part in tree-planting activities and feeding programs in and make donations to the communities in coordination with the concerned local government units.

The Company does its best in giving back to those who need it most. The Company organizes its own feeding programs for the less fortunate. In these events, Haus Talk employees get the opportunity to give food to the less fortunate and join them over a meal. The Company likewise donates laptops to schools and makes such other donations when needed.

Employees are able to take part in these tree-planting activities and feeding programs.

### **Established track record of strong profitability and healthy margins**

Haus Talk has consistently shown strong profitability throughout the years. Haus Talk's gross profits and net income have steadily increased year-on-year, showing significant growth on a yearly basis. The Company is also able to control its cost by having its own construction team to work on the projects. In addition, Haus Talk's senior management also keeps a keen eye on new technology and innovation that may help to further enhance the Company's operational efficiency which can subsequently lead to better profitability and margins.

### **Well defined and integrated set-up comprising key aspects of the real estate business**

Haus Talk has a fully integrated real estate set up encompassing different areas of the business, namely, acquisitions, business development, technical planning, engineering and project management, sales and marketing, documentation and licensing, legal, customer care and property management. The Company prides itself of its hands-on and personalized approach, which allows the Company to respond effectively to its clients and other industry stakeholders.

#### ***Construction***

For each development, Haus Talk relies on their group of project managers, engineers, and construction team, all of whom are well versed and experience in the industry. With members of the executive management looking over each project the Company is able to meticulously look over the projects, resulting in the efficient and timely construction of the units, all of which of top quality.

#### ***Sales***

Haus Talk has a committed and competent sales and marketing team. The team collaborates and coordinates with quality accredited brokers and agents in the Rizal and Laguna areas which leads in the quick sales of the units as soon as the projects hit the market. With Haus Talk's competitive commission scheme, the brokers and agents regularly close deals and bring in new and old clients alike.

## KEY STRATEGIES

### **Capitalize on the sustained growth of and demand for economic and middle-income housing segments**

The Company's pipeline projects consist of seven projects: (1) Amberwood in Biñan, Laguna; (2) Molavera in Antipolo, Rizal; (3) Cornerstone in Biñan, Laguna; (4) Ellery Homes in Antipolo, Rizal; (5) Whistlewood in Antipolo, Rizal; (6) The Canvass in Angono, Rizal; and (7) Southview Homes 2 Extension in San Pedro, Laguna. Among these projects, one is a Socialized housing project, four are under the Economic housing brand, one is Mid-Market projects, while one is under mixed market of economic and mid- market. Haus Talk intends to continue growing its economic housing and mid-market brand offerings as this is the market with the most demand. By continuing to tap into this market Haus Talk will be able to optimize their opportunity in tapping into the B, C, and D markets, which is where most of the demand for housing units is.

Haus Talk has made its Economic Housing and Mid-Market brands standout by locating them in well-planned and desirable sites. The Group's Economic Housing and Mid-Market projects are of top quality, offering best in class homes and amenities.

### **Integration of commercial developments to complement real estate projects leading to diversification of revenue streams**

Haus Talk has land banking of properties assigned for commercial spaces within its project's vicinity. By developing these properties, the Company can further diversify its project portfolio and its source of income. The Canvass in Angono, Rizal is intended to be developed into mixed-use project – Haus Talk's first venture into the mixed-use market.

### **Capitalize on pipeline projects**

Haus Talk has positioned itself for the next two years with key pipeline projects located in Rizal and Laguna areas. The Company intends to grow its current offerings with new horizontal residential developments in the said areas. Haus Talk expects to further improve its position in its located regions and further build its brand and reputation as one of the leading residential developers in Rizal and Laguna provinces.

### **Investing in new and innovative technologies aimed to further enhance operational efficiency**

Haus Talk has actively invested in new technologies for both backdoor operations and construction. In terms of backdoor operations, the Company is installing a new real estate program that will enable to make recording of transactions, and preparation of models and reports faster. Haus Talk has actively invested in new technologies for both enterprise resource planning ("ERP") systems, and construction work i.e. Light Gauge Steel System and Plaswall and the Cast in Place ("CIP") construction method. Haus Talk expects these investments to pay off in terms of cutting down costs and reducing processing time.

## REAL ESTATE DEVELOPMENTS

Haus Talk focuses on affordable residential real estate development. The Company strengthened its position in the market by offering top quality homes for affordable prices within the different housing segments, with houses ranging from approximately ₱850,000.00 to ₱6.00 million. Today, Haus Talk continues to build its brand by continuously producing quality homes for the average Filipino family.

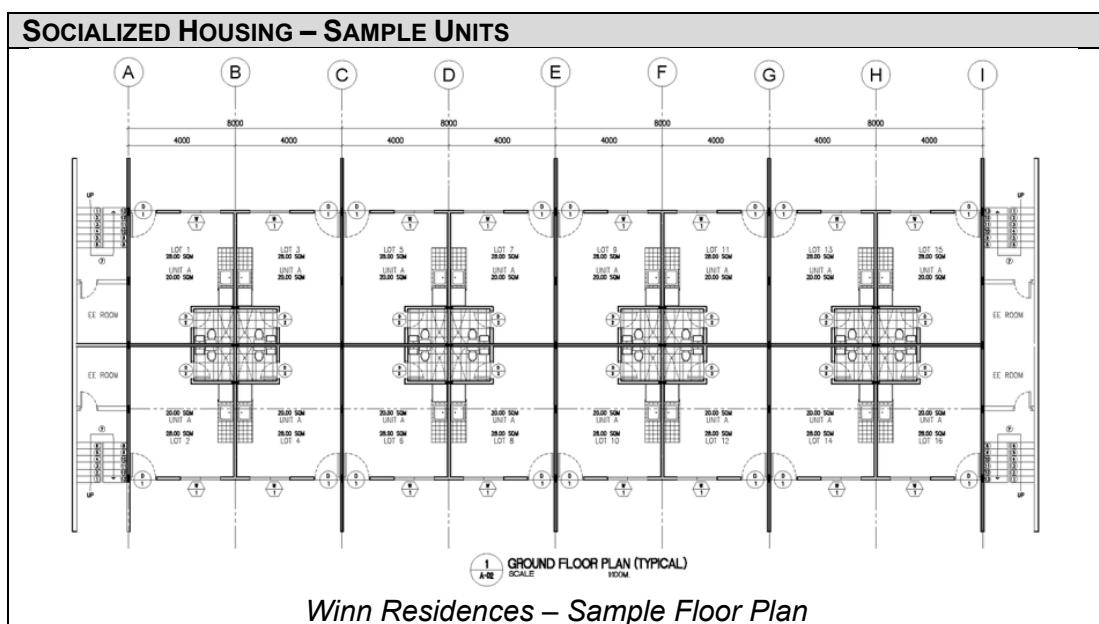
### **Overview of Property Development of the Company**

**Socialized Housing (BP 220).** The Company has developed two Socialized Housing developments. It has completed Winn Residences Phase 1 (vertical) in Barangay Bagong Silangan, Quezon City, and will be launching The Ellery Homes located in Barangay Hinapao, Antipolo in 2029. Socialized housing unit has a minimum of 22 to 28 sqm.

## WINN RESIDENCES- COMPLETED SOCIALIZED HOUSING UNIT OF THE COMPANY



Units in this project are priced between ₱450,000.00 to ₱750,000.00. Customers who availed or are to avail themselves of units are not required to pay equity as the socialized housing units are taken out through HDMF. A reservation fee, however, of ₱5,000.00 must be paid by the customer.

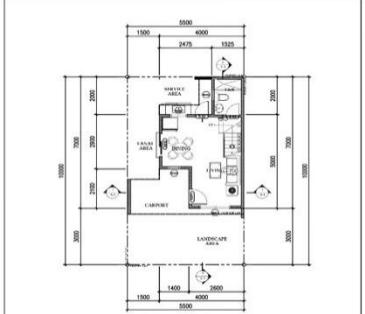
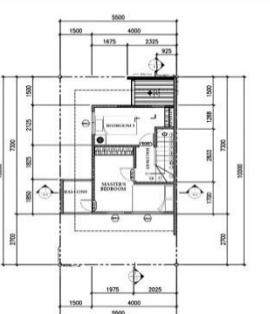
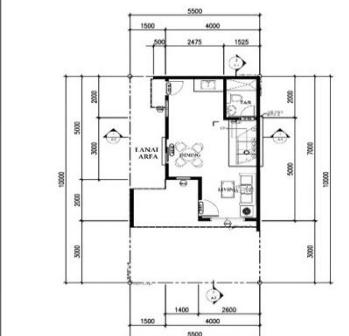
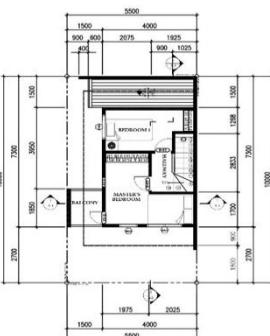
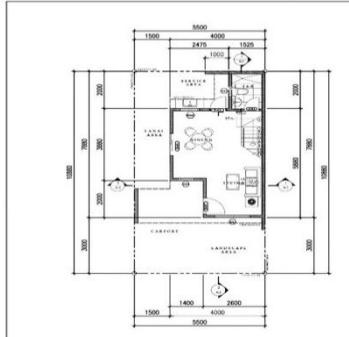
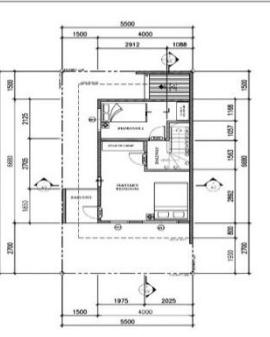


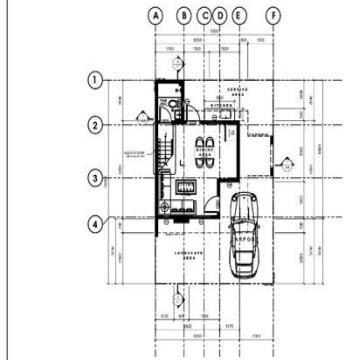
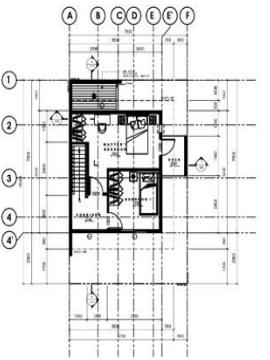
**Economic Housing (BP 220).** A number of the Company's property developments are economic housing. These projects include: (i) Eastview Homes 1, (ii) Eastview Homes 2, (iii) Eastview Townhomes Marikina, (iv) Southview Homes 2, (v) South Hills – San Pedro, (vi) Southview Homes – Sta. Rosa, (vii) Southview Homes Calendola and (viii) The Granary. Economic Housing of the Company is offered as single attached units with a lot size of 55 sqm to 70 sqm or as townhouses with a lot size of 40sqm.



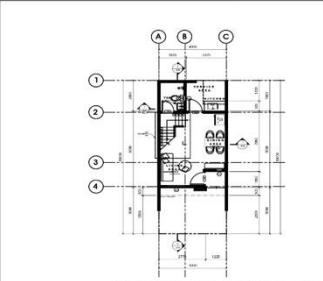
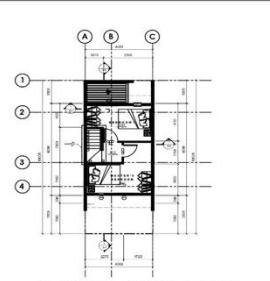
Economic Housing base units are sold at ₱2,500,000.00 million. Buyers, however, can opt for home improvement packages at a premium. Buyers of Economic Housing units pay a reservation fee between ₱10,000.00 to ₱20,000.00. Required equity ranges from 10% to 20% of the total contract price. After paying the Reservation Fee, buyers have options for their financing via HDMF, Bank Financing, or In-house Financing. The Company offers a payment scheme of up to 36 months for its in-house financing. The rates of the Company's in-house financing are at a premium versus prevailing bank rates.

Depending on the project, customers can choose from the following:

ECONOMIC HOUSING – SAMPLE UNITS	
OPTIONS AND SPECIFICATIONS	SAMPLE
<b>Option 1 (Old Base Model):</b> <p>Floor Area: 43 sqm.</p> <ul style="list-style-type: none"> <li>- 2 Bedrooms</li> <li>- Balcony</li> <li>- 1 Bathroom</li> <li>- Outdoor Kitchen/Service Area</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Garage</li> </ul>	<p><b>43 SQ. M. UNIT</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>1</b> GROUND FLOOR PLAN A-2 SCALE: 1:100</p> </div> <div style="text-align: center;">  <p><b>2</b> SECOND FLOOR PLAN A-2 SCALE: 1:100</p> </div> </div> <p><i>Southview Homes – Sta. Rosa</i></p>
<b>Option 2 (New Base Model):</b> <p>Floor Area 48 sqm</p> <ul style="list-style-type: none"> <li>- 2 Bedrooms</li> <li>- Balcony</li> <li>- 1 Bathroom</li> <li>- Indoor Kitchen</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Garage</li> <li>- Lanai</li> </ul>	<p><b>48 SQ. M. UNIT</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>1</b> GROUND FLOOR PLAN A-2 SCALE: 1:100</p> </div> <div style="text-align: center;">  <p><b>2</b> SECOND FLOOR PLAN A-2 SCALE: 1:100</p> </div> </div> <p><i>Southview Homes – Sta. Rosa</i></p>
<b>Option 3 (Altered Plan):</b> <p>Floor Area: 51 sqm.</p> <ul style="list-style-type: none"> <li>- 2 Bedrooms</li> <li>- Balcony</li> <li>- 1 Bathroom</li> <li>- Kitchen/Service Area</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Garage</li> <li>- Lanai</li> </ul>	<p><b>51 SQ. M. UNIT</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>1</b> GROUND FLOOR PLAN A-2 SCALE: 1:100</p> </div> <div style="text-align: center;">  <p><b>2</b> SECOND FLOOR PLAN A-2 SCALE: 1:100</p> </div> </div> <p><i>Southview Homes – Sta. Rosa</i></p>

<p><b>Option 4 (Upgraded Unit)</b></p> <p>FLOOR AREA: 61 SQM</p> <ul style="list-style-type: none"> <li>- 3 Bedrooms</li> <li>- Balcony</li> <li>- 2 Bathrooms</li> <li>- Kitchen/ Service Area</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Garage</li> <li>- Lanai</li> </ul>	<p><b>61 SQ.M. UNIT</b></p>  <p><b>GROUND FLOOR PLAN</b> A-2 SCALE: 1:100</p>	 <p><b>SECOND FLOOR PLAN</b> A-2 SCALE: 1:100</p>
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Southview Homes – Calendola

<p><b>TOWN HOUSE</b></p> <p>LOT SIZE: 40SQM Floor Area 43-46 sqm.</p> <ul style="list-style-type: none"> <li>- 2 Bedrooms</li> <li>- 1 Bathroom</li> <li>- Kitchen/Servic e Area</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Parking</li> </ul>	<p><b>46 SQ.M. UNIT</b></p>  <p><b>GROUND FLOOR PLAN</b> A-2 SCALE: 1:100</p>	 <p><b>SECOND FLOOR PLAN</b> A-2 SCALE: 1:100</p>
<p><b>TOWN HOUSE</b></p> <p>LOT SIZE: 45 sqm.</p> <ul style="list-style-type: none"> <li>- 2 Bedrooms</li> <li>- 1 Bathroom</li> <li>- Kitchen/ Service Area</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Parking</li> </ul>		

Southview Homes – Calendola  
Sample Floor Plan for Townhouse

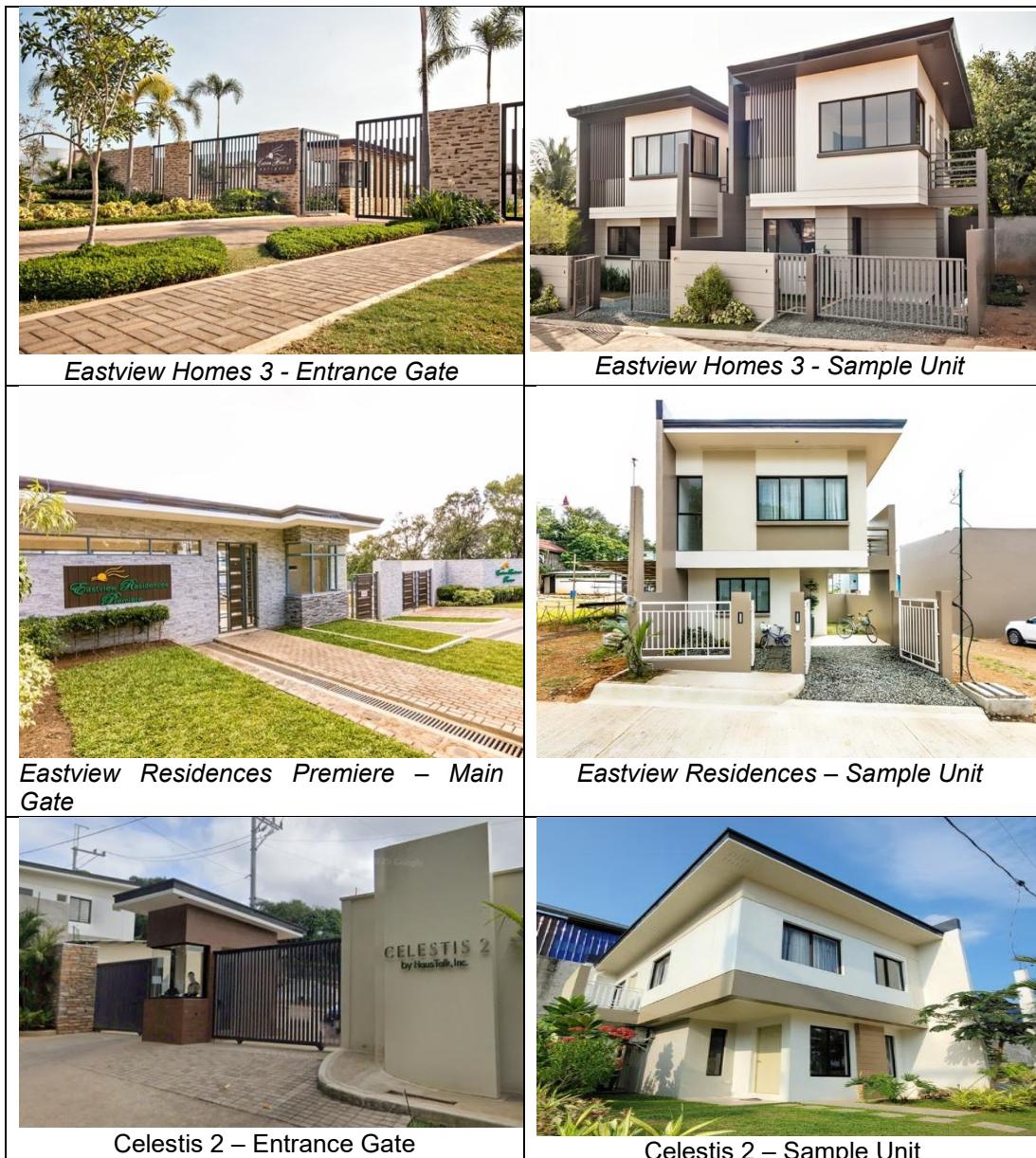
The Granary  
Sample Floor Plan

All Economic Housing Developments of the Company include the following amenities:

- Open Area
- Club House/ Gazebo
- Basketball court
- Sidewalk
- Paved Roads
- Water & Electric Facilities
- Guard House
- Entrance Gate
- Greeneries

**Mid-Market Subdivisions (PD 957).** Haus Talk has developed various mid-market subdivisions, namely: (i) Eastview Homes Marikina, (ii) Eastview Homes 3, (iii) Eastview Residences Premiere, (iv) Southview Homes 1 Extension, (v) Tradition Square- Macea (Vertical), (vi) Celestis I, and (vii) Celestis II, and (viii) has recently launched The Hammond.

Mid-Market Units have a standard lot size of 70 sqm, and actual floor area ranges from 56 sqm. to 76 sqm.





The Hammond – Entrance Gate

The Hammond-Sample Unit

Mid-Market units range from ₱3.00 million to ₱6.60 million and buyers can opt for home improvement packages at a premium. Buyers must pay a reservation of ₱20,000.00. Required equity ranges from 10% to 20% of the total contract price, and after paying the Reservation Fee, Buyers have options for their financing (i.e. HDMF, Bank Financing, In-house Financing). The rates of the Company's in-house financing are at a premium compared to prevailing bank rates.

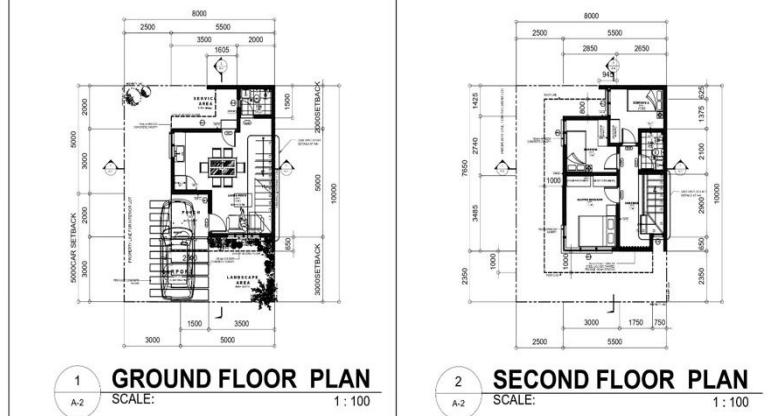
MID-MARKET PROJECTS – SAMPLE UNITS	
OPTIONS AND SPECIFICATIONS	SAMPLE
<b>Option1:</b> <b>Floor area: 56 sqm.</b> - 2 Bedrooms - 1 Bathroom - Balcony - Kitchen/Service Area - Dining Area - Living Area - 1 Car Parking	<p><b>2 BEDROOM UNIT (56 SQ.M.)</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>GROUND FLOOR PLAN A-2 SCALE 1:100</p> </div> <div style="text-align: center;"> <p>SECOND FLOOR PLAN A-2 SCALE 1:100</p> </div> </div> <p><i>Eastview Residences 1 &amp; 2</i></p>
<b>Option 2:</b> <b>Floor area: 61 sqm</b> - 2 Bedrooms - 1 Bathroom - 1 Balcony - Kitchen/Service Area - Dining Area - Living Area - 1 Car Parking	<p><b>61 SQ.M. UNIT</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>GROUND FLOOR PLAN A-2 SCALE 1:100</p> </div> <div style="text-align: center;"> <p>SECOND FLOOR PLAN A-2 SCALE 1:100</p> </div> </div> <p><i>Eastview Residences 1 &amp; 2</i></p>

**Option 3:**

**Floor area: 76 sqm**

- 3 Bedrooms
- 2 Bathrooms
- 1 Balcony
- Kitchen
- Service Area
- Dining Area
- Living Area
- 1 Car Parking

**3 BEDROOM WITHOUT DECK**

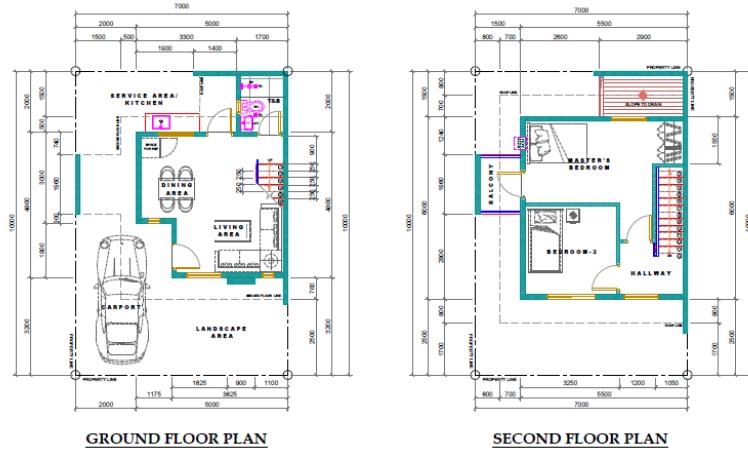


Eastview Homes 3

**Option 1:**

**Floor area: 61 sqm.**

- 2 Bedroom
- 1 Bathroom
- Balcony
- Kitchen
- Service Area
- Dining Area
- Living Area
- 1 Car Parking

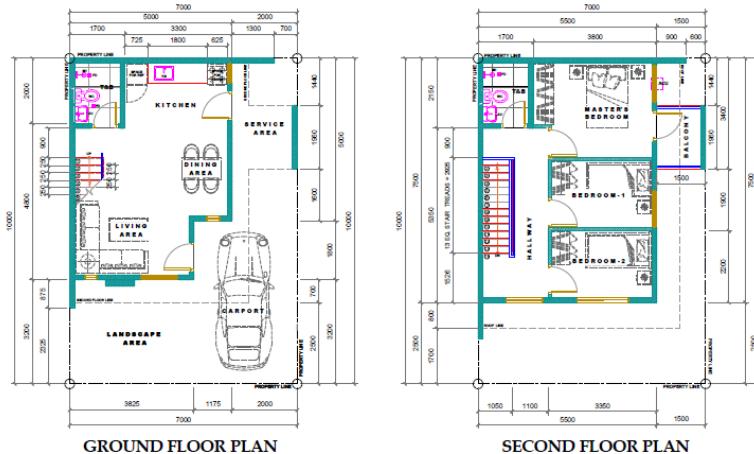


Celestis 1 & 2

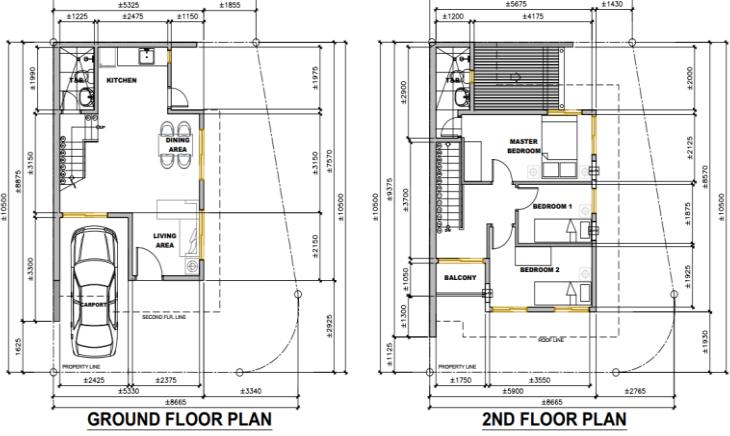
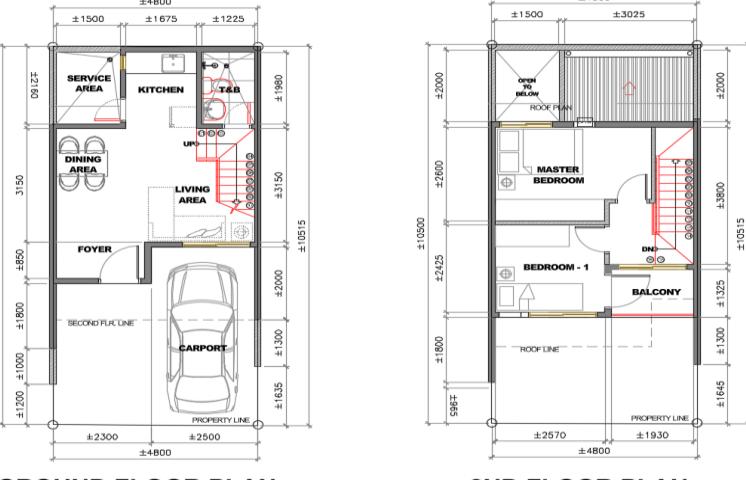
**Option 2:**

**Floor area: 76 sqm.**

- 3 Bedroom
- 2 Bathrooms
- Balcony
- Kitchen
- Service Area
- Dining Area
- Living Area
- 1 Car Parking



Celestis 1 & 2

<b>Option 1:</b> <b>Floor Area: 70 sqm.</b> <ul style="list-style-type: none"> <li>- 3 Bedroom</li> <li>- 2 Bathroom</li> <li>- Kitchen</li> <li>- Service Area</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Parking</li> </ul>	 <p><b>GROUND FLOOR PLAN</b></p> <p><b>2ND FLOOR PLAN</b></p> <p>The Hammond</p>
<b>Option 2:</b> <b>Floor Area: 54 sqm.</b> <ul style="list-style-type: none"> <li>- 2 Bedroom</li> <li>- 1 Bathroom</li> <li>- Kitchen</li> <li>- Service Area</li> <li>- Dining Area</li> <li>- Living Area</li> <li>- 1 Car Parking</li> </ul>	 <p><b>GROUND FLOOR PLAN</b></p> <p><b>2ND FLOOR PLAN</b></p> <p>The Hammond</p>

All Mid-market homeowners enjoy the following amenities:

- Open Area
- Club House/ Gazebo
- Basketball Court
- Sidewalk
- Paved Roads
- Water & Electric Facilities
- Guard House
- Entrance Gate
- Greeneries

**High- End Subdivision (PD 957).** Haus Talk has also forayed into the development of high-end project: Tradition Square – Cubao.

