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Transaction Code: **AFS-0-NR3MYZMV0889B9555QZNV11SY0NVT2RR4T**

Submission Date/Time: **May 11, 2026 04:13 PM**

Company TIN: **004-655-021**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Date: Tuesday, May 12, 2026 at 11:22 AM GMT+8

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Transaction Code: **AFS-0-BBBLGK7D0A8LJ9896PYZYR1R30QN2MVQYW**

Submission Date/Time: **May 12, 2026 11:22 AM**

Company TIN: **004-655-021**

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From: eafs@bir.gov.ph

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Date: Tuesday, May 12, 2026 at 11:29 AM GMT+8

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Transaction Code: **AFS-0-6LE58LB80Q34VV33NPZMPZXMV0PPP13MM**

Submission Date/Time: **May 12, 2026 11:29 AM**

Company TIN: **004-655-021**

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SARANGANI SECURITIES, INC.

FINANCIAL STATEMENTS
December 31, 2025 and 2024

and

Report of Independent Auditors

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

ANNUAL AUDITED FINANCIAL REPORT

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the Securities and Regulation Code (SRC)

Report for the Period Beginning January 1, 2025 and Ending December 31, 2025

IDENTIFICATION OF BROKER OR DEALER

Name of Broker / Dealer: SARANGANI SECURITIES, INC.

Address of Principal Place of Business: Unit 2 D-1 Vernida I Condominium
120 Amorsolo St., Legaspi Village,
Makati City

Name and Phone Number of Person to Contact in Regard to this Report

Name: MA. JENNIFER VALLESTEROS Tel. No. 8840-4504
Fax No. -

IDENTIFICATION OF ACCOUNTANT

Name of Independent Certified Public Accountant whose opinion is contained in this report:

Name: ETHEL P. MARTINEZ Tel. No. 8994-3984
Fax No. _____

Address: 9th Floor Unit C Marc 2000 Tower, 1973 Taft cor San Andres,
Malate, Manila

Certificate Number: 144003

PTR Number : 368868 Date Issued: January 8, 2026

SARANGANI SECURITIES, INC.

Trading Participant of the Philippine Stock Exchange, Inc.
A Member of SCCP and of the SIPP

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

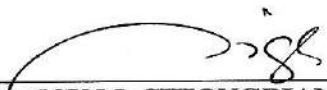
The management of **SARANGANI SECURITIES, INC.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed Philippine Financial Reporting Standards (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 to do so.


The **Board of Directors** is responsible for 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 shareholders.


PEREZ, SESE, VILLA & CO., the independent auditor appointed by the shareholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and their report to the shareholders, has expressed their opinion on the fairness of presentation upon completion of such audit.



NANCY M. CHIONGBIAN
Chairman of the Board



ARTHUR W. ANTONINO
President



NANCY M. CHIONGBIAN
Treasurer

Signed this 13th day of April.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the Philippines, this 13 day of April, 2026, at MAKATI CITY, whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE AND PLACE ISSUED
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JOC NO. 9
PAGE NO. 20
BOOK NO. 8
SERIES OF AM



ATTY. GLADYS KAYE L. CHUA

NOTARY PUBLIC City of Makati
Until 31, DEC. 2027

Appointment No. M-110 (2026-2027)

PTR No. MKT 10792513 January 22, 2026, Makati City

Lifetime JBP No. 014503 July 29, 2016 Zarbhasutra Chapter

Unit 2 D1 Vernida I Condominium, 120 Amoroso St., Legaspi Village, Makati City 1229 Philippines

Telephone Nos. (632) 8840-4504/8817-5806/8817-5834 * Fax: (632) 8817-5815 * Exchange: (632) 8839-0671 to 72

Email Address: sarangani@sarangani.com info@sarangani.com

Bangka, Makati City



SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

**To The Board of Directors and Shareholders
SARANGANI SECURITIES, INC.**
Unit 2 D-1 Vernida I Condominium,
120 Amorsolo St., Legaspi Village, Makati City

We have audited the financial statements of **SARANGANI SECURITIES, INC.** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated April 22, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of four (4) shareholders owning one hundred (100) or more shares each of the Company's Capital stock as of December 31, 2025, as disclosed in Note 17 of the Financial Statements.

PEREZ, SESE, VILLA & CO.

