SECURITIES AND EXCHANGE COMMISSION
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Company Information

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Industry Classification: J66930
Company Type: Stock Corporation

Document Information

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COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 1 4 8 5 2 7

COMPANY NAME

ARMSTRONG SECURITIES, INC. (A Subsidiary of Isky Empire Realty Inc.)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center) 8741 Paseo de Roxas Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
52AR	MRD	Broker/Dealer

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
asi@armstrongasi.com	8706-5856	09176225992

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
10	Within 30 days after 3rd Tuesday of April	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Gretel Orejudos	torejudos@armstrongsi.com	8706-5856	09176225992

CONTACT PERSON'S ADDRESS

Unit 4-B, 4th Floor, BDO Towers Paseo (formerly Citibank Center) 8741 Paseo de Roxas, Makati City

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

ARMSTRONG SECURITIES INC.

ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2024

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Metro Manila, Philippines

COVER PAGE

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the SRC.

Report for the Year Beginning January 1, 2024 and Ended December 31, 2024.

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	Armstrong Securities, Inc.
Address of Principal Place of Business:	Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center) 8741 Paseo de Roxas, Makati City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Gretel D. Orejudos	Tel. No.: 8706-5856 Fax No.: None

IDENTIFICATION OF ACCOUNTANT	
Name of Independent Auditors whose opinion is contained in this report:	
Name: Reyes Tacandong & Co. SEC Accreditation PP201007009	Tel. No.: (02) 8-982-9100 Fax No.: (02) 8-982-9111
Address: BDO Towers Valero 8741 Paseo de Roxas Makati City 1209, Philippines	
PAMELA ANN P. ESCUADRO Partner CPA Certificate No. 128829 Tax Identification No. 216-321-918-000 BOA Accreditation No. 4782/P-013; Valid until June 6, 2026 BIR Accreditation No. 08-005144-013-2023 Valid until January 24, 2026 PTR No. 10467125	

ARMSTRONG SECURITIES, INC.

Unit 4B, 4th Floor BDO Paseo Tower, Paseo de Roxas Salcedo Village Bel-air, City of Makati, Fourth District, National Capital Region

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Armstrong Securities, Inc. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the period ended **January 1, 2024 to December 31, 2024**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible in overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

WILSON D. CHUA
(Chairman of the Board)

JOSE RENE C. CARLOS
(Chief Executive Officer)

GRETEL D. OREJUDOS
(Chief Financial Officer)

Signed this 7th day of April, 2025

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Armstrong Securities, Inc.
Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center)
8741 Paseo de Roxas
Makati City

Opinion

We have audited the financial statements of Armstrong Securities, Inc. (the Company), a subsidiary of Isky Empire Realty Inc., which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

PAMELA ANN P. ESCUADRO
Partner
CPA Certificate No. 128829
Tax Identification No. 216-321-918-000
BOA Accreditation No. 4782/P-013; Valid until June 6, 2026
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10467125
Issued January 2, 2025, Makati City

April 4, 2025
Makati City, Metro Manila

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF FINANCIAL POSITION

		December 31					
		2024			2023		
		Money	Security Valuation		Money	Security Valuation	
	Note	Balance	Long	Short	Balance	Long	Short
ASSETS							
Current Assets							
Cash and cash equivalents	7	₱334,568,673			₱181,545,848		
Financial assets at fair value through profit or loss (FVPL)	8	5,132,970	₱5,132,970		560,202	₱560,202	
Trade and other receivables	9	2,667,519	247,610,442		2,950,541	866,875,336	
Other current assets	12	3,540,595			952,911		
Total Current Assets		345,909,757			186,009,502		
Noncurrent Assets							
Exchange trading right	10	835,000			835,000		
Property and equipment	11	13,891,193			10,734,470		
Net deferred tax assets	17	372,541			258,179		
Refundable deposits	12	473,029			448,681		
Total Noncurrent Assets		15,571,763			12,276,330		
		₱361,481,520			₱198,285,832		
Securities in Vault, Transfer Office and Philippine Depository and Trust Corporation				₱27,709,675,973			₱18,405,499,433
LIABILITIES AND EQUITY							
Current Liabilities							
Trade payables	13	₱174,621,064	27,456,932,561		₱28,373,669	17,538,063,895	
Lease liability	18	767,223			591,241		
Other current liabilities	14	928,649			890,722		
Total Current Liabilities		176,316,936			29,855,632		
Noncurrent Liabilities							
Noncurrent portion of lease liability	18	9,103,807			9,763,917		
Deposit for future stock subscription	5	–			50,000,000		
Retirement liability	15	134,312			134,312		
Total Noncurrent Liabilities		9,238,119			59,898,229		
Total Liabilities		185,555,055			89,753,861		
Equity							
Capital stock	5	150,000,000			100,000,000		
Additional paid-in capital		2,181,385			2,181,385		
Retained earnings:							
Appropriated		15,772,881			14,033,432		
Unappropriated		7,972,199			(7,682,846)		
Total Equity		175,926,465			108,531,971		
		₱361,481,520	₱27,709,675,973	₱27,709,675,973	₱198,285,832	₱18,405,499,433	₱18,405,499,433

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2024	2023
REVENUES			
Commissions		₱3,703,389	₱4,334,493
Interest income	7	24,968,167	2,933,949
Trading gain on financial assets at FVPL - Net	8	1,587,806	–
Dividend income	8	115,679	5,116
Others	18	1,338,553	505,039
		31,713,594	7,778,597
COSTS OF SERVICES			
Stock exchange dues and fees		836,001	872,734
Salaries and wages		386,773	384,600
		1,222,774	1,257,334
GROSS INCOME		30,490,820	6,521,263
OPERATING EXPENSES			
Salaries and wages		5,631,528	4,889,321
Directors' fees	16	1,080,000	90,000
Management and professional fees		818,165	624,400
Taxes and licenses		683,266	155,298
Representation		540,479	657,007
Communication		515,228	505,506
Software subscription		121,786	373,214
Others		855,951	669,712
		10,246,403	7,964,458
OTHER CHARGES			
Depreciation and amortization	11	2,143,339	1,248,192
Interest expense on lease liability	18	715,872	1,054,755
Trading loss on financial assets at FVPL - Net	8	–	176,723
		2,859,211	2,479,670
INCOME (LOSS) BEFORE INCOME TAX		17,385,206	(3,922,865)
PROVISION FOR (BENEFIT FROM) INCOME TAX	17		
Current		105,074	55,508
Deferred		(114,362)	(216,088)
		(9,288)	(160,580)
NET INCOME (LOSS)		17,394,494	(3,762,285)
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE INCOME (LOSS)		₱17,394,494	(₱3,762,285)

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2024**	2023
CAPITAL STOCK – ₱100 par value	5		
Balance at beginning of the year		**₱100,000,000**	₱100,000,000
Issuance		**50,000,000**	–
Balance at end of year		**150,000,000**	100,000,000
ADDITIONAL PAID-IN CAPITAL		**2,181,385**	2,181,385
RETAINED EARNINGS			
Appropriated			
Balance at beginning and end of year		**14,033,432**	14,033,432
Transfer from unappropriated retained earnings	5	**1,739,449**	–
		15,772,881	14,033,432
Unappropriated (Deficit)			
Balance at beginning of year		**(7,682,846)**	(3,920,561)
Net income (loss)		**17,394,494**	(3,762,285)
Transfer to appropriated retained earnings	5	**(1,739,449)**	–
Balance at end of year		**7,972,199**	(7,682,846)
		23,745,080	6,350,586
		₱175,926,465	₱108,531,971

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**₱17,385,206**	(₱3,922,865)
Adjustments for:			
Interest income	7	**(24,968,167)**	(2,933,949)
Depreciation and amortization	11	**2,143,339**	1,248,192
Interest expense on lease liability	18	**715,872**	1,054,755
Unrealized loss (gain) on fair value changes of financial assets at FVPL	8	**(129,691)**	251,963
Dividend income	8	**(115,679)**	(5,116)
Foreign exchange loss (gain)		**(18,098)**	5,482
Retirement benefit expense	15	**–**	112,394
Operating loss before working capital changes		**(4,987,218)**	(4,189,144)
Decrease (increase) in:			
Trade and other receivables		**283,022**	(2,917,408)
Financial assets at FVPL		**(4,443,077)**	(812,165)
Other current assets		**33,624**	237,518
Refundable deposits		**(24,348)**	22,118
Increase in:			
Trade payables		**146,247,395**	24,928,783
Other current liabilities		**37,927**	235,536
Net cash generated from operations		**137,147,325**	17,505,238
Interest received	7	**24,968,167**	2,933,949
Income taxes paid		**(2,726,382)**	(55,508)
Net cash provided by operating activities		**159,389,110**	20,383,679
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	11	**(5,300,062)**	(120,001)
Dividends received	8	**115,679**	5,116
Net cash used in investing activities		**(5,184,383)**	(114,885)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of lease liability	18	**(1,200,000)**	(1,440,000)
Additions to deposit for future stock subscription	5	**–**	50,000,000
Net cash provided by (used in) financing activities		**(1,200,000)**	48,560,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		**153,004,727**	68,828,794
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH		**18,098**	(5,482)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**181,545,848**	112,722,536
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱334,568,673**	₱181,545,848

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Corporate Information

Armstrong Securities, Inc. (the Company) is a domestic corporation registered and incorporated on February 16, 1988 with the Philippine Securities and Exchange Commission (SEC). The Company is primarily engaged as a broker/dealer in the business of offering, buying, selling, dealing or trading securities of all kinds for its own account and as a broker in the purchases, sales or other transactions relating to all kind of securities of any person, corporation or entity and the establishment of an online stock brokerage services through internet technology. The Company is a holder of an exchange trading right in the Philippine Stock Exchange, Inc. (PSE).

Isky Empire Realty Inc. (the Parent Company), a real estate company, owns 60% of the Company's shares. MNM Capital OPC and RYM Business Management Corp. both incorporated and domiciled in the Philippines, each holds 20% ownership interest in the Company.

The registered office address of the Company is located at Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City.

Approval of the Financial Statements
The financial statements of the Company as at and for the years ended December 31, 2024 and 2023 were approved and authorized for issue by its BOD on April 4, 2025.

2. Summary of Material Accounting Policy Information

The accounting principles adopted were consistently applied in the financial statements for the periods presented.