Tradition Square – Cubao, launched in 2014. The project was a four-storey townhouse located in Brgy. Murphy, Cubao. The project had a total of eight (8) units and was sold out and completed in 2016.



### Description of Projects

Haus Talk's developments are exclusively residential projects. To date, Haus Talk has completed 14 developments, and currently has four ongoing projects in various stages in development. There are also seven pipeline projects which Haus Talk plans to launch and develop in the coming years.

### Completed Projects

Haus Talk's completed projects are exclusively residential developments, majority of which are horizontal residential projects, with the exception of one being a vertical development. All the said projects are fully sold out, demonstrating house the Haus Talk brand is one that the local market trusts can trust. The projects have a mix of economic and mid-end marketing housing projects. Total 697 units has been sold as of September 30, 2025. The details of the projects are seen in the tables below.

#### Haus Talk, Inc.

COMPLETED PROJECTS – HAUS TALK, INC.							
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	YEAR COMPLETED	UNITS SOLD	SALEABLE UNITS
Eastview Homes 1	Brgy. San Roque, Antipolo City	Horizontal	Economic BP 220	2006	2009	83	83
Eastview Homes 2	Brgy. San Roque, Antipolo City	Horizontal	Economic BP 220	2010	2013	157	157
Eastview Town Homes – Marikina	Marikina Heights, Marikina City	Horizontal	Mid-Market PD 957	2010	2012	20	20
Eastview Homes - Marikina	B.G. Molina, Parang, Marikina	Horizontal	Mid-Market PD 957	2010	2012	34	34
Eastview Homes 3	Brgy. San Roque, Antipolo City	Horizontal	Mid-Market PD 957	2014	2018	325	377
Eastview Residences Premiere	Brgy. San Roque, Antipolo City	Horizontal	Mid-Market PD 957	2019	2024	42	42
Celestis I	Buliran Rd., Brgy. San Luis, Antipolo City	Horizontal	Mid-Market PD 957	2021	2025	36	36
						<b>TOTAL</b>	<b>697</b>
							<b>749</b>

**Eastview Homes 1 (2006-2008).** Eastview Homes 1 was launched in 2006. The project is located in Brgy. San Roque in Antipolo. It has a total of 83 units and is classified as an economic horizontal residential project. The project was sold out and completed in 2008, just two years after its launch. Eastview Homes 1 also has facilities such as a park/playground, concrete sidewalks, a landscaped entrance, and a guard house. The project brought in an estimated sales of ₱70.00 million. Each unit had a footprint floor area of 42 sqm with each unit having two bedrooms, the perfect size for first time home owners. Buyers could finance their purchase by way of HDMF, bank financing, or in-house

financing.

**Eastview Homes 2 (2010-2013).** Eastview Homes 2 was launched in 2010, after the success of the Eastview Homes 1 brand. The horizontal economic housing project has 157 units, and is likewise located in Brgy. San Roque in Antipolo. The project was completed and sold out in 2012, having reported an estimated sales of ₱225.00 million. Each unit had a footprint floor area of at least 48 sqm with each unit having two bedrooms and one bathroom, with the option to increase this to three bedrooms and two bathrooms. Eastview Homes 2 was also equipped with facilities such as a club house, basketball court, and a landscaped main entrance and guard house. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Eastview Townhomes - Marikina (2010-2012).** Eastview Townhomes Marikina was launched in 2010. The project was completed in 2013 after selling out its 20 units. The units had an average area of 66 sqm. Each unit had at least three bedrooms and two toilet and baths. The units were also equipped with a garage per unit. The project brought in an estimated ₱58.00 million in sales. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Eastview Homes Marikina (2010- 2012).** Eastview Homes – Marikina was launched in 2010. The project is located in Parang Marikina. Each unit has a floor area of 66 sqm. The units have at least three bedrooms and two bathrooms. The development also included features such as concrete roads and sidewalks, a landscaped entrance gate, and a guardhouse. The 34-unit economic housing project was deemed completed in 2009 and brought in sales of ₱38.00 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Eastview Homes 3 (2014-2018).** Eastview Homes 3 was launched in 2014. The project is located in Brgy. San Roque, Antipolo City. Each unit has a floor area of 76 sqm. The units have at least three bedrooms and two bathrooms. The development also included features such as concrete roads and sidewalks, a landscaped entrance gate, and a guardhouse. The 325-unit mid-market housing project was deemed completed in 2018 and brought in sales of ₱885.80 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Eastview Residences Premiere (2019-2024).** Eastview Residences Premiere was launched in 2019. The project is located in Brgy. San Roque, and has a land area of about 5,300 sqm. Eastview Residences Premiere offers a 75 sqm. Three-bedroom units, with two bathrooms and car garage. The 42-unit mid-market housing project was deemed completed in 2024 and brought in sales of ₱182.48 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Celestis 1 (2021-2025).** Celestis 1 was launched in 2021. The project is located in Brgy. San Luis, Antipolo City. Each unit has a floor area of 61 sqm. for a two-bedroom unit with one bathroom, and 76 sqm. for a three bedroom unit with two bathrooms. The development also included features such as concrete roads and sidewalks, a landscaped entrance gate, and a guardhouse. The 36-unit mid-market housing project was deemed completed in 2024 and brought in sales of ₱169.65 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

Tradition Homes, Inc.

COMPLETED PROJECTS – TRADITION HOMES INC.							
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	YEAR COMPLETED	UNITS SOLD	SALEABLE UNITS
Tradition Square - Maceda	Maceda St., Sampaloc Manila	Vertical	Mid-Market PD 957	2005	2006	20	20
Southview Homes 1 - Extension	Brgy. San Vicente, San Pedro, Laguna	Horizontal	Mid-End PD 957	2006	2008	105	105
Southview Homes 2	Brgy. San Vicente, San Pedro, Laguna	Horizontal	Economic BP 220	2008	2010	132	132
South Hills – San Pedro Laguna	Brgy. San Vicente, San Pedro, Laguna	Horizontal	Economic BP 220	2010	2012	161	161
Tradition Square – Cubao	Cubao, Quezon City	Horizontal	High-End PD 957	2013	2016	8	8

COMPLETED PROJECTS – TRADITION HOMES INC.							
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	YEAR COMPLETED	UNITS SOLD	SALEABLE UNITS
Winn Residences Phase 1	Brgy. Bagong Silangan, Quezon City	Vertical	Socialized BP 220	2016	2020	278	278
Southview Homes Sta. Rosa	Brgy. Ibaba, Sta. Rosa, Laguna	Horizontal	Economic BP 220	2017	2019	261	261
						<b>TOTAL</b>	<b>965</b>
							<b>965</b>

**Tradition Square – Macea (2005-2006).** Launched in 2005 and completed in 2006, Tradition Square – Macea, located in Sampaloc, Manila was Haus Talk's first vertical residential project. The project was assigned to Tradition Homes in 2007. The development has two room models, one for front facing units and another for rear facing units. The front facing units had footprints ranging from 29 sqm to 42 sqm, while the rear facing units typically had floor areas of 28 sqm. Both units have one bedroom and equipped with one toilet and bath, a kitchen, and a living area. The 20-unit project brought in sales of ₱24.00 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Southview Homes 1 Extension (2006-2008).** Southview Homes 1 was launched in 2007 and was deemed completed in 2008. The 105-unit Mid-market residential project is located in San Pedro Laguna. The units found in the development had an average floor area of 48 sqm. Each unit has two bedrooms with the option to extend for a third bedroom. The units were also equipped with a toilet and bath, one-car garage. Southview Homes 1 had amenities, including a club house, open space, and a landscaped main entrance and guard house. The project brought in estimated sales of ₱186.00 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Southview Homes 2 (2008-2010).** Southview Homes 2 was launched in 2008. The project had 132 economic housing units and was deemed completed and sold out in 2010. Southview Homes 2 had two different single attached models. One model with a floor area of 72 sqm, which had three bedrooms, two bathrooms and a one-car garage. The other model has a floor area of 51 sqm with two bedrooms, one bathroom, and a one-car garage. Southview Homes 2 also had amenities such as an open space, clubhouse, a landscaped main entrance and guard house. The project brought in sales of ₱155.00 million. The project is located in San Pedro, Laguna. Buyers could finance their purchase by way of Bank financing or in-house financing.

**South Hills – San Pedro Laguna (2010-2012).** Launched in 2010 and completed in 2012, South Hills – San Pedro, was Haus Talk's third project in the city of San Pedro. South Hills, offered two kinds of units to the market: (i) Townhouse with an area of 42 sqm with two bedrooms and one bath; and (ii) Studio type row house with an area of 24 sqm. The developments are equipped with amenities such as a landscaped entrance gate, and a guard house. The 161-unit economic housing project brought in around ₱193.00 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Tradition Square - Cubao (2013-2016).** Tradition Square – Cubao launched in 2014. The project was a four-storey townhouse located in Brgy. Murphy, Cubao. The project had a total of eight units and was sold out and completed in 2016. Each Unit has a floor area of 132 sqm. Each four-storey unit had at least three bedrooms, two and a half bathrooms, and were equipped with a two-car garage and a drying area found on the roof of each unit. Tradition Square – Cubao brought in estimated sales of ₱52.00 million. Buyers could finance their purchase by way of Bank financing, or in-house financing.

**Winn Residences (2016-2020).** Launched in 2016, Winn Residences is a socialized housing project located in Brgy. Bagong Silangan in Quezon City. It is also Haus Talk's second vertical residential project. The project is the first of its kind, being the first private socialized housing project in Metro Manila. There 278-unit project will have average area 22 sqm per unit. Despite being a socialized housing project, Haus Talk still ensured that their signature workmanship in each and every unit built in the project. The facilities of the project include an open area, a parking lot and a landscaped main entrance. The project sold out in record time. Winn Residences is expected to contribute sales of ₱207.00 million.

**Southview Homes Sta. Rosa (2017-2019).** Southview Homes Sta. Rosa was launched in 2017. The project had 261 economic housing units and was deemed completed and sold out on 2017. Southview Homes 2 had two different unit models. One model with a floor area of 51 sqm, which had two bedrooms, Balcony, one bathroom and a one-car garage. The other model has a floor area of 48 sqm with two bedrooms, Balcony, one bathroom, and a one-car garage. Southview Homes – Sta. Rosa also had amenities such as an open space, clubhouse, a landscaped main entrance and guard house. The project brought in sales of ₱525 million. The project is located in Brgy. Ibaba, Sta. Rosa, Laguna. Buyers could finance their purchase by way of Bank financing or in-house financing.

### **Ongoing projects**

Haus Talk and its subsidiaries have the following ongoing projects in various stages in development. The projects are located in the provinces of Rizal and Laguna.

#### Haus Talk, Inc.

ONGOING PROJECTS – HAUS TALK, INC.								
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	TARGET COMPLETION	SALEABLE UNITS	UNITS SOLD	% COMPLETE*
Celestis 2	Buliran Rd., Brgy. San Luis, Antipolo City	Horizontal	Mid-Market PD 957	2022	2026	58	54	81%
The Granary with Annex	Bayabas Rd., Brgy. San Antonio, Binan, Laguna	Horizontal	Economic BP 220	2022	2027	1,474	1,168	59%
The Hammond	Tagbak Rd., Sitio Hinapao, Brgy. San Jose, Antipolo City	Horizontal	Mid Market PD 957	2025	2027	143	0	0%
						<b>TOTAL</b>	<b>1,675</b>	<b>1,222</b>

\*Percentage completion is based on the number of units available to the market, sold and turned over to the buyer.

**Celestis 2 (2022).** Celestis 2 was launched in 2022 and is expected to be completed by 2025. The project is located in Brgy. Bayugo in Antipolo, and has a land area of about 5,258 sqm. The buyers have an option to choose between a three-bedroom, two-bathroom model or a two-bedroom, one-bathroom model. Celestis is a thoughtfully designed residential community that offers not only beautiful homes but also a variety of features and amenities that enhance the overall living experience. The project is expected to bring in sales of ₱320.36 million upon completion.

**The Granary with Annex (2022).** The Granary was launched in 2022 and is expected to be completed by 2027. The 10-hectare economic housing project is located in Brgy. San Antonio, Binan, Laguna. The Granary offers a two-bedroom, one-bathroom model and car garage housing unit. The Granary offers well-designed homes surrounded by green open spaces. Residents can enjoy outdoor amenities such as a clubhouse, basketball court, and a recreational area. The tree-lined walkways provide shaded paths that enhance the overall beauty of the community. Security is a top priority, ensuring a safe and peaceful living environment for homeowners. To date, The Granary has sold out 1,095 units to the market, with remaining 363 units for sale. The project is expected to bring in sales of ₱783.86 million upon completion.

**The Hammond (2025).** Launched in 2025, The Hammond is Haus Talk's newest Mid-market housing project located in Brgy. San Jose, Antipolo, Rizal. The buyers have an option to choose between a three-bedroom, two-bathroom model or a two-bedroom, one-bathroom model. The Hammond aims to replicate the design aesthetic and community planning that led to the rapid sell-out of previous Haus Talk projects like Celestis 1 & 2 and Eastview 3. The project is expected to bring in sales of ₱630.29 million upon completion.

*Tradition Homes, Inc.*

ONGOING PROJECTS – TRADITION HOMES, INC.								
PROJECT NAME	LOCATION	TYPE	CLASSIFICATION	YEAR STARTED	TARGET COMPLETION	SALEABLE UNITS	UNITS SOLD	% COMPLETE
Southview Homes Calendola	Brgy. Calendola, San Vicente, San Pedro Laguna	Horizontal	Mid-Market PD 957	2018	2027	292	251	71%
						<b>TOTAL</b>	<b>292</b>	<b>251</b>

\*Percentage completion is based on the number of units available to the market, sold and turned over to the buyer

**Southview Homes Calendola (2018-2027).** Launched in 2018, Southview Homes – Calendola is the fourth project of the Group in San Pedro, Laguna. Of the project's 292 units, 61 are townhouse units and 231 are single attached units. Customers have an option to choose between a two-bedroom model and a three-bedroom model. The facilities of the development include a clubhouse, open area, and a landscaped main entrance and guardhouse. The development also continues using Haus Talk's signature earthy colors to make sure that each house feels like a home. Southview Homes – Calendola is expected to bring in sales of ₱1.17 billion.

### Pipeline Projects

The Company is planning to launch seven projects in Antipolo City, Angono, Rizal, and Binan City, Laguna. Majority of these projects are horizontal residential projects, with two vertical developments and one mixed-use project.

PIPELINE PROJECTS OF HAUS TALK, INC. AND ITS SUBSIDIARIES							
PROJECT NAME*	LOCATION	COMPANY	TYPE	CLASSIFICATION	TARGET YEAR		No. OF UNITS
					START	COMPLETE	
Molavera	Brgy. San Luis, Antipolo City	Haus Talk, Inc.	Horizontal	BP 220	4th Quarter - 2025	2028	240
Amberwood	Brgy. Soro-soro, Biñan, Laguna	Haus Talk, Inc.	Horizontal	PD 957	4th Quarter - 2025	2029	178
Cornerstone	Brgy. Soro-soro, Biñan, Laguna	Haus Talk, Inc.	Vertical	BP 220	1st Quarter - 2026	2031	2,100
Whistlewood	Brgy. San Luis, Antipolo City	Haus Talk, Inc.	Horizontal	BP 220	2 <sup>nd</sup> Quarter - 2026	2029	948
The Canvas	Mahabang Parang, Antipolo Rizal	Haus Talk, Inc.	Mixed-use	BP 220/ PD 957	3rd Quarter - 2026 (Phase 1)	2032	1,891
Ellery Homes	Tagbak Rd., Sitio Hinapao, Brgy. San Jose, Antipolo City	Haus Talk, Inc.	Vertical	Socialized	2nd Quarter - 2026	2029	144

PIPELINE PROJECTS OF HAUS TALK, INC. AND ITS SUBSIDIARIES							
PROJECT NAME*	LOCATION	COMPANY	TYPE	CLASSIFICATION	TARGET YEAR		No. OF UNITS
					START	COMPLETE	
Southview Homes 2 Extension	San Vicente, San Pedro, Laguna	Tradition Homes, Inc.	Horizontal	BP 220	To be determined	To be determined	83

\*Project details are subject to change upon formal launch of the project.

**Molavera.** The 20,082 sqm. plot of land located in Brgy. San Luis, Antipolo, Rizal will be developed into a 240-unit residential project. Of the project's 240 units, 200 units will have a lot area of 40 sqm. and a base floor area of 43 sqm and 40 units will have a lot area of 60 sqm. and a base floor area of 50 sqm. The development is projected to bring in estimated sales of ₱748.00 million.

**Amberwood.** The 16,486 sqm. plot of land located in Brgy. Soro-soro, Biñan, Laguna will be developed into a 243-unit residential project. The units of Amberwood housing project will have a lot area of 50.40 sqm. and a base floor area of 54.74 sqm. The development is projected to bring in estimated sales of ₱607.5 million.

**Cornerstone.** The 35,440 sqm. plot of land located in Brgy. Soro-soro, Biñan, Laguna will be developed into a sprawling 2,100 vertical residential project. The units of Cornerstone housing project will have an average floor area ranging from 27 to 28 sqm. The development is projected to bring in estimated sales of ₱4.8 billion.

**Whistlewood.** The 82,989 sqm. plot of land located in Brgy. San Luis, Antipolo, Rizal will be developed into a 948-unit residential project. The 773 units will have a lot area of 42 sqm. and a base floor area of 46.65 sqm and the 175 units will have a lot area of 60 sqm. and a base floor area of 50 sqm. The development is projected to bring in estimated sales of ₱3.785 billion.

**The Canvass.** The 372,201 sqm. plot of land located in Mahabang Parang, Antipolo Rizal is envisioned to be Haus Talk's first mixed-use development in Rizal. Phase 1 of the development will be a residential project with approximately 1,891 units. The units of this housing project will have an average lot area of 60 sqm. and a base floor area of 65 sqm. The development is projected to bring in estimated sales of ₱9.3 billion.

**Ellery Homes.** The 2,060 sqm. plot of land located in Brgy. Soro-soro, Biñan, Laguna will be developed into a sprawling 144-unit vertical residential project. The units of this housing project will have an average floor area of 28 sqm. The development is projected to bring in estimated sales of ₱259.2 million

**Southview Homes 2. Extension.** Located in San Vicente, San Pedro Laguna, this Mid-Market Project will be developed by Tradition Homes. Plans are currently being drawn up and is targeted to launch next year. The development is projected to bring in an estimated sales of ₱241.6 Million.

### Development Activities

The Company undertakes all land development and construction through its in-house planning and design, and construction and development teams. Haus Talk designs and develops its products on a per project basis. The offerings or house design is based on the kind of project. The Company has a unique design per type of project (i.e. vertical or horizontal), classification (Socialized, Economic, Mid-Market), location, and topography.

### Socialized Housing

For Socialized Housing, Year 1 will be spent on land development such as clearing, road excavation, and the start of the construction of the barracks and warehouse. In Year 2, land development will continue with the filling and compaction of the land and the start of the construction of the concrete pavement, curbs and gutters, sidewalks, and waterline distribution. By the second half of Year 2, Phase 1 of the construction of the units will begin. In the beginning of Year 3, Phase 2 of the units will start and the by the end of the second quarter of Year 3, Phase 1 will be complete. With Phase 1 completed,

Phase 3 will begin right after in the 3Q of the same year. Year 4 will be more on the finishing Phase 3 and the completion of the remaining sidewalks and private poles. In Year 5, the first quarter will be spent on the construction of the parking area and the following quarter for demolition of barracks and clearing of the worksite.

### **Economic Housing, Mid-Market, and High-End**

For the rest of the developments, Year 1 will be spent on clearing and grubbing, road excavation, construction of barracks and warehouse and other land development activities. In Year 2, land development will continue with the continuation of the filling and compaction of the land and the start of the construction of the concrete pavement, curbs and gutters, sidewalks, and waterline distribution. By the second half of Year 2, the construction of the housing units and private poles will begin. Year 3 will be the continuation of the construction of the housing units. In Year 4, the remaining units will be constructed. In the second half of Year 4, the demolition of barracks and warehouse will start and the completion of clearing the worksite by the end of the year. A sample of the Company's land development timeline is below:

## **SAMPLE LAND DEVELOPMENT SCHEDULE**

## Land Acquisition

The Company is meticulous in its land acquisition process. Due diligence is always undertaken to know the issues and address these properly. Ocular inspections by Management together with geodetic engineers are necessary when considering the purchase land. Equally important is the assessment of the land for commercial viability for its Socialized, Economic, and Mid-Market potential offerings, that is why after the inspection, the Company conducts a feasibility study to determine project cash flows and projections.

Strategically, the Company only does direct purchase to avoid any difficulties in the transaction. The main criteria for land acquisition is that it must meet the minimum requirements for subdivision purposes, applicable local government units' ("LGU") zoning ordinances and the pertinent provisions of the National Building Code for project with housing components. Important factors for the Company to consider when are acquiring land are as follows:

1. **Location and Classification.** Subdivision projects must be located in residential zones or in areas appropriate for residential purposes, ideally within Metro Manila, or within the cities and provinces near Metro Manila such as Rizal, Laguna, Batangas, Cavite and Bulacan. If no zoning ordinance in the areas or approved comprehensive land use plan, the dominant land use principle shall be considered in determining the suitability of the area (topography/terrain, soil analysis). Also considered is the availability of water and power supply as its absence or inaccessibility could considerably raise the project cost.
2. **Safety.** Subdivision project shall be in areas appropriate for housing and outside hazard zones as provided for by pertinent laws. The area must be stable to accommodate the required foundation loads of the project housing component.
3. **Accessibility.** The proposed project area should be accessible to public transportation routes, with roads adequate to accommodate and anticipated demand caused by development in the

area. No subdivision project shall be approved without access road or right-of-way either constructed by the developer or the LGU.

4. **Clean Title.** It is paramount for the Company that the land acquired is not riddled with encumbrances that would affect the peaceful possession, occupation and enjoyment of the land by the future homeowners.
5. **Marketability.** The Company also conducts a cost-benefit analysis to determine whether the return of investment and a decent projected profit margin can be realized within a reasonable time from the completion of the project.
6. **Size.** One of the main criteria for land acquisition is the area and location. The Company targets a minimum of 5,000 sqm
7. **Value for Money.** The value of the land is the most important in acquisition of the raw land. The reference of Haus Talk in negotiating for the purchase of land is the Fair Market Value, which in most cases higher than zonal value (i.e., Rizal/Antipolo, ranging about ₱5,000.00 to ₱6,000.00 per sqm for raw land; Laguna, ₱3,500.00 to ₱4,500.00 per sqm, Bataan ranges from ₱2,500.00 to ₱3,500.00 per sqm.

## **DISTRIBUTION METHODS OF PRODUCTS AND SERVICES**

### **Marketing and Sales**

Haus Talk has top quality sales and support team. The Company's sales support personnel collaborate and coordinate with Haus Talk's accredited brokers and agents. Haus Talk also has a highly competitive commission scheme which pushes brokers and agents to strive to do more. This strategy also entails that Haus Talk works alongside its brokers in facilitating customer queries until sales are closed, documented, and turned over.