BY:  **ETHEL F. MARTINEZ**
PARTNER

CPA Reg. No. 0144003

TIN 306-435-247-000

PTR No. 0368868, Issued on January 8, 2026, Manila City

SEC Accreditation No:

Partner - 144003-SEC Group B, Issued on April 21, 2026.

valid until June 30, 2026 covering the audit of 2025 Financial Statements

Firm - 0222-SEC Group B, Issued on December 01, 2022

valid for five (5) years covering the audit from 2022 to 2026 Financial Statements

BOA/PRC Accreditation No. 0222, Issued on September 13, 2023

valid until October 12, 2026

BIR Accreditation No. 06-002735-001-2024, issued on April 12, 2024,

valid for three (3) years until April 11, 2027

Manila, Philippines

April 22, 2026



REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

**To The Board of Directors and Shareholders
SARANGANI SECURITIES, INC.**
Unit 2 D-1 Vernida I Condominium,
120 Amorsolo St., Legaspi Village, Makati City

We have audited the financial statements of **SARANGANI SECURITIES, INC.** (the Company) as at and for the year ended December 31, 2025 in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 22, 2026. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules I to VIII, as required by the Securities and Exchange Commission under the Revised Securities Regulation Code Rule 68, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY:  **ETHEL F. MARTINEZ**
PARTNER

CPA Reg. No. 0144003

TIN 306-435-247-000

PTR No. 0368868, Issued on January 8, 2026, Manila City

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valid for three (3) years until April 11, 2027

Manila, Philippines
April 22, 2026



REPORT OF INDEPENDENT AUDITORS

To The Board of Directors and Shareholders
SARANGANI SECURITIES, INC.
Unit 2 D-1 Vernida I Condominium,
120 Amorsolo St., Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SARANGANI SECURITIES, INC.** (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). 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 the 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 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 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 auditor's 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 PSAs 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, they 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 PSAs, 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 auditor's 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 auditor's 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 audit.

Report on Other Legal and Regulatory Requirements

Our audit were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 30 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY:  **ETHEL V. MARTINEZ**
PARTNER

CPA Reg. No. 0144003

TIN 306-435-247-000

PTR No. 0368868, Issued on January 8, 2026, Manila City

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valid for three (3) years until April 11, 2027

Manila, Philippines

April 22, 2026

SARANGANI SECURITIES, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	<i>Notes</i>	2025	Security Position (2025)		2024	Security Position (2024)		
			Long	Short		Long	Short	
ASSETS								
Current Assets								
Cash and cash equivalents	4,5,6	P 28,394,634	P	P	P 24,273,708	P	P	
Financial asset at fair value through profit or loss	4,7	8,183,600	8,183,600		8,799,000	8,799,000		
Receivable from clearing house	4,5,8	-			2,598,600			
Other receivables	4,5,9	54,882			120,128			
Prepayments and other current assets	4,5,10	874,586			1,047,487			
Total Current Assets		37,507,702	8,183,600		36,838,923	8,799,000		
Non-Current Assets								
Property and equipment, net	4,5,11	46,471,286			49,723,059			
Intangible assets	4,5,12	3,503,482			3,509,256			
Refundable deposits	4,5,13	391,180			486,521			
Total Non-Current Assets		50,365,948			53,718,836			
TOTAL ASSETS		P 87,873,650	8,183,600		P 90,557,759	8,799,000		
Securities in Vault, Transfer Office and Philippine Depository and Trust Corp.			P	P 407,262,956		P -	P 397,173,664	
LIABILITIES AND EQUITY								
Current Liabilities								
Payable to customers	4,14	P 14,813,839	P 399,079,356	P	P 11,811,556	P 388,374,664	P	
Other payables	4,15	801,836			865,269			
Other current liabilities	4,16	125,571			94,650			
Total Current Liabilities		15,741,246	399,079,356		12,771,475	388,374,664		
Non-Current Liability								
Retirement liability	4,5,23	2,837,448			3,326,834			
Deferred tax liability, net	4,5,24	2,239,919			2,017,357			
Total Non-Current Liabilities		5,077,367			5,344,191			
Total Liabilities		20,818,613	399,079,356		18,115,666	388,374,664		
Equity								
Share capital	4,17	63,000,000			63,000,000			
Equity reserves	4,17	23,336,393			24,673,437			
Accumulated Deficits	4,17	(19,281,356)			(15,231,344)			
Equity, net		67,055,037			72,442,093			
TOTAL LIABILITIES AND EQUITY		P 87,873,650	P 407,262,956	P 407,262,956	P 90,557,759	P 397,173,664	P 397,173,664	

(See accompanying Notes to Financial Statements)

SARANGANI SECURITIES, INC.