Basis of Preparation and Statement of Compliance
The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC provisions. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The statements of financial position contain some additional information in line with the requirements of Rule 52.1 of the Implementing Rules and Regulations of the Securities Regulation Code (SRC).

Measurement Bases
The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso, except when otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for financial assets at FVPL which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability.

Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

Further information about the assumptions made in measuring fair values is included in the following notes to the financial statements:

- Note 6 - Fair Values of Financial Instruments
- Note 8 - Financial Assets at FVPL

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS Accounting Standards 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS Accounting Standards 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS Accounting Standards 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated.

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS Accounting Standards 9, *Financial Instruments,* and PFRS Accounting Standards 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Accounting Standards Volume 11:

  - Amendments to PFRS Accounting Standards 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

  - Amendments to PFRS Accounting Standards 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS Accounting Standards 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to *'transaction price as defined by PFRS Accounting Standards 15, Revenue from Contracts with Customers'* to *'the amount determined by applying PFRS Accounting Standards 15'* to remove potential confusion. Earlier application is permitted.

- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity of a financial liability or equity instrument of another entity.

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

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

Financial Assets

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

Financial Assets at FVPL. Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2024 and 2023, the Company designated its investment in equity securities as financial assets at FVPL (see Note 8). As at reporting date, the Company does not have financial assets at FVOCI.

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, the Company's cash and cash equivalents, trade and other receivables, and refundable deposits are classified under this category (see Notes 7, 9 and 12).

Cash includes cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less and that are subject to insignificant risk of change in value. Cash and cash equivalents are measured at face value.

Trade Receivables. For trade receivables without significant financing component, the Company has applied the simplified approach in measuring ECL.

Simplified approach requires that ECL should always be based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecasted direction of conditions at the reporting date, including time value of money where appropriate.

Refundable deposits pertains to clearing fund contributions made to Securities Clearing Corporation of the Philippines (SCCP) and rental deposits. Clearing fund contributions shall be refunded upon cessation of business and/or termination of membership to the SCCP. Refundable deposit is measured at the amount of cash paid.

Impairment. The Company recognizes an allowance for expected credit loss (ECL) for all financial instruments not measured at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

Other Financial Assets at Amortized Cost. For these financial instruments, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are 2 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

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

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

There were no reclassifications of financial assets in 2024 and 2023.

Derecognition. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

Financial Liabilities

Classification. The Company classifies its financial liabilities at initial recognition under the following categories: (a) financial liabilities at amortized cost and (b) financial liabilities at FVPL.

As at reporting date, the Company does not have financial liabilities measured at FVPL.

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

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

As at December 31, 2024 and 2023, the Company's trade payables, lease liability and other current liabilities (excluding statutory liabilities) are classified under this category (see Notes 13, 14 and 18).

Classification of Financial Instrument between Liability and Equity. A financial instrument is classified as liability if it provides for a contractual obligation to:

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

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

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

Offsetting of Financial Assets and Liabilities

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

Exchange Trading Right

Exchange trading right is an intangible asset with indefinite useful life. Exchange trading right is measured on initial recognition at cost and is subsequently carried at cost less any accumulated impairment losses. Exchange trading right is not amortized but is tested for impairment annually. The assumption that the exchange trading right remains to be an intangible asset with indefinite useful life is reviewed annually to determine whether this continues to be supportable as such. If not, the change is useful life from indefinite to finite is made on a prospective basis. Any impairment losses determined are recognized in profit or loss.

Gains or losses arising from the derecognition of exchange trading right are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss in the period of recognition.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Right-of-use (ROU) asset is an asset that represent a lessee's right to use the parcels of land where its solar power plant will be constructed, during the term of the lease. These are recognized at the commencement date of the lease and are measured at cost less any accumulated amortization and impairment losses and adjusted for any remeasurement of lease liability. The cost of the ROU asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimation of costs to be incurred by the Company in dismantling and removing the underlying asset.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance, and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization is computed using the straight-line method over the following estimated useful lives of the property and equipment:

	Number of Years
ROU asset	10
Office equipment	3
Furniture and fixtures	5
Leasehold improvements	5 or term of the lease, whichever is shorter
Computer software	3

The estimated useful lives and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any accumulated impairment losses are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Fully-depreciated assets are retained in the accounts until they are no longer in use, and no further depreciation is recorded with respect to those assets.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed at each financial reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the related nonfinancial assets is estimated in order to determine the extent of the impairment losses, if any.

An impairment loss is recognized in profit or loss whenever the carrying amount of nonfinancial assets or its cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of nonfinancial assets is the greater of the asset's fair value less cost of disposal or value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Value in use is the present value of future cash flows expected to be derived from an asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had there been no impairment loss recognized. Reversals of impairment are recognized in profit or loss.

Deposit for Future Stock Subscription

Deposit for future stock subscription represent funds received by the Company from existing stockholders to be applied as payment for subscriptions of unissued shares or shares from an increase in authorized capital stock and is measured at face value of proceeds received.

Proceeds are recognized as equity when all of the requirements set forth by the SEC have been met, otherwise, it is recognized as a noncurrent liability.

The Company shall classify deposits for future stock subscription as part of equity if and only if, all of the following elements are present as at end of the period.

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock;
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. The excess of proceeds from issuance of shares over the par value of capital stock are recognized as additional paid-in capital.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss. Appropriated retained earnings pertain to the restricted portion which is intended for the reserve fund in compliance with the SRC Rule 49.1 (B). Unappropriated retained earnings represent the portion which can be declared as dividends to stockholders.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources, except for its stock brokering transactions where the Company is acting in the capacity of an agent.

Commission Income. Commission is recognized as income on a trade date basis as trade transactions occur. This is computed based on certain rates for every trade transaction.

The following specific recognition criteria must also be met for other revenue outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

Interest Income. Interest income is recognized as interest accrues net of final tax, taking into account the effective yield of the asset.

Dividend Income. Revenue is recognized when the Company's right to receive payment is established.

Trading Gain or Loss on Financial Assets at FVPL. Trading gains or losses on financial assets at FVPL include all gains and losses from changes in fair value and disposal of financial assets at FVPL. Unrealized gains or losses are recognized in profit or loss upon remeasurement of the financial assets at FVPL at each reporting date. Gains or losses from sale of financial assets at FVPL are recognized in profit or loss upon confirmation of trade deals.

Other Income. Income from other sources is recognized when earning process is complete and the flow of economic benefit is reasonably assured.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services pertain to costs directly attributable to the revenue generating activities of the Company. It is recognized when the cost to render related services are incurred.

Operating Expenses. Operating expenses constitute costs of administering the business and are recognized as expense when incurred.

Employee Benefits

Short-term Employee Benefits. The Company provides short-term benefits to its employees in the form of basic 13th-month pay, bonuses, employer's share on government contributions and other short-term benefits.

Short-term employee benefits liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company accrues for the estimated retirement benefits of its qualified employees. The determination of the obligation is based on the minimum requirements under Republic Act (RA) 7641 "The Retirement Pay Law", which requires an employer to pay a minimum retirement benefits to employees upon reaching the mandatory retirement age of 65 years old or the optional age of 60 years old with at least five years of service to the Company, equivalent to a half-month salary for every year of service. The retirement expense is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumption concerning employees' projected salaries.

The Company recognizes service costs and interest expense in profit or loss. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the year in which these arise. Remeasurements are not reclassified to profit or loss in subsequent years.

The present value of retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Leases

The Company assesses whether the contracts is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

i. The right to obtain substantially all of the economic benefits from the use of the identified asset; and

ii. The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

The Company as a Lessee. At the commencement date, the Company recognizes right-of-use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. At commencement date, the Company measures ROU asset at cost. The cost comprises:

i. The amount of the initial measurement of lease liabilities;

ii. Any lease payments made at or before the commencement date less any lease incentives received;

iii. Any initial direct costs; and

iv. An estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

The ROU asset is recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU asset is amortized over the shorter of the lease terms of ten (10) years or the useful lives of the underlying assets, whichever is shorter. The ROU asset is included as part of "Property and equipment" account in the statements of financial position.

Lease Liability. At commencement date, the Company measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its Incremental Borrowing Rate (IBR).

Lease payments included in the measurement of a lease liability comprise the following:

i. Fixed payments, including in-substance fixed payments;

ii. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii. Amounts expected to be payable by the lessee under residual value guarantees; and

iv. The exercise price under a purchase option that the Company is reasonably certain to exercise; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and

v. Penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

For income tax reporting purposes, payments under operating lease agreements are treated as deductible expenses in accordance with the terms of the lease agreements.

Income Tax

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

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognized in profit or loss except to the extent of items recognized as OCI or items directly recognized in equity.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carryforward benefits from unused NOLCO and unused excess of MCIT over RCIT can be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws in effect or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Relationships and Transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

Contingencies

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

Events after the Reporting Date

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

3. Summary of Significant Judgments, Accounting Estimates, and Assumptions

The preparation of the Company's financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and related notes. The judgments and accounting estimates, and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The following are the significant judgments, accounting estimates and assumptions by the Company:

Judgments

Classifying the Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics. The Company's investments in equity securities are classified as financial assets at FVPL and cash and cash equivalents, trade and other receivables and refundable deposits are classified as financial assets at amortized cost. The Company's financial liabilities at amortized cost include trade payables, other current liabilities (excluding statutory liabilities) and lease liability.

The fair value of equity securities classified as financial assets at FVPL aggregated to ₱5.1 million and ₱0.6 million as at December 31, 2024 and 2023, respectively (see Note 8).

Classifying Leases. The Company has entered into a non-cancellable lease covering its office space. The Company recognizes ROU asset and lease liability measured at the present value of lease payments to be made over the lease term using the Company's IBR.

Depreciation on ROU asset amounted to ₱1.1 million and ₱1.0 million in 2024 and 2023, respectively, and interest expense on lease liability amounted to and ₱0.7 million and ₱1.1 million in 2024 and 2023, respectively (see Notes 11 and 18).

The ROU asset included under "Property and equipment" account amounted to ₱8.5 million and ₱9.6 million as at December 31, 2024 and 2023, respectively (see Note 11). Lease liability amounted to ₱9.9 million and ₱10.4 million as at December 31, 2024 and 2023, respectively (see Note 18).