Haus Talk's sales team is based in the Company's head office. The Company markets its products through launches, open houses, billboards, and social media. Haus Talk also has a strong influence on its buyers as a good amount of new clients come in by word of mouth. The Company has been successful with its pre-selling as majority of their projects sell out even before the projects are formally launched, with clients submitting letters of intent just as soon as the projects are announced. This reaction by the clients of Haus Talk is brought about by the Company's competitive prices and win-win mentality when it comes to their offerings.

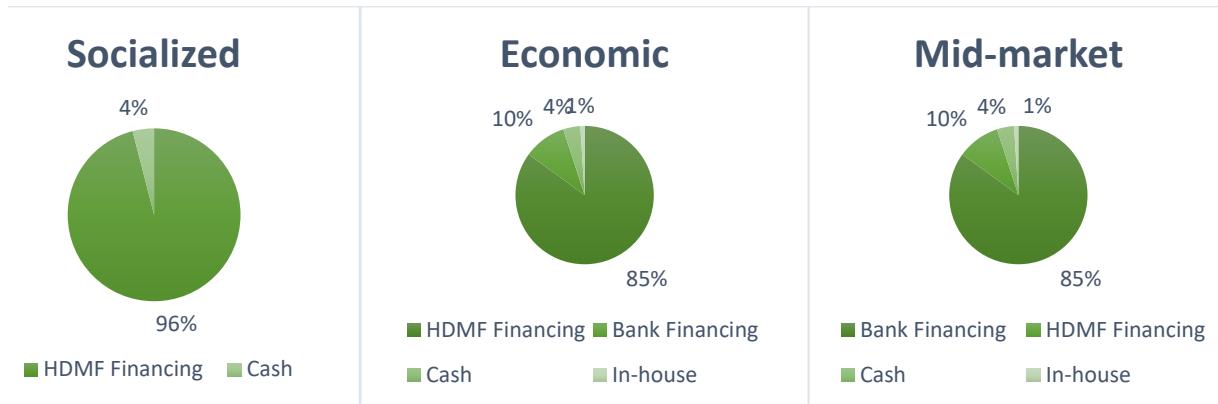
### **Financing**

For Mid- Market Housing projects, a vast majority of the units are taken out through bank financing with the Company's partner banks (i.e., Bank of the Philippine Islands, ChinaBank, Sterling Bank of Asia, Security Bank, Bank of Commerce and Banco de Oro).

For Economic Housing projects, majority of the units are taken out through HDMF financing. That said HDMF have a greater presence in this sector.

For the Socialized Housing Market, the market greatly relies on HDMF financing.

In case the buyers do not pass the credit investigation of the banks or HDMF, Haus Talk offers in-house financing.



### Credit and Collection

Credit and collection functions are assigned to the Company's billing and collection team. The team is responsible for collecting equity payments, move-in fees, and association fees. The Company has a core billing and collection team who oversee all of Haus Talk's projects.

The Company's equity payment terms usually have a maximum payment period of 15 months. Buyers are required to pay a reservation fee ranging from ₱10,000.00 to ₱20,000.00 upon signing the reservation agreement. The first monthly equity payment is due 30 days after the signing of said agreement. All equity payments are covered by post-dated checks. Construction of the units starts once 80% of the equity has been paid.

Buyers primarily avail themselves of units via HDMF or Bank financing. The Company assists the buyers by matching them with a bank who could support their loan needs. In special cases (i.e. buyer finds it difficult to secure bank financing), however, the Company extends in-house financing. Default/Cancellation rates for the Company's in-house financing is less than 5%.

### SUPPLIERS

Haus Talk sources construction materials from third party suppliers. These suppliers must be approved by the management committee, with the basis of whether the products are reliable and suitable for the projects. The Company does not experience a shortage of raw materials needed for its day-to-day business as these items are readily available in the market. The company has many local suppliers in Laguna, Cavite, Bulacan and Metro Manila.

Major suppliers of the Company are as follows:

Major Suppliers
Magnificon Incorporated
Tokwing Infinite Ready Mix Concrete Products, Inc.
Glory Lumber Construction Supplies, Inc.
Somico Steel Mill Corporation
World Home Depot Corporation
Union Galvasteel Corporation
Pacific Paint Boysen Phils.
Lb7 Movers Trucking And Trading
Moldex Products Inc.
El Fuego Motors Enterprises

The Company has no outstanding supply contract with any suppliers. The Company orders its raw materials as the need arises.

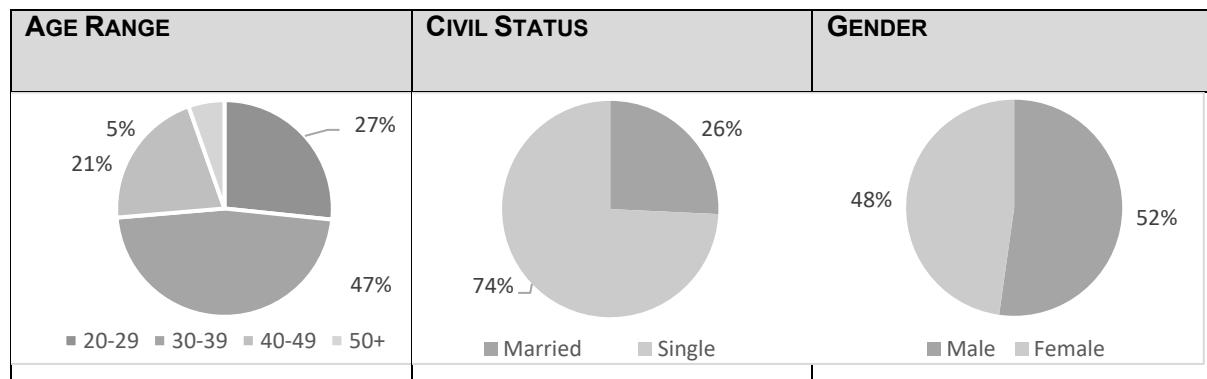
## CUSTOMERS

Haus Talk caters to several residential real estate categories - Socialized, Economic, and Mid-market. It should also be noted that Haus Talk is primarily a residential real estate company.

Majority of the Company's projects fall under the economic housing category, with some offerings in the midmarket and socialized housing category. Regardless of which housing category the project classifies as, each development is well-built, well planned, and strategically located.

Haus Talk is committed to continuously address the growing needs and demand of the market in each segment the Company caters to. The Company strives to remain consistent with the quality of its developments, the selection of location, the personalized service that goes with it, and to continue innovating in new ways.

Due to the nature of the business – developing and selling low-cost/economic housing, the Company caters to a host of different buyers, and thus is not dependent on a single customer. The typical customers of Haus Talk are young professionals who are first time homeowners. Around 74% of the Company's customers are 25 years old and above. This supports the Company's mission of providing quality homes for young family and professionals.



The Company's products are strong amongst local, middle-class professionals with 67% of the Company's customers working locally and the remaining 33% from OFW. That leaves room for growth in terms of OFW sales.

Although OFW customers, the sale is consummated in the Philippines and it cannot be considered foreign sales because a Special Power of Attorney (SPA) is executed by the OFW working abroad in favor of the designated representative who will execute and sign the transfer document in the Philippines.

### Customer service and warranties

Haus Talk commits to deliver the products and services that conform exactly to stated or agreed specifications to their customers. Prior to unit turnover, the units undergo a final inspection to ensure that the final product is in the right condition to be turned over to the customer. In cases where there are issues arising after turnover, Haus Talk responds to the customer concerns or complaints and facilitates a resolution that is done expeditiously by the concerned department.

## COMPETITION

Haus Talk's competitors are PHirst Park Homes, Inc., Camella Homes, Amaia, Suntrust Properties, Inc. and P.A. Alvarez Properties and Development Corp. These companies are part of bigger conglomerates that focus on real estate and have strong track record and resources to develop large scale developments. HTI can compete by providing affordable developments while offering competitive amenities and landscaping.

The Company develops similar projects as those mentioned above. Where Haus Talk differentiates itself is in the quality, pricing, and over all attention to detail given by management to each project.

The Company prides itself in building quality affordable housing for the common Filipino and it has a proven track record in doing so. As a result of the Company's competitive prices and the build quality of its units, its project revenues are solid year to year. The Company also keeps everything in-house, from procurement to construction, and by doing so the Company is able to easily monitor expenses and quality of materials. Moreover, the Company provides its customers or buyers with competitive financing options which the buyers can choose from such as bank financing, HDMF financing, cash payments, or in-house financing.

Haus Talk also distinguishes itself in the passion and deep involvement of its management in the Company's projects. The Madlambayan family is very much involved throughout the development process. The family ensures that each project is well planned and that no shortcuts are taken so that it may only deliver the best product to its customers.

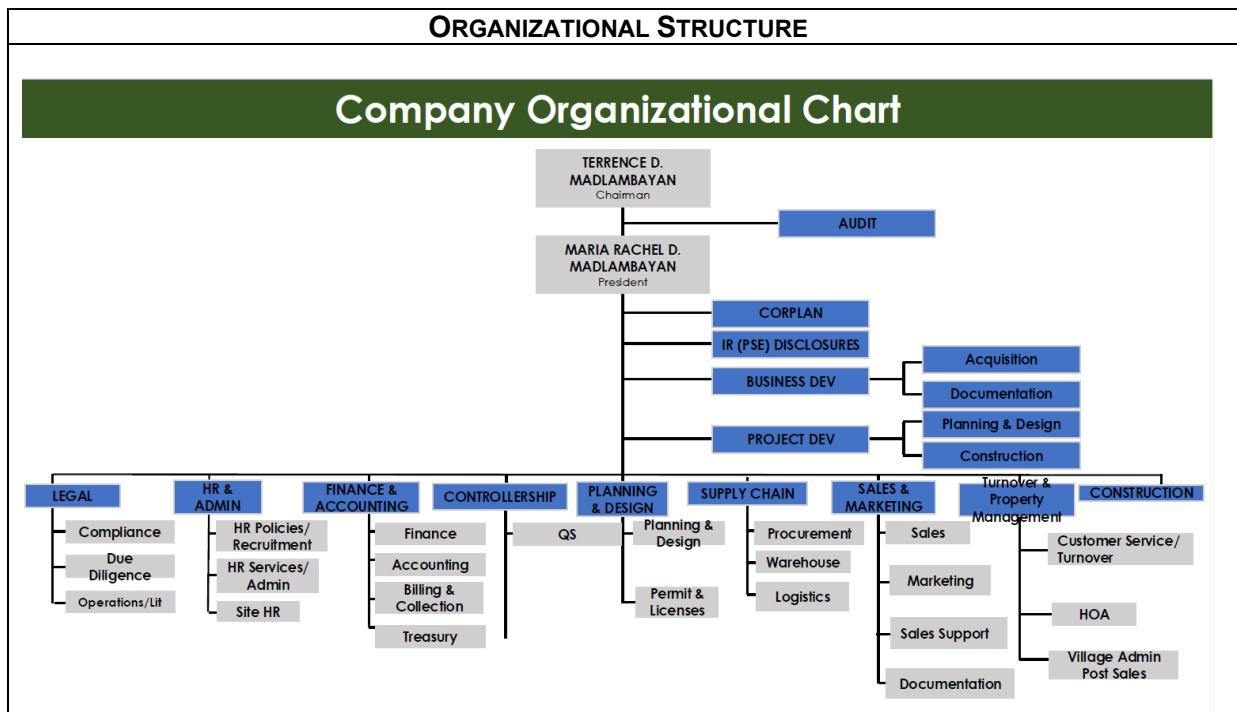
## EMPLOYEES

As of September 30, 2025, the Company has a total of 454 employees broken down per department as follows:

Employees of Haus Talk and its Subsidiaries	
Department	Number of Employees
Admin	8
Admin Workers	291
Audit	2
Billing and Collection	6
Business Development	5
Construction	36
Controllership	5
Cost Accounting	4
Customer Relations	6
Document Control Center	1
General Accounting	8
Human Resources	8
Information and Technology	2
Legal	3
Planning and Design	10
Procurement & Warehouse Inventory	14
Property Management	7
Sales and Marketing	16
Top Management	14
Treasury	8
<b>TOTAL</b>	<b>454</b>

The Company does not have any collective bargaining agreement with its employees and there are no labor unions in the Company. There have been no employee strikes in the past 3 years nor have there been any supplemental benefits or incentive arrangements. The Company complies with occupational requirements such as minimum compensation and benefits standards, child-free labor and other employment practices.

Below is the organizational chart of the Company:



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## DESCRIPTION OF PROPERTY

The following table provides a summary of the real properties owned by Haus Talk and its subsidiaries, all of which form part of the inventory of the Company. The Company is not leasing any of its properties. The rental expenses incurred by HTI, as reflected in the Company's financial statements, pertain to office equipment (i.e. copier), storage space, extension office and temporary staff house.

LIST OF PROPERTIES OF HAUS TALK, INC. & ITS SUBSIDIARIES			
COMPANY	NAME OF PROPERTY	LOCATION	AREA
HAUS TALK, INC.	The Hammond (Formerly: Eastview Residences-Hinapao)	Tagbak Road, Sitio Hinapao, Brgy. San Jose, Antipolo City	16,041 sqm.
	Ellery (Formerly: Eastview Condominiums)	Tagbak Road, Sitio Hinapao, Brgy. San Jose, Antipolo City	2,060 sqm.
	Celestis 1	Buliran Road, Brgy. San Luis, Antipolo City	5,258 sqm.
	Celestis 2	Buliran Road, Brgy. San Luis, Antipolo City	7,963 sqm.
	The Granary with Annex	Brgy. San Antonio, Biñan, Laguna	130,691 sqm.
	Amberwood	Brgy. Soro-Soro, Biñan, Laguna	16,486 sqm.
	Cornerstone	Brgy. Soro-Soro, Biñan, Laguna	37,109 sqm.
	The Canvass	Mahabang Parang, Angono, Rizal	372,201 sqm.
	Molavera	Brgy. San Luis, Antipolo City	20,082 sqm.
	Whistlewood	Brgy. San Luis, Antipolo City	82,989 sqm.
TRADITION HOMES, INC.	Southview Homes Sta. Rosa	Brgy. Ibaba, Santa Rosa, Laguna	25,000 sqm.
	Southview Homes Calendola	San Vicente, San Pedro, Laguna	34,384 sqm.
	Southview Homes 2 - Extension	Pacita 2, San Pedro City, Laguna	12,712 sqm.
LIFESTYLE DEVELOPMENT CORPORATION	Costa Aurea	Barangay Alas-Asin, Mariveles, Bataan	240,647 sqm.

The following are the mortgaged properties of Haus Talk, Inc. and its subsidiaries:

NAME OF PROPERTY	TYPE OF PROPERTY	LOCATION/ DESCRIPTION	NATURE AND AMOUNT OF LOAN SECURED	REMARKS
Celestis 1 & Celestis 2	Subdivision Development	Buliran Road, Brgy. San Luis, Antipolo City	Term Loan of ₱60 Million	Real Estate Mortgage executed in favor of Asia United Bank (AUB)

NAME OF PROPERTY	TYPE OF PROPERTY	LOCATION/ DESCRIPTION	NATURE AND AMOUNT OF LOAN SECURED	REMARKS
The Hammond (Formerly: Eastview Residences-Hinapao)	Subdivision Development	Tagbak Road, Sitio Hinapao, Brgy. San Jose, Antipolo City	Term Loan of ₱45 Million	Real Estate Mortgage executed in favor of Sterling Bank of Asia
The Granary – Annex	Subdivision Development	Brgy. San Antonio, Biñan, Laguna	Term Loan of ₱65 Million	Real Estate Mortgage executed in favor of Sterling Bank of Asia
The Granary	Subdivision Development	Brgy. San Antonio, Biñan, Laguna	Term Loan of ₱450 Million	Real Estate Mortgage executed in favor of Security Bank
Mariveles Properties	Subdivision Development	Alas-Asin, Mariveles, Bataan	₱231 million	Real Estate Mortgage executed in favor of Atram Trust Corporation
Amberwood	Land for Subdivision Development	Brgy. Soro-Soro, Biñan, Laguna	Term Loan of ₱65 million	Real Estate Mortgage executed in favor of China Banking Corporation (CBC)
Molavera and Amberwood	Land for Subdivision Development	Brgy. San Luis, Antipolo	Term Loan of ₱500 million	Real Estate Mortgage executed in favor of Security Bank
The Canvas	Land for Subdivision Development	Mabang Parang, Angono Rizal	Term Loan of ₱250 million	Real Estate Mortgage executed in favor of Security Bank

## INSURANCE

The following motor vehicles are owned by the Company and are covered by pertinent insurance policies:

LIST OF INSURANCE				
MODEL/MAKE	TYPE OF INSURANCE	INSURANCE COMPANY	POLICY NO.	INCEPTION DATE
Toyota Innova Zenix	Third Party Liability	AXA Philippines Life and General Insurance Corporation	TCM-NB-CTPL	05/10/2024 – 05/10/2027
	Property Insurance – HTI Head Office	Prudential Guarantee	FL-FLR-HOM-0181412	06/29/2025-06/29/2026
2022 Caterpillar BackHoe Loader	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026
2017 Komatsu backhoe, Crawler	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026
2024 Backho Excavator	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026

<b>LIST OF INSURANCE</b>				
<b>MODEL/MAKE</b>	<b>TYPE OF INSURANCE</b>	<b>INSURANCE COMPANY</b>	<b>POLICY NO.</b>	<b>INCEPTION DATE</b>
2022 Volvo Backhoe Excavator	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026
2023 Volvo Vibratory Compactor	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026
2023 Daswel Pumpcrete Mixer	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026
2018 Komatsu Backhoe, Crawler	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026
2025 Shantui Bulldozer, Crawler	Property Floater Insurance	ALLIED INSURANCE CORPORATION	CA-PFL-HQ-25-0000033-01	11/10/2025 – 11/10/2026
2023 ZOOLION 24X-4Z MOUNTED CONCRETE PUMP		ALLIED INSURANCE CORPORATION	MC-CV-HQ-25-0001411-01	08/19/2025 – 08/19/2026

## **INTELLECTUAL PROPERTY**

As of the date of this Prospectus, the Company has the following registered trademarks.

<b>INTELLECTUAL PROPERTY</b>		
<b>TRADEMARK</b>	<b>STATUS</b>	
Haus Talk, Inc. Where your stories begin.	Registered with Intellectual Property Office- Bureau of Trademarks on 30 March 2023 Registration No. 4/2022/00514079	Registered 3 <sup>rd</sup> Year DAU filed
HAUS TALK, INC. Where your stories begin.	Registered with Intellectual Property Office- Bureau of Trademarks on 30 May 2024 Registration No. 4/2022/00514081	Registered 3 <sup>rd</sup> Year DAU filed
THE GRANARY BY HAUS TALK, INC.	Registered with Intellectual Property Office- Bureau of Trademarks on 30 March 2023 Registration No. 4/2022/00525155	Registered 3 <sup>rd</sup> Year DAU filed
CELESTIS	Registered with Intellectual Property Office- Bureau of Trademarks on 30 March 2023 Registration No. 4/2022/00514080	Registered 3 <sup>rd</sup> Year DAU filed
MOLAVERA	Registered with Intellectual Property Office- Bureau of Trademarks on 08 November 2025 Registration No. 4/2025/00525111	Registered
WHISTLEWOOD	Registered with Intellectual Property Office- Bureau of Trademarks on 08 November 2025 Registration No. 4/2025/00525114	Registered

## **Legal Proceedings on Properties**

Other than cases in the usual course of business, there is no pending material litigation or arbitration proceedings where the Haus Talk or any of its subsidiaries is a party, and no litigation or claim of material importance is known to the Directors to be pending or threatened against its properties.

## MATERIAL CONTRACTS

The Company has not entered into the following contracts within the last two years from the date of this Prospectus, to wit:

- Any contract to which the directors, officers, promoters voting trustees, security holders named in the registration statement or report, or underwriters are parties, other than contracts involving only the purchase or sale of current assets having a determinable market price, such as market price;
- Any contract upon which the Registrant's business is substantially dependent, as in the case of continuing contracts to sell the major part of registrant's requirements of goods, services or raw materials or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which Registrant's business depends to a material extent;
- Any contract calling for the acquisition or sale of any property, plant or equipment for a consideration exceeding 10% of such total assets of the registrant on a consolidated basis;
- Any material lease under which a part of the property described in the registration statement or report is held by the Registrant;
- Any management contract or any compensatory plan, agreement or arrangement, including but not limited to plans relating to options, warrants or rights, pensions, retirement or deferred compensation or bonus, incentive or profit sharing in which any director or any of the named executive officers of the Registrant is a party to.

It has been the policy of the Company to confine its contracts only to those pertaining to the normal course of its business. Hence, the following are the usual contracts being entered into by the Company:

- Contracts with suppliers of construction materials for the Company's projects;
- Contract to Sell with its buyers;
- Deeds of Absolute Sale of housing units with its buyers; and
- Collateralized Lines of Credit with Banks as additional funding to the Company's development costs.

*Remainder of this page is intentionally left blank.*

## REGULATORY COMPLIANCE

The Company has obtained, and are in the process of obtaining, all material permits, licenses, and/or certificates of compliance from the relevant and appropriate local government units and regulatory agencies in relation to their continued business, as confirmed by Atty. Enrico V. Agcaoili in his opinion dated December 19, 2025.

### **Material Permits/Licenses**

Detailed below are all the major permits and licenses necessary for the Company and its subsidiaries to operate its business. The Company believes that it has all the applicable and material permits and licenses necessary to operate its business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal.

Haus Talk Inc.

<b>HAUS TALK, INC. – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Incorporation	SEC	06/21/2004	Not Applicable	CS200409462
Certificate of Registration	BIR	09/24/2004	Not Applicable	233-687-508-000
Certificate of Registration	SSS	09/01/2005	Not Applicable	03-9054470-0-000
Certificate of Registration	PHIC	07/30/2021	Not Applicable	001000018255
Certificate of Registration	Pag-Ibig	07/23/2021	Not Applicable	201593410002
Business Permit	LGU of Pasig City	08/20/2025	12/31/2025	25-CGP-32975
Business Permit	LGU of Biñan City Laguna	01/17/2025	12/31/2025	2025-02631
Business Permit	LGU of Antipolo City, Rizal	02/04/2025	12/31/2025	2025-008379
Business Permit	LGU of San Pedro Laguna	02/28/2025	12/31/2025	07713
Business Permit	LGU of Santa Rosa Laguna	01/17/2025	12/31/2025	11576-25

The following projects of Haus Talk Inc. were issued the following material licenses:

### *Eastview Homes- Marikina*

<b>EASTVIEW HOMES MARIKINA – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
License to Sell	HLURB	01/23/2006	Not Applicable	14591
Certificate of Registration	HLURB	01/23/2006	Not Applicable	13591

### *Eastview Homes-Antipolo*

<b>EASTVIEW HOMES – ANTIPOLO – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
License to Sell	HLURB	09/14/2006	Not Applicable	16656
Certificate of Registration	HLURB	09/14/2006	Not Applicable	15552

Eastview Homes 2

<b>EASTVIEW HOMES 2 – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
License to Sell	HLURB	08/10/2010	Not Applicable	23644
Certificate of Registration	HLURB	08/10/2010	Not Applicable	22338

Eastview Homes 3

<b>EASTVIEW HOMES 3 – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Environmental Compliance Certificate	DENR	07/05/2013	Not Applicable	ECC-R4A-1306-0405
License to Sell	HLURB	01/17/2019	Not Applicable	034564
Certificate of Registration	HLURB	01/17/2019	Not Applicable	029480
Certificate of Registration	BOI			

Eastview Residences Premiere

<b>EASTVIEW RESIDENCES PREMIERE – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Non-Coverage*	DENR	02/02/2018	Not Applicable	CNC-OL-R4A-2018-02-00346
License to Sell	DHSUD	07/20/2020	Not Applicable	101
Certificate of Registration	DHSUD	07/20/2020	Not Applicable	065

\* Subdivision Project in Flat Areas

Celestis 1 (Formerly: Eastview Residences 2)

<b>CELESTIS 1 – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Non-Coverage*	DENR	01/30/2019	Not Applicable	CNC-OL-R4A-2019-01-00112
Provisional License to Sell	DSHUD	06/29/2022	Not Applicable	815
Provisional Certificate of Registration	DSHUD	06/29/2022	Not Applicable	637

\* Subdivision Project in Flat Areas

Celestis 2

<b>CELESTIS 2 – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Non-Coverage*	DENR	02/01/2019	Not Applicable	CNC-OL-R4A-2019-02-00174
Provisional License to Sell	DSHUD	06/29/2022	Not Applicable	816
Provisional Certificate of Registration	DSHUD	06/29/2022	Not Applicable	638

\* Subdivision Project in Flat Areas

Ellery (Formerly: Eastview Condominium)

<b>ELLERY (FORMERLY: EASTVIEW CONDOMINIUM) – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Non-Coverage*	DENR	08/13/2019	Not Applicable	CNC-OL-R4A-2019-08-02684
License to Sell	DHSUD	10/02/2019	Not Applicable	007

<b>ELLERY (FORMERLY: EASTVIEW CONDOMINIUM)– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Registration	DHSUD	10/02/2019	Not Applicable	002
<i>*All Office and Residential Building including Storage Facilities with no Hazardous or Toxic Materials</i>				

*The Granary with Annex*

<b>THE GRANARY WITH ANNEX – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Registration	DSHUD	12/19/2022	Not Applicable	00004445
License to Sell- Phase 1	DSHUD	12/19/2022	Not Applicable	0001556
License to Sell- Phase 2	DSHUD	10/12/2023	Not Applicable	0001682
License to Sell- Phase 3	DSHUD	04/04/2024	Not Applicable	0000571
License to Sell- Annex	DSHUD	04/04/2024	Not Applicable	0000571
Certificate of Registration	BOI	08/08/2023	08/08/2027	2023-152
Certificate of Registration	BOI	03/22/2024	03/22/2027	2024-069
Certificate of Registration	BOI	12/16/2024	12/16/2027	2024-362

*Hammond*

<b>HAMMOND– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
License to Sell	DHSUD	07/11/2025	Not Applicable	0003548
Certificate of Registration	DHSUD	07/11/2025	Not Applicable	3053

*Amberwood*

<b>AMBERWOOD– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Environmental Compliance Certificate	DENR	06/09/2025	Not Applicable	ECC-OL-R4A-2025-0354

Tradition Homes, Inc.