STATEMENTS OF COMPREHENSIVE INCOME

For The Years Ended December 31, 2025 and 2024

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
INCOME			
Commission	4,18	₱ 1,522,223	₱ 781,943
Dividend income	4,7	366,468	438,876
Gain on financial assets at FVTPL, net	4,7	521,082	431,514
Total		<u>2,409,773</u>	<u>1,652,333</u>
DIRECT COSTS	4,19	<u>(2,840,630)</u>	<u>(2,353,559)</u>
GROSS INCOME		(430,857)	(701,226)
OPERATING EXPENSES	4,20	<u>(7,391,211)</u>	<u>(4,666,884)</u>
LOSS FROM OPERATION		(7,822,068)	(5,368,110)
OTHER INCOME	4,21	<u>1,794,732</u>	<u>454,976</u>
NET LOSS BEFORE INCOME TAX		(6,027,336)	(4,913,134)
INCOME TAX EXPENSE (BENEFITS)	4,5,24		
Current		9,016	15,333
Deferred		556,823	(942,762)
		<u>565,839</u>	<u>(927,429)</u>
NET LOSS FOR THE YEAR		<u>(6,593,175)</u>	<u>(3,985,705)</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss:	4,17		
Actuarial gains (losses)		871,858	25,044
Revaluation surplus		-	25,730,117
Realization of revaluation reserves		(2,543,163)	(1,069,183)
Tax effect		(334,261)	(4,937,196)
		<u>(1,337,044)</u>	<u>19,748,782</u>
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>₱ (7,930,219)</u>	<u>₱ 15,763,077</u>

(See accompanying Notes to Financial Statements)

SARANGANI SECURITIES, INC.

STATEMENTS OF CHANGES IN EQUITY

For The Years Ended December 31, 2025 and 2024

	<i>Notes</i>	2025	2024
SHARE CAPITAL	<i>4,17</i>		
Balance at the beginning of the year		₱ 63,000,000	₱ 63,000,000
Issuance		-	-
Balance at the end of the year		63,000,000	63,000,000
EQUITY RESERVES	<i>4,17</i>		
Balance at the beginning of the year		24,673,437	4,924,655
Other comprehensive loss for the year		(1,337,044)	19,748,782
Balance at the end of the year		23,336,393	24,673,437
ACCUMULATED DEFICITS	<i>4,17</i>		
Unappropriated			
Balance at the beginning of the year		(15,781,961)	(12,865,439)
Net loss for the year		(6,593,175)	(3,985,705)
Realization of revaluation increment		2,543,163	1,069,183
Appropriation for the year per SRC Rule 49.1		-	-
Balance at the end of the year		(19,831,973)	(15,781,961)
Appropriated			
Balance at the beginning of the year		550,617	550,617
Appropriation for the year per SRC Rule 49.1		-	-
Balance at the end of the year		550,617	550,617
Total Accumulated Deficits		(19,281,356)	(15,231,344)
EQUITY, net		₱ 67,055,037	₱ 72,442,093

(See accompanying Notes to Financial Statements)

SARANGANI SECURITIES, INC.

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2025 and 2024

	<i>Notes</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before tax		P (6,027,336)	P (4,913,134)
Adjustment to reconcile net loss to			
Net cash provided by operating activities:			
Depreciation	4,5,11	3,456,171	1,265,611
Amortization	4,5,12	5,774	12,321
Unrealized (gain) loss on financial asset at FVTPL	4,7	39,642	416,747
Unrealized foreign exchange (gain) loss	4,21	(410)	(1,268)
Retirement benefit expense	4,23	382,472	355,301
Dividend revenue	4,7	(366,468)	(438,876)
Interest income	4,21	(395,293)	(453,708)
Operating loss before changes in working capital		(2,905,448)	(3,757,006)
Decrease (Increase) in:			
Financial asset at fair value through profit or loss	4,7	575,758	321,079
Receivable from clearing house	4,5,8	2,598,600	(931,840)
Other receivables	4,5,9	40,505	(1,305)
Prepayments and other current assets	4,5,10	294,832	12,248
Increase (Decrease) in:			
Payable to customers	4,14	3,002,283	(1,701,957)
Other payables	4,15	(63,433)	509,645
Other current liabilities	4,16	30,921	(8,104)
Cash provided by (used in) operations		3,574,018	(5,557,240)
Interest received	4,10,21	420,034	456,486
Dividend received	4,7	366,468	438,876
Income tax paid	4,24	(130,947)	(14,918)
Net cash provided by (used in) operating activities		4,229,573	(4,676,796)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property equipment	4,5,11	(204,398)	(372,893)
Refund (payment) of refundable deposits	4,5,13	95,341	(3,290)
Net cash used in investing activities		(109,057)	(376,183)
NET INCREASE (DECREASE) IN CASH		4,120,516	(5,052,979)
EFFECT OF FOREIGN EXCHANGE VARIANCE		410	1,268
CASH AT THE BEGINNING OF THE YEAR		24,273,708	29,325,419
CASH AT THE END OF THE YEAR		P 28,394,634	P 24,273,708

(See accompanying Notes to Financial Statements)

SARANGANI SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

NOTE 1 - GENERAL INFORMATION

SARANGANI SECURITIES, INC. (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number ASO94-003500 dated April 18, 1994. The Company is established primarily to engage in and to carry on the business of stock and bond brokerage as well as dealership in other financial securities and all activities directly or indirectly connected therewith or incidental thereto.