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the following paragraphs:

Estimating ECL. The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company adjusts the historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions. The Company adjusts historical default rates if forecasted economic conditions such as when stock market index is expected to improve which can lead to decreased number of defaults in the stock brokering industry. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

For other financial assets at amortized cost, the Company has applied the general approach and calculated the ECL by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

No provision for credit losses was recognized as at December 31, 2024 and 2023. Allowance for ECL on trade receivables amounted to ₱17,882 as at December 31, 2024 and 2023. The carrying amount of trade and other receivables is ₱2.7 million and ₱3.0 million as at December 31, 2024 and 2023, respectively (see Note 9).

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2024	2023
Cash and cash equivalents	7	**₱334,568,673**	₱181,545,848
Refundable deposits	12	**473,029**	448,681

Estimating the Useful Life and Assessing the Impairment Losses on Exchange Trading Right. Exchange trading right is carried at cost less any impairment losses. Exchange trading right is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The exchange trading right is deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The management's impairment test for the Company's exchange trading right is based on the available market value. The Company does not intend to sell the exchange trading right in the near future.

The Company has assessed that the exchange trading right has indefinite useful life as at December 31, 2024 and 2023. No impairment loss on exchange trading right was recognized in 2024 and 2023. The carrying amount of exchange trading right amounted to ₱0.8 million as at December 31, 2024 and 2023 (see Note 10).

Determining Retirement Benefit Liability. While the Company is not required to accrue retirement benefits based on its number of employees, the Company opted to accrue retirement benefits based on the minimum requirements of RA 7641. The assumptions used are described in Note 15 to the financial statements. Actual results that differ from certain assumptions are accumulated and are recognized as part of equity. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in management assumptions may materially affect the Company's retirement plan assets.

Retirement benefit expense recognized amounted to nil and ₱0.1 million in 2024 and 2023, respectively. Retirement liability amounted to ₱0.1 million as at December 31, 2024 and 2023 (see Note 15).

Estimating Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property and equipment and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. However, it is possible that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There are no changes in the estimated useful lives of property and equipment in 2024 and 2023.

Assessing Impairment of Property and Equipment. The Company assesses impairment of its property and equipment whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable.

The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost to sell is the net amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on property and equipment, exchange trading right and other nonfinancial assets was recognized in 2024 and 2023.

The carrying amount of property and equipment as at December 31, 2024 and 2023 amounted to ₱13.9 million and ₱10.7 million, respectively (see Note 11).

Recognizing Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and adjusts the balance to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Company recognized gross deferred tax assets amounting to ₱2.5 million and ₱2.7 million as at December 31, 2024 and 2023, respectively. Unrecognized deferred tax assets amounted to ₱4.4 million and ₱2.6 million as at December 31, 2024 and 2023, respectively (see Note 17).

4. Financial Risk Management Objectives and Policies

Financial Risk Management Objectives

The Company's principal financial instruments consist of cash and cash equivalents and financial assets at FVPL. The Company also has various other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables, other current liabilities (excluding statutory liabilities) and lease liability which arise directly from its operations. Financial assets at FVPL arise from the Company's operating activities.

The main risks arising from the use of financial instruments are credit risk, liquidity risk and equity price risk, which are managed under policies approved and monitored by the BOD.

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

Management is responsible for monitoring compliance with the Company's policies and procedures for risk management and for reviewing the adequacy of these policies in relation to the risks faced by the Company. Management provides considerable attention to the industry regulations imposed by the SEC and the PSE that require the Company's full compliance and ensures conformity to such rules and regulations.

Credit Risk

The Company's exposure to credit risk arises from the failure of a counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of trade and other receivables and other financial assets at amortized cost.

The table below presents the summary of the Company's maximum exposure to credit risk without taking into account any collateral, other credit enhancements or credit risk mitigating features and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired, if any, are separately presented.

Credit Quality Analysis of Financial Assets at Amortized Cost

	2024			
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit-Impaired	Total
Financial assets at amortized cost:				
Cash in banks and cash equivalents	₱334,558,673	₱–	₱–	₱334,558,673
Trade and other receivables	–	2,667,519	17,882	2,685,401
Refundable deposits	473,029	–	–	473,029
	₱335,031,702	₱2,667,519	₱17,882	₱337,717,103

	2023			
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit-Impaired	Total
Financial assets at amortized cost:				
Cash in banks and cash equivalents	₱181,540,848	₱–	₱–	₱181,540,848
Trade and other receivables	100,683	2,849,858	17,882	2,968,423
Refundable deposits	448,681	–	–	448,681
	₱182,090,212	₱2,849,858	₱17,882	₱184,957,952

The Company limits its exposure to credit risk by depositing its cash with highly reputable and pre-approved financial institutions. In addition, customers are initially assessed for creditworthiness based on their profile (i.e., financial capacity, reputation, collateral). The Company mitigates its credit risk by transacting with recognized and creditworthy counterparties. The Company also monitors receivable balances regularly. In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

The Company has no significant concentration of credit risk with any single counterparty or Company of counterparties having similar characteristics.

Trade Receivables
The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and number of days outstanding. The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment (i.e. PSE index). At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of the Company's trade receivables from customers as at December 31 is as follows:

	2024		
Days from Transaction Date of Counterparty	**Amount**	**Collateral (net of haircut)**	**Counterparty Exposure**
1 - 2 days	**₱2,685,401**	**₱160,947,158**	**₱–**

	2023		
Days from Transaction Date of Counterparty	Amount	Collateral (net of haircut)	Counterparty Exposure
1 - 2 days	₱2,867,740	₱563,468,969	₱–

Counterparty exposure is computed based on the rules provided by SRC 52.1.11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

SRC requires broker/dealers to maintain a stock record for each cash and margin account of every customer regardless of the frequency of transactions. The stock record is a record of accountability reflecting all securities for which the Company has custodial responsibility or proprietary ownership. Transactions in the customer accounts cover both money balances and security positions, with the security transaction and related money generally recorded on the settlement date.

On a regular basis, collateral valuations of customers' accounts are analyzed to ensure that these are sufficient to cover the outstanding balances due to the Company.

As at December 31, 2024 and 2023, trade receivables from customers amounting to ₱2.7 million and ₱2.9 million are secured by collateral comprising of equity securities of listed companies with a total market value of ₱247.6 million and ₱866.9 million, respectively (see Note 9).

Other Financial Assets at Amortized Cost

The Company measures ECL on other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;

- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the counterparties.

The Company has assessed that the ECL on other financial assets at amortized cost is insignificant because the transactions with respect to these financial assets were entered into by the Company with reputable banks and companies with good credit standing and low risk of defaults. Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2024 and 2023.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Company's objectives in effectively managing its liquidity are: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The Company monitors its cash flows, particularly the receivables from customers' collections and the funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in the bank.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31.

	2024						
	On demand	**Up to 1 Month**	**1 to 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**Beyond 1 Year**	**Total**
Trade payables	**₱–**	**₱174,621,064**	**₱–**	**₱–**	**₱–**	**₱–**	**₱174,621,064**
Other current liabilities*	**439,570**	**167,809**	**–**	**–**	**–**	**–**	**607,379**
Lease liability**	**–**	**120,000**	**240,000**	**360,000**	**720,000**	**11,657,604**	**13,097,604**
	₱439,570	**₱174,908,873**	**₱240,000**	**₱360,000**	**₱720,000**	**₱11,657,604**	**₱188,326,047**

	2023						
	On demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Trade payables	₱–	₱28,373,669	₱–	₱–	₱–	₱–	₱28,373,669
Other current liabilities*	677,586	117,853	–	–	–	–	795,439
Lease liability**	–	100,000	200,000	300,000	600,000	13,097,604	14,297,604
	₱677,586	₱28,591,522	₱200,000	₱300,000	₱600,000	₱13,097,604	₱43,466,712

**Excluding statutory liabilities amounting to ₱321,270 million and ₱95,283 million as at December 31, 2024 and 2023, respectively.*
***Including future interest payments amounting to ₱3.2 million and ₱3.9 million for the year ended December 31, 2024 and 2023, respectively.*

Equity Price Risk

Equity price risk is the risk that the fair values of quoted equity securities would decrease as the result of the adverse changes in the quoted equity prices as affected by both rational and irrational market forces. The equity price risk exposure of the Company arises mainly from its financial assets at FVPL.

The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

The table below sets forth the impact of changes in PSEi in the Company's unrealized gain or loss on fair value changes of its financial assets at FVPL in 2024 and 2023.

	2024		2023	
Changes in PSEi	**15.34%**	**(15.34%)**	14.07%	(14.07%)
Changes in trading income at equity portfolio under:				
Electricity, energy, power and water	**₱116,822**	**(₱116,822)**	₱38,979	(₱38,979)
Banks	**430,073**	**(430,073)**	–	–
Property	**113,446**	**(113,446)**	–	–
Food, beverage & tobacco	**53,323**	**(53,323)**	–	–
Telecommunication	**12,389**	**(12,389)**	–	–
	₱726,053	**(₱726,053)**	₱38,979	(₱38,979)

The sensitivity rate used for reporting equity price risk represents management's assessment of the reasonably possible change in equity pricing per PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by its specific beta for their valuation at the reporting date. The adjusted beta is the forecasted measure of the volatility of security or a portfolio in comparison to the market as a whole.

5. Capital Management

The Company's objective in managing capital is to ensure that a stable capital base is maintained in accordance with industry regulations, while maintaining investor, creditor, and market confidence to sustain the future development of the business.

The Company's BOD has the overall responsibility for monitoring capital proportion to risks. The Associated Person designated by the Company monitors compliance with minimum net capital requirements imposed by the PSE and the SEC.

The Company, being a broker/dealer in securities, is regulated by PSE and SEC and subject to the following capital requirements in accordance with the SRC.

In compliance with SRC Rule 28 of the 2015 *Implementing Rules and Regulations of SRC*, trading participants are required to have an unimpaired paid-up capital of ₱100.0 million for those who will be participating in a registered clearing agency. However, other broker/dealer not meeting the ₱100.0 million capitalization and not seeking authorization to engage in market making transaction shall maintain a ₱30.0 million unimpaired paid-up capital and file surety bond not less than ₱10.0 million for brokers and not less than ₱2.0 million for dealer.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱152.2 million and ₱102.2 million as at December 31, 2024 and 2023,respectively, is in compliance with the foregoing capital requirements.

As at December 31, 2024 and 2023, the Company is compliant with the capital requirements.