<b>TRADITION HOMES, INC. – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Certificate of Incorporation	SEC	01/16/2007	Not Applicable	CS200700454
Certificate of Registration	BIR	01/16/2007	Not Applicable	006-602-505-000
Certificate of Registration	SSS	SSS	Not Applicable	03-9202003-1-000
Certificate of Registration	PHIC	PHIC	Not Applicable	001000016326
Certificate of Registration	Pag-Ibig	Pag-Ibig	Not Applicable	200481800001
Business Permit	LGU of Pasig City	04/21/2025	12/31/2025	25-CGP-00970
Business Permit	LGU of Antipolo City, Rizal	02/04/2025	12/31/2025	2025-008406
Business Permit	LGU of San Pedro Laguna	02/28/2025	12/31/2025	07714

<b>TRADITION HOMES, INC. – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Business Permit	LGU of Santa Rosa Laguna	01/12/2025	12/31/2025	8808-25

The following projects of Tradition Homes, Inc. were issued the following material licenses:

#### South Hills

<b>SOUTH HILLS– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Environmental Compliance Certificate	DENR	11/19/2009	Not Applicable	ECC-LDBW-0909-0108
License to Sell	HLURB	03/25/2010	Not Applicable	23989
Certificate of Registration	HLURB	03/25/2010	Not Applicable	22657

#### Southview Homes 1

<b>SOUTHVIEW HOMES 1– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
License to Sell	HLURB	11/10/1997	Not Applicable	R4-98-06-0092
Certificate of Registration	HLURB	11/10/1997	Not Applicable	10639-R4A-04-08

#### Southview Homes 2

<b>SOUTHVIEW HOMES 2– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Environmental Compliance Certificate	DENR	03/02/2008	Not Applicable	ECC-LLDA-2007-371-8420
License to Sell	HLURB	01/23/2009	Not Applicable	21300
Certificate of Registration	HLURB	01/23/2009	Not Applicable	20331

#### Southview Homes Extension

<b>SOUTHVIEW HOMES EXTENSION– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
License to Sell	HLURB	11/09/2007	Not Applicable	029036
Certificate of Registration	HLURB	11/09/2007	Not Applicable	25842

#### Winn Residences

<b>WINN RESIDENCES– MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE NO.</b>
Environmental Compliance Certificate*	DENR	05/27/2015	Not Applicable	ECC-NCR-1504-0113
License to Sell	HLURB	01/25/2019	Not Applicable	033496
Certificate of Registration	HLURB	01/25/2019	Not Applicable	028195

\*ECC was issued to Tradition Homes, as the original developer of Winn Residences

*Southview Homes - Santa Rosa*

<b>SOUTHVIEW HOMES - SANTA ROSA – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE No.</b>
Environmental Compliance Certificate	DENR	12/12/2014	Not Applicable	ECC-4A-2004-1112-8410
License to Sell	HLURB	08/30/2017	Not Applicable	033098
Certificate of Registration	HLURB	08/30/2017	Not Applicable	028698

*Southview Homes - Calendola*

<b>SOUTHVIEW HOMES - CALENDOLA – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE No.</b>
Environmental Compliance Certificate	DENR	01/19/2007	Not Applicable	ECC-LLDA-2006-192-8420
Provisional License to Sell	DSHUD	06/08/2018	Not Applicable	103
Provisional Certificate of Registration	DSHUD	06/08/2018	Not Applicable	067

Lifestyle Development Corporation

<b>TABLE 56: LIFESTYLE DEVELOPMENT CORPORATION. – MATERIAL PERMITS AND LICENSES</b>				
<b>PERMITS/LICENSE ISSUED</b>	<b>ISSUING AGENCY</b>	<b>DATE ISSUED</b>	<b>DATE OF EXPIRY</b>	<b>PERMIT / LICENSE No.</b>
Certificate of Incorporation	SEC	11/18/1999	Not Applicable	A199918322
Certificate of Registration	BIR	11/18/1999	Not Applicable	205-373-197

The Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business.

*Remainder of this page is intentionally left blank.*

## LEGAL PROCEEDINGS

The Company and/or its Subsidiaries are not parties to any pending legal proceedings which will be considered “material” under the SRC. However, the Company and/or its Subsidiaries are parties to legal proceedings which real estate industry players are usually exposed to.

The following is the list of the Legal Proceedings filed by and against HTI and its Subsidiaries as of the date of filing this prospectus

**1. Tradition Homes Project Managers and Development Inc. (*Respondent-Appellant*) vs. Cristina A. Inoue (*Complainant-Appellee*) - O.P. Case No. 16-J-216**

This case involves a claim for refund filed by Ms. Cristina A. Inoue, buyer of Block 2, Lot 22, Phase 2 of the South Hills Subdivision, against Tradition Homes Project Managers and Development Inc. before the Housing and Land Use Regulatory Board.

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.

**2. Sps. Rafael and Marites Inocando (*Complainant-Appellees*) vs. Haustalk Project Managers, Inc. (*Respondent-Appellant*) - HSAC-REM-A-220426-0681**

This case involves an action for cancellation of the Contract to Sell and refund filed by Spouses Rafael and Marites Inocando, buyers of Block 6, Lot 21, Eastview Homes 3, against Haustalk Project Managers, Inc. before the Human Settlements Adjudication Commission (“HSAC”).

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.

**3. Cornelio Vasquez (*Petitioner*) vs. Haus Talk Project Managers, Inc. and Maria Leah Madlambayan (*Respondents*) - CA G.R. SP No. 185824 / HSAC Case No. RIVA-REM-230126-00657**

This case stemmed from an action for refund filed by Mr. Cornelio M. Vasquez, buyer of Block 3, Lot 17, Eastview Homes 3, against Haus Talk Project Managers, Inc. and Maria Leah Madlambayan before HSAC.

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.

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

This case stemmed from a complaint for illegal dismissal and money claims filed by Dion D. Ducusin and five others against Haustalk Project Managers, Inc. before the National Labor Relations Commission.

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.

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## CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the Company's consolidated liabilities, equity, and capitalization as of September 30, 2025. The table should be read in conjunction with the Company's consolidated financial statements and the notes thereto, included in this Prospectus.

In ₦ '000	As at Sept. 30, 2025	As adjusted for an Issue Size of up to ₦1.00 billion	As adjusted for an Issue Size of up to ₦2.00 billion
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts and other payables	153,188	153,188	153,188
Contract Liabilities - current	13,960	13,960	13,960
Income tax payable	2,671	2,671	2,671
Lease liability	318	318	318
Loans and borrowings - current portion	1,073,161	1,073,161	1,073,161
<b>Total Current Liabilities</b>	<b>1,243,298</b>	<b>1,243,298</b>	<b>1,243,298</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings, net of current portion	1,407,588	1,407,588	1,407,588
Bonds payable		1,000,000	2,000,000
Advances from related parties	168,159	168,159	168,159
Defined benefit obligation	12,704	12,704	12,704
<b>Total Non-Current Liabilities</b>	<b>1,588,451</b>	<b>2,588,451</b>	<b>3,588,451</b>
<b>TOTAL LIABILITIES</b>	<b>2,831,749</b>	<b>3,831,749</b>	<b>4,831,749</b>
<b>EQUITY</b>			
Share capital	2,500,000	2,500,000	2,500,000
Share premium	218,850	218,850	218,850
Retained earnings	1,390,645	1,390,645	1,390,645
Actuarial gain (loss) on defined benefit obligation	11,011	11,011	11,011
<b>TOTAL EQUITY</b>	<b>4,120,506</b>	<b>4,120,506</b>	<b>4,120,506</b>
<b>TOTAL CAPITALIZATION</b>	<b>6,952,255</b>	<b>7,952,255</b>	<b>8,952,255</b>

## BOARD OF DIRECTORS AND OFFICERS

The Company is ultimately managed and supervised by its Board of Directors. The Company's executive officers provide the Company's Board of Directors the appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review and decision for short term and long-term plan of action. Pursuant to the Company's latest amended articles of incorporation, approved by the SEC on June 7, 2017, the Board shall consist of seven members, of which two are independent directors.

### **Directors and Principal Officers of the Company**

All of the directors were elected at the Company's annual shareholders' meeting on July 30, 2025 and will hold office until their successors have been duly elected and qualified.

The table sets forth each member of the Company's Board of Directors and the Group's executive officers as of the date of this Prospectus.

<b>DIRECTORS AND PRINCIPAL OFFICERS OF THE COMPANY</b>			
<b>NAME</b>	<b>AGE</b>	<b>NATIONALITY</b>	<b>POSITION</b>
Terence Restituto D. Madlambayan	61	Filipino	Chairman of the Board
Maria Rachel D. Madlambayan	59	Filipino	Director/President
Luis Pio D. Madlambayan	57	Filipino	Director
Ma. Leah D. Madlambayan	58	Filipino	Director
Joselito D. Madlambayan	60	Filipino	Director
Atty. Angelico T. Salud	63	Filipino	Independent Director
Atty. Jose Ferdinand M. Rojas II	59	Filipino	Independent Director
Atty. Lyra Gracia Y. Lipae-Fabella	49	Filipino	Corporate Secretary
Noemi D. Madlambayan	49	Filipino	Asst. Corporate Secretary / VP-Procurement & Warehouse
Maria Agnes M. Siapno	56	Filipino	Chief Finance Officer/Controller
Gloria Judith D. Madlambayan	51	Filipino	Treasurer
Francis Miguel R. Madlambayan	33	Filipino	Head – Corporate Planning and Investor Relations
Noemi V. Aniban	43	Filipino	Compliance Officer

The following is a brief write-up of the Board of Directors and Executive Officers which include positions held as of September 30, 2025 and in the past five years, and personal data as of September 30, 2025:

### **TERENCE RESTITUTO D. MADLAMBYAN**

*Chairman of the Board*

Mr. Madlambayan has been the Chairman of Haus Talk, Inc. since 2021. He was also the Chairman and Vice- President of Tradition Homes, Inc., a subsidiary of Haus Talk, Inc., since 2004. He is also a Chairman of the following companies; Mholdings, Inc. from July 2025 to present, Allied Community Builders and Development, Inc., from February 2025 to present, Lifestyle Development Corporation from 2021 to present and Tradition Solar Generation, Inc. from 2017 to present. A treasurer of Mholdings, Inc from 2017 to present. He obtained his degree in Bachelor of Science in Mechanical Engineering in Don Bosco Technical School in Pampanga.

### **MARIA RACHEL D. MADLAMBYAN**

*Director and President*

Ms. Madlambayan holds the position of President of Haus Talk, Inc. since 2018 up to present. She is also the President of Tradition Homes, Inc. from 2007 to present; Allied Community Builders and Development Inc., from 2011 to present; Mholdings, Inc., from 2017 to present; Tradition Solar Energy Generation, Inc., from 2015 to present and Lifestyle Development Corporation from April 2025 to present. She obtained her degree in Bachelor of Science in Mathematics from St. Scholastica's College.

**LUIS PIO D. MADLAMBAYAN***Director*

Mr. Luis Pio D. Madlambayan has been part of the Board of Directors of Haus Talk, Inc. since April 2021. Mr. Madlambayan holds the position of President of Lifestyle Development Corporation from 1999 to present. He is also a member of the Board of Directors of Mholdings, Inc., from 2017 to present and a president of Madlambayan Dimson Realty Development Corporation since 2025.

**MA. LEAH D. MADLAMBAYAN***Director and Vice President for Sales and Marketing*

Ms. Ma. Leah D. Madlambayan holds the position of Vice President for Sales and Marketing of Haus Talk, Inc. since 2006 up to present. She is also the Vice-President for Sales & Marketing of Tradition Homes, Inc. from 2007 to present. A director and Vice-President of Tradition Solar Energy Generation Inc. from 2015 to present, an Assistant Corporate Secretary of Allied Community Builders & Development, Inc. from 2015 to present. Ms. Madlambayan obtained her degree in Bachelor of Science in Nutrition and Dietetics from St. Scholastica's College.

**JOSELITO D. MADLAMBAYAN***Director*

Mr. Joselito D. Madlambayan has been part of the Board of Directors of Haus Talk, Inc. since April 2021. He is also a Director and elected Vice- President of Mholdings, Inc., from 2017 to present, and Director and Vice- President of Allied Community Builders & Development, Inc. from 2011 to present.

**ANGELICO T. SALUD***Independent Director*

Atty. Angelico T. Salud is an Independent Director of Haus Talk, Inc. since April 2021. He was the Executive Vice President of Converge ICT Solutions, Inc. from year 2022 to 2023 and a Consultant from 2023 up to present. He is a Consultant of San Miguel Holdings Corp. from 2019 to 2024 and Siklab Pilipinas Sports Foundation from 2016 to 2017. Atty. Salud also served as Commissioner of the Philippine Basketball Association from 2010 to 2015, and was appointed as the Chief Executive Officer of the Association in 2015. He obtained his degree in Bachelor of Science in Legal Management from the Ateneo de Manila University and his law degree from the University of the Philippines.

**JOSE FERDINAND M. ROJAS II***Independent Director*

Atty. Jose Ferdinand M. Rojas II is an Independent Director of Haus Talk, Inc. since October 2022. He is currently engaged in the general practice of law through the firm he established, Jose M. Rojas Law Office. He was the former Vice-Chairman and General Manager of the Philippine Charity Sweepstakes Office. He is also an opinion columnist for the Business Mirror and Pilipino Mirror. Atty. Rojas obtained his bachelor's degree in economics and political science from the University of Massachusetts, where he graduated Cum Laude, and he obtained his law degree from the Ateneo de Manila University in 1994.

**Executive Officers****LYRA GRACIA Y. LIPAE-FABELLA***Corporate Secretary*

Atty. Lyra Gracia Y. Lipae-Fabella is a Certified Public Accountant and member of the Integrated Bar of the Philippines. She is the Corporate Secretary of Haus Talk, Inc. since April 1, 2022. She is also an Officer and/or Trustee to a number of publicly-listed corporations and private companies. At present, she is the Managing Partner of the Fabella and Fabella Law Office. She previously worked as Junior Auditor in a leading auditing firm, Associate in a law firm and Securities Counsel III with the Securities and Exchange Commission. Atty. Lipae-Fabella obtained her Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines in Quezon City and her Bachelor

of Laws degree (now Juris Doctor) from San Beda College (now San Beda University) in Manila.

**NOEMI D. MADLAMBAYAN**

*VP for Procurement and Warehouse and Asst. Corporate Secretary*

Ms. Noemi D. Madlambayan holds the position of Vice-President for Procurement and Warehouse of Haus Talk, Inc. from 2021 up to present, and is currently the Asst. Corporate Secretary of the Company. She is also elected as the Vice-President for Procurement and Warehouse and Corporate Secretary of Tradition Homes, Inc., a subsidiary of Haus Talk, Inc., and a Corporate Secretary of Mholdings, Inc. from July 2025 to present. A Director of Tradition Solar Energy Generation Inc. from 2015 to present. She obtained her degree in Bachelor of Science in Commerce Major in Entrepreneurship at Assumption College.

**MARIA AGNES M. SIAPNO**

*Chief Finance Officer*

Mrs. Maria Agnes M. Siapno is the Chief Finance Officer of Haus Talk, Inc. since April 2021. She also holds the position of Chief Finance Officer at Tradition Homes, Inc a subsidiary of Haus Talk, Inc. Mrs. Siapno serves as Corporate Secretary to various private companies such as Mholdings, Inc, Allied Community Builders & Development, Inc, and Tradition Solar Energy Generation, Inc. She formerly served as the Corporate Secretary of Haus Talk Inc. from April 2017 up to March 2022. She obtained her degree in Bachelor of Science in Commerce Major in Entrepreneurship at Assumption College.

**GLORIA JUDITH D. MADLAMBAYAN**

*Treasurer*

Ms. Gloria Judith D. Madlambayan is the Treasurer of Haus talk, Inc. since January 2006. She also serves as Treasurer to various private companies such as Tradition Homes, Inc. from 2007 up to present and Tradition Solar Energy Generation, Inc. from 2015 up to present. She obtained her degree in Bachelor of Science in Commerce Major in Entrepreneurship at Assumption College.

**FRANCIS MIGUEL R. MADLAMBAYAN**

*Head of Corporate Planning and Investor Relations*

Mr. Francis Miguel R. Madlambayan is the Head for Corporate Planning and Investor Relations of Haus Talk, Inc. since July 2023. Prior to this, he served as the Business Development Manager of Haus Talk, Inc. from 2016 to 2021. He is an Assistant Corporate Secretary of Mholdings, Inc from 2023 up to present. He previously worked as Operations Associate Manager of Station Square East Commercial Corporation from 2014 to 2016. Mr. Madlambayan earned a Bachelor of Science degree in Management Major in Communication Technology and Minor in Financial Management at the Ateneo de Manila University, and obtained a Master's Degree from the IESE Business School in Barcelona, Spain.

**NOEMI V. ANIBAN**

*Compliance Officer*

Ms. Noemi V. Aniban has been the Compliance Officer of Haus Talk, Inc. since July 21, 2023. Before her current appointment, she held various roles in accounting and compliance, including Internal Audit Manager at Haus Talk, Inc (September 2024 to present), Finance and Accounting at Haus Talk, Inc (September 2019 to September 2024), Accountant and Compliance Officer at Super Guardian Corp. (April 2010 to November 2013), Assistant Accounting Manager at Shang Properties Realty Corp. (November 2013 to June 2015), Senior Accountant at TOA Global (June 2016 to June 2017), and Accounting Manager at Metro Combined Logistics Corp. (June 2017 to July 2019). She earned her Bachelor of Science in Accountancy from the National College of Business and Arts in 2003 and subsequently became a Certified Public Accountant. She later pursued and completed a Master's degree in Business Administration at Philippine Christian University.

### **Family relationships among Directors:**

All regular directors and officers are siblings.

### **Involvement in Certain Legal Proceedings**

There has been no occurrence in the past five years up to the date of this Prospectus of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or control person of the Company:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities; and
- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

### **Significant Employees**

The Company believes in the concept of shared responsibility and teamwork. For this reason, no single employee is expected by the Company to make significant contribution to the business.

### **Executive Compensation**

The following table is a summary of all plan and non-plan compensation awarded to, earned by, paid to, or estimated to be paid to, directly or indirectly, the Chief Executive Officer ("CEO"), the four (4) most highly compensated executive officers, and all officers and directors as a Group as of September 30, 2025.

	<b>Year</b>	<b>Salary (In Philippine Pesos)*</b>	<b>Bonus</b>	<b>Annual Compensation</b>
CEO and top four (4) highest compensated officers	2025	16,372,400.00	None	None
	2024	9,360,000.00	None	None
	2023	8,072,025.00	None	None
	2022	4,476,700.00	None	None
All officers and directors as a group unnamed	2025	25,955,500.00	None	None
	2024	16,518,600.00	None	None
	2023	16,072,050.00	None	None
	2022	6,794,440.00	None	None

<b>FOUR (4) MOST HIGHLY COMPENSATED OFFICERS OTHER THAN THE CEO</b>	
<b>YEAR</b>	<b>EXECUTIVE OFFICERS</b>
2025	Madlambayan, Ma. Leah D.
	Madlambayan, Noemi D.
	Madlambayan, Gloria Judith D.
	Siapno, Maria Agnes M.
2024	Madlambayan, Ma. Leah D.
	Madlambayan, Noemi D.
	Madlambayan, Gloria Judith D.
	Siapno, Maria Agnes M.

<b>FOUR (4) MOST HIGHLY COMPENSATED OFFICERS OTHER THAN THE CEO</b>	
<b>YEAR</b>	<b>EXECUTIVE OFFICERS</b>
2023	Madlambayan, Ma. Leah D.
	Madlambayan, Noemi D.
	Madlambayan, Gloria Judith D.
	Siapno, Maria Agnes M.
2022	Madlambayan, Ma. Leah D.
	Madlambayan, Noemi D.
	Madlambayan, Gloria Judith D.
	Siapno, Maria Agnes M.

### **Compensation of Directors**

Under the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among directors in such manner as the Board may determine, subject to the approval of stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders. As of date, the directors have yet to pass a resolution fixing their per diem.

There are no other arrangements for compensation either by way of payments for committee participation or special assignments. There are also no outstanding warrants or options held by the Company's Chief Executive Officer, other officers and/or directors.

### **Significant Employees**

The Company believes in the concept of shared responsibility and teamwork. For this reason, no single employee is expected by the Company to make significant contributions to the business.

### **Management Incentive Plans**

The Company plans to establish a Bonus Scheme to provide executives and key managers a long-term incentive that is designed to reward the achievements of those who exhibit exemplary performance in the business. The Bonus Scheme will grant cash bonuses to executives and managers of different salary grade levels assuming they have exceeded expectations on their Key Performance Indicators ("KPIs"), usually based on financial objectives. The Company's Board of Directors intends to set up several committees, one of which is the compensation committee that will provide oversight on its policies and implementation procedure. Its approval will be based on the discretion and approval of the Board of Directors.

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## OWNERSHIP AND MANAGEMENT

### Security Ownership of Certain Record and Beneficial Stockholders

The following are the top 20 stockholders of the Company as of September 30, 2025.

Rank	Name	Classification of Securities	No. of Shares	Percentage
1	PCD NOMINEE CORPORATION-FILIPINO	COMMON	1,087,665,245	43.51%
2	MARIA AGNES M. SIAPNO	COMMON	168,181,364	6.73%
3	NOEMI D. MADLAMBAYAN	COMMON	168,181,363	6.73%
4	RUFINO ALBERT D. MADLAMBAYAN	COMMON	168,181,363	6.73%
5	JOSELITO D. MADLAMBAYAN	COMMON	168,181,363	6.73%
6	LUIS PIO D. MADLAMBAYAN	COMMON	168,181,363	6.73%
7	MA. LEAH D. MADLAMBAYAN	COMMON	168,181,363	6.73%
8	EDWARD D. MADLAMBAYAN	COMMON	168,181,363	6.73%
9	GLORIA JUDITH D. MADLAMBAYAN	COMMON	168,181,363	6.73%
10	PCD NOMINEE CORPORATION-FOREIGN	COMMON	66,882,850	2.68%
11	JENNIFER T. RAMOS	COMMON	1,000	0.00%
Subtotal			2,500,000,000	100.00%
Others			0	0.00%
<b>TOTAL ISSUED AND OUTSTANDING SHARES</b>			<b>2,500,000,000</b>	<b>100.00%</b>

The stockbrokers under the PCD Nominee Corporation owning at least 5% of the Parent Company as of September 30, 2025 are as follows:

BP NAME	Holdings	Ownership
A. T. DE CASTRO SECURITIES CORP.	749,327,595	29.97%
<b>Total</b>	<b>749,327,595</b>	<b>29.97%</b>

The beneficial owners owning at least 5% of the Parent Company's shares under PCD Nominee Corporation as of September 30, 2025 are as follows:

No.	Name	Classification of Securities	No. of Shares	Percentage
1	MADLAMBAYAN, TERENCE RESTITUTO D.	COMMON	170,222,361	6.81%
2	MADLAMBAYAN, MA. RACHEL D.	COMMON	170,181,363	6.81%
3	MHOLDINGS, INC.	COMMON	168,186,369	6.73%
<b>TOTAL</b>			<b>508,590,093</b>	<b>20.34%</b>

## Security Ownership of the Company's Directors and Management

The following table shows the security ownership of directors and officers in the common shares of the Company as of September 30, 2025:

SECURITY OWNERSHIP OF THE DIRECTORS						
TITLE OF CLASS	NAME OF RECORD OWNER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	POSITION	CITIZENSHIP	NO. OF SHARES HELD	%
Common	Terence Restituto D. Madlambayan	N/A	Chairman of the Board	Filipino	170,222,361	6.81%
Common	Maria Rachel D. Madlambayan	N/A	Director/President	Filipino	170,181,363	6.81%
					168,186,369	6.73%
Common	Luis Pio D. Madlambayan	N/A	Director	Filipino	168,181,363	6.73%
Common	Ma. Leah D. Madlambayan	N/A	Director	Filipino	168,181,363	6.73%
Common	Joselito D. Madlambayan	N/A	Director	Filipino	168,181,363	6.73%
Common	Angelico T. Salud	N/A	Independent Director	Filipino	1	0.00%
Common	Jose Ferdinand M. Rojas II	N/A	Independent Director	Filipino	1,000	0.00%
Common	Noemi D. Madlambayan	N/A	VP – Procurement & Warehouse / Asst. corporate Secretary	Filipino	168,181,363	6.73%
Common	Maria Agnes M. Siapno	N/A	Chief Finance Officer and Controller	Filipino	168,181,364	6.73%
Common	Gloria Judith D. Madlambayan	N/A	Treasurer	Filipino	168,181,363	6.73%
Common	Lyra Gracia Y. Lipae-Fabella	N/A	Corporate Secretary	Filipino	-	0.00%
Common	Noemi V. Aniban	N/A	Compliance Officer	Filipino	-	0.00%
Common	Francis Miguel R. Madlambayan	N/A	Investor Relations Officer	Filipino	-	0.00%
					<b>TOTAL</b>	<b>1,517,679,273</b>
						<b>60.71%</b>

\*Beneficial Owner is the Record Owner

### Voting Trust

The Company is unaware of any person holding more than five (5) per cent of shares under a voting trust or similar agreement.

### Change in Control

There are no arrangements which may result in a change in control of Haus Talk, Inc. or its Subsidiaries.

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## CORPORATE GOVERNANCE

The Company and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in its Corporate Governance Manual. An evaluation system has been established by the Company to measure or determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance. The Board of Directors should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. This self-assessment should be supported by an external facilitator every three years.

The Board of Directors are primarily responsible for the governance of the Company. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through teleconferencing. The Company's board's independent directors are aware of their duties as such under the Manual. These independent directors are expected to look after the interests of minority shareholders as well as other stakeholders.

The Company is unaware of any non-compliance with or deviation from its Manual of Corporate Governance. The Company will continue to monitor compliance with the SEC Rules on Corporate Governance, and shall remain committed in insuring the adoption of other systems and practices of good corporate governance to enhance its value for its shareholders.