The Company's registered address is located at Unit 2 D-1 Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City.

Approval of the Financial Statement

The financial statements of the Company for the year ended December 31, 2025 including its comparative figures for the year ended December 31, 2024 were approved and authorized for issue by the Board of Directors (BOD) on April 13, 2026.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standard (PFRS) Accounting Standards.

Basis of Preparation and Measurement

The Company has prepared the financial statements as at and for the year ended December 31, 2025 and 2024 on a going concern basis, which assumes continuity of current business activities and the realization of assets and settlements of liabilities in the ordinary course of business.

The financial statements are presented in Philippine Peso (P) the currency of the primary economic environment in which the Company operates. All amounts are rounded to the nearest peso.

The financial statements have been prepared on historical cost basis, except for financial asset at fair value through profit or loss carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Further information about assumptions made in measuring fair values is included in the following:

- Note 5 - Significant Accounting Judgements and Estimates
- Note 29 - Fair Value Measurement

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety; which are described as follows:

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

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company adopted all applicable accounting standards and interpretations as at December 31, 2025. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the Financial and Sustainability Reporting Standards Council (FSRSC) in the Philippines, that were assessed by the Management to be applicable to the Company's financial statements are as follows:

Adoption of Amended Standards Effective Beginning on or after January 1, 2025:

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended Standards which the Company adopted effective for annual periods beginning January 1, 2025.

Unless otherwise indicated, the adoption of the new and amended standards did not have any material effect on the financial statements. Additional disclosures have been included in the notes to financial statements, as applicable.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

New and Amended PFRS and PIC Issuances in Issue but Not Yet Effective or Adopted

Unless otherwise indicated the Company does not expect that the future adoption of the said pronouncements to have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective;

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures

- Guidance on aggregation and disaggregation

Based on preliminary assessment, the management believes that the adoption of PFRS 18 will not affect total profit or equity of the Company. However, the adoption may affect the subtotals and performance measures presented in the statement of comprehensive income. The Company is continuously evaluating the full impact of this new standard on its financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Deferred effectivity

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

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

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

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these separate financial statements are summarized below. These accounting policies information are considered material because of its amounts, nature and related amounts. These are material in understanding material information in the separate financial statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

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 settlement date accounting.

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

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss.

In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Classification

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

Financial Assets at FVTPL.

Financial assets at FVTPL are either classified as held for trading or designated at FVTPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not “solely for payment of principal and interest” assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Company may, at initial recognition, designate a financial asset meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVTPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

After initial recognition, financial assets at FVPL and held for trading financial liabilities are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVTPL and held for trading financial liabilities are recognized in profit or loss.

For financial liabilities designated at FVTPL under the fair value option, the amount of change in fair value that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

As at December 31, 2025 and 2024, the Company’s financial assets at FVTPL is presented in Note 7.

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 credit losses, 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, 2025 and 2024, the Company’s cash and cash equivalents, receivables from clearing house, other receivables and refundable deposits are classified under this category. (Note 6, 8, 9,10, and 13)

Cash

Cash in banks are demand deposits with banks and earn interest at prevailing bank deposit rates. Meanwhile, cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value and which have a maturity of three (3) months or less at acquisition.

Receivables

Receivables are initially recognized when the Company becomes a party to the contractual provisions of the financial instrument. They are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or origination of the financial asset, except for financial assets measured at fair value through profit or loss.

For receivables arising from the sale of securities, the asset is recognized on the trade date, which is the date the Company commits to sell the securities.

Subsequent to initial recognition, receivables are measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

The Company applies the Expected Credit Loss (ECL) model in accordance with PFRS 9 – Financial Instruments in assessing impairment of receivables.

Under this model, the Company recognizes an allowance for expected credit losses based on the probability of default and expected recoveries over the life of the financial asset.

In measuring expected credit losses, the Company considers:

- historical credit loss experience.
- current economic conditions; and
- forward-looking information that may affect the collectability of the receivables.

Receivables from clearing house arising from securities transactions are generally considered to have low credit risk due to the regulated settlement system of the securities market. Accordingly, expected credit losses recognized on these balances are typically minimal.

Receivables are derecognized when the contractual rights to receive cash flows from the financial asset have expired, or when the Company has transferred substantially all the risks and rewards of ownership of the financial asset.