The details of the Company's common shares with a par value of ₱100.0 a share are as follows:

	2024		2023	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized Capital Stock				
Balance at beginning of year	**1,000,000**	**₱100,000,000**	1,000,000	₱100,000,000
Increase	**500,000**	**50,000,000**	–	–
Balance at end of year	**1,500,000**	**₱150,000,000**	1,000,000	₱100,000,000
Issued and Outstanding				
Balance at beginning of year	**1,000,000**	**₱100,000,000**	1,000,000	₱100,000,000
Issuance	**500,000**	**50,000,000**	–	–
Balance at end of year	**1,500,000**	**₱150,000,000**	1,000,000	₱100,000,000

On July 4, 2023, the BOD approved the increase in authorized capital stock of the Company from ₱100.0 million, divided into 1,000,000 common shares at ₱100.0 par value a share, to ₱150.0 million, divided into 1,500,000 common shares at the same par value.

On September 2023, the Company received ₱50.0 million from its existing stockholders as subscription to the increase in authorized capital stock. The increase in authorized capital stock was approved by the SEC in January 2024. Deposit for future stock subscription presented under noncurrent liabilities section of the statement of financial position as at December 31, 2023, amounting to ₱50.0 million was reclassified to capital stock in 2024 upon issuance of the shares.

Reserve Fund

The Company shall annually appropriate a certain minimum percentage of its audited net income and transfer the same to "Appropriated retained earnings" account. Minimum appropriation of 30%, 20%, and 10% of net income for brokers and dealers with unimpaired paid-up capital of between ₱10.0 million to ₱30.0 million, between ₱30.0 million to ₱50.0 million, and more than ₱50.0 million, respectively, are prescribed by SRC Rule 49.1 (B). Appropriation for reserve fund amounted to ₱1.7 million in 2024. No appropriation for reserve fund in 2023 as the Company was in a net loss position.

Net Liquid Capital (NLC)

The Company is required, at all times, to have and maintain an NLC of at least ₱5.0 million or 5% of its Aggregate Indebtedness (AI), whichever is higher.

In computing for NLC, all non-allowable assets/equities and collateralized liabilities are deducted, and allowable liabilities and equities are added to equity per books. The equity eligible for NLC pertains to the sum of the following:

a. Equity per books;
b. Liabilities subordinated to the claims of creditors in conformity with SRC Rule 49.1 and in accordance with a prescribed schedule; and
c. Deposits for future stock subscription for which an application for increase in capital stock or request for exemption for registration has been presented for filing or has been filed with the SEC.

The equity eligible for NLC shall exclude deferred income tax, revaluation reserves, and minority interest and any outside investment in affiliates and associates.

In computing for NLC, the equity eligible for NLC is adjusted by the following:

a. Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;
b. Deducting fixed assets and assets which cannot be readily converted into cash (less any AI in accordance with SRC Rule 49.1);
c. Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by the SEC; and
d. Deducting long and short securities differences.

AI shall mean the total money liabilities of a broker/dealer arising in connection with any transaction whatsoever and includes, among others, money borrowed, money payable against securities loaned and securities failed to receive, market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' accounts having short positions in securities, but excluding the items set out in SRC Rule 49.1 (1) (D).

The Company's NLC met the minimum prescribed amounts as at December 31, 2024 and 2023 as shown below:

	2024	2023
NLC:		
Equity eligible for NLC	**₱175,424,233**	₱108,021,829
Less ineligible assets	**18,739,817**	12,971,062
	156,684,416	95,050,767
Required NLC:		
Higher of:		
5% of AI	**9,277,753**	4,487,693
Minimum amount	**5,000,000**	5,000,000
	9,277,753	5,000,000
Net risk-based capital excess	**₱147,406,663**	₱90,050,767

Ratio of AI to NLC

The Company shall not permit its AI to all other persons to exceed 2,000% of its NLC.

The Company's ratio of AI to NLC is 118% and 94% as at December 31, 2024 and 2023, respectively.

RBCA Requirement/Ratio

The RBCA requirement/ratio refers to the minimum level of capital to be maintained by firms which are licensed or securing a broker/dealer license, taking into consideration the firm size, complexity, and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting, and margin financing risks. The RBCA ratio should be greater than or equal to 1.1 or 110%.

The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR. The TRCR, in accordance with SRC Rule 49.1, is the sum of:

a. Operational Risk Requirement (ORR);
b. Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and
c. Position or Market Risk Requirement.

	2024	2023
NLC	**₱156,684,416**	₱95,050,767
TRCR:		
Operational risk	**2,351,483**	621,091
Position risk	**1,317,090**	172,438
Total risk capital requirement	**3,668,573**	793,529
RBCA ratio	**42.7 : 1**	119.8 : 1

As at December 31, 2024 and 2023, the Company is not exposed to credit risk requirements defined under SRC Rule 49.1.

As at December 31, 2024 and 2023, the Company is compliant with the required RBCA ratio.

Ratio of Core Equity to ORR

The Company's core equity shall be at all times greater than its ORR.

Core equity refers to the sum of paid-up common stock, common stock dividends distributable, additional paid-in capital, surplus reserves excluding revaluation reserves or appraisal capital, and opening retained earnings adjusted for all current year movements. Core equity shall exclude treasury shares and unbooked valuation reserves and other capital adjustments (such as unrealized gain in value of financial assets at FVOCI).

The Company's ratio of core equity to ORR is as follows:

	2024	2023
Capital stock	**₱150,000,000**	₱100,000,000
Additional paid in capital	**2,181,385**	2,181,385
Beginning retained earnings	**6,350,586**	10,112,871
Core equity	**158,531,971**	112,294,256
ORR	**2,351,483**	621,091
Ratio of Core Equity to ORR	**67.4 : 1**	180.8 : 1

As at December 31, 2024 and 2023, the Company is compliant with required ratio of core equity to ORR.

6. Fair Values of Financial Instruments

The following table presents the carrying amount and fair value of the Company's financial assets measured at fair value and the corresponding fair value hierarchy:

	2024		2023	
	Carrying Amounts	**Fair Value**	Carrying Amounts	Fair Value
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents	**₱334,568,673**	**₱334,568,673**	₱181,545,848	₱181,545,848
Trade and other receivables	**2,667,519**	**2,667,519**	2,950,541	2,950,541
Refundable deposits	**473,029**	**473,029**	448,681	448,681
Financial assets at FVPL	**5,132,970**	**5,132,970**	560,202	560,202
	₱342,842,191	**₱342,842,191**	₱185,505,272	₱185,505,272
Financial Liabilities				
Financial liabilities at amortized cost:				
Trade payables	**₱174,621,064**	**₱174,621,064**	₱28,373,669	₱28,373,669
Other current liabilities*	**607,379**	**607,379**	795,439	795,439
Lease liability	**9,871,030**	**10,295,375**	10,355,158	14,157,624
	₱185,099,473	**₱185,523,818**	₱39,524,266	₱43,326,732

**Excluding statutory liabilities amounting to ₱321,270 and ₱95,283 as at December 31, 2024 and 2023, respectively.*

Cash and Cash Equivalents, Trade and Other Receivables, Trade Payables and Other Current Liabilities (excluding statutory liabilities). The carrying amounts of these instruments approximate fair values due to their short-term maturities.

Refundable Deposits. The carrying amount of refundable deposits approximates fair value. The management believes that the effect of discounting the future receipts from this financial instrument using the prevailing market rates is not significant.

Investment in Financial Assets at FVPL. The Company's investment in equity securities classified as financial assets at FVPL are carried at fair values based on sources classified as Level 1 category. The fair values of equity securities are based on prevailing quoted market prices, or bidding dealer price quotations from active markets as at reporting date.

Lease Liability. The fair value is estimated at the present value of future cash flows and is determined based on Level 2 in which input is based on discounted present value of remaining cash flows using the prevailing market rate of interest rate ranging from 5.71% to 6.09% and 5.74% to 6.14% as at December 31, 2024 and 2023, respectively.

In 2024 and 2023, there were no transfers between Level 1, Level 2, and Level 3 fair value measurements.

7. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**₱10,000**	₱5,000
Cash in banks	**86,558,673**	51,540,848
Cash equivalents	**248,000,000**	130,000,000
	₱334,568,673	₱181,545,848

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are made for varying maturity periods of up to 30 days, depending on the immediate cash requirements of the Company. Cash equivalents earn interest ranging from 3.50% to 5.50% and 5.50% to 5.75% in 2024 and 2023, respectively.

Interest income earned amounted to ₱25.0 million and ₱2.9 million in 2024 and 2023, respectively. Interest income earned in 2024 includes custodianship fee in the form of interest income amounting to ₱16.6 million arising from cash received from a customer for the purpose of acquiring shares of stock through the Company (see Note 18).

In compliance with SRC Rule 49.2.4 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱258.1 million and ₱45.0 million as at December 31, 2024 and 2023, respectively.

The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As at December 31, 2024 and 2023, the Company's reserve accounts are adequate to cover its reserve requirements.

8. Financial Assets at FVPL

This account represents equity securities held by the Company for trading purposes.

Details of this account follows:

	2024	2023
Balance at beginning of year	**₱560,202**	₱–
Additions	**255,222,954**	3,517,425
Disposal	**(250,779,877)**	(2,705,260)
Unrealized gain (loss) on fair value changes	**129,691**	(251,963)
Balance at end of year	**₱5,132,970**	₱560,202

Movements in cumulative unrealized loss on fair value are as follows:

	2024	2023
Balance at beginning of year	**(₱251,963)**	₱–
Unrealized gain (loss) on fair value changes	**129,691**	(251,963)
Balance at end of year	**(₱122,272)**	(₱251,963)

Details of trading gains (losses) on financial assets at FVPL are as follows:

	2024	2023
Realized gain on sale	**₱1,458,115**	₱75,240
Unrealized gain (loss) on fair value changes	**129,691**	(251,963)
	₱1,587,806	(₱176,723)

Dividend income earned amounted to ₱115,679 and ₱5,116 in 2024 and 2023, respectively.

The fair value measurement of investment in equity securities classified as financial assets at FVPL, which is based on prevailing quoted market prices or bidding dealer price quotations from active markets as at reporting date, is classified under the Level 1 category. There has been no transfer between levels of fair value hierarchy as at December 31, 2024 and 2023.