In adopting the Manual, the Company understands the responsibilities of the Board and its members, in governing the conduct of the business of the Company and the Board Committees, in focusing on specific board functions to aid in the optimal performance of its roles and responsibilities, and the officers, in ensuring adherence to corporate principles and best practices.

### **Independent Directors**

Atty. Angelico T. Salud and Atty. Jose Ferdinand M. Rojas II were elected as Independent Directors of the Company in compliance with the requirements of Rule 38 of the Securities Regulation Code.

### **Committees Of The Board**

To aid in complying with the principles of good governance, the Manual provides that the Board shall create and appoint Board members to each of the committees set forth below. Each member of the respective committees named below holds office as of the date of this Prospectus and will serve until his successor is elected and qualified.

#### **Audit Committee**

The Audit Committee shall be composed of at least three appropriately qualified non-executive directors, two of whom, including the Chairperson, should be independent directors. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairperson of the Audit Committee should not be the Chairperson of the Board or of any other committees. Preferably, the members shall have accounting and finance backgrounds, and at least one (1) member shall have audit experience. Each member shall have adequate understanding at least, or competence at most, of the Company's financial management systems and environment.

The Audit Committee shall have the following duties and responsibilities:

- i. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- ii. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company; This function shall include regular receipt from Management of information on risk exposures and risk management activities.

- iii. Perform oversight functions over the Company's Internal and External Auditors; It should ensure that the Internal and External Auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- iv. Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- v. Review that annual internal audit plan to ensure its conformity with the objectives of the Company; The plan shall include the audit scope, resources and budget necessary to implement it.
- vi. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- vii. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- viii. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system including financial reporting control and information technology security;
- ix. Review the reports submitted by the Internal and External Auditors;
- x. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Major judgmental areas
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- xi. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- xii. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Company's overall consultancy expenses; The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report.
- xiii. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities;
- xiv. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.
- xv. In case of the absence of a Related Party Transactions (RPTs) Committee, evaluates all RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied;
- xvi. In case of the absence of an RPT Committee:

- Determines any potential reputational risk issues that may arise as a result of or in connection with RPTs. In evaluating RPTs, the Committee takes into account, among others, the following:
  1. The related party's relationship to the Company and interest in the transaction;
  2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  3. The benefits to the Company of the proposed RPT;
  4. The availability of other sources of comparable products or services; and
  5. An assessment of whether the proposed RPT is undertaken on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on potential and/or actual conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;
- Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
- Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures; and

xvii. Meets internally and with the Board at least once every quarter without the presence of the CEO or other Management team members, and periodically meets with the head of the Internal Audit.

The Audit Committee is currently composed of the following:

Chairman	Atty. Angelico T. Salud (ID)
Member	Atty. Jose Ferdinand M. Rojas II (ID)
Member	Mr. Luis Pio D. Madlambayan

#### **Board Risk Oversight Committee**

The Board also established a separate Board Risk Oversight Committee that is responsible for the oversight of the Company's Enterprise Risk Management System to ensure its functionality and effectiveness. Under the Company's Manual on Corporate Governance, this refers to the Risk Management and Oversight Committee which, as much as practicable be composed of two regular directors and one independent director.

The committee has the following duties and responsibilities, among others:

- i. Develops a formal ERM plan which contains the following elements:
  - a. common language or register of risks,
  - b. well-defined risk management goals and objectives,
  - c. uniform processes of assessing risks and developing strategies to manage prioritized risks,

- d. designing and implementing risk management strategies, and
- e. continuing assessments to improve risk strategies, processes and measures;
- ii. Oversees the implementation of the ERM plan through a Management Risk Oversight Committee. The committee conducts regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- iii. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The committee revisits defined risk management strategies, looks for emerging or changing material exposures, and keeps abreast of significant developments that seriously impact the likelihood of harm or loss;
- iv. Advises the Board on its risk appetite levels and risk tolerance limits;
- v. Reviews at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and major events which may have occurred in the Company;
- vi. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- vii. Oversees the Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- viii. Reports to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

The Board Risk Oversight Committee is currently composed of:

Chairman	Atty. Jose Ferdinand M. Rojas II (ID)
Member	Ms. Ma. Leah D. Madlambayan
Member	Atty. Angelico T. Salud (ID)

#### **Corporate Governance Committee**

A Corporate Governance Committee was likewised established by the Board. The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the Nomination and Remuneration Committee. It should, as much as practicable, be composed of two regular directors and one independent director.

The Corporate Governance Committee (CG Committee) is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:

- i. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity of operations and business strategy, as well as its business and regulatory environments;
- ii. Oversees the periodic performance evaluation of the Board and its committees as well as the executive management, and conducts an annual evaluation of the said performance;

- iii. Ensures that the results of the Board evaluation are discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- iv. Recommends the continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- v. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- vi. Proposes and plans relevant trainings for the members of the Board;
- vii. Determines the nomination and election process for the Company's directors and defines the general profile of board members that the Company may need, and ensures that appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election; and
- viii. Establishes a formal and transparent procedure for determining the remuneration of directors and officers that is consistent with the Company's culture and business strategy as well as the business environment in which it operates.

The Corporate Governance Committee is composed of the following:

Chairman	Atty. Jose Ferdinand M. Rojas II (ID)
Member	Mr. Terence Restituto D. Madlambayan
Member	Atty. Angelico T. Salud (ID)

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# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following is a discussion and analysis of the Company's historical financial condition and results of operations and certain trends, risks and uncertainties that may affect the Company's business and should be read in conjunction with the independent auditor's reports and the Company reviewed and audited consolidated financial statements and notes thereto contained in this Prospectus. The critical accounting policies section discloses certain accounting policies and management judgments that are material to the results of operations and financial condition for the periods presented in this report. Disclosure relating to liquidity and financial condition and the trends, risks and uncertainties that have had or that are expected to affect revenues and income complete the management's discussion and analysis.*

*Prospective investors should read the following discussion and analysis of the Company's financial condition and results of operations in conjunction with (i) the Company's unaudited consolidated financial statements as at September 30, 2025 and for the nine months ended September 30, 2025 and 2024 and the notes thereto; and (ii) the Company's audited consolidated financial statements as at December 31, 2024, 2023 and 2022 and for the years ended December 31, 2024, 2023, and 2022, and the notes thereto set forth elsewhere in this Prospectus.*

*This discussion contains forward-looking statements and reflects the Company's current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" and elsewhere in this Prospectus.*

## **Factors Affecting the Company's Results of Operations**

The Group's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected its results in the past, and which the Group expects to affect its results in the foreseeable future. Factors other than those discussed below could also have a significant impact on the Group's results of operations and financial condition in the future.

## **General Global and Philippine Economic Conditions and the Condition of the Philippine Real Estate and Residential Housing Markets**

The Group derives substantially all its revenue from its Mass Housing development activities in the Philippines. The Philippine real estate and housing markets have historically been affected by the prevailing economic conditions in the Philippines, which may also be affected by the economic conditions in other parts of the world. Accordingly, the Group's results of operations may be significantly affected by the state of the global and Philippine economies generally and specifically the Philippine property and housing markets. The Philippine real estate and housing markets have historically been subject to cyclical trends, and property values have been affected by the supply of and demand for comparable properties, the rate of economic growth, the rate of unemployment and political and social developments in the Philippines. Demand for new residential projects in the Philippines has historically also been affected by, among other things, prevailing political, social and economic conditions in the Philippines, including overall growth levels, the value of the Philippine peso and interest rates, as well as the strength of the economy in other parts of the world, given that a substantial portion of demand comes from overseas Filipino workers. Furthermore, as the Group continues expanding its business, these operations will also be increasingly affected by general conditions in the global and Philippine economies. As a result, the Group expects that its results of operations will continue to vary from period to period largely as a result of general global and Philippine economic conditions.

## **Collection of Receivables**

The Group's results of operations are also affected to some degree by the success and efficiency of its collection of receivables from its customers. Only when the Corporation or its subsidiaries experience any significant delay or default on the collection of its receivables, could it experience liquidity issues including the inability to meet its obligations as they come due.

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.

### **Liquidity Risk Management**

To better manage its liquidity risk, interest risk, as well as improve its cash conversion cycle, the Corporation typically enters into take-out arrangements with the Home Development Mutual Fund (HDMF) and other financial institutions such as banks.

### **Interest Rates**

The Company and its subsidiaries generally charge its customers an annual fixed interest rate of 18% on their in-house financing starting August 2022. The Company's financing arrangements with commercial banks and other financial institutions are typically on a fixed interest basis, with interest rates typically averaging approximately 7.5% or 18.00% per annum.

However, in cases of extraordinary increases in interest rates, such as during the Asian financial crisis of the late 1990s or the global economic downturn of 2008, the Company's financial position and results of operations could be adversely affected.

### **Tax Incentives and Exemptions**

Tax incentives and exemptions play a big part in the decision-making and strategic plans of the Company. The Company and its subsidiaries have availed of income tax holidays and tax exemptions pursuant to the Strategic Investment Priority Plan (SIPP) of the Philippines which includes socialized housing projects. This has further bolstered the position of the Company and its subsidiaries in becoming a strong advocate of socialized housing and its benefit to the society.

### **Price Volatility of Construction Materials and Other Development Costs**

The Company's cost of sales is affected by the price of construction materials such as steel, tiles and cement, as well as fluctuations in electricity and energy prices. With respect to electricity, higher prices generally result in a corresponding increase in the Company's overall development costs. As a result, rising costs for any construction materials or in the price of electricity will impact the Company's construction costs, cost of sales and the price for its products. Any increase in prices resulting from higher construction costs could adversely affect demand for the Company's products and the relative affordability of such products, particularly as a Mass Housing developer.

With regard to the sales of subdivision house and lots, if the actual cost of completing the development of a particular project exceeds the Corporation's projection, any increase in cost is recorded as part of the cost of sales of subdivision house and lots in the same project. This means that the cost of sales for future sales in the same project will be higher.

### **Availability of Suitable Land for Development**

The Company and its subsidiaries meticulously select the sites for its Mass Housing development projects, typically undergoing a research process of anywhere from six months to one year before deciding to acquire land for its contemplated developments. The Company and its subsidiaries are currently looking to expand its footprint in Luzon and also the Metro and Greater Manila areas. To this end, the Corporation and its subsidiaries are currently examining its options for the acquisition of parcels of land in these areas.

## Demand for Residential Properties

The Corporation has benefited from greater demand for residential properties resulting from, among other factors, the growth of the Philippine economy, the increasing number of Filipinos investing in the Philippine real estate market, strong levels of OFW remittances and increasing demand from expatriate Filipinos. In addition, the Corporation has also benefited specifically from the underserved backlog for Mass Housing in the Philippines in recent years. The increased demand for residential properties has been a significant factor in the Group's increased revenues and profits over the last three years. In response to these developments, the Corporation has further increased the number of Mass Housing development projects. The Corporation has also begun to offer a variation of Mass Housing residential products, such as condominiums, to address potential demand from specific target markets. It is unclear whether the demand for housing in the Philippines will remain high or continue to grow or whether the demand for the Corporation's products will reach the levels anticipated by the Group. Negative developments with respect to demand for housing in the Philippines would in turn have a negative effect on the Corporation's operational results. Conversely, positive developments in housing demand would likely positively contribute to the Group's operational results as observed in the past.

## Critical Accounting Policies

Critical accounting policies are those that are both (i) relevant to the presentation of the Corporation and its subsidiaries' financial condition and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex. In order to provide an understanding of how the Group's management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, the Corporation and its subsidiaries has identified the significant accounting judgments, estimates and assumptions as discussed in Notes 2, 3 and 4 of the notes to financial statement.

The main items subject to estimates and assumptions by management include, among others, due from related parties and refundable deposits, estimation of useful lives of property and equipment, realizability of deferred tax assets.

While the Corporation believes that all aspects of its financial statements, including the accounting policies as discussed in Note 3 to its note to financial statements should be studied and understood in assessing the Group's current and expected financial condition and results of operations, the Group believes that the significant accounting judgments, estimates and assumptions discussed in Notes 2, 3, and 4 of the notes to financial statements warrant particular attention.

## Discussion of the Company's Results of Operations

For the nine months ended September 30, 2025 vs. nine months ended September 30, 2024

(P in thousands, except EPS numbers)	For the nine months ended September 30,			
	2025	2024	Variance (nominal)	Variance (in %)
<b>REVENUE</b>				
Real Estate Sales	1,201,062	1,190,559	10,503	0.88%
Other Operating Income	8,779	8,397	382	4.55%
<b>Total Revenue</b>	<b>1,209,841</b>	<b>1,198,956</b>	<b>10,885</b>	<b>0.91%</b>
<b>COST OF REAL ESTATE SALES</b>	<b>660,419</b>	<b>646,276</b>	<b>14,143</b>	<b>2.19%</b>
<b>GROSS PROFIT</b>	<b>549,422</b>	<b>552,680</b>	<b>(3,258)</b>	<b>(0.59%)</b>
<b>OPERATING EXPENSES</b>				
Selling Expenses	63,462	99,730	(36,268)	(36.37%)
General and Administrative Expenses	161,323	127,722	33,602	26.31%
<b>Total Operating Expenses</b>	<b>224,786</b>	<b>227,452</b>	<b>(2,666)</b>	<b>(1.17%)</b>
<b>Net Operating Income</b>	<b>324,636</b>	<b>325,228</b>	<b>3,200</b>	<b>1.02%</b>
Finance Cost, Net	12,229	22,127	(9,898)	(78.88%)
<b>Income Before Tax</b>	<b>312,408</b>	<b>303,102</b>	<b>9,306</b>	<b>3.49%</b>
Income Tax Expense	(9,750)	7,973	(17,723)	(222.30%)

**For the nine months ended September 30, 2025 vs. nine months ended September 30, 2024**

**For the nine months ended September 30,**

(P in thousands, except EPS numbers)	Unaudited		Variance	
	2025	2024	(nominal)	(in %)
<b>NET INCOME</b>	<b>302,658</b>	<b>311,074</b>	<b>(8,417)</b>	<b>2.71%</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Actuarial gain on retirement plan	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>302,658</b>	<b>311,074</b>	<b>(8,417)</b>	<b>2.71%</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>0.121</b>	<b>0.124</b>	<b>0.003</b>	<b>0.00%</b>

#### Revenue

HTI reported consolidated revenues of ₦1.20 billion for the nine months ended September 30, 2025, representing a 0.91% increase from the ₦1.19 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 4.55% to ₦8.78 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 78.88%, 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.

**For the year ended December 31, 2024 vs. year ended December 31, 2023**

**For the years ended December 31,**

(P in thousands, except EPS numbers)	Audited		Variance	
	2024	2023	(nominal)	(in %)
<b>REVENUE</b>				
Real Estate Sales	1,401,028	1,011,107	389,921	38.56%
Other Operating Income	12,491	38,622	(26,131)	(67.66%)
<b>Total Revenue</b>	<b>1,413,519</b>	<b>1,049,728</b>	<b>363,791</b>	<b>34.66%</b>
<b>COST OF REAL ESTATE SALES</b>	<b>772,605</b>	<b>582,282</b>	<b>190,323</b>	<b>32.69%</b>
<b>GROSS PROFIT</b>	<b>640,914</b>	<b>467,446</b>	<b>173,468</b>	<b>37.11%</b>
<b>OPERATING EXPENSES</b>				
Selling Expenses	65,275	58,523	6,752	11.54%
General and Administrative Expenses	181,076	125,684	55,392	44.07%
<b>Total Operating Expenses</b>	<b>246,351</b>	<b>184,207</b>	<b>62,144</b>	<b>33.74%</b>
<b>Net Operating Income</b>	<b>394,563</b>	<b>283,239</b>	<b>111,324</b>	<b>39.30%</b>
Finance Cost, Net	31,471	18,936	12,535	66.20%

For the year ended December 31, 2024 vs. year ended December 31, 2023

For the years ended December 31,

(₱ in thousands, except EPS numbers)	Audited		Variance	
	2024	2023	(nominal)	(in %)
<b>Income Before Tax</b>	<b>363,092</b>	<b>264,303</b>	<b>98,789</b>	<b>37.38%</b>
Income Tax Expense	3,722	(21,656)	25,378	(117.19%)
<b>NET INCOME</b>	<b>366,813</b>	<b>242,647</b>	<b>124,166</b>	<b>51.17%</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Actuarial gain on retirement plan	(2,764)	10,439	(13,203)	(126.48%)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>364,049</b>	<b>253,086</b>	<b>110,963</b>	<b>43.84%</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>0.15</b>	<b>0.10</b>	<b>0.05</b>	<b>43.84%</b>

#### 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.

For the year ended December 31, 2023 vs. year ended December 31, 2022

For the years ended December 31,

(₱ in thousands, except EPS numbers)	Audited		Variance	
	2023	2022	(nominal)	(in %)
<b>REVENUE</b>				
Real Estate Sales	1,011,107	619,525	391,582	63.21%
Other Operating Income	38,622	16,006	22,616	141.30%
<b>Total Revenue</b>	<b>1,049,728</b>	<b>635,531</b>	<b>414,197</b>	<b>65.17%</b>
<b>COST OF REAL ESTATE SALES</b>	<b>582,282</b>	<b>335,813</b>	<b>246,469</b>	<b>73.39%</b>
<b>GROSS PROFIT</b>	<b>467,446</b>	<b>299,718</b>	<b>167,728</b>	<b>55.96%</b>
<b>OPERATING EXPENSES</b>				
Selling Expenses	58,523	23,603	34,920	147.95%

For the year ended December 31, 2023 vs. year ended December 31, 2022

For the years ended December 31,

(P in thousands, except EPS numbers)	Audited		Variance	
	2023	2022	(nominal)	(in %)
General and administrative expenses	125,684	80,327	45,357	56.47%
<b>Total Operating Expenses</b>	<b>184,207</b>	<b>103,930</b>	<b>80,277</b>	<b>77.24%</b>
<b>Net Operating Income</b>	<b>283,239</b>	<b>195,788</b>	<b>87,451</b>	<b>44.67%</b>
Finance Cost, Net	18,936	16,387	2,549	15.56%
<b>Income Before Tax</b>	<b>264,303</b>	<b>179,401</b>	<b>84,902</b>	<b>47.33%</b>
Income Tax Expense	(21,656)	(41,254)	19,598	(47.51%)
<b>NET INCOME</b>	<b>242,647</b>	<b>138,148</b>	<b>104,499</b>	<b>75.64%</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Actuarial gain on retirement plan	10,439	-	10,439	NA
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>253,086</b>	<b>138,148</b>	<b>114,938</b>	<b>83.20%</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>0.10</b>	<b>0.06</b>	<b>0.05</b>	<b>83.20%</b>

#### Revenues

Haus Talk and its Subsidiaries posted total revenues of ₦1.01 billion for the year 2023, ₦391.58 million or 63.21% higher from the ₦619.52 million total revenues recorded in 2022. The increase in revenues was mainly attributable to the sales generated from HTI and THI projects. Other operating income grew by ₦22.62 million or 141.30% 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 ₦582.28 million in 2023 which was ₦246.47M or 73.39% more than the ₦335.81 million incurred in 2022. This was attributable to the increase in sales during the year.

#### Operating Expenses

Selling expenses of ₦58.52 million and general and administrative expenses of ₦125.68 million grew by 147.95% and 56.47%, respectively. The increase in costs 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, increased by ₦2.55 million or by 15.56% in 2023, primarily attributable to the loans and borrowings.

#### Income Tax Expense

Income tax expense decreased by ₦19.60 million, representing a decline of 47.51%, attributed to the income tax holiday availed during the year.

#### Net Income

The Group recorded a consolidated net income of ₦242.65 million, marking an increase of ₦104.50 million or 75.64% compared to the 2022 net income of ₦138.15 million.

### Discussion of the Company's Financial Condition

As of September 30, 2025 vs. as of December 31, 2024

(P in thousands)	Unaudited September 30, 2025	Audited December 31, 2024	Variance	
			(nominal)	(in %)
Cash	104,003	244,378	(140,375)	(57.44%)
Receivables	1,195,250	772,917	422,333	54.64%
Contract assets - current portion	796,522	827,156	(30,634)	(3.70%)
Real estate inventories	3,630,014	2,948,627	681,388	23.11%
Prepayments and other current assets	2,588	7,404	(4,815)	(65.04%)
<b>Total Current Assets</b>	<b>5,728,377</b>	<b>4,800,481</b>	<b>927,897</b>	<b>19.33%</b>
Receivables, net of current portion	121,761	90,280	31,481	34.87%
Property and equipment, net	1,072,100	1,075,445	(3,345)	(0.31%)
Other non-current asset	30,016	30,536	(520)	(1.70%)

**As of September 30, 2025 vs. as of December 31, 2024**

(₱ in thousands)	Unaudited September 30, 2025	Audited December 31, 2024	Variance (nominal)	Variance (in %)
<b>Total Non-Current Assets</b>	<b>1,223,877</b>	<b>1,196,261</b>	<b>27,616</b>	<b>32.86%</b>
<b>TOTAL ASSETS</b>	<b>6,952,255</b>	<b>5,996,741</b>	<b>960,480</b>	<b>16.02%</b>
<b>LIABILITIES AND EQUITY</b>				
Accounts and other payables	153,188	196,125	(42,937)	(21.89%)
Contract Liabilities - current	13,960	38,015	(24,055)	(63.28%)
Income tax payable	2,671	-	NA	NA
Lease liability	318	1,282	(964)	(75.19%)
Loans and borrowings - current portion	1,073,161	782,701	290,461	37.11%
<b>Total Current Liabilities</b>	<b>1,243,298</b>	<b>1,018,123</b>	<b>227,909</b>	<b>22.39%</b>
Loans and borrowings, net of current portion	1,407,588	974,138	433,450	44.50%
Advances from related parties	168,159	173,929	(5,770)	(3.32%)
Defined benefit obligation	12,704	12,704	-	-
<b>Total Non-Current Liabilities</b>	<b>1,588,451</b>	<b>1,160,770</b>	<b>427,681</b>	<b>36.84%</b>
Share capital	2,500,000	2,500,000	-	-
Share premium	218,850	218,850	-	-
Retained earnings	1,390,645	1,087,987	304,891	28.02%
Actuarial gain (loss) on defined benefit obligation	11,011	11,011	-	-
<b>Total Equity</b>	<b>4,120,505</b>	<b>3,817,848</b>	<b>304,890</b>	<b>7.99%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,952,255</b>	<b>5,996,741</b>	<b>960,480</b>	<b>16.02%</b>

#### Total Assets

Haus Talk and its Subsidiaries posted total assets of ₱6.95 billion as of September 30, 2025, a net increase of 16.02%, 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.

#### 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.

#### Current Loans and Borrowings

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 28.02%, reflecting the rise in sales and income.

#### **As of December 31, 2024 vs. December 31, 2023**

(₱ in thousands)	Audited		Variance (nominal)	Variance (in %)
	December 31, 2024	December 31, 2023		
<b>ASSETS</b>				
Cash	244,378	211,855	32,523	15.35%
Receivables	772,917	244,838	528,079	215.69%
Contract assets - current portion	827,156	768,757	58,399	7.60%
Real estate inventories	2,948,627	2,626,815	321,812	12.25%
Prepayments and other current assets	7,404	12,039	(4,635)	(38.50%)
<b>Total Current Assets</b>	<b>4,800,481</b>	<b>3,864,305</b>	<b>936,176</b>	<b>24.23%</b>
Receivables, net of current portion	90,280	90,110	170	0.19%
Property and equipment, net	1,075,445	1,046,538	28,907	2.76%
Other non-current asset	30,536	18,720	11,816	63.12%
<b>Total Non-Current Assets</b>	<b>1,196,261</b>	<b>1,155,368</b>	<b>40,893</b>	<b>3.54%</b>
<b>TOTAL ASSETS</b>	<b>5,996,741</b>	<b>5,019,674</b>	<b>977,067</b>	<b>19.46%</b>
<b>LIABILITIES AND EQUITY</b>				
Accounts and other payables	196,125	175,451	20,674	11.78%
Contract Liabilities - current	38,015	45,123	(7,108)	(15.75%)
Income tax payable	-	-	-	-
Lease liability	1,282	-	-	NA
Loans and borrowings - current portion	782,701	396,422	386,279	97.44%
<b>Total Current Liabilities</b>	<b>1,018,123</b>	<b>616,996</b>	<b>401,127</b>	<b>65.01%</b>
Loans and borrowings, net of current portion	974,138	713,986	260,152	36.44%
Advances from related parties	173,929	177,799	(3,870)	(2.18%)
Defined benefit obligation	12,704	7,095	5,609	79.06%
<b>Total Non-Current Liabilities</b>	<b>1,160,770</b>	<b>898,879</b>	<b>261,891</b>	<b>29.14%</b>
Share capital	2,500,000	2,500,000	-	-
Share premium	218,850	218,850	-	-
Retained earnings	1,087,987	771,174	316,813	41.08%
Actuarial gain (loss) on defined benefit obligation	11,011	13,775	(2,764)	(20.07%)
<b>Total Equity</b>	<b>3,817,848</b>	<b>3,503,799</b>	<b>314,049</b>	<b>8.96%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,996,741</b>	<b>5,019,674</b>	<b>977,067</b>	<b>19.46%</b>

#### 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 38.50% 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.

#### **As of December 31, 2023 vs. December 31, 2022**

<b>(₦ in thousands)</b>	<b>Audited</b>		<b>Variance (nominal)</b>	<b>(in %)</b>
	<b>December 31, 2023</b>	<b>December 31, 2022</b>		
<b>ASSETS</b>				
Cash	211,855	51,715	160,140	309.66%
Receivables	244,838	201,022	43,816	21.80%
Contract assets - current portion	768,757	373,881	394,876	105.62%
Real estate inventories	2,626,815	2,507,806	119,009	4.75%
Prepayments and other current assets	12,039	14,259	(2,220)	(15.57%)
<b>Total Current Assets</b>	<b>3,864,305</b>	<b>3,148,684</b>	<b>715,621</b>	<b>22.73%</b>

**As of December 31, 2023 vs. December 31, 2022**

(P in thousands)	Audited		Variance (nominal)	(in %)
	December 31, 2023	December 31, 2022		
Receivables, net of current portion	90,110	102,764	(12,654)	(12.31%)
Property and equipment, net	1,046,538	1,026,234	20,304	1.98%
Other non-current assets	18,720	17,969	751	4.18%
<b>Total Non-Current Assets</b>	<b>1,155,368</b>	<b>1,146,968</b>	<b>8,400</b>	<b>0.73%</b>
<b>TOTAL ASSETS</b>	<b>5,019,674</b>	<b>4,295,651</b>	<b>724,023</b>	<b>16.85%</b>
<b>LIABILITIES AND EQUITY</b>				
Accounts and other payables	175,451	230,407	(54,956)	(23.85%)
Contract Liabilities - current	45,123	74,270	(29,147)	(39.24%)
Income tax payable	-	6,004	-	(100.00%)
Lease liability	-	-	-	-
Loans and borrowings - current portion	396,422	202,951	193,471	95.33%
<b>Total Current Liabilities</b>	<b>616,996</b>	<b>513,632</b>	<b>103,364</b>	<b>20.12%</b>
Loans and borrowings, net of current portion	713,986	223,073	490,913	220.07%
Advances from related parties	177,799	244,672	(66,873)	(27.33%)
Defined benefit obligation	7,095	15,397	(8,302)	(53.92%)
<b>Total Non-Current Liabilities</b>	<b>898,879</b>	<b>483,141</b>	<b>415,738</b>	<b>86.05%</b>
Share capital	2,500,000	2,500,000	-	-
Share premium	218,850	218,850	-	-
Retained earnings	771,174	576,693	194,481	33.72%
Actuarial gain (loss) on defined benefit obligation	13,775	3,336	10,439	312.92%
<b>Total Equity</b>	<b>3,503,799</b>	<b>3,298,878</b>	<b>204,921</b>	<b>6.21%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,019,674</b>	<b>4,295,651</b>	<b>724,023</b>	<b>16.85%</b>

Total Assets

Haus Talk and its Subsidiaries posted total assets of ₦5.02 billion as of December 31, 2023, a net increase of 16.85%, from ₦4.29 billion as of year-end 2022.