Receivables from and Payables to Clearing House

Receivables from and payables to the clearing house represent amounts arising from securities trading transactions executed by the Company on behalf of its customers and processed through a clearing facility, which remains unsettled as at the reporting date.

These balances are recognized when the Company becomes a party to the contractual provisions of the transaction and are initially measured at fair value, which is normally the transaction price.

Receivables from the clearing house are subsequently measured at amortized cost using the effective interest method, while payables to the clearing house are measured at amortized cost.

Given that these balances are typically settled within a short period (e.g., T+2) in accordance with market practices, their carrying amounts approximate fair value and are measured at their undiscounted amounts, as the effect of discounting is not material.

Receivables from the clearing house are subject to impairment using the expected credit loss (ECL) model. Due to the nature of the clearing house as a central counterparty, the credit risk is considered low.

Financial liabilities

Classification and presentation

The Company classifies its financial liabilities in the following categories: (i) at amortized cost; and (ii) at fair value through profit or loss.

The Company did not hold any financial liabilities under category (ii) during and at the end of each reporting period.

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.

Financial liabilities are recognized in the statement of financial position when, and only when the Company becomes a party to the contract provisions of the instrument.

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, 2025 and 2024, the Company's payable to customers, and other payables account are classified under this category. (Note 14 and 15)

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 FVTPL, 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 (OCI).

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

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI shall be recognize in profit or loss.

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

Impairment of Financial Assets

The Company records an allowance for “expected credit loss” (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset’s original effective interest rate.

For receivables from customers, the Company has applied the provision of SRC Rule 52.1.11 and Risk Based Capital Adequacy. The Company’s Credit Losses was computed based on the classification, credit loss rate and basis specified in SRC Rule No. 52.1.11. In 2023, section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11, Series of 2023.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the 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.

Derecognition of Financial Assets and Liabilities

Financial Assets

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

- the right to receive cash flows from the asset has expired;
- the 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

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

of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

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

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

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

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount 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.

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.

Prepayments and Other Current Assets

Prepayments represent advance payments for Company expenses which are applicable in the succeeding period. Other current assets includes prepaid income taxes and VAT input. Prepayments and other current assets are stated in the statements of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to

initial recognition, items of property and equipment except for the Condominium unit are measured in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses. The Condominium unit is subsequently measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revalued amount is the fair market value determined by an external professional valuer. Revaluation is made with the sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period. The Company revalues its Condominium unit every three years.

Depreciation, which is computed on a straight-line basis is recognized, so as to allocate the cost of assets less their residual values over their estimated useful lives.

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Intangible Assets

Intangible asset represents computer software and trading rights. This is initially measured at cost and is presented in the statement of financial position at cost less accumulated amortization and any accumulated impairment losses. Computer software is amortized over its estimated useful life ranging from 3-10 years using the straight-line method. If there is an indication that there has been a significant change in the useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

Trading right is the result of the conversion plan to preserve the Company's access to the trading facilities and for it to continue to transact business at the PSE.

Trading right is initially measured at cost and are subsequently measured at cost less any accumulated impairment loss. The trading right is an intangible asset to be regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company.

Trading right is not amortized but reviewed each year to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. The Company tests the asset for impairment by comparing its carrying amount with its recoverable amount, and recognizing any excess of the carrying amount over the recoverable amount as an impairment loss. When assets are sold, retired or otherwise disposed of, their cost and related accumulated amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Refundable Deposits

Refundable deposits represent amounts paid to Clearing and Trade Guarantee Fund (CTGF) maintained by Securities Clearing Corporation of the Philippines (SCCP), as security for the performance of contractual obligations. It also includes renovation bond and utility deposits.

These deposits are initially recognized at the transaction price. Subsequently, refundable deposits are measured at amortized cost, less any impairment, if applicable.

Refundable deposits are classified as non-current assets unless they are expected to be recovered within twelve (12) months from the reporting date, in which case they are presented as current assets.

The Company assesses at each reporting date whether there is objective evidence of impairment. If such evidence exists, an impairment loss is recognized in profit or loss.

Impairment of Non- Financial Assets

At each reporting date, the carrying amount of the Company's non-financial assets are reviewed to determine whether there is any indication of impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit and loss.

Any impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its net recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Company. Impairment losses are recognized in profit or loss in the period incurred.

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

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 or amortization, if no impairment loss has been recognized.

Payables

Payables are recognized when the Company becomes a party to the contractual provision that gives rise to the receivable of another entity. Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as noncurrent liabilities.