9. Trade and Other Receivables

This account consists of:

	2024	2023
Trade receivables from customers	**₱2,685,401**	₱2,867,740
Others	**–**	100,683
	2,685,401	2,968,423
Less allowance for credit losses (ECL)	**(17,882)**	(17,882)
	₱2,667,519	₱2,950,541

Trade receivables from customers consist of amounts due within two (2) business days from the transaction date as follows:

	2024		2023	
	Money Balance	**Security Valuation - Long**	Money Balance	Security Valuation - Long
Cash and fully secured accounts - More than 250%	**₱2,685,401**	**₱247,610,442**	₱2,867,740	₱866,875,336

Security valuation represents the fair value of the securities owned by the customers, which are in the custody of the Company and are located either in the vault or the Philippine Dealing and Trust Corporation. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

10. Exchange Trading Right

This account pertains to the trading right acquired by the Company as a result of the PSE conversion plan to preserve the Company's access to the trading facilities and continue to transact business in the PSE.

The carrying amount of exchange trading right is ₱0.8 million as at December 31, 2024 and 2023. As at December 31, 2024 and 2023, the latest transacted price of the exchange trading right, as provided by the PSE is ₱8.0 million. Accordingly, no impairment loss on the exchange trading right was recognized in 2024 and 2023.

11. Property and Equipment

The balances and movements of this account are as follows:

	2024					
	ROU Asset (see Note 18)	**Office Equipment**	**Furniture and Fixtures**	**Leasehold Improvements**	**Computer Software**	**Total**
Cost						
Balances at beginning of year	**₱10,804,519**	**₱675,135**	**₱444,570**	**₱311,518**	**₱698,661**	**₱12,934,403**
Additions	–	**42,165**	–	**5,257,897**	–	**5,300,062**
Balances at end of year	**10,804,519**	**717,300**	**444,570**	**5,569,415**	**698,661**	**18,234,465**
Accumulated Depreciation and Amortization						
Balances at beginning of year	**1,224,633**	**160,506**	**109,685**	**77,880**	**627,229**	**2,199,933**
Depreciation and amortization	**1,094,844**	**125,725**	**87,981**	**763,357**	**71,432**	**2,143,339**
Balances at end of year	**2,319,477**	**286,231**	**197,666**	**841,237**	**698,661**	**4,343,272**
Carrying Amounts	**₱8,485,042**	**₱431,069**	**₱246,904**	**₱4,728,178**	**₱–**	**₱13,891,193**

	2023					
	ROU Asset (see Note 18)	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computer Software	Total
Cost						
Balances at beginning of year	₱10,804,519	₱610,317	₱389,387	₱311,518	₱698,661	₱12,814,402
Additions	–	64,818	55,183	–	–	120,001
Balances at end of year	10,804,519	675,135	444,570	311,518	698,661	12,934,403
Accumulated Depreciation and Amortization						
Balances at beginning of year	270,113	33,106	19,110	15,576	613,836	951,741
Depreciation and amortization	954,520	127,400	90,576	62,304	13,392	1,248,192
Balances at end of year	1,224,633	160,506	109,686	77,880	627,228	2,199,933
Carrying Amounts	₱9,579,886	₱514,629	₱334,884	₱233,638	₱71,433	₱10,734,470

As at December 31, 2024 and 2023, the cost of fully-depreciated property and equipment still being used in operations amounted to ₱0.7 million.

12. **Other Assets**

This account consists of:

	2024	2023
Current:		
Excess tax credits	**₱3,490,171**	₱680,501
Prepayments	**50,424**	83,323
Input VAT	**–**	186,141
Others	**–**	2,946
	3,540,595	952,911
Noncurrent -		
Refundable deposits	**473,029**	448,681
	₱4,013,624	₱1,401,592

Excess income tax payment includes overpayment of income tax and CWT.

In 2024, the Company paid ₱2.7 million in its quarterly income tax return. The Company applied excess tax credits for the current income tax due in 2024, amounting to ₱0.1 million which represents MCIT.

Excess tax credits include excess income tax payments and CWT amounting to ₱3.4 million and ₱0.1 million, respectively, as at December 31, 2024, and ₱0.6 million and ₱0.1 million, respectively, as at December 31, 2023.

Refundable deposits pertains to clearing fund contributions made to Securities Clearing Corporation of the Philippines (SCCP) and rental deposits.

The Company, as a Clearing Member, is required to pay monthly contributions for specific amounts applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

Under the amended SCCP Rule 5.2, the contributions to the CTGF, which is recognized as refundable deposit by the Company, shall be refunded as trade-related assets to the Company upon cessation of business and/or termination of membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

13. **Trade Payables**

This account consists of:

	2024	2023
Trade payables to:		
Customers	**₱172,552,523**	₱26,562,931
Clearing house	**2,068,541**	1,810,738
	₱174,621,064	₱28,373,669

Trade payables to customers which are noninterest-bearing and due within two (2) business days consist of the following:

	2024		2023	
	Money Balances	Security Valuation - Long	Money Balances	Security Valuation - Long
With money balance	**₱172,552,523**	**₱3,451,501,207**	₱26,562,931	₱129,996,823
Without money balance	**–**	**24,005,431,354**	–	17,408,067,072
	₱172,552,523	**₱27,456,932,561**	₱26,562,931	₱17,538,063,895

Payables to clearing house are due after two business days from the transaction date. Accordingly, balances as at December 31, 2024 and 2023 were fully settled in January 2025 and 2024, respectively.

Payables to customers include payables to related parties amounting to ₱1.2 million and ₱1.1 million as at December 31, 2024 and 2023, respectively (see Note 16).

14. Other Current Liabilities

This account consists of:

	2024	2023
Accounts payable	**₱439,570**	₱677,586
Statutory liabilities	**321,270**	95,283
Others	**167,809**	117,853
	₱928,649	₱890,722

Accounts payable are noninterest-bearing and generally settled within one year.

Statutory liabilities are payable to government agencies, including mandatory employee benefits which are settled throughout the subsequent month.

Others mainly pertain to accruals of professional fees, are noninterest-bearing and are usually settled within the subsequent month.

15. Retirement Benefits

The Company accrues retirement liability based on minimum mandated retirement benefit plan under Republic Act (RA) No. 7641, "The Retirement Pay Law" which covers all of its qualified employees. The benefits are based on years of service and compensation.

Retirement benefits expense included in "Others" in the statements of comprehensive income pertaining to current service cost and interest cost amounted to nil in 2024 and ₱110,822 and ₱1,572 in 2023, respectively. No retirement expense was recognized in 2024 as amount of retirement liability is adequate in accordance with the provision of RA No. 7641.

The changes in the present value of the retirement liability for the years ended December 31 are as follows:

	2024	2023
Balance at beginning of the year	**₱134,312**	₱21,918
Retirement benefit expense	**–**	112,394
Balance at end of the year	**₱134,312**	₱134,312

The discount rate and future salary increase rate used principal assumptions used to determine retirement benefits are as follows:

	2024	2023
Discount rate	**7.17%**	7.17%
Future salary increase rate	**5.00%**	5.00%

Below shows the sensitivity analysis which has been determined based on reasonably possible changes of each significant assumption on the present value of retirement liability as at December 31, 2024:

	Change in Assumption	Impact	Present Value of Retirement Liability
Discount rate	+1.0%	(₱3,475)	₱130,837
	-1.0%	4,315	138,627
Salary increase rate	+1.0%	4,363	138,675
	-1.0%	(3,569)	130,743

The weighted average duration of the present value of retirement liability is 18 years in 2024 and 2023.

The retirement benefit is expected to be paid out after 9 years as at December 31, 2024.

16. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as at and for the years ended December 31, 2024 and 2023 as follows:

Relationship	Nature of Transaction	Year	Transactions during the Year	Trade Payables	Commission Income
Individual stockholders	Trading of securities	**2024**	**₱54,037,131**	**₱1,193,191**	**₱135,218**
		2023	40,551,550	1,134,937	101,584
Directors	Directors' fee	**2024**	**1,080,000**	–	–
		2023	90,000	–	–
		2024		**₱1,193,191**	**₱135,218**
		2023		₱1,134,937	₱101,584

Compensation of Key Management Personnel

Compensation of key management personnel of the Company under "Salaries and wages" amounted to ₱3.2 million in 2024 and 2023.

17. Income Taxes

The Company's provision for current tax represents minimum corporate income tax (MCIT) in 2024 and 2023 amounting to ₱105,074 and ₱55,508, respectively.

On March 26, 2021, the "Corporate Recovery and Tax Incentives for Enterprise" (CREATE) was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the minimum corporate income tax (MCIT) was changed from 2% to 1% of gross income for a period of three years. In 2023, the Company applied a transitory MCIT rate of 1.5%.

The income tax rate used in preparing the financial statements is 25% for RCIT for 2024 and 2023. The Company used MCIT rate of 2% and transitory MCIT rate of 1.5% in 2024 and 2023, respectively.

The provision for (benefit from) income tax as reported in the statements of comprehensive income is composed of the following:

	2024	2023
Current tax	**₱105,074**	₱55,508
Movement in deferred tax	**(114,362)**	(216,088)
	(₱9,288)	(₱160,580)

The components of the Company's net deferred tax assets are as follows:

	2024	2023
Deferred tax assets:		
Lease liability	**₱2,467,758**	₱2,588,790
Cumulative unrealized fair value loss of securities at FVPL	**30,568**	62,991
Unrealized foreign exchange loss	**–**	1,370
	2,498,326	2,653,151
Deferred tax liabilities:		
Right of use asset	**(2,121,261)**	(2,394,972)
Unrealized foreign exchange gain	**(4,524)**	–
	(2,125,785)	(2,394,972)
	₱372,541	₱258,179

The components of unrecognized deferred tax assets are as follows:

	2024	2023
NOLCO	**₱4,251,789**	₱2,497,327
Excess of MCIT over RCIT	**163,744**	58,671
Allowance for ECL	**4,471**	4,471
	₱4,420,004	₱2,560,469

The Company did not recognize deferred tax assets because the management has assessed that it is not probable that sufficient taxable profit will be available against which the deferred tax assets from NOLCO, excess MCIT over RCIT and allowance for ECL can be utilized.