Cash

The Company's cash increased by 309.66% or ₦160.14 million and had an ending balance of ₦211.85 million. The increase was derived from collections from prior year's and current year's sales and bank loan proceeds at the end of the year.

Receivables (current)

Current receivables increased by 21.80%, reaching ₦244.84 million as of December 31, 2023, reflecting the increase in advances for the year related to the operations.

Contract Assets (current)

Contract assets – current portion increased by 105.62% mainly due to higher ongoing equity portions of declared sales awaiting bank take-out. Contract asset, net of the current portion, decreased by 12.31% mainly due to sales declared with payment terms extending beyond 12 months. The prepayments and other current assets decreased by 15.57% or ₦2.22 million due to amortization of the prepayments.

Prepayments and Other Current Assets

Prepayments and other current assets declined by 15.57% mainly due to the utilization of prepaid expenses during the period.

Accounts and Other Payables

Accounts and other payables decreased by ₦54.96 million or 23.85% due to the payment of outstanding invoices from suppliers and subcontractors.

#### Income Tax Payable

Income tax payable decreased by ₦6 million or 100% due to tax incentives availed in the second and third quarters of 2023.

#### Loans and Borrowings – current portion

Loans and borrowings, the current portion, increased by ₦193.47 million or 95.33% due to drawdowns of bridge loans and bank loans.

#### Loans and Borrowings – net of current portion

Loans and borrowings, net of the current portion, increased by ₦490.91 million, representing a growth of 220.07%, primarily due to the new acquisition of land.

#### Advances from related parties

Advances from related parties decreased by ₦66.87 million, indicating a decline of 27.33%, attributable to the repayment of advances.

#### Defined Benefit Obligation

Defined benefit obligation decreased by ₦8.30 million or 53.92% due to change in assumption in actuarial valuation

#### Retained Earnings

Retained Earnings increased by ₦194.48 million, representing a growth of 33.72%, reflecting the rise in sales and income.

#### Actuarial Gain on the Defined Benefit Obligation

The actuarial gain on the defined benefit obligation increased by ₦10.44 million, marking a surge of 312.92%, attributable to a change in assumption in actuarial valuation.

### **Key Performance Indicators**

The Company's top seven key performance indicators are listed below:

KEY PERFORMANCE INDICATORS: FOR THE 9 MONTHS PERIOD 2025 AND YEAR ENDED DECEMBER 31, 2024, 2023 & 2022				
	9M 2025	2024	2023	2022
Current Ratio <sup>6</sup>	4.60:1	4.72:1	6.28:1	6.15:1
Debt to Equity Ratio <sup>7</sup>	0.69:1	0.58:1	0.43:1	0.30:1
Gross Profit Margin (%) <sup>8</sup>	0.45:1	0.45:1	0.45:1	0.47:1
Before Tax Return on Sales (%) <sup>9</sup>	0.26:1	0.26:1	0.25:1	0.28:1
Earnings per Share <sup>10</sup>	0.12:1	0.15:1	0.10:1	0.06:1
EBITDA <sup>11</sup>	335,340,753	402,007,454	294,553,235	194,980,977
Return on Equity <sup>12</sup>	0.08:1	0.10:1	0.07:1	0.05:1

These key indicators were chosen to provide management with a measure of the Company's financial strength (i.e., Current Ratio, Debt to Equity Ratio, and Earnings before Interest and Taxes) and the Company's ability to maximize the value of its stockholders' investment in the Company (i.e., Return on Equity, Earnings per Share).

The Current Ratio shows the liquidity of the Company by measuring how much current assets it has over its current liabilities.

The Debt-to-Equity Ratio indicates how much debt the Company has incurred for each amount of equity in the Company. A higher ratio means that the Company is more aggressive in its use of capital.

<sup>6</sup> Current Assets / Current Liabilities

<sup>7</sup> Total Liabilities / Stockholders' Equity

<sup>8</sup> Gross Profit / Revenues

<sup>9</sup> Profit Before Tax / Revenues

<sup>10</sup> Net Income / Outstanding Shares

<sup>11</sup> Earnings before Interest, Taxes, Depreciation & Amortization computed as Net Income + Interest Expenses, Provision for Income Tax, Depreciation, Amortization

<sup>12</sup> Net Income / Average Stockholders' Equity

Gross profit margin reflects the efficiency of a company in managing its production costs relative to its sales revenue.

The Income Before Tax Ratio is a financial metric that measures the profitability and efficiency of a company's operations by comparing its income before tax to its net sales or revenue. It is expressed as a percentage and provides insights into the company's ability to generate profits before tax obligations.

Earnings per share shows how much the Company is earning for each share that is currently issued and outstanding.

Earnings before interest taxes, depreciation and amortization indicate how much income the Company is generating from its entire operations before interest charges, taxes, depreciation and amortization are deducted.

Return on Equity shows how much profits the Company is making for each amount of equity invested in the Company.

#### **FINANCIAL RISK DISCLOSURE**

As of the date of this Prospectus, the Issuer has not spent on any research/development activities. There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation;

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described;

The Company is not aware of any known trends, demands, commitments, events, or uncertainties that will have a material impact on the Company's liquidity.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described. If the registrant knows of events that will cause a material change in the relationship between costs and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.

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## RELATED PARTY TRANSACTIONS

The Company, its subsidiaries and affiliates, engage in transactions in the ordinary course of business. As part of Company policy, with respect to related party transactions, it ensures that these transactions are entered into on terms comparable to those available from unrelated third parties.

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

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

Significant transactions with related parties as of September 30, 2025 and 2024, are as follows:

### September 30, 2025

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

### September 30, 2024

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances from related party				
Stockholders	<u>(47,634,470)</u>	<u>174,425,348</u>	Advances for working capital purposes; Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
	<u>P</u> <u>(47,634,470)</u>	<u>174,425,348</u>		

### December 31, 2024

Related Party	Transactions	Outstanding 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
	<u>P</u> <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.

## INDUSTRY OVERVIEW

*This section contains information concerning the real estate industry in the Philippines, including certain financial information of certain competitors of the Company, which is sourced from their respective public filings and which includes certain and unreviewed financials. None of the Company or the Issue Manager, Underwriter and Bookrunner makes any representation as to the accuracy or completeness of this information. This information has not been independently verified by the Company or the Issue Manager, Underwriter and Bookrunner and should not be unduly relied on.*

*The information should not be relied upon in making, or refraining from making, any investment decision. The Industry Overview includes forecasts and other forward-looking estimates. These forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Actual results and future events could differ materially from such forecasts. Investors should not place undue reliance on such statements, or on the ability of any party to accurately predict future industry trends or performance.*

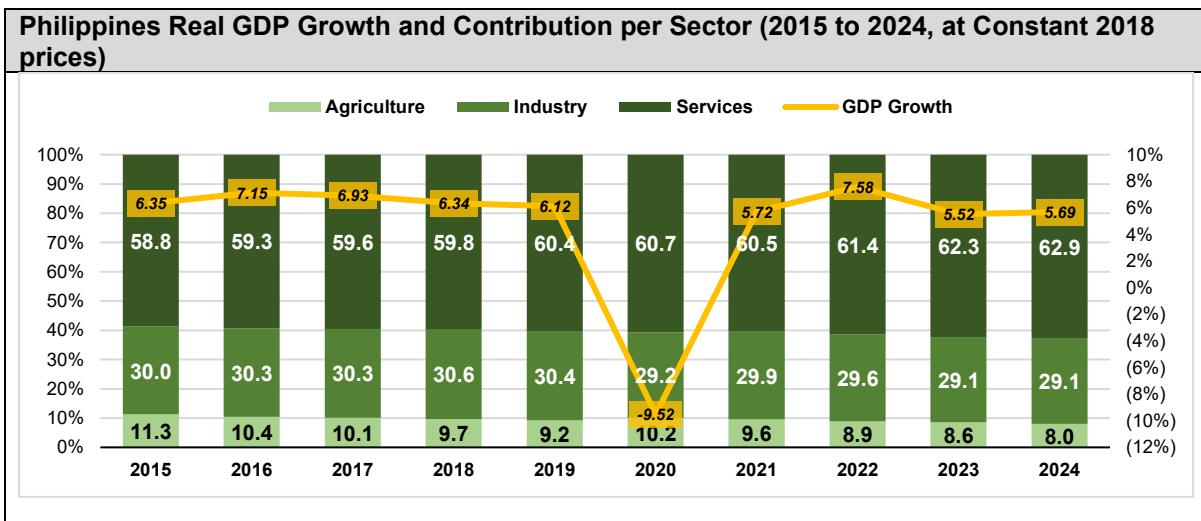
### PHILIPPINE ECONOMY

The Philippine economy has remained among Southeast Asia's faster-growing markets notwithstanding external headwinds. Following the pandemic-induced contraction of -9.5%, GDP rebounded by 5.7% in 2021, accelerated to 7.6% in 2022, and moderated to 5.5% in 2023 and 5.7% in 2024. In 2025, year-to-date GDP growth stood at 5.0% after a 4.0% year-on-year growth in the third quarter, reflecting tempered household consumption and a slowdown in public infrastructure spending during investigations into flood-control projects; nonetheless, services and agriculture posted gains and government consumption expanded 5.8% in Q3 2025. On December 11, 2025, the BSP reduced the policy rate by 25 basis points to 4.50% amidst inflation expectations for 2026 and 2027 at 3.2% and 3.0%, respectively. The reduction marked the BSP's fifth consecutive rate cut for the year, totaling 125 basis points.

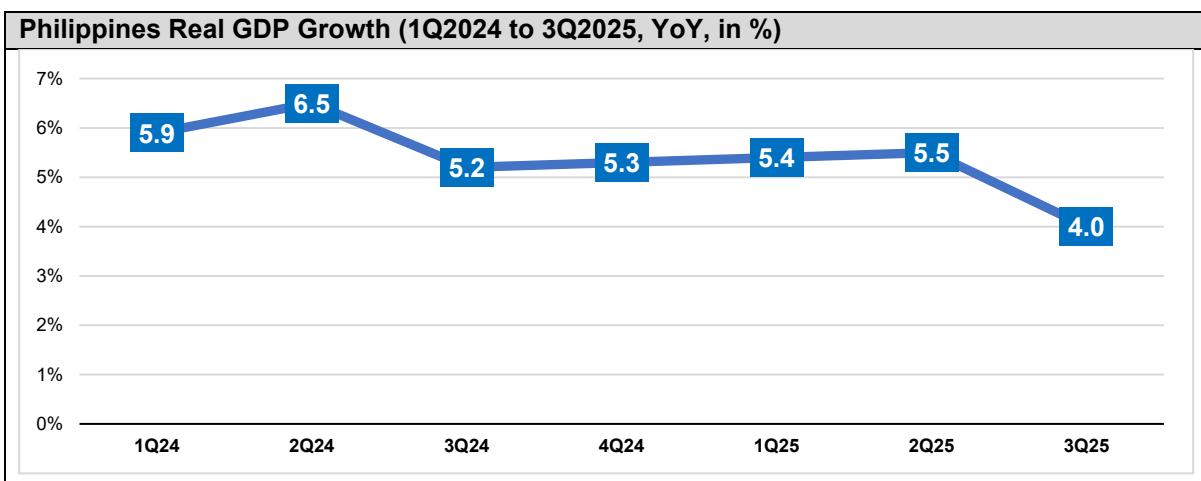
Remittances remain a stable pillar of consumption and housing affordability. Personal remittances reached a record US\$38.34 billion in 2024 (+3.0% YoY), equivalent to 8.3% of GDP and 7.4% of Gross National Income ("GNI"), with the United States, Singapore, Saudi Arabia, and the UAE as key sources. The December 2024 monthly inflow peaked at US\$3.73 billion, consistent with seasonal support for household spending. As of September 2025, monthly personal remittances grew 3.2% YoY to US\$29.0 billion versus US\$28.1 billion in the year prior.

#### Historical Philippine GDP Growth

Over the past decade, the economy has averaged mid-single-digit growth, averaging 6.58% from 2015 to 2019, and 6.13% from 2021 to 2024, with over half of GDP attributable to the services sector, followed by industrials and agriculture. The 2020 pandemic disrupted the country's GDP trajectory, with the metric contracting by -9.5% during the year. Recovery began in 2021, when GDP grew 5.7%, followed by 7.6% in 2022, supported by reopening measures and pent-up consumer demand. Growth normalized to 5.5% in 2023 and 5.7% in 2024, reflecting a return to pre-pandemic trends. As of Q3 2025, economic growth has decelerated relative to pre-pandemic trend amid softer government spending and global uncertainty. However, year-to-date economic GDP growth of 5.0% (as of September 30, 2025) keeps the Philippines within the faster-growing ASEAN cohort.



Sources: *World Bank; Philippine Statistics Authority*



Source: *Bangko Sentral ng Pilipinas*

## Economic Outlook

The International Monetary Fund's ("IMF") December 15, 2025 outlook places Philippine GDP growth at 5.1% in 2025, and improving to 5.6% in 2026, against a backdrop of global growth at around 3.2% per the IMF's October 2025 World Economic Outlook. The outlook was attributable a sharper-than-expected slowdown in the third quarter of 2025.

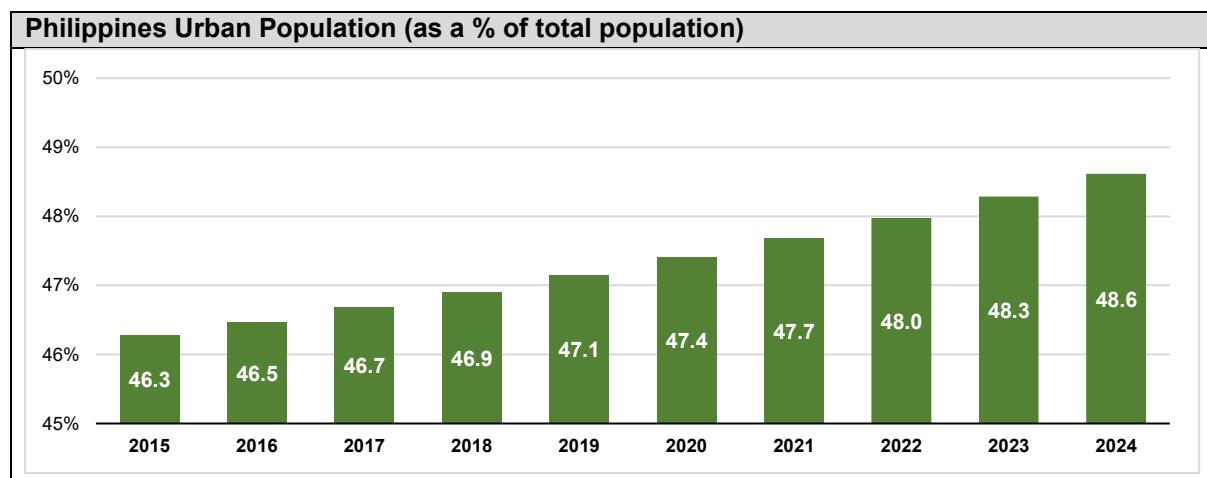
Domestically, BSP guidance highlights scope for accommodative policy as inflation expectations remain well-anchored (forecasted at 1.7% in 2025, ~3.2% in 2026, and ~3.0% in 2027). The policy rate which stands at 4.50% as of December 11, 2025, provides support for household borrowing and mortgaged demand, while the Philippine government's medium-term program seeks fiscal consolidation while protecting social spending and infrastructure, with targets adjusted to reflect global uncertainties.

Government policy reforms, such as the CREATE MORE Act, which reduces corporate income tax rates to 20% by 2027 and streamlines VAT refund processes, enhance the investment climate for developers. Infrastructure connectivity projects—including the Cavite–Laguna Expressway (CALAX), targeted for full completion in the first half of 2026, and the Bataan–Cavite Interlink Bridge, expected by 2030—are reshaping residential demand patterns by improving access to suburban and provincial growth areas.

## Economic Drivers for Philippine Real Estate

### Urban Population

Demographics continue to underpin medium-term demand. The official 2024 census population is 112.73 million, up 3.69 million from 2020, with the growth rate moderating to 0.80% annually in 2020 to 2024. CALABARZON, the National Capital Region (“NCR”), and Central Luzon collectively account for ~39% of the population—regions central to housing demand, employment and infrastructure connectivity. Urbanization trends remain strong; According to the World Bank, 48.6% of Filipinos lived in urban areas in 2024, up from 47.4% in 2020 and 46.3% in 2015. Ongoing infrastructure projects, such as the North-South Commuter Railway and new expressways, are enhancing connectivity and expanding residential catchments beyond Metro Manila. Looking forward, IMF projections (as of October 2025) see the population reaching 114.37 million in 2025, and 120.59 million by 2030; further contributing to overall demand, amidst a growing middle class and economic expansion.



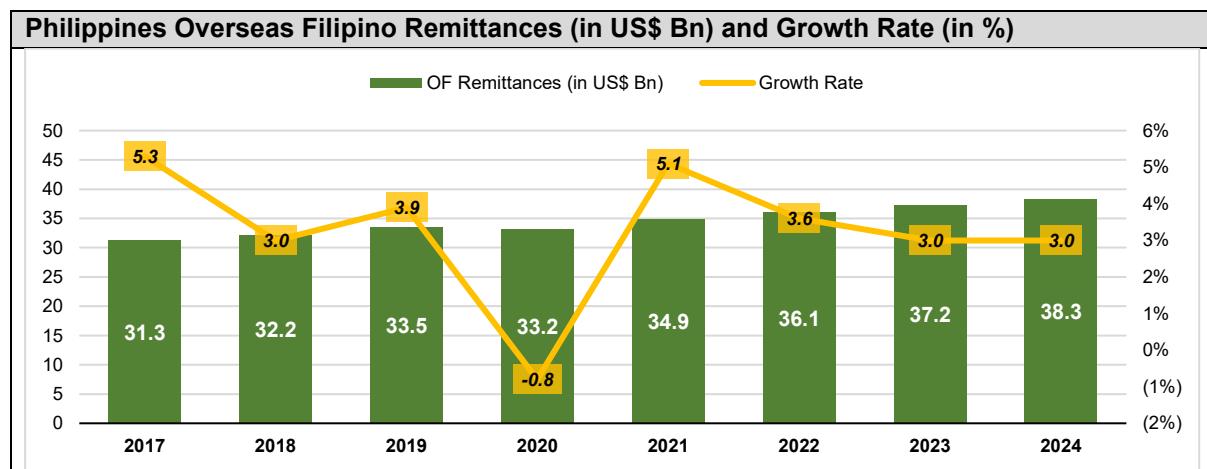
Source: World Bank

### Overseas Filipino Remittances

From 2017 to 2024, Overseas Filipinos (OFs) remittances have been consistently providing inflows to the country's households worth at least US30 billion. Based on data from the BSP, for full year 2024, cumulative personal remittances from OFs reached a record high of USD38.34 billion, higher by 3.0% than the USD37.21 billion level recorded in 2023. The full-year 2024 remittances represented 8.3% and 7.4% of the country's GDP and GNI, respectively. In December 2024 alone, OF personal remittances expanded by 3.0% to an all-time high of USD3.73 billion from the USD3.62 billion figure recorded in December 2023. The increase was observed in remittances from both land-based and sea-based workers.

On the average, for the period of 2017 – 2024, personal remittances from OFs amounted to USD34.59 billion, representing an average annual growth rate of 3.3%.

With this enormous inflow to the Philippine households, of which most have the appetite for affordable-to-mid income residential properties, presents a huge market opportunity for mass housing developers to capture.



Source: Bangko Sentral ng Pilipinas

#### Philippine Government Policy Drivers for Real Estate

The key policy drivers of the Philippine government influencing the development of the real estate sector in the country include:

##### 1. Housing Programs

Government initiatives such as socialized housing, affordable housing schemes, and public-private partnerships aim to address the national housing backlog and improve access to quality housing. These programs stimulate demand for residential development, particularly in the economic and mid-market segments. Examples of these initiatives include the “Pambansang Pabahay Para sa Pilipino Program” (4PH Program). Launched in September 2022, the 4PH Program is the government’s flagship housing initiative which aims to address the country’s long-standing housing backlog problem by constructing and building one million housing units per year and eliminate the around 6.5 million housing unit backlog. The target beneficiaries of the program are primarily informal settler families and low-income earners. The program features various housing options such as horizontal and vertical development projects and aims to be sustainable through private sector financing with support coming from the government through subsidies to make homes affordable for the target beneficiaries. The 4PH Program is being spearheaded by the DHSUD in partnership with government financial institutions such as the Development Bank of the Philippines (DBP) and the Pag-IBIG Fund.

##### 2. Infrastructure Development

Large-scale infrastructure projects such as transportation networks, expressways, bridges, airports and rail systems also promote growth and development of real estate by improving connectivity and opening new development corridors outside of the major cities and key urban areas. The government’s continued focus on infrastructure modernization significantly enhances land value and supports both commercial and residential expansion. In 2022, the administration of President Ferdinand R. Marcos, Jr. launched its flagship infrastructure undertaking via the Build Better More (BBM) program. The BBM program aims to address the country’s infrastructure gaps by coming up with high-impact development projects in the fields of transportation, health, digital connectivity, and other sectors to foster economic growth and improve the quality of life of the people. The program features 198 high-impact infrastructure projects with estimated investment cost totaling around ₱8.8 trillion to cover the period 2023 to 2028.

##### 3. Economic Policies

Policies that promote investment, business growth and economic stability – such as tax reform initiatives, incentives for foreign and local investors and measures to support key industries – likewise influence and drive real estate activity. Economic zones, strengthened tourism policies and digitalization initiatives also create opportunities across commercial, industrial and mixed-used residential developments.

Examples of these tax initiatives is the CREATE Law or the Corporate Recovery and Tax Incentives for Enterprises Act (or Republic Act No. 11534) which was enacted in March 2021 to reduce corporate income tax as well as to rationalize fiscal incentives to attract investments and support businesses

recovering from the effects of the COVID-19 pandemic. The CREATE Law reduces the corporate income tax from 30% to 25% and an eventual decrease of 1% every year starting from 2023 to 2027, which will ultimately see a corporate income tax rate to 20% in 2027, will attract more business opportunities in the Philippine real estate sector.

In November 2024, President Marcos signed the CREATE MORE (Maximize Opportunities for Reinvigorating the Economy) Act (or Republic Act No. 12066), which clarified and expanded the original CREATE Law, and which sought to enhance and broaden incentives to help boost economic recovery, support enterprises, and attract foreign investment.

#### Population

The steadily growing population of the Philippines has been key to the accelerating growth of the country's economy. The expanding population with a demographic concentrated towards the younger working class continues to fuel the economy as this translates to a larger workforce. The growing population, along with the growth of the middle class, is also seen to be the driving force behind domestic consumption.

In July 2025, President Ferdinand R. Marcos Jr. declared as official the results of the 2024 Census of Population (POPCEN), which recorded the total population of the country at 112.73 million as of July 1, 2024. The census was conducted by the Philippine Statistics Authority (PSA) from July to September 2024, with July 1, 2024 as the reference date. According to the PSA, the country's population increased by 3.69 million from 109.04 million in 2020 to 112.73 million in 2024. The PSA, however, noted that the population growth rate slowed to 0.80% annually from 2020 to 2024, compared to the 1.63% growth rate from 2015 to 2020, citing that the slowdown in the growth rate may be driven by several interrelated factors, including declining fertility and birth rates, elevated mortality during the COVID-19 pandemic, and subdued migration activity.

According to the Highlights of the 2020 Census-Based National Population Projections of the PSA (under Scenario 2), the average annual growth rate is estimated to decline from 0.84% for the period 2020-2025 to 0.35% for the period 2050-2055. The Philippine midyear population is projected to reach 138.67 million by 2055 in a span of 35 years. Scenario 2 assumes a slow decline from 2.1 children in 2020 to 1.9 children in 2021 and 2022 and 1.9 children from 2025 until 2055.

Meanwhile, the working age population (i.e. 15 to 64 years old) is expected to comprise 67.0% of the projected midyear population by 2055 from 64.0% of the mid-year population in 2020.