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the suppliers

Accrued expenses represent expenses incurred for the period, but not yet paid as at reporting date

Other Current Liabilities

Other current liabilities consist primarily of government taxes payable and statutory payable. These liabilities are recognized at the amounts expected to be settled and are presented in the statements of financial position at their undiscounted amounts, as settlement is expected within one year from the reporting date.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred Tax Liabilities

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that they arise from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax liabilities are measured using the tax rates that are expected to apply in the period when the liability is settled, based on tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized when:

- the carrying amount of an asset exceeds its tax base, or
- the tax base of a liability exceeds its carrying amount, resulting in future taxable amounts.

Deferred tax liabilities are measured at the applicable income tax rate, and are not discounted. Deferred tax liabilities are presented in the statement of financial position as non-current liabilities.

Deferred tax assets and deferred tax liabilities are offset only when:

- the Company has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred taxes relate to income taxes levied by the same taxation authority.

Deferred tax expense or benefit is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in the same manner.

Share Capital

Share capital represents the total par value of the ordinary shares issued.

Equity instruments are measured at the fair value of the cash or other consideration received or receivable, net of the direct costs of issuing the equity instruments.

The difference between the consideration received and the par value of the shares issued is credited to share premium.

Retained Earnings

Retained earnings comprise the accumulated profits and losses of the Company recognized in profit or loss in the current and prior years, less dividends declared to shareholders. Retained earnings are likewise adjusted for the effects of retrospective application of changes in accounting policies and corrections of prior period errors.

Accumulated Deficits

Accumulated deficits represent accumulated losses incurred by the Company. Accumulated deficits are likewise adjusted for the effects of retrospective application of changes in accounting policies and corrections of prior period errors.

Reserves

Other components of equity comprise of items of income and expense that are not recognized in profit or loss for the year. Other Comprehensive Income pertains to cumulative remeasurement gains (losses) on net retirement asset or liability and revaluation surplus on condominium unit.

Revenue

Revenue recognition

Revenue 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 agent in its brokerage transactions. The Company acts as a principal in its income from other sources.

Commission

Commissions on brokerage transactions are recorded on a trade date basis as trade transactions occur.

Other income

Income from other sources is recognized when earned during the period.

The following specific recognition criteria must also be met for other revenues outside the scope of PFRS Accounting Standards:

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

Trading Gains or Losses on Financial Assets at FVTPL

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

Interest income

Interest Income is recognized in profit or loss as it accrues, considering the effective yield of the assets.

Other Comprehensive Income (OCI)

Other components of equity comprise of items of income and expense that are not recognized in profit or loss for the year. OCI pertains to the remeasurement gains (losses) on net retirement asset or liability and the revaluation surplus on condominium unit.

Expenses

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are generally recognized on an accrual basis, that is, in the period in which they are incurred, regardless of when payment is made.

The Company classifies its expenses into operating expenses and administrative expenses based on the nature and purpose of the costs incurred.

Operating and administrative expenses

Operating expenses represent costs directly related to the Company's core brokerage and securities trading activities. These expenses are necessary to facilitate the execution, clearing, and settlement of securities transactions and to maintain the Company's trading operations. Administrative expenses represent costs incurred in managing and supporting the overall operations of the Company but are not directly attributable to trading or brokerage activities.

These expenses are recognized when the related services are rendered or when the transaction occurs.

Income Tax

Income tax expense includes current tax expense and deferred tax expense.

Current Tax. Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates 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 using the balance sheet liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforwards of unused MCIT and NOLCO can be utilized.

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 income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed

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

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

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

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

Employee Benefits

Short-term benefits

Short-term benefits given by the Company to its employees include salaries and wages, compensated absences, 13th month pay, employer share contributions and other de minimis benefits, among others.

These are recognized as expenses in the period the employees render services to the Company.

Retirement Benefits

The Company has as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reclassified immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reclassified immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Related Parties

Related party transactions are transfer of resources, services or obligations between the Company and its related parties, regardless whether a price is charged. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

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. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the investee that gives them significant influence over the Company and close members of the family of any such individual; and (d) the Company's funded retirement plan.

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

Leases

A lease is a contract that conveys the right to use an identified asset for a period of time in exchange for a consideration.

Determination as to whether a contract is, or contains, a lease is made at the inception of the lease. Accordingly, the Company assesses whether the contract meets three key evaluations which are:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee;
- the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,
- the lessee has the right to direct the use of the identified asset throughout the period of use. The lessee assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as Lessor

Leases wherein the Company substantially transfers to the lessee all risks and benefits incidental to ownership of the leased items are classified as finance leases and are presented as receivable at an amount equal to the Company's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Company's net investment outstanding in respect of the finance lease.

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income in the statement of comprehensive income on a straight-line basis over the lease term.