Details of NOLCO that can be claimed as deductions against future taxable income are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Available Until
2024	₱–	₱7,017,850	₱–	₱7,017,850	2027
2023	5,416,590	–	–	5,416,590	2026
2022	4,572,717	–	–	4,572,717	2025
	₱9,989,307	₱7,017,850	₱–	₱17,007,157	

The carryforward benefits of excess MCIT over RCIT which can be claimed against RCIT due are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of year	Available Until
2024	₱–	105,074	₱–	105,074	2027
2023	55,508		–	55,508	2026
2022	3,162	–	–	3,162	2025
	₱58,670	₱105,074	₱–	₱163,744	

The reconciliation between the provision for (benefit from) income tax based on statutory income tax rate to income tax benefit as shown in the statements of comprehensive income is as follows:

	2024	2023
Provision for (benefit from) income tax at statutory rate	**₱4,346,302**	(₱980,716)
Movement in unrecognized deferred tax assets	**1,859,535**	1,409,656
Income tax effects of:		
Interest income already subjected to final tax	**(6,242,042)**	(733,487)
Nondeductible expense	**55,837**	145,246
Dividend income exempted from tax	**(28,920)**	(1,279)
	(₱9,288)	(₱160,580)

18. Commitments and Agreements

Lease Commitments - The Company as Lessee

The Company has a lease agreement covering its office space. The lease is for a period of 10 years commencing on October 1, 2022 until September 20, 2032, renewable based on mutual agreement of both parties.

Movements in ROU asset are as follows:

	Note	2024	2023
Cost			
Balance at beginning and end of year		**₱10,804,519**	₱10,804,519
Accumulated Amortization			
Balance at beginning of year		**1,224,633**	270,113
Amortization	11	**1,094,844**	954,520
Balance at end of year		**2,319,477**	1,224,633
Carrying amount	11	**₱8,485,042**	₱9,579,886

Movements in lease liability are as follows:

	2024	2023
Balance at beginning of year	**₱10,355,158**	₱10,740,403
Lease payments	**(1,200,000)**	(1,440,000)
Accretion of interest	**715,872**	1,054,755
Balance at end of year	**9,871,030**	10,355,158
Current portion	**(767,223)**	(591,241)
Noncurrent portion	**₱9,103,807**	₱9,763,917

The amounts recognized in profit or loss are as follows:

	Note	2024	2023
Depreciation of ROU asset	11	**₱1,094,844**	₱954,520
Interest expense on lease liability		**715,872**	1,054,755
		₱1,810,716	₱2,009,275

Future minimum lease payments under this lease agreement as at December 31, 2024 and 2023 are as follows:

	2024	2023
Within one year	**₱1,440,000**	₱1,200,000
After one year but not more than five years	**8,255,293**	7,879,327
More than five years	**3,402,311**	5,218,278
	₱13,097,604	₱14,297,605

The table below details the changes in the Company's liabilities arising from financing activities as at December 31.

	2023	**Financing Cash Flows**	**Non-cash Changes**	**2024**
Lease liability	**₱10,355,158**	**(₱1,200,000)**	**₱715,872**	**₱9,871,030**

	2022	Financing Cash Flows	Non-cash Changes	2023
Capital stock	₱–	₱50,000,000	₱–	₱50,000,000
Lease liability	10,740,403	(1,440,000)	1,054,755	10,355,158
	₱10,740,403	₱48,560,000	₱1,054,755	₱60,355,158

<u>Escrow Agreement</u>

In 2023, the Company entered into an escrow agreement with a third party to hold certain shares of stock for a certain period. Income from the escrow agreement amounting to ₱1.3 million and ₱0.5 million in 2024 and 2023, respectively, is presented as part of "Other income" account in the statements of comprehensive income.

In 2024, the Company received cash from a customer for the purpose of acquiring shares of stock through the Company. Custodianship fee earned, in the form of interest income, for holding the cash amounted to ₱16.6 million (see Note 7).

19. Supplementary Information Required under Revenue Regulations No. 15-2010 of the BIR

The information for 2024 required by the above regulation is presented below.

Output VAT
Output VAT declared by the Company for the year ended December 31, 2024 and the gross receipts subject to output VAT amounted to ₱0.8 million and ₱7.4 million, respectively. Gross receipts declared in the VAT returns exclude receipts already subjected to final tax.

Input VAT
The movements in input VAT claimed by the Company against its output VAT for the year ended December 31, 2024 are as follows:

Balance at beginning of year	₱311,019
Current year's domestic purchases/payments for:	
Domestic purchases of services	203,488
Domestic purchases of goods other than capital goods	275,025
Total available input VAT	789,532
Applied against output VAT	789,532
Balance at end of year	₱–

All Other Local and National Taxes
The Company's local and national taxes for the year ended December 31, 2024 consist of:

Documentary stamp tax	₱513,924
Registration fee	100,000
License and permit fees	36,000
Others	33,342
	₱683,266

The above local and national taxes are classified under "Taxes and licenses" account in the statement of comprehensive income.

Withholding Taxes
Withholding taxes paid by the Company for the year ended December 31, 2024 consist of:

	Paid	Accrued	Total
Withholding taxes on compensation	₱480,332	₱81,330	₱561,662
Expanded withholding taxes	195,403	30,578	225,981
	₱675,735	₱111,908	₱787,643

Tax Assessments and Cases
The Company has no outstanding tax assessments and cases as at and for the year ended December 31, 2024.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Armstrong Securities, Inc.
Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center)
8741 Paseo de Roxas
Makati City

We have audited the accompanying financial statements of Armstrong Securities, Inc. (the Company), a subsidiary of Isky Empire Realty Inc., as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated April 4, 2025.

In compliance with the Revised Securities Regulation Code Rule No. 68, we are stating that the Company has three (3) stockholders owning 100 or more shares each.

REYES TACANDONG & CO.

Pamela Ann P. Escuadro

PAMELA ANN P. ESCUADRO
Partner
CPA Certificate No. 128829
Tax Identification No. 216-321-918-000
BOA Accreditation No. 4782/P-013; Valid until June 6, 2026
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10467125
Issued January 2, 2025, Makati City

April 4, 2025
Makati City, Metro Manila

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

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Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Armstrong Securities, Inc.
Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center)
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the basic financial statements of Armstrong Securities, Inc. (the Company), a subsidiary of Isky Empire Realty Inc., as at and for the year ended December 31, 2024 and have issued our opinion thereon dated April 4, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk-Based Capital Adequacy Worksheet Pursuant to SEC Memorandum Circular No. 16;
- Information Relating to the Possession or Control Requirements under Annex F of SRC Rule 49.2;
- Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2;
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit; and
- Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended.

The supplementary schedules are presented for purposes of complying with the Securities Regulation Code Rule 52.1.5, and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Pamela Ann P. Escuadro
PAMELA ANN P. ESCUADRO
Partner
CPA Certificate No. 128829
Tax Identification No. 216-321-918-000
BOA Accreditation No. 4782/P-013; Valid until June 6, 2026
BIR Accreditation No. 08-005144-013-2023
Valid until January 24, 2026
PTR No. 10467125
Issued January 2, 2025, Makati City

April 4, 2025
Makati City, Metro Manila

SCHEDULE I

ARMSTRONG SECURITIES, INC.

(A Subsidiary of Isky Empire Realty Inc.)

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS DECEMBER 31, 2024

The Company has no liabilities subordinated to claims of general creditors.

SCHEDULE II

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

COMPUTATION OF RISK-BASED CAPITAL ADEQUACY WORKSHEET PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16
DECEMBER 31, 2024

Assets	₱361,481,520
Liabilities	185,555,055
Equity as per books	175,926,465
Adjustments to equity per books	
Add (Deduct):	
Allowance for market decline	–
Subordinated liabilities	–
Unrealized (gain) loss in proprietary accounts	(129,691)
Deferred income tax	(372,541)
Revaluation reserves	–
Deposit for future stock subscription (no application with SEC)	–
Minority interest	–
Total adjustments to equity per books	(502,232)
Equity eligible for net liquid capital	175,424,233
Contingencies and Guarantees	
Deduct:	
Contingent Liability	–
Guarantees or indemnities	–
Ineligible Assets	
a. Trading right and all other intangible assets – net	835,000
b. Intercompany receivables	–
c. Fixed assets, net of accumulated and excluding those used as collateral	13,891,193
d. All other current assets	3,540,595
e. Securities not readily marketable	–
f. Negative exposure (SCCP)	–
g. Notes receivable (non-trade related)	–
h. Interest and dividends receivables outstanding for more than 30 days	–
i. Ineligible insurance claims	–
j. Ineligible deposits	473,029
k. Short security differences	–
l. Long security differences not resolved prior to sale	–
m. Other assets including equity investment in PSE	–
Total ineligible assets	18,739,817
Net Liquid Capital (NLC)	156,684,416
Less:	
Operating risk requirement	2,351,483
Credit risk requirement	–
Position risk requirement	1,317,090
Counterparty risk	–
Large exposure risk	
LERR to a single client	–
LERR to a single debt	–
LERR to a single issuer and group of companies	–
Total Risk Capital Requirement (TRCR)	3,668,573
Net RBCA Margin (NLC-TRCR)	153,015,843
Liabilities	185,555,055
Add: Deposit for Future Stock Subscription	–
Less: Exclusions from Aggregate Indebtedness	–
Subordinated Liabilities	–
Loans and secured securities	–
Loans secured by fixed assets	–
Others	–
Total adjustments to AI	–
Aggregate Indebtedness	185,555,055
5% of Aggregate Indebtedness	9,277,753
Required Net Liquid Capital (> of 5% of AI or ₱5M)	9,277,753
Net Risk-based Capital Excess (Deficiency)	147,406,663
Ratio of AI to Net Liquid Capital	118%
RBCA Ratio (NLC/TRCR)	4271%

SCHEDULE III

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER ANNEX F OF SRC RULE 49.2
DECEMBER 31, 2024

Customers' fully paid securities and excess margin securities not in the broker's or dealer's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2):

Market valuation	NIL
Number of items	NIL

Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under SRC Rule 49.2:

Market valuation	NIL
Number of items	NIL

SCHEDULE IV

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2 DECEMBER 31, 2024

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱172,992,175	
2. Monies borrowed collateralized by securities carried for the account of customers.	Nil	
3. Monies payable against customers' securities loaned.	Nil	
4. Customers' securities failed to receive.	2,078,374	
5. Credit balances in firm accounts which are attributable to principal sales to customer.	Nil	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	Nil	
7. Market value of the short security count differences over 30 calendar days old.	Nil	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	Nil	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	Nil	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		2,685,547
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		Nil
12. Failed to deliver customers' securities not older than 30 calendar days.		Nil
13. Others due from clearing house		Nil
Total	₱175,070,549	₱2,685,547
Net Credit (Debit)	₱172,385,002	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱172,385,002	

SCHEDULE V

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT
DECEMBER 31, 2024

There were no matters involving the Company's internal structure and its operations that were considered to be material weaknesses.