#### **Overview of Philippine Residential Real Estate Market**

Metro Manila remains the Philippines' largest and most liquid residential market, though vacancy rates have risen following the COVID-19 pandemic and the exodus of certain demand drivers such as offshore gaming operators. Developers have responded with aggressive ready-for-occupancy ("RFO") promotions and flexible payment schemes, which have helped revive demand in the mid-income segment. Fringe locations such as the C5 Corridor and parts of Quezon City and Pasig are attracting buyers seeking value and accessibility. Outside Metro Manila, provincial hubs like Cebu, Pampanga and Davao continue to gain traction, supported by township developments and infrastructure upgrades.

In Q3 2025 Colliers reported net take-up surging by 108% quarter-on-quarter to 5,900 units (the highest in nine quarters). Completions reached 1,510 units, 82% higher than the 830 units delivered in Q3 2024, attributable to the completion of new projects in Fort Bonifacio and the Bay Area. The affordable to mid-income price segments accounted for more than 90% of net take up in 9M 2025; with Colliers noting that the ₱2.5 to ₱7.0 million price range is particularly rebounding, attributable to appeal from Filipinos working outside of the country, as well as local employees. Overall, Colliers projects full-year 2025 supply to increase by 8,620 units, followed by slower completion from 2026 to 2029, partly due to tempered condominium launches in major Metro Manila Commercial Business Districts ("CBDs"). Meanwhile, Colliers believes that the demand for integrated communities will extend beyond Metro Manila, attributable to the growing interest for a live-work-play lifestyle among end users and, with masterplanned communities rising as investors look for viable property investments outside Metro Manila.

#### **Metro Manila Residential Stock Forecast**

Metro Manila residential stock forecast, end-2027 (units)			
	End of 2024	End of 2027	% Change
① Bay Area	40,730	46,590	14.4%
② Alabang	6,220	9,010	44.9%
③ Fort Bonifacio	43,840	46,440	5.9%
④ Rockwell Center	5,880	5,880	0.0%
⑤ Ortigas Center	21,860	25,350	16.0%
⑥ Makati CBD	29,210	31,790	8.8%
⑦ Araneta City	5,140	5,140	0.0%
Others	9,630	9,630	0.0%
<b>Total</b>	<b>162,510</b>	<b>179,820</b>	<b>10.7%</b>

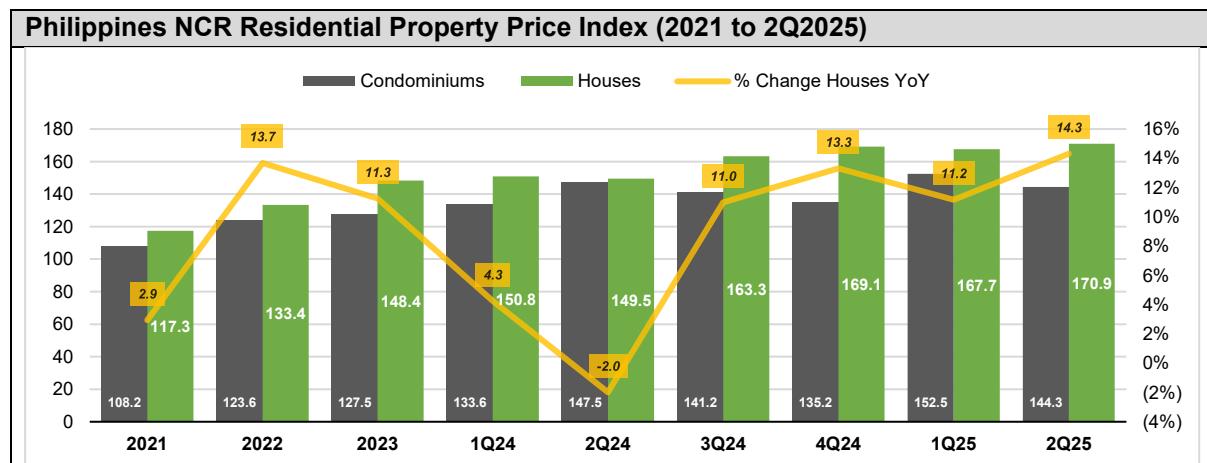
Note: Google Maps estimated private vehicle travel time to Makati: Bay Area-17 min, Alabang-24 min, Fort Bonifacio-14 min, Rockwell Center-9 min, Ortigas Center-15 min, Araneta Center-23 min

Source: Colliers

## RESIDENTIAL DEMAND AND SUPPLY

### Residential Real Estate Prices

Residential real estate prices continue to exhibit an upwards trajectory for both NCR and Greater Manila Area (“GMA”) properties. Per data released by the *Bangko Sentral ng Pilipinas*, house prices in the NCR and GMA areas rose by 14.3% and 15.3% in 2Q 2025 compared to the same period on the prior year, respectively. It is worth noting that house prices in the GMA area have began to outpace condominium prices in 2Q 2025, presenting an opportunity for horizontal developers to capitalize on rising prices.



Source: Bangko Sentral ng Pilipinas



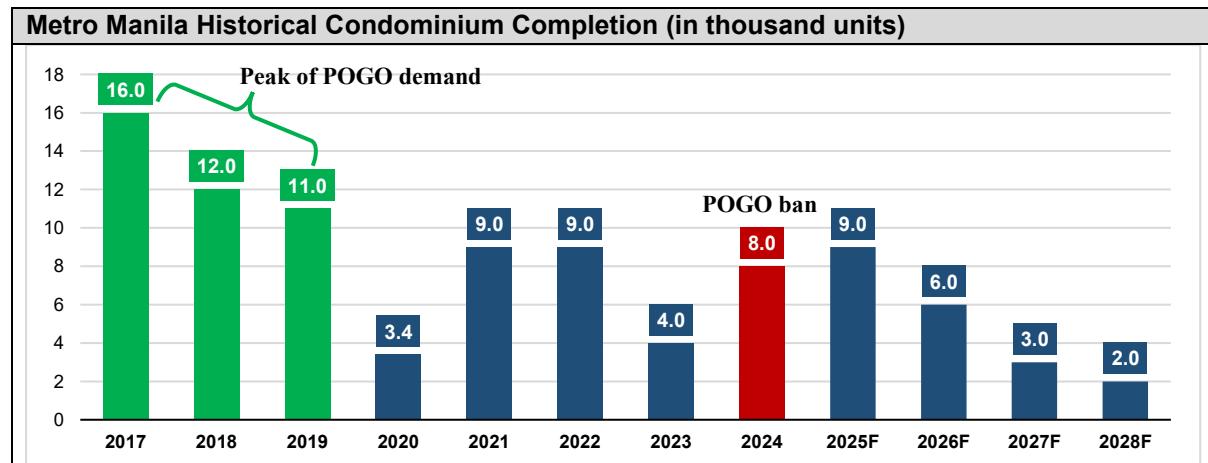
Source: Bangko Sentral ng Pilipinas

## REAL ESTATE MARKET OUTLOOK

The condominium market in Metro Manila remains in the latter phases of digesting the elevated inventory that accumulated after the POGO ban and intense supply waves of 2020 to 2023. As of the

third quarter of 2025, Colliers states the vacancy rate stands at approximately 25%, with a projected peak of 26.5% by the end of the year. Absorption has improved markedly, with 3Q 2025 recording net take-up of 5,900 units—the highest quarterly figure in nine quarters—led by mid-income projects in the ₱3.2 million to ₱12.0 million price band, which captured 77% of aggregate net demand. New launches in the first nine months of 2025 totaled 10,800 units, of which 64% were mid-income. Capital values declined 0.2% quarter-on-quarter in Q3, and rental rates are expected to correct by approximately 1.2% in 2025 as the market continues to absorb excess stock.

From 2026 onwards, Colliers forecasts annual completions to fall sharply to an average of 3,600 units (compared with the pre-pandemic average of approximately 13,000) units, which should facilitate a meaningful reduction in vacancy and the restoration of pricing power beginning in 2026 to 2027. Core CBD submarkets such as Makati, Rockwell and Ortigas continue to demonstrate the strongest fundamentals, maintaining vacancy rates below 15%.



Source: Colliers

In contrast, the horizontal residential segment in Southern Luzon—particularly Cavite, Laguna and Batangas, continues to exhibit the strongest performance in the country. Colliers reports that cumulative take-up rates as of the end of 2Q 2025 stand at 94% for house-and-lot projects, 93% for lot-only developments and 87% for condominium projects in the region. The BSP Residential Real Estate Price Index for the “Balance Greater Manila Area” recorded price growth of 13.2% year-on-year and 11.7% quarter-on-quarter in 2Q 2025, for houses and condominium units combined, the highest nationwide. Colliers reports that asking prices in premium locations have reached up to ₱332,000 per square meter for luxury condominiums in Cavite, and approximately ₱252,000 per square meter for upscale vertical developments in Laguna, while lot-only projects in established townships are experiencing compound annual price growths of 2% to 15%.

This sustained performance is partially attributable to several structural factors that are expected to remain in place through 2026 to 2027: the completion of major expressway projects (including the full opening of CALAX in 2026 and the NLEX-SLEX Connector), steady OFW remittances, the ongoing preference for horizontal formats driven by hybrid work arrangements, rapid expansion of industrial and BPO parks across the region, and the explicit strategic shift by major developers away from Metro Manila condominium exposure towards master-planned horizontal and mixed-use townships in Southern Luzon.

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## PHILIPPINE TAXATION

*The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Bonds. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Bonds and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Bonds under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Bonds in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.*

*The tax treatment of a holder of Bonds may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.*

**Prospective purchasers of the Bonds are urged to consult their own tax advisors as to the particular tax consequences of the ownership and disposition of a bond, including the applicability and effect of any local or foreign tax laws.**

*As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a non-Philippine corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.*

### Philippine Taxation

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion ("TRAIN Law"), took effect. The TRAIN Law amended certain provisions of the National Internal Revenue Code of 1997 ("Tax Code") by simplifying income tax, estate and donor's taxes, expanding the VAT base and introducing additional items that would be subject to excise taxes. It is the first of five packages of the Comprehensive Tax Reform Program of the Philippine government.

On April 11, 2021, Republic Act No. 11534, or the CREATE Act took effect. The CREATE Act is the second package of the tax reform program of the Philippine government which brought about numerous changes with respect to corporate income tax rates, capital gains tax on the sale of shares of stock not traded in the stock exchange, among others.

Below are some of the salient provisions of the CREATE Act:

- (i) Effective July 1, 2020, corporate income tax is reduced from 30% to 25% imposed upon the taxable income derived during each taxable year from all sources within and without the Philippines by every domestic corporation.<sup>13</sup>

Domestic corporations with a net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million, excluding the land on which the particular business entity's office, plant and equipment are situated during the taxable year for which the tax is imposed, shall be taxed at 20%.

- (ii) Effective July 1, 2020, income tax at the rate of 25% of the taxable income derived from all sources within the Philippines is imposed on foreign corporations engaged in trade or business in the Philippines.

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<sup>13</sup> The term 'corporation' shall include OPCs, partnerships, no matter how created or organized, joint stock companies, joint accounts, associations, or insurance companies, but does not include general professional partnerships and a JV or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations pursuant to an operating consortium agreement under a service contract with the Government.

- (iii) Effective January 1, 2021, a foreign corporation not engaged in trade or business in the Philippines shall pay a tax equal to 25% of the gross income received during each taxable year from all sources within the Philippines.
- (iv) Effective July 1, 2020 until 30 June 2023, the minimum corporate income tax rate ("MCIT") is reduced from 2% to 1% on the gross income of domestic and resident foreign corporations. Any excess of the MCIT over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Subject to certain conditions, the MCIT may be suspended for corporations which suffer losses on account of a prolonged labor dispute, or because of force majeure, or because of legitimate business reverses. Effective July 1, 2023, the MCIT reverts to 2%.
- (v) Effective January 1, 2022, regional operating headquarters shall be subject to the regular corporate income tax of 25% or MCIT of 1% (until June 30, 2023)/ 2%, whichever is higher.
- (vi) The improperly accumulated earnings tax shall no longer be imposed on corporations upon the effectivity of the CREATE Act onwards.
- (vii) A final tax at the rate of 15% is imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange, or other disposition of shares of stock in a domestic corporation, except shares sold or disposed of through the stock exchange.

On November 28, 2024, Republic Act No. 12066, or the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy ("CREATE MORE") Act, took effect. On February 17, 2025, the CREATE MORE IRR was signed. CREATE MORE expanded the CREATE Act and enhanced the tax incentives granted under CREATE.

Below are some salient provisions of CREATE MORE:

- (i) A reduced corporate income tax rate of 20% applies to Registered Business Enterprises ("RBEs") under the Enhanced Deductions Regime ("EDR") on taxable income derived from registered projects or activities.
- (ii) Domestic Market Enterprises ("DMEs") that have an investment capital of at least ₱15 billion and are either import-substituting, or with export sales of at least USD100 million are entitled to avail of VAT zero rate on local purchases and VAT exemption on importation.
- (iii) VAT zero-rating for local purchases of goods and services was clarified to include services that are incidental to and reasonably necessary for the registered activity of the RBEs, including but not limited to janitorial, security, financial, consultancy, marketing and promotional services, and administrative operations such as human resources, legal, and accounting services.
- (iv) A local tax on RBEs ("RBELT") at a rate of up to 2% of gross income, in lieu of all local taxes and fees, may be imposed by local government units on RBEs enjoying the income tax holiday or EDR.

On May 30, 2025, President Marcos, Jr. signed into law Republic Act No. 12214, or Capital Market Efficiency Promotion Act ("CMEPA") and took effect on July 1, 2025. The key provisions of CMEPA, include, but are not limited to, reduction of tax on the sale or exchange of shares of stock listed and traded through the PSE from 0.6% to 0.1%; and the reduction of documentary stamp tax on the original issue of shares of stock from 0.1% to 75% of 1% of the par value of shares of stock.

### **Taxation of Interest**

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine resident individuals from the Bonds is thus subject to income tax, which is withheld at source, at the rate of 20%. Generally, interest on the Bonds received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% withholding tax while that received by non-resident aliens not engaged in trade or business is taxed at the rate of 25%. Interest income received by domestic

corporations and resident foreign corporations is taxed at the rate of 20%. Interest income received by non-resident foreign corporations is subject to a 25% final withholding tax. The tax withheld constitutes a final settlement of Philippine income tax liability with respect to such interest.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 10% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

Given the above, all Bondholders are required to provide the Issuer through the Paying Agent their valid TIN issued by the BIR and/or otherwise comply with the requirements of the BIR to avail of preferential treaty rates, as may be applicable.

### **Tax-Exempt Status**

Bondholders who are exempt from or are not subject to final withholding tax on interest income may claim such exemption by submitting the necessary documents. Said Bondholder shall submit the following requirements to the Registrar, or to the Issue Manager, Underwriter and Bookrunner (together with their completed Application to Purchase) who shall then forward the same to the Registrar: (i) certified true copy of the tax exemption certificate issued by the BIR; (ii) a duly notarized undertaking, in prescribed form, declaring and warranting its tax-exempt status, undertaking to immediately notify HTI of any suspension or revocation of the tax exemption certificate and agreeing to indemnify and hold HTI free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities; provided further that, all sums payable by HTI to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption or reasonable evidence of such exemption to the Registrar.

Bondholders may transfer their Bonds at anytime, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax exempt entities trading with non-tax exempt entities shall be treated as non-tax exempt entities for the interest period within which such transfer occurred. Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEx shall be allowed between non-tax exempt and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Section entitled "*Payment of Additional Amounts; Taxation*," within three days of such transfer.

### **Value-Added Tax**

Gross receipts arising from the sale of the Bonds in the Philippines by Philippine-registered dealers in securities and lending investors shall be subject to a 12% value-added tax. The term "gross receipt" means gross selling price less cost of the securities sold.

"Dealer in securities" means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

### **Gross Receipts Tax**

Bank and non-bank financial intermediaries are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less	5%
Maturity period is more than five years	1%

In case the maturity period referred above is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds shall be taxed at 7%.

### **Documentary Stamp Tax**

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the Bonds, at the rate of 75% of 1% of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by HTI for its own account.

### **Taxation on Sale or Other Disposition of the Bonds**

#### **Income Tax**

Any gain realized from the sale, exchange or retirement of bonds will, as a rule, form part of the gross income of the sellers, for purposes of computing the relevant taxable income subject to the regular rates of 0% to 35% for individuals who are Philippine citizens, whether residents or non-residents, or resident foreign individuals or non-resident aliens engaged in trade or business, final withholding tax for non-resident alien not engaged in trade or business, 25% regular corporate income tax or 20% regular corporate income tax for domestic corporations with net taxable income not exceeding ₱5 million and with total assets (excluding land on which the corporation's office, plant, and equipment are situated) not exceeding ₱100 million, or 2% MCIT, as the case may be, for domestic and resident foreign corporations, and 25% final withholding tax for non-resident foreign corporations. If the bonds are sold by a seller, who is an individual and who is not a dealer in securities, who has held the bonds for a period of more than 12 months prior to the sale, only 50% of any capital gain will be recognized and included in the sellers' gross income.

Under the Tax Code, as amended by CMEPA, gains realized by an investor upon redemption of shares of stock in a mutual fund company, or units of participation in a mutual fund or unit investment trust fund shall be excluded from gross income, provided, that prior to such redemption, final taxes due on realized gains have been previously withheld at the level of the underlying assets.

Moreover, any gain arising from such sale, regardless of the original maturity date of the Bonds, may be exempt from income tax pursuant to various income tax treaties to which the Philippines is a party, and subject to procedures prescribed by the BIR for the availment of tax treaty benefits.

#### **Estate and Donor's Tax**

The transfer by a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at a fixed rate of 6%. A Bondholder shall be subject to donor's tax at the rate of 6% based on the total gifts in excess of ₱250,000 exempt gift made during the calendar year, whether the donor is a stranger or not.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and donor's tax, in respect of the Bonds, shall not be collected (i) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (ii) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the securities are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the securities exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes. However, a sale, exchange, or other transfer made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

### **Documentary Stamp Tax**

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds, trading the Bonds in a secondary market or through an exchange, provided that such sale or disposition does not constitute a renewal or extension of maturity of the Bonds or carried with it a renewal or issuance of new instruments in the name of the transferee to replace the old ones. However, if the transfer constitutes a renewal of the Bonds, documentary stamp tax is payable anew.

### **Taxation Outside the Philippines**

The tax treatment of non-resident Bondholders in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such Bondholder by reason of domicile or business activities and such Bondholder's particular situation. This Prospectus does not discuss the tax considerations on such non-resident Bondholders under laws other than those of the Philippines.

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## REGULATORY AND ENVIRONMENTAL MATTERS

The principal statutes for the regulation and development of real property as part of a subdivision are Presidential Decree No. 957 "The Subdivision and Condominium Buyer's Protective Decree ("P.D. 957") and Batas Pambansa Blg. 220 ("B.P. 220").

The laws cover subdivision projects and all areas for residential, commercial, industrial and recreational purposes, and condominium projects for residential or commercial purposes. The Human Settlements Adjudication Commission ("HSAC") is the administrative agency of the Government responsible for enforcing these decrees and holds the jurisdiction to regulate the real estate trade and business.

The project area of subdivision and condominium plans for residential, commercial, industrial and other development projects require the approval of the Local Government Unit of the area. The development of subdivision and condominium project can commence only after the LGU has issued the development permit.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the Department of Human Settlements and Urban Development ("DHSUD"). Approval of such plans is conditional on various factors such as the financial, technical and administrative capabilities of the developer. Any alterations of approved plans, which affect significant areas of the project (i.e. infrastructure and public facilities) also require prior approval of the DHSUD and the written conformity or consent of the affected homeowners' association, or in the absence of the latter, by the majority of the lot or unit buyers in the subdivision or condominium.

Owners of, or dealers in, real estate projects are also required to obtain licenses to sell before selling or offering lots or real estate projects to the public. Dealers, brokers and salesmen are also required to register and acquire a DHSUD permit pursuant to Republic Act No. 9646 or the Real Estate Service Act of the Philippines.

A license to sell is required before any subdivision or condominium units may be offered for sale. A performance bond is to be provided before a license to sell is issued, this is to guarantee the completion of the construction and maintenance of the roads, gutters, drainage, sewage, water system, lighting systems, and full development of the subdivision or condominium project and compliance by the owner or dealer with the applicable laws and regulations.

The project permits and licenses to sell issued may be suspended, cancelled or revoked by the DHSUD, either by itself or upon the complaint of an interested party. The possible reasons for suspension, revocation or cancellation of the permits or licenses include insolvency or violation of any of the provisions of P.D. 957. The suspensions, cancellation or revocation may only happen after a notice to the developer has been served and all parties have been given an opportunity to be heard, in compliance with the DHSUD's rules of procedure and other applicable laws.

### Subdivision Projects

There are mainly two types of residential subdivision developments, distinguished by different development standards issued by the DHSUD. The first type of subdivision, Economic and Socialized Housing, must comply with B.P. 220. The law allows for higher density in buildings and relaxes some construction standards. All other subdivisions must comply with P.D. 957, which sets out standards for lower density developments. Both types of development must comply with standards set for the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

*B.P. 220: An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from those Provided under Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six, and Eleven Hundred Eighty-Five*

B.P. 220 provides for the rules and standards that shall apply for the development of economic and socialized housing projects in urban and rural areas, whether for the development of a house and lot, or a house, or a lot only. Pursuant thereto, the Revised Implementing Rules and Regulations ("RIRR") of B.P. 220 was promulgated, wherein the Minimum Design Standards and Requirements for Economic

and Socialized Housing Projects were laid out, providing for the minimum requirements which must pass the generally accepted levels of safety, health and ecological considerations.

The parameters used in formulating the Design Standards are the following:

- a) Protection and safety of life, limb, property and general public welfare
- b) Basic needs of human settlements, enumerated in descending order:
  - i. Water
  - ii. Movement and circulation
  - iii. Storm drainage
  - iv. Solid and liquid waste disposal
  - v. Park/playground
  - vi. Power
- c) Affordability level of the target market, wherein “affordable cost” refers to the most reasonable price of land and shelter based on the needs and financial capability of Program Beneficiaries and Appropriate Financing Schemes
- d) Location, as economic and socialized housing projects must be located within suitable sites for housing, and outside potential hazard-prone and protection areas

The minimum lot area for various types of housing for economic and socialized housing projects are as follows:

<b>TABLE ●●: B.P. 220 MINIMUM REQUIREMENTS FOR SOCIALIZED AND ECONOMIC HOUSING</b>		
<b>TYPE OF HOUSING</b>	<b>ECONOMIC (SQM)</b>	<b>SOCIALIZED (SQM)</b>
a. Single detached	72	64
b. Duplex / Single attached	54	48
c. Row houses	36	28

However, the price of saleable lots intended for single detached units shall not exceed 40% of the maximum selling price of the house and lot package.

The RIRR further requires that the floor area requirement of a single-family dwelling, the minimum is 22 square meters for economic housing, and 18 square meters for socialized housing. In addition, the minimum level of completion is the complete house (based on the submitted specifications) for economic housing, and the shell house with doors and windows to enclose the unit for socialized housing.

The RIRR also provides for the minimum requirements and guidelines for other Parameters, such as Water Supply, Electric Power Supply, Sewage Disposal System, Drainage System, Garbage Disposal System, and Firefighting.

Under current regulations, a developer of a residential subdivision covered by P.D. 957 and the land has an area of one (1) hectare or is required to reserve at least thirty 30% of the gross land area, the portion would be non-saleable and would be used for common uses, including roads and recreational facilities. A developer of a subdivision is also required to reserve at least 3.5% of the gross land area for parks and playgrounds.

#### *Republic Act No. 7279: Urban Development and Housing Act of 1992*

Republic Act No. 7279, also known as the Urban Development and Housing Act, as amended, further requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20.0% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the DHSUD and other existing laws. To comply with this requirement, the developers may choose to develop for socialized housing an area equal to 20.0% of the total area of the main subdivision project or allocate and invest an amount equal to 20.0% of the main subdivision total project cost, which shall include the cost of the land its development as well as the cost of housing structures therein, or they may engage in development of a new settlement through purchase of socialized housing bonds, slum upgrading, participation in a community mortgage program, the undertaking of joint-venture projects and the building of a large socialized housing project to build a credit balance.

#### *Republic Act No. 6552: Maceda Law*

Republic Act No. 6552, also known as the Realty Installment Buyer Act (the “Maceda Law”), applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units. Under the Maceda Law, buyers who have paid at least two years of installment are granted a grace period of one month for every year of paid installment to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50.0% of the total payments made by the buyer, with an additional 5.0% per annum in cases where at least five years of installments have been paid, but the total should not exceed 90.0% of the total payments. Buyers who have paid less than two years of installment and who default on the same are given a 60-day grace period to pay all unpaid installment before the sale can be cancelled, but without right of refund.

### **Socialized Housing Compliance**

#### *Republic Act No. 7279: Urban Development and Housing Act of 1992*

Enacted in 27 July 2015, Republic Act No. 10884, otherwise known as the “Balanced Housing Development Program Amendments” amends certain provisions of Republic Act No. 7279.

It covers all and new residential subdivisions and new residential condominium projects, with applications for approval of development permits filed with either the LGU or DHSUD. It also covers all existing residential subdivisions and existing residential condominium projects with applications for expansion or alteration resulting to an increase in the total project area or total project cost of the original residential subdivisions or residential condominium projects filed with the LGU or DHSUD upon its effectivity.

R.A. No. 10884 provides for the definition of Socialized Housing as “housing programs and projects covering houses and lots or home lots only, or residential condominium units undertaken by the government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of this Act.”

Under said law, owners and developers are required to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or the total subdivision project cost. It may choose its mode of compliance, subject to the pertinent guidelines, requirements, and procedures that may be promulgated by the HLURB (DHSUD). The different modes of compliance are as follows:

1. Development of socialized housing in a new settlement;
2. Joint venture projects for socialized housing with:
  - a. Local government units or any of the housing agencies;
  - b. Another private developer
  - c. Non-governmental organization engaged in the provision of socialized housing and duly-accredited by the HLURB

### 3. Participation in a new project under the community mortgage program

#### **Home Development Mutual Fund or the Pag-IBIG Fund**

The Home Development Mutual Fund, more properly known as the Pag-IBIG Fund (“Pag-IBIG”), was established on 11 June 1978 by virtue of Presidential Decree No. 1530 to provide a national savings program and affordable shelter financing for Filipino workers. Pag-IBIG is a mutual provident savings system for private and government employees and other earnings groups, supported by matching mandatory contributions of their respective employers with housing as the primary investment. Pag-IBIG is statutorily mandated to provide financial assistance for the housing requirements of its members and allot not less than 70.0% of its investible funds for deployment of housing loans to qualified buyers.