Foreign Currency Transaction

Foreign currency transactions are initially recognized using the spot rate of exchange at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currency are translated into the functional currency using the closing rate as of the reporting date. Gains and losses arising from foreign currency transactions and remeasurement of monetary assets and liabilities are recognized immediately in profit and loss.

Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation 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. Provisions are measured at the estimated expenditure required to settle the present

obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingent assets and liabilities are not recognized in the financial statements, but are disclosed in the notes to separate 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 statements of financial position when an inflow of economic benefits is probable.

Changes in accounting policies, change in accounting estimates and correction of prior period errors

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are accounted for retrospectively.

Changes in accounting estimates is recognized prospectively by reflecting it in the profit and loss in the period of the change if the change affects that period only or the period of the change and future periods if the change affects both.

Prior period errors are omissions from, and misstatements in, the Company's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorized for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

To the extent practicable, the Company corrects a material prior period error retrospectively in the first financial statements authorized for issue after its discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for period presented.

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the Company restates the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Subsequent events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after period end (non-adjusting events) are disclosed in the notes to the financial statements.

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Company to make estimates and assumptions

that affect the amounts reported in the financial statements and accompanying notes. The judgements and accounting estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

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

The following are the significant judgement, accounting estimates and assumptions by the Company.

Judgment

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Assessment of Impairment of Nonfinancial Assets

The Company determines whether there are indicators of impairment of the Company's non-financial assets. Indicators of impairment include significant change in usage, decline in the asset's fair value or underperformance relative to expected historical or projected future results. Determining the fair value requires the determination of future cash flows and future economic benefits expected to be generated from the continued use and ultimate disposition of such assets. It requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could be used by management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows and economic benefits involves significant judgments and estimation.

No impairment loss on non-financial assets was recognized in the Company's financial statements in either 2025 or 2024.

Determination of ECL on financial assets

The Company uses a provision matrix to calculate ECL for financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns by customer type and credit rating.

The provision matrix is based on the Company's historically observed default rates. The Company's management intends to regularly calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information. Details about the ECL on the Company's trade and other receivables are disclosed in Note 27.

Fair Value Measurement for Financial Assets at FVTPL

The Company carries certain financial assets at fair value which requires judgment and extensive use of accounting estimates. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another financial instrument which is substantially the same or is calculated based on the expected cash flow of the underlying net base of the instrument or other more appropriated valuation techniques (Note 7).

The amount of changes in fair value would differ if the Company had utilized different valuation methods and assumptions. Any change in fair value of the financial assets and financial liabilities would affect profit. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques using the net present value computation.

The carrying values of the Group's trading and investment securities and the amounts of fair value changes recognized on those financial assets are disclosed in Note 7.

Determining the appropriate actuarial assumptions used in measuring the defined benefit obligation.

The Company applies judgment in determining the appropriate actuarial assumptions used in measuring the defined benefit obligation. This includes the selection of the discount rate, which is determined by reference to the yields of high-quality corporate bonds or, in the absence of a deep market, government bonds with maturities approximating the term of the obligation.

Judgment is also applied in assessing whether the actuarial assumptions used are reasonable and consistent with current market conditions and the Company's experience.

Revaluation of Property and Equipment

The Company's condominium unit under property and equipment are measured using the revaluation model in accordance. The determination of fair values involves significant judgments and estimates.

Management exercises judgment in determining the appropriate valuation approach and techniques to be applied by independent appraisers. This includes the selection of comparable market data, consideration of the highest and best use of the assets, and assessment of whether observable inputs are available. Management also evaluates the competence, capabilities, and objectivity of the external valuers engaged. Condominium units at revalued amount is presented in note 11.

Estimates

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

Estimation of Allowance for Credit Losses

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 27.

Estimating useful lives of property and equipment

The Company estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets and residual values are reviewed, and adjusted if appropriate, only if there is a significant change in the asset or how it is used.

The following estimated useful lives are used in depreciating the property and equipment:

<u>Particulars</u>	<u>Useful Lives</u>
Condominium unit/Improvements/Revaluation	5-25 years
Furniture, fixtures and other office equipment	3-5 years
Other property equipment	3-5 years
Computer software	3 years

Measurement of the defined benefit obligation

The measurement of the defined benefit obligation is subject to significant estimation uncertainty, as it involves the use of actuarial assumptions. These include the discount rate, salary increase rate, employee turnover rate, mortality rate, and retirement age.

The defined benefit obligation is determined by using the projected unit credit method, which requires estimating future cash outflows and discounting these to their present value.