SCHEDULE VI

ARMSTRONG SECURITIES, INC.

(A Subsidiary of Isky Empire Realty Inc.)

RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED
DECEMBER 31, 2024

There is no discrepancy in the results of the securities count conducted. Refer to attached summary.

SCHEDULE VI

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SEC RULE 52.1-10
DECEMBER 31, 2024

		Per Records		Per Count		Unallocated Differences	
CODE	NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIA AMALGAMATED HOLDINGS	50,000	₱-	50,000	₱-	–	₱–
AB	ATOK-BIG WEDGE MNG. CO., INC. "A"	50	272	50	272	–	–
ABA	ABACORE CAPITAL HLDGS INC	1,617,200	857,116	1,617,200	857,116	–	–
ABS	ABS-CBN BROADCASTING CORP.	153,200	643,440	153,200	643,440	–	–
AC	AYALA CORPORATION	696	416,904	696	416,904	–	–
ACE	ACESITE (PHILS) HOTEL CORPORATION	2,463,218	4,384,528	2,463,218	4,384,528	–	–
ACEN	ACEN CORPORATION	678,330	2,713,320	678,330	2,713,320	–	–
ACR	ALSON CONSOLIDATED RESOURCES	56,000	25,760	56,000	25,760	–	–
AEV	ABOITIZ EQUITY VENTURES, INC.	20,920	718,602	20,920	718,602	–	–
AGI	ALLIANCE GLOBAL, INC.	30,000	270,000	30,000	270,000	–	–
ALCO	ARTHALAND CORPORATION	21,750	7,939	21,750	7,939	–	–
ALHI	ANCHOR LAND HOLDINGS INC	1,000	4,800	1,000	4,800	–	–
ALI	AYALA LAND, INC.	615,698	16,131,288	615,698	16,131,288	–	–
ALLHC	AYALALOGISTICS HOLDINGS CORP	62,000	105,400	62,000	105,400	–	–
ANI	AGRINURTURE INC	38,500	19,635	38,500	19,635	–	–
ANS	A. SORIANO CORPORATION "A"	18,184	248,757	18,184	248,757	–	–
AP	ABOITIZ POWER CORPORATION	10,000	377,000	10,000	377,000	–	–
APC	APC GROUP, INC.	1,050,000	194,250	1,050,000	194,250	–	–
APL	APOLLO GLOBAL CAPITAL, INC.	169,400	678	169,400	678	–	–
APO	ANGLO PHIL. HOLDINGS CORP.	368,965	166,034	368,965	166,034	–	–
APVI	ALTUS PROPERTY VENTURES INC.	5	42	5	42	–	–
APX	APEX MINING CO., INC. "A"	168,499	581,322	168,499	581,322	–	–
ARA	ARANETA PROPERTIES, INC.	21,678	11,056	21,678	11,056	–	–
AT	ATLAS CONS. MINING DEV. "A"	20,038	87,766	20,038	87,766	–	–
BC	BENGUET CORP. "A"	35,219,170	139,820,105	35,219,170	139,820,105	–	–
BCB	BENGUET CORP. "B"	7,353,607	28,973,212	7,353,607	28,973,212	–	–
BDO	BANCO DE ORO UNIVERSAL BANK	109,150	15,717,600	109,150	15,717,600	–	–
BEL	BELLE CORPORATION	72,240	119,918	72,240	119,918	–	–
BHI	BOULEVARD HOLDINGS, INC.	25,220,000	1,866,280	25,220,000	1,866,280	–	–
BKR	BRIGHT KINDLE RESOURCES INVT INC	236,368,500	234,004,815	236,368,500	234,004,815	–	–
BLOOM	BLOOMB ERRY RESORTS CORP.	407,000	1,864,060	407,000	1,864,060	–	–
BPI	BANK OF PHILIPPINE	30,181	3,682,082	30,181	3,682,082	–	–
BRN	A BROWN COMPANY, INC.	215,100	120,456	215,100	120,456	–	–
BSC	BASIC ENERGY CORPORATION	14,443	2,022	14,443	2,022	–	–
CBC	CHINA BANKING CORPORATION	1,497	95,060	1,497	95,060	–	–
CEB	CEBU AIR INC.	113,000	3,192,250	113,000	3,192,250	–	–
CEI	CROWN EQUITIES, INC.	1,733,600	97,082	1,733,600	97,082	–	–
CNVRG	CONVERGE ICT SOLUTIONS INC	43,000	694,020	43,000	694,020	–	–
CREC	CITICORE RENEWABLE ENERGY CORP.	1,202,000	3,858,420	1,202,000	3,858,420	–	–
CYBR	CYBER BAY CORPORATION	501,560	165,515	501,560	165,515	–	–
DD	DOUBLE DRAGON CORPORATION	8,000	81,600	8,000	81,600	–	–
DDPR	DOUBLE DRAGON PREF	10,000	972,000	10,000	972,000	–	–
DFNN	DFNN INC.	15,248,900	43,459,365	15,248,900	43,459,365	–	–
DITO	DITO CME HOLDINGS CORP	13,118,382,500	21,514,147,300	13,118,382,500	21,514,147,300	–	–
DIZ	DIZON COPPER-SILVER MINES	4,766	9,675	4,766	9,675	–	–
DMC	DMCI HOLDINGS, INC.	62,400	675,168	62,400	675,168	–	–
EEI	EEI CORPORATION	116,022,000	417,679,200	116,022,000	417,679,200	–	–
EIBA	EXPORT & INDUSTRY BANK A	2,000,000	-	2,000,000	-	–	–
ELI	EMPIRE EAST LAND INC.	561,544	67,385	561,544	67,385	–	–
ENEX	ENEX ENERGY CORP	830	4,150	830	4,150	–	–
EVER	EVER GOTESCO RESOURCES & HOLDINGS	150,000	38,250	150,000	38,250	–	–
EW	EAST WEST BANKING CORP.	1,500	14,775	1,500	14,775	–	–
FERRO	FERRONOUX HOLDINGS, INC.	219,482,074	1,174,229,096	219,482,074	1,174,229,096	–	–
FFI	FILIPINO FUND, INC	3,976	23,339	3,976	23,339	–	–
FLI	FIL-INVEST LAND, INC.	4,276	3,121	4,276	3,121	–	–
FPH	FIRST PHIL. HOLDINGS	16,232	957,688	16,232	957,688	–	–
FPI	FORUM PACIFIC, INC.	10,000	2,460	10,000	2,460	–	–
FSTE-PR	FIRST E-BANK CORP.-PREF.	121,210	-	121,210	-	–	–
GEO	GEOGRACE RESOURCES	7,770	684	7,770	684	–	–
GERI	GLOBAL-ESTATE RESORTS INC.	39,222	25,102	39,222	25,102	–	–
GLO	GLOBE TELECOM INC.	47	102,648	47	102,648	–	–
GMA7	GMA 7	105,000	641,550	105,000	641,550	–	–
GO	GOTESCO LAND, INC.	70,000	-	70,000	-	–	–
GOB	GOTESCO LAND, INC.-B	1,010,667	-	1,010,667	-	–	–
GREEN	GREENERGY HOLDINGS INCORPORATED	3,164	601	3,164	601	–	–
GSMI	GINEBRA SAN MIGUEL, INC.	4,070	1,119,250	4,070	1,119,250	–	–
ICT	INTL CONTAINER TERMINAL SER.	9,236	3,565,096	9,236	3,565,096	–	–
IMP	IMPERIAL RES., INC.	2,500	1,575	2,500	1,575	–	–
INFRA	PHILIPPINE INFRADEV HOLDINGS, INC.	180,000	54,000	180,000	54,000	–	–
IPM	IPM HOLDINGS, INC.	290,000	870,000	290,000	870,000	–	–
IPO	IPEOPLE, INC.	1,200	8,148	1,200	8,148	–	–
IS	ISLAND INFO AND TECH INC.	270,000	38,880	270,000	38,880	–	–
JFC	JOLLIBEE FOODS CORP.	14,873	4,000,837	14,873	4,000,837	–	–
JGS	JG SUMMIT	3,400	69,870	3,400	69,870	–	–