Benefits of Pag-IBIG members include availing of housing loans to finance the purchase of a fully developed lot not exceeding 1,000 square meters and to construct a residential unit thereon, or to purchase a residential unit, whether old or new, with home improvement. The housing loan proceeds may also be used to refinance an existing housing loan with an institution acceptable to Pag-ibig, provided that, the account reflects a perfect repayment history for at least one year prior to date of application, as supported by the borrower's official receipts.

To qualify for a Pag-IBIG housing loan, a member must not be more than 65 years old at the date of loan application nor more than 70 years old at loan maturity. Further, said member must have been a member under Pag-IBIG Membership Program for at least 24 months, as evidenced by the remittance of at least 24 monthly mandatory savings at the time of loan application.

A qualified Pag-IBIG member may borrow up to a maximum amount of ₱6,000,000.00, depending on the member's actual need, his loan entitlement based on gross monthly income, his loan entitlement based on capacity to pay, and the loan-to-appraisal value ratio, whichever is lower. The housing loans are charged with interest rates based on Pag-IBIG's pricing framework. Said interest rates are re-priced periodically depending on the chosen re-pricing period of the borrower whether it is after every three, five, 10 or 15 years. Members are allowed a maximum repayment period for the loan of 30 years.

There are two modes of applying for a Pag-ibig housing loan: (i) Retail – wherein the member applies directly to the Fund for his/her housing loan application; or (ii) Developer-Assisted – wherein the developer assists the member in his/her housing loan application.

The Developer-Assisted mode of application is in line with Pag-IBIG's objectives to fast track the government's housing program by providing an express take-out window for Pag-IBIG-accredited developers, as well as to enhance the quality of the Pag-IBIG's mortgage loan portfolio. Through this scheme, developers deliver housing loan applications to Pag-IBIG which are secured by Contracts to Sell (“**CTS**”) or Real Estate Mortgage (“**REM**”) on the residential property to which the loan proceeds are applied.

The developer receives, evaluates, pre-processes and approves the housing loan applications of Pag-IBIG's member borrowers in accordance with the applicable guidelines set by Pag-IBIG for housing loan programs. For applications secured by CTS, the developer executes a Contract-to-Sell with the Pag-IBIG member to cover the purchase of the residential property or lot to be used as collateral for the Pag-IBIG housing loan. With the conformity of the borrower, the developer then executes a Deed of Assignment assigning the CTS in favor of Pag-IBIG which shall be annotated in the title of the property. The developer is then required to convert the security of eligible accounts from CTS to REM not later than the 24<sup>th</sup> month from date of loan takeout. For applications secured by REM, the developer is responsible for the annotation of the Loan and Mortgage Agreement on the individual Transfer Certificate of Title covering the house and lot units subject of the loan with the appropriate Register of Deeds and deliver the complete mortgage folders to Pag-IBIG

## Board of Investments

The Board of Investments (the “**BOI**”), an agency under the Department of Trade and Industry, is the lead investments promotion agency of the Philippines. It promotes inward investments and assist local and foreign investors in their venture of the desirable areas of business, which is defined in the annually-prepared Investment Priorities Plan (“**IPP**”).

Under Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987, as amended, the BOI is mandated to encourage investments in preferred areas of economic activity specified by the BOI in the IPP through tax exemption and other benefits. The IPP lists down the priority activities that qualify for incentives. It is formulated annually by the BOI, through an inter-agency committee, and is approved by the President.

Filipino enterprises may register their activity with the BOI if their project is listed as a preferred project in the current IPP. Said enterprise may engage in domestic-oriented activities listed in the IPP whether classified as pioneer or non-pioneer. Activities which is not listed in the IPP may also be entitled to incentives if the following conditions are met: (i) At least 50.0% of the production is for export (for 60.0% Filipino-40.0% Foreign-owned enterprises); or (ii) At least 70.0% of production is for export (for more than 40.0% foreign-owned enterprises).

Mass housing infrastructure projects have been part of the IPP of the BOI since year 2000. In the 2020 IPP, approved by the President on 18 November 2020, what is covered under mass housing infrastructure projects are the development of mass housing units based on a price ceiling of ₱2,000,000.00 and in-city low-cost dwelling projects for lease/rent. However, for Metro Manila, only in-city low-cost dwelling for lease/rent may qualify for registration.

Fiscal incentives of BOI-registered enterprises include exemption from payment of income tax, depending on the project’s status, as follows: (i) six years for new projects with a pioneer status; (ii) four years for new projects with a non-pioneer status; (iii) three years for expansion projects; and (iv) six years for new or expansion projects in less developed areas. However, eligible mass housing projects in the National Capital Region and Metro Cebu are entitled to only three years of income tax holiday. BOI-registered enterprises also enjoy exemption from taxes and duties on imported spare parts, and exemption on wharfage dues and export tax. Other fiscal incentives include (i) reduced duty rates on capital equipment, spare parts, and accessories; (ii) tax credits on domestic breeding stocks, genetic material, raw materials, and supplies; and (iii) additional deductions from taxable income on labor expense as well as necessary and major infrastructure work.

In addition to the fiscal incentives, BOI-registered enterprises are also entitled to non-fiscal incentives such as the employment of foreign nationals, streamlined customs procedures, and the importation of consigned equipment.

## Zoning and Land Use

The use of land may be limited by zoning ordinances enacted by different LGUs. Upon enactment, land use may be restricted according to a comprehensive land use plan approved by the relevant LGU. Zoning ordinances may classify land as follows: commercial, industrial, residential or agricultural.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

## Environmental Laws

### *Environmental Impact Statement System*

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (“**ECC**”) with the Department of Environment and Natural Resources (“**DENR**”) prior to the commencement of the project. The DENR, through its regional offices or through the Environmental Management Bureau (“**EMB**”), is responsible for determining whether a project is environmentally critical or located in an environmentally critical area.

A requisite for the issuance of an ECC for an environmentally critical project, an Environmental Impact Statement (“**EIS**”) must be submitted to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“**IEE**”) to the proper DENR regional office. In case of an environmentally critical project located in an environmentally critical area, an EIS is likewise required.

The EIS refers to both the documentary requirements and the study of a project’s environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the documentary requirements and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, it still contains all relevant information regarding the projects’ environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System results in the issuance of an ECC. The ECC is a government certification certifying that the proposed project or undertaking will not cause a significant negative environmental impact; that the applicant has complied with all the requirements of the EIS System and has committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project’s abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Applicants that prepare an EIS are required to establish an Environmental Guarantee Fund (“EGF”) when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF answers for damages caused by such a project as well as any rehabilitation and restoration measures. Applicants that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund (“EMF”) when an ECC is eventually issued. The EMF will support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations. Aside from EIS and IEE, engineering, geological, and geo-hazard assessments are also required for ECC applications covering subdivisions, housing, and other development and infrastructure projects.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

#### *Republic Act No. 9275: The Philippine Clean Water Act of 2004*

Republic Act No. 9275, otherwise known as the Clean Water Act of 2004, declares the policy of the State to protect the country’s water bodies from pollution arising from land-based sources, including industrial, commercial, agricultural, and domestic activities, while allowing for economic development consistent with the preservation and improvement of water quality. The law adopts a comprehensive and integrated approach to water quality management, implemented through a multi-sectoral framework involving relevant stakeholders.

Under the law, owners or operators of facilities that discharge regulated effluents are required to secure a discharge permit from the DENR. The discharge permit constitutes the legal authorization to release wastewater and shall specify, among others, the permissible quantity and quality of effluents that may be discharged into a designated water body, as well as the applicable compliance schedule and monitoring requirements.

*Republic Act No. 8749: The Philippine Clean Air Act of 1999*

Republic Act No. 8749, or the Clean Air Act of 1999, was enacted to promote a balanced approach between national development and environmental protection by establishing a comprehensive program for air quality management. The law encourages cooperation and self-regulation among citizens and industries through the use of market-based instruments and institutional mechanisms.

It prescribes ambient air quality standards and emission limits applicable to various industries and stationary and mobile sources of air pollution. The DENR is vested with the authority to issue such permits as may be necessary to prevent, control, or abate air pollution. These permits set the allowable emission levels for regulated air pollutants to ensure compliance with air quality standards. Non-compliance with the law or its implementing rules and regulations subjects the violator to administrative fines and other penalties.

*Republic Act No. 9003: The Ecological Solid Waste Management Act of 2000*

Republic Act No. 9003, or the Ecological Solid Waste Management Act of 2000, establishes the policy of the State to protect public health and the environment through the adoption of a systematic, comprehensive, and ecological solid waste management program. The law promotes the use of environmentally sound methods that maximize the utilization of valuable resources and encourage resource conservation and recovery.

It provides measures for the reduction and avoidance of solid waste generation, including the mandatory segregation of wastes at source, recycling, and other waste diversion programs. The law also grants fiscal and non-fiscal incentives to individuals, enterprises, or organizations that implement outstanding or innovative projects, technologies, processes, or activities for re-use, recycling, and waste reduction. Non-compliance with the law or its implementing rules and regulations may subject the violator to administrative fines and other penalties.

**Property Registration**

The Philippines has adopted a system of land registration which conclusively confirms land ownership binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication and service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court who has jurisdiction over the land confirms title to the same. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents such as homestead, sales and free patents, must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes with the Registry of Deeds.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Registry of Deeds. Title to the subdivision must be delivered to the purchaser upon full payment of the purchase price.

On 16 July 2021, Republic Act No. 11573, otherwise known as "An Act Improving the Confirmation Process for Imperfect Land Titles, amending for the purpose Commonwealth Act No. 141, as amended, otherwise known as 'The Public Land Act' and Presidential Decree No. 1529, as amended, otherwise

known as the 'Property Registration Decree" was signed into law. It aims to address the difficulties and complications in needing to prove ownership of land since 1945 and the strict standards set by the Supreme Court in the judicial confirmation of imperfect titles by simplifying the procedure and requirements for granting of land deeds. This is to help rural farmers and individuals who are unable to afford legal representation to secure land title.

Republic Act No. 11573 allows individuals who (i) own tract or tracts of land, not exceeding 12 hectares; (ii) prior to the filing of an application for agricultural free patent, have continuously occupied and cultivated the tract or tracts of alienable and disposable agricultural public lands, either personally or through predecessors-in-interest, for at least 20 years; and (iii) have paid the real estate tax therein, to have a free patent issued for such tract or tracts of land not exceeding 12 hectares.

The law also directs all applications for agricultural free patents to be filed before the DENR's Community Environment and Natural Resources Office ("CENRO"), or the Provincial Environment and Natural Resources Office ("PENRO") for provinces without CENRO. Further, it requires the CENRO or PENRO to act on applications for agricultural free patents within a period of 120 days from filing.

Republic Act No. 11573 allows individuals who have been in an open, continuous, exclusive and notorious possession and occupation of alienable and disposable agricultural land of public domain for a period of 20 years, or who have acquired ownership of private lands or abandoned riverbed by right of accession or accretion may file their petition for perfection of their claims with Regional Trial Courts. It also provides that to prove that the tract of land subject of the application for agricultural free patent is alienable and disposable, a duly signed certification by the duly designated DENR Geodetic Engineer is sufficient. This certification must be imprinted in the approved survey plan submitted by the applicant to the land registration court.

Lastly, Republic Act No. 11573 repealed the provision under Republic Act No. 9176 providing for the fixed term for filing of application of agricultural free patent, which was only up to 31 December 2020. In effect, with the passage of this new law, qualified beneficiaries may apply for agricultural free patent at any time.

### **Nationality Restrictions**

Article XII, Section 7 of the 1987 Philippine Constitution provides that private lands shall only be transferred or conveyed to individuals, corporations, or associations qualified to acquire or hold lands of public domain. Only Filipino citizens and corporations whose outstanding capital stock is 60% Filipino-owned are qualified to own land in the Philippines. While the law prescribes restrictions on land ownership, there is nothing under the law which prohibits foreigners to own buildings and other permanent structures.

In addition, Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991, and the Ninth Regular Foreign Investment Negative List, provide for certain activities which are nationalized or partly- nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly- nationalized and thus, landholding companies may only have a maximum of 40.0% foreign equity.

### **Real Property Tax**

Real property taxes are paid annually, based on the real property's assessed value. Several factors are taken into consideration in determining the assessed value of property and improvements, such as the property's location, nature and use. Land is ordinarily assessed at 20.0% to 50.0% of its fair market value; buildings may be assessed at up to 80.0% of their fair market value; and machinery may be assessed at 40.0% to 80.0% of its fair market value. The real property tax rate for cities and municipalities within Metro Manila is 2.0% of the assessed value of the property, while for all other areas, the real property tax rate is 1.0% of the assessed value. An additional special education fund tax of 1.0% of the assessed value of the property is also levied annually.

Republic Act No. 12001, or the Real Property Valuation and Assessment Reform Act ("RPVARA"), took effect on July 5, 2024, with its Implementing Rules and Regulations issued on December 10, 2024. The law mandates that all real properties, whether taxable or exempt, shall be valued based on prevailing market values in the locality to ensure standardized and market-reflective assessments nationwide.

Provincial, municipal, and city assessors are required to prepare a Schedule of Market Values ("SMV") for all classes of real property within their jurisdictions, and a Real Property Valuation Unit shall be established under every provincial and city assessor's office, and in the lone municipality in Metro Manila, within two years from the IRR's effectivity.

Upon approval by the Secretary of Finance, the SMV will serve as the basis for the general revision of property assessments and classifications, as well as for the adjustment of assessment levels and tax rates by local legislative bodies or sanggunians. It will also be used to determine market values for other property-related local taxes and regulatory fees. For internal revenue tax purposes, the Commissioner of Internal Revenue shall use either the approved SMV or the actual gross selling price stated in transaction documents, whichever is higher. Pending the issuance of new SMVs, existing SMVs, zonal values, or the actual contract price, whichever is higher, shall continue to apply.

Section 30 of the RPVARA grants a real property tax amnesty covering penalties, surcharges, and interest on delinquent real property taxes, including those for the Special Education Fund, idle land tax, and other special levies, accrued before the law's effectivity. The amnesty may be availed of within two years from the law's effectivity through either a one-time payment or installment arrangement. However, the amnesty does not apply to properties sold at public auction for tax delinquencies, properties subject to compromise payment arrangements, and properties involved in pending judicial cases concerning real property tax liabilities.

#### **Republic Act No. 10173 (Data Privacy Act of 2012)**

Republic Act No. 10173, otherwise known as the Data Privacy Act, protects all forms of information, be it private, personal, or sensitive. It covers all natural and juridical persons involved in the processing of information whether in the government or private sector, and whether in or outside the Philippines.

Under the Data Privacy Act, personal information is defined as any information, whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual. On the other hand, sensitive personal information refers to personal information:

1. About an individual's race, ethnic origin, marital status, age, color, and religious, philosophical, or political affiliations;
2. About an individual's health, education, genetic, or sexual life or a person, or to any proceeding for any offense committed or alleged to have been committed by such person, the disposal of such proceedings, or the sentence of any court in such proceedings;
3. Issued by government agencies peculiar to an individual, which includes, but not limited to, social security numbers, previous or current health records, licenses or its denials, suspension, or revocation, and tax returns; and
4. Specifically established by an executive order or an act of Congress to be kept classified.

Further, the processing of information is defined as any operation or any set of operations performed upon personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure, or destruction of data.

The processing of personal information shall be allowed, subject to compliance with the requirements under the Data Privacy Act, and other laws allowing disclosure of information to the public and adherence to the principles of transparency, legitimate purpose and proportionality. The guidelines for the processing of personal information are as follows:

1. Collected for specified and legitimate purposes determined and declared before, or as soon as reasonably practicable after collection, and later processed in a way compatible with such declared, specified and legitimate purposes only;
2. Processed fairly and lawfully;
3. Accurate, relevant and, where necessary for purposes for which it is to be used the processing of personal information, kept up to date; inaccurate or incomplete data must be rectified, supplemented, destroyed or their further processing restricted;
4. Adequate and not excessive in relation to the purposes for which they are collected and processed;

5. Retained only for as long as necessary for the fulfillment of the purposes for which the data was obtained or for the establishment, exercise or defense of legal claims, or for legitimate business purposes, or as provided by law; and
6. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data were collected and processed.

As a general rule, the processing of personal information is permitted, unless otherwise prohibited by law, and when at least one of the following conditions exist:

1. The data subject has given his or her consent;
2. The processing of personal information is necessary and is related to the fulfillment of a contract with the data subject or in order to take steps at the request of the data subject prior to entering into a contract;
3. The processing is necessary for compliance with a legal obligation to which the personal information controller is subject;
4. The processing is necessary to protect vitally important interests of the data subject, including life and health;
5. The processing is necessary in order to respond to national emergency, to comply with the requirements of public order and safety, or to fulfill functions of public authority which necessarily includes the processing of personal data for the fulfillment of its mandate; or
6. The processing is necessary for the purposes of the legitimate interests pursued by the personal information controller or by a third party or parties to whom the data is disclosed, except where such interests are overridden by fundamental rights and freedoms of the data subject which require protection under the Philippine Constitution.

The processing of sensitive personal information and privileged information, however, is prohibited as a general rule. The exceptions are as follows:

1. The data subject has given his or her consent, specific to the purpose prior to the processing, or in the case of privileged information, all parties to the exchange have given their consent prior to processing;
2. The processing is provided for by existing laws and regulations;
3. The processing is necessary to protect the life and health of the data subject or another person, and the data subject is not able to give consent;
4. The processing is carried out for limited non-commercial purposes by public organizations and their associations;
5. The processing is necessary for purposes of medical treatment, is carried out by a medical practitioner or a medical treatment institution, and an adequate level of protection of personal information is ensured; or
6. The processing is necessary for court proceedings or legal claims, or is provided to the government or a public authority.

The Data Privacy Act further requires the appointment of a Data Protection Officer ("DPO") for all personal information controllers ("PICs") and personal information processors ("PIPs"). The DPO is accountable for ensuring the company's compliance with all data privacy and security laws and regulations.

A PIC may be a natural or juridical person who exercises control over the processing of personal data and furnishes instructions to another person or entity to process personal data on its behalf. A PIP on the other hand, refers to a person or body instructed or outsourced by a PIC to engage in the processing of the personal data of a data subject. The PIC or PIP that employs fewer than 250 persons shall not be required to register unless the processing it carries out is likely to pose a risk to the rights and freedoms of data subjects, the processing is not occasional, or the processing includes sensitive personal information of at least 1,000 individuals.

#### **Republic Act No. 9160 (Anti-Money Laundering Act), as amended.**

Republic Act No. 9160, otherwise known as the Anti-Money Laundering Act or AMLA, criminalizes money laundering, creates a financial intelligence unit known as the "Anti-Money Laundering Council" or "AMLC", imposes requirements on customer identification, record keeping, and reporting of covered and suspicious transactions, relaxes strict bank deposit secrecy laws, and provides for remedies, such as bank inquiry and freeze orders, and *ex parte* petitions, seizure, forfeiture, and recovery of dirty money

or property.

Money Laundering is defined under the AMLA as a crime whereby the proceeds of an unlawful activity are transacted, thereby making them appear to have originated from legitimate sources. It is committed by any person:

1. Knowingly transacting or attempting to transact any money/property which represents, involves or relates to the proceeds of an unlawful activity;
2. Knowingly performing or failing to perform an act in relation to any money/property involving the proceeds of any unlawful activity as a result of which he facilitated the offense of money laundering; and
3. Knowingly failing to disclose and file with the AMLC any report required to be disclosed and filed.

In addition, the AMLA also considers the failure to keep records, malicious reporting, and breach of confidentiality as punishable acts.

The AMLA requires all covered institutions, the exhaustive list is provided in the law, to register with the AMLC. Obligations of Reporting or Covered Institutions include Customer Identification, Recordkeeping, and the Reporting of Covered and Suspicious Transactions.

Covered transactions are defined as single transactions in cash or other equivalent monetary instrument involving a total amount in excess of Five Hundred Thousand (₱500,000) Pesos within one Business Day. Suspicious Transactions, on the other hand, are defined as transactions with covered institutions, regardless of the amounts involved, where any of the following circumstances exist:

- There is no underlying legal/trade obligation, purpose or economic justification or the client is not properly identified;
- The amount involved is not commensurate with the business or financial capacity of the client;
- The transaction is structured to avoid being the subject of reporting requirements under the AMLA;
- There is a deviation from the client's profile/past transactions;
- The transaction is related to an unlawful activity/offense under the AMLA; and
- Transactions similar or analogous to the above

The AMLC issued an Advisory which states that pursuant to the Anti-Money Laundering Act of 2001, as recently amended by Republic Act No. 11521 which took effect on 30 January 2021, Real Estate Developers, Real Estate Brokers, Offshore Gaming Operators and Offshore Service Providers are now considered as covered persons under the AMLA. Thus, such persons and entities are required to register with the AMLC, and report Covered and Suspicious transactions to the AMLC within the corresponding period prescribed and for the threshold amount fixed by the law.

AMLC Regulatory Issuance No. 03, series of 2021, or the 2021 Anti-Money Laundering/Counter-Terrorism Financing Guidelines for Designated Non-Financial Businesses and Professions, requires real estate developers and real estate brokers to observe the following principles in the conduct of their business operations: (a) adherence to high ethical standards and sound corporate governance; (b) adequate knowledge of their customers and clients; (c) adoption and effective implementation of an appropriate AML and Countering the Financing of Terrorism ("CFT") risk management system; (d) full compliance with AML/CFT laws and regulations; and (e) full cooperation with the AMLC.

Real estate developers and real estate brokers are further required to: (a) designate a Compliance Officer and/or establish a Compliance Office; (b) implement a money laundering and terrorism financing prevention program; (c) establish an internal control and internal audit system; (d) adopt customer due diligence policies; (e) adopt a monitoring and reporting system; (f) maintain records of customer transactions and customer due diligence documents for a period of five years; (g) implement a training program for employees on AML/CFT compliance; (h) adopt written procedures for cooperating with investigations, assessments, directives, and orders of the AMLC, relevant government agencies, and the courts; and (i) identify and assess AML/CFT risks arising from new products and business practices.

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## INDEPENDENT AUDITORS

The auditing firm of Valdes Abad & Company (“**VAC**”) conducted the audit for the periods since 2019. Pursuant to SRC Rule 68(3)(b)(ix) (Rotation of External Auditors), the Company has not engaged a VAC partner for more than seven years straight.

VAC, formerly known as Carlos J. Valdes & Associates, one of the oldest accounting firms in the Philippines today, was founded in 1951 by Carlos J. Valdes, a certified public accountant, lawyer, civic leader, educator, businessman and former Philippine Ambassador to Japan and other countries.

VAC was a member firm of Touche Ross in the 1970's; Coopers & Lybrand International in the 1980's up to 1996 and a correspondent firm of RSM International from 1997 up to 2007. This long history of international membership was recognition of its professional standing and track record of world-class service to clients over the years. It is a member firm of GMN International, the association of legally independent firms worldwide.

### External Audit Fees and Services

The following table sets out the approximate aggregate fees billed for each of the last three fiscal years for professional services rendered by the Company's external auditors:

	<b>As of Sept. 30, 2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Audit Fee		₱ 900,000.00	₱ 880,000.00	₱ 800,000.00
Non-Audit Fees	₱ 700,000.00		400,000.00	932,000.00
<b>TOTAL</b>	<b>₱ 700,000.00</b>	<b>₱ 900,000.00</b>	<b>₱ 1,280,000.00</b>	<b>₱ 1,812,000.00</b>

The external auditor of the Company billed the audit fees for the professional services rendered for the audit of the Company's annual financial statements and services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for the period.

Non-audit services rendered by the external auditor pertain to the quarterly review of the Disbursement of the IPO proceeds and related services and for the review of interim Consolidated Financial Statement.

Except as disclosed above, no other services were rendered by the external auditor to the Company during the above period. The Non-Audit Fees pertain to the No tax advisory fees have likewise been paid. Hence, apart from the foregoing, no other services were rendered, or fees billed by the Company's auditors during the above-mentioned period.

VAC has no shareholdings in the Issuer, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Issuer, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The named independent auditor has not acted and will not act as promoter, underwriter, voting trustee, officer, or employee of the Issuer. The Issuer has no disagreements with VAC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

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## INTERESTS OF NAMED EXPERTS

### LEGAL MATTERS

All legal opinions and matters in connection with the issuance of the Bonds under this Offer shall be passed upon by SyCip Salazar Hernandez & Gatmaitan for the Issue Manager, Underwriter and Bookrunner and Tan Venturanza Valdez for the Company. SyCip Salazar Hernandez & Gatmaitan has no direct or indirect interest in the Issuer.

### INDEPENDENT AUDITORS

Valdes Abad & Company, the independent auditor, audited the Company's annual and consolidated financial statements as of and for the years ended December 31, 2024, 2023, and 2022, and reviewed its interim consolidated financial statements as of September 30, 2025, included in this Prospectus.

There is no arrangement under which the independent auditors will receive any direct or indirect interest in the Issuer, nor have they been a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

The following table sets out the approximate aggregate fees billed for each of the last three fiscal years and interim period as of September 30, 2025 for professional services rendered by the Company's external auditors:

In ₱	As of Sept. 30, 2025	2024	2023	2022
Audit Fee <sup>14</sup>		900,000.00	880,000.00	800,000.00
Non-Audit Fees <sup>15</sup>	700,000.00		400,000.00	932,000.00
<b>TOTAL</b>	<b>₱700,000.00</b>	<b>₱900,000.00</b>	<b>₱1,280,000.00</b>	<b>₱1,812,000.00</b>

*Remainder of this page is intentionally left blank.*

<sup>14</sup> Fees for the services rendered for the audit of the Company's annual and consolidated financial statements and services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for the period.

<sup>15</sup> Non-audit services rendered by the external auditor pertain to the quarterly review of the disbursement of the IPO proceeds, review of interim consolidated financial statement and related services.

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