Due to the long-term nature of the obligation, changes in these assumptions may have a significant impact on the amount of the defined benefit obligation and the related retirement expense. (Note 20)

Estimating Revaluation Amount of Property and Equipment – Condominium unit.

The revaluation of property and equipment requires the use of estimates such as market values, replacement costs, depreciation rates, and economic useful lives. Fair values are generally based on market comparable data for land and on depreciated replacement cost or income approaches for buildings and improvements, depending on the nature of the asset and availability of observable inputs.

Key assumptions used in the valuation include, among others, price per square meter, construction costs, physical deterioration, functional and economic obsolescence, and prevailing market conditions. Changes in these assumptions may significantly affect the resulting fair values and the amount of revaluation surplus recognized in equity.

Management ensures that revaluations are performed with sufficient regularity to ensure that the carrying amounts do not materially differ from fair values at the reporting date. (Note 11)

Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2025 and 2024 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 24.

NOTE 6 - CASH AND CASH EQUIVALENTS

This account consists of:

	<u>2025</u>	<u>2024</u>
Petty cash fund	P 5,000	P 5,000
Cash in bank	20,869,658	15,332,223
Cash equivalents	7,519,976	8,936,485
	<u>P 28,394,634</u>	<u>P 24,273,708</u>

Cash in bank generally earns interest at rates based on daily bank deposit rates. These are unrestricted and available for use in the Company's operation except for the special reserve bank account with BDO Unibank Inc.

Interest income recognized in the Statements of Comprehensive Income amounted to P24,681 in 2025 and P14,187 in 2024. (Note 21)

Included in Cash in bank is USD518.47 and USD518.24 as of December 31, 2025 and 2024, respectively. This is translated to Philippine Peso amounting to P30,486 at an exchange rate of 58.88 to a USD and P30,065 at an exchange rate of 58.01 to a USD in 2025, and 2024, respectively. Unrealized gain on USD-denominated bank deposit amounts to P410 and P1,268 for the years ended December 31, 2025 and 2024, respectively. (Note 21)

The Company classifies short-term investments with original maturity period of ninety-eight (98) days or less from date of acquisition as cash equivalents. The Company's cash equivalents is maintained with a local commercial bank's Trust and Investment Group and earns effective interest ranging from 3.90% to 4.60% in 2025 and 4.5% to 4.66% in 2024. Interest income from these placements amounts to P370,612 and P439,521 for the year ended December 31, 2025 and 2024, respectively. (Note 21) Accrued interest receivable related to cash equivalents amounts to P54,082 and P78,823 as of December 31, 2025 and 2024, respectively (Note 9).

Under Securities Regulation Code (SRC) Rule 49.2-1, The Company is required to maintain special reserve bank account with BDO Unibank Inc., for the exclusive benefit of its clients. As of December 31, 2025 and 2024, the Company is compliant with the required amount of reserve in accordance with SRC 49.2-1.

NOTE 7 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consist of:

	<u>2025</u>	<u>2024</u>
Equities in PHISIX	P 8,183,600	P 8,799,000
Equities outside PHISIX	-	-
	<u>P 8,183,600</u>	<u>P 8,799,000</u>

The movement in the financial assets at fair value through profit or loss is summarized below:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	P 8,799,000	P 9,536,826
Additions	4,349,359	2,931,998
Disposals	(4,925,117)	(3,253,077)
Fair value adjustments	(39,642)	(416,747)
Balance at end of year	<u>P 8,183,600</u>	<u>P 8,799,000</u>

Financial assets at FVTPL represents equity securities held for trading. Fair values are based on the quoted market price at the PSE as at December 31, 2025 and 2024 or on the last trading day of each year.

Dividend income on financial assets at FVTPL presented as separate line item in the statements of comprehensive income amounted to ₱366,468 and ₱438,876 in 2025 and 2024, respectively.

The Company recognizes gain (loss) on sale of financial assets at FVTPL presented as part of gain (loss) on financial assets at FVTPL in the statements of comprehensive income a gain of ₱560,724 and ₱848,261 in 2025 and 2024, respectively.

The change in fair value of financial assets at fair value through profit or loss recognized and presented as part of gain (loss) on financial assets at FVTPL, net, in the statements of comprehensive income amounted to ₱39,642 and ₱416,747 loss in 2025 and 2024, respectively.

NOTE 8 - RECEIVABLE FROM CLEARING HOUSE

The net balance of this account as at December 31, 2025 and 2024 relates to the trading transactions made for the last two trading days in 2025 and in 2024, which have not yet been cleared. The outstanding balance were net receivable from clearing house amounting to ₱2,598,600 in 2024. The company has no trading transactions for the last two trading days of 2025.

NOTE 9 - OTHER RECEIVABLES

This account consists of:

	2025	2024
Interest receivable