CODE	NAME	Per Records No. of Shares	Per Records Market Value	Per Count No. of Shares	Per Count Market Value	Unallocated Differences No. of Shares	Unallocated Differences Market Value
KEP	KEPPEL PHILIPPINES PROPERTIES, INC.	10,971	₱30,609	10,971	₱30,609	–	₱–
KPH	KEPPEL PHIL HOLDINGS,INC-A	81	1,333	81	1,333	–	–
KRI	KALAHI REALITY INC(DIZ PROPERTY)	21,693	-	21,693	-	–	–
LC	LEPANTO CONS. MNG. "A"	51,747	3,467	51,747	3,467	–	–
LCB	LEPANTO CONS. MNG. - B	1,221,296	81,827	1,221,296	81,827	–	–
LIB	LIBERTY TELECOMMUNICATIONS	12,000	18,720	12,000	18,720	–	–
LODE	LODESTAR INVESTMENT HOLDINGS CORP	250,000	70,000	250,000	70,000	–	–
LPZ	LOPEZ HOLDINGS CORPORATION	20,880	56,376	20,880	56,376	–	–
LSC	LORENZO SHIPPING CORP.	1,250	1,075	1,250	1,075	–	–
LTG	LT GROUP INC	336,953	3,538,003	336,953	3,538,003	–	–
MA	MANILA MINING CORP. "A"	194,762	584	194,762	584	–	–
MAB	MANILA MINING CORP. - B	2,297,840	6,894	2,297,840	6,894	–	–
MAC	MACROASIA CORPORATION	17,940	97,594	17,940	97,594	–	–
MAH	METRO ALLIANCE HOLDINGS AND EQUITIES	2,000	-	2,000	-	–	–
MAHB	METRO ALLIANCE HLDGS. B	25,000	-	25,000	-	–	–
MARC	MARCVENTURES HOLDINGS INC.	49,002,600	36,751,950	49,002,600	36,751,950	–	–
MB	MANILA BULLETIN PUBLISHING	12,672	2,382	12,672	2,382	–	–
MBT	METROPOLITAN BANK & TRUST CO.	64,393	4,636,296	64,393	4,636,296	–	–
MEG	MEGAWORLD CORPORATION	301,111	617,278	301,111	617,278	–	–
MER	MANILA ELECTRIC COMPANY	1,737	847,656	1,737	847,656	–	–
MFC	MANULIFE FINANCIAL CORP.	12	21,120	12	21,120	–	–
MJIC	MJC INVESTMENTS CORPORATION	16,100	16,100	16,100	16,100	–	–
MONDE	MONDE NISSIN CORP	25,000	215,000	25,000	215,000	–	–
MRC	MRC ALLIED INC.	20,300	17,052	20,300	17,052	–	–
MRP	MELCO RESORRTS AND ENT (PHILS)	500	-	500	-	–	–
MVC	MABUHAY VINYL CORPORATION	21,200	114,268	21,200	114,268	–	–
MWC	MANILA WATER COMPANY, INC.	37,500	1,012,500	37,500	1,012,500	–	–
MWIDE	MEGAWIDE CONSTRUCTION CORP.	100,000	243,000	100,000	243,000	–	–
MWP5	MEGAWIDE SERIES 5	15,000	1,512,000	15,000	1,512,000	–	–
NIKL	NICKEL ASIA CORPORATION	7,200	25,128	7,200	25.128	–	–
NXGEN	NEXTGENESIS CORPORATION	3,075	-	3,075	-	–	–
OM	OMICO CORPORATION	210,000	27,930	210,000	27,930	–	–
OPM	ORIENTAL PETROLEUM "A"	2,310,752	17,100	2,310,752	17,100	–	–
OPMB	ORIENTAL PETROLEUM "B"	330,934	2,482	330,934	2,482	–	–
OV	PHILODRILL CORPORATION "A"	4,342,500	32,569	4,342,500	32,569	–	–
PAL	PAL HOLDINGS INC.	510	2,525	510	2,525	–	–
PAX	PAXYS, INC.	32,000	54,400	32,000	54,400	–	–
PBB	PHILIPPINE BUSINESS BANK	1,014,500	9,840,650	1,014,500	9,840,650	–	–
PCOR	PETRON CORPORATION	33,682	81.847	33,682	81,847	–	–
PCP	PICOP RESOURCES, INC.	2,750,400	-	2,750,400	-	–	–
PERC	PETRO ENERGY RES. CORP.	7,685	26,513	7,685	26,513	–	–
PGOLD	PUREGOLD PRICE CLUB, INC.	11,200	345,520	11,200	345,520	–	–
PHA	PREMIERE HORIZON ALLIANCE CORP	32,000	5,568	32,000	5,568	–	–
PHC	PHILCOMSAT HOLDINGS CORP.	10,000	-	10,000	-	–	–
PHN	PHINMA CORPORATION	1,375	26,125	1,375	26,125	–	–
PHR	PH RESORTS GROUP HOLDINGS, INC.	5,000,000	2,700,000	5,000,000	2,700,000	–	–
PLUS	DIGIPLUS INTERACTIVE CORP.	121,536,745	3,299,722,627	121,536,745	3,299,722,627	–	–
PMPC	PANASONIC MFG PHIL CORP	1,100	6,028	1,100	6,028	–	–
PNB	PHIL. NATIONAL BANK	12,117	335,641	12,117	335,641	–	–
PNC	PHIL. NATIONAL CONST. CORP.	1,000	-	1,000	-	–	–
PPI	PHILTOWN PROPERTY INC.	5,637	-	5,637	-	–	–
PRIM	PRIME MEDIA HOLDINGS, INC.	273,016,020	581,524,123	273,016,020	581,524,123	–	–
PSB	PHIL. SAVINGS BANK	165	9,603	165	9,603	–	–
PSE	PHIL. STOCK EXCHANGE, INC.	1,500	246,000	1,500	246,000	–	–
PTT	PHIL.TELEGRAPH TEL.CO.	502,000	-	502,000	-	–	–
PX	PHILEX MNG. CORP.	1,082,942	3,021,408	1,082,942	3,021,408	–	–
PXP	PXP ENERGY CORPORATION	79,943	229,436	79,943	229,436	–	–
REDC	REPOWER ENERGY DEVELOPMENT CORP	5,088,800	25,952,880	5,088,800	25,952,880	–	–
RLC	ROBINSONS LAND CORP.	44,000	585,200	44,000	585,200	–	–
RLT	PHIL. REALTY HOLDINGS CORP.	428,865	51,464	428,865	51,464	–	–
RLT RTS	PHILIPPINE REALTY (RIGHTS)	306,458	-	306,458	-	–	–
ROCK	ROCKWELL LAND CORPORATION	33,921	51,221	33,921	51,221	–	–
RPC	REYNOLS PHILIPPINE CORP.	2,226,418	-	2,226,418	-	–	–
SDP	SIME DARBY PILIPINAS, INC.	100	-	100	-	–	–
SECB	SECURITY BANK CORP.	28,533	2,482,371	28,533	2,482,371	–	–
SFI	SWIFT FOODS, INC.	12,693	736	12,693	736	–	–
SGI	SOLID GROUP, INC.	102,000	105,060	102,000	105,060	–	–
SGP	SYNERGY GRID & DEVT. PHILS. INC.	20,000	196,000	20,000	196,000	–	–
SHNG	SHANG PROPERTIES INC.	25,446	100,257	25,446	100,257	–	–
SLF	SUN LIFE FINANCIAL INC.	3	9,084	3	9,084	–	–
SM	SM INVESTMENTS CORPORATION	9	8,091	9	8,091	–	–
SMC	SAN MIGUEL CORPORATION	3,847	330,842	3,847	330,842	–	–
SMC2F	SAN MIGUEL CORP SERIES 2F PREF	48,100	3,525,730	48,100	3,525,730	–	–
SMPH	SM PRIME HOLDINGS, INC.	407,480	10,248,122	407,480	10,248,122	–	–
SOC	SOCRESOURCES,INC.	1,045,000	192,280	1,045,000	192,280	–	–
SPM	SEAFRONT RESOURCES CORP.	19,842	29,961	19,842	29,961	–	–
STI	STI EDUCATION SYSTEMS HOLDINGS INC	11,200	15,008	11,200	15,008	–	–
STN	STENIEL MANUFACTURING CORP.	50,000	78,500	50,000	78,500	–	–
SUN	SUNTRUST HOME DEVELOPERS, INC.	44,660,100	40,194,090	44,660,100	40,194,090	–	–
SWM	SANITARY WARES MFG., CORP.	550	-	550	-	–	–
T	TKC METALS CORPORATION	2,000	580	2,000	580	–	–
TECH	CIRTEK HOLDINGS PHILS CORP	50,000	66,000	50,000	66,000	–	–
TEL	PLDT INC	11,679	15,124,305	11,679	15,124,305	–	–
UBP	UNION BANK OF THE PHILS.	796	28,656	796	28,656	–	–
UNI	UNIOIL RES. & HOLDINGS CO.	3,000	738	3,000	738	–	–
UP	UNIVERSALRIGHTFIELD PROP.	1,955,000	-	1,955,000	-	–	–
UPM	UNITED PARAGON MINING CORP.	125,000	350	125,000	350	–	–
URC	UNIVERSAL ROBINA CORP.	20,418	1,613,022	20,418	1,613,022	–	–
UW	UNIWIDE HOLDINGS, INC.	145,000	-	145,000	-	–	–
V	VANTAGE EQUITIES INC.	31,624	22,137	31,624	22,137	–	₱–

CODE	NAME	Per Records No. of Shares	Per Records Market Value	Per Count No. of Shares	Per Count Market Value	Unallocated Differences No. of Shares	Unallocated Differences Market Value
VITA	VITARICH CORPORATION	1,000	₱540	1,000	₱540	–	₱–
VLL	VISTA LAND & LIFESCAPES INC.	3,005	4,447	3,005	4,447	–	–
VVT	VIVANT CORPORATION	188	3,388	188	3,388	–	–
WEB	PHILWEB CORPORATION	25,320	35,448	25,320	35,448	–	–
WIN	WELLEX INDUSTRIES, INC.	11,000	2,321	11,000	2,321	–	–
WPI	WATERFRONT PHILS., INC.	5,300	1,988	5,300	1,988	–	–
X	XURPAS, INC	400,000	72,800	400,000	72,800	–	–
XG	NEXGEN ENERGY CORP.	14,269,000	35,244,430	14,269,000	35,244,430	–	–
			₱27,709,675,973		₱27,709,675,973	–	₱–

SCHEDULE VII

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2024

	2024	2023
Current/liquidity ratio	**1.96**	6.23
Current assets	**₱345,909,757**	₱186,009,502
Current liabilities	**176,316,936**	29,855,632
Solvency ratio	**0.11**	(0.03)
After-tax income (loss) before depreciation	**₱19,537,833**	(₱2,514,093)
Total liabilities	**185,555,055**	89,753,861
Debt-to-equity ratio	**1.05**	0.83
Total liabilities	**₱185,555,055**	₱89,753,861
Total equity	**175,926,465**	108,531,971
Asset-to-equity ratio	**2.05**	1.83
Total assets	**₱361,481,520**	₱198,285,832
Total equity	**175,926,465**	108,531,971
Interest rate coverage ratio	**25.29**	(2.72)
Income (loss) before interest and taxes	**₱18,101,078**	(₱2,868,110)
Interest expense	**715,872**	1,054,755
Return on equity	**0.12**	(0.03)
After-tax income (loss)	**₱17,394,494**	(₱3,762,285)
Average total equity	**142,229,218**	110,413,114
Return on assets	**0.06**	(0.02)
After-tax income (loss)	**₱17,394,494**	(₱3,762,285)
Average total assets	**279,883,676**	162,721,241
Net profit margin	**0.55**	(0.48)
After-tax income (loss)	**₱17,394,494**	(₱3,762,285)
Revenues	**31,713,594**	7,778,597

SCHEDULE VIII

ARMSTRONG SECURITIES, INC.

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
Total audit fees	**₱210,000**	₱235,000
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total non-audit fees	–	–
Total audit and non-audit fees	**₱210,000**	₱235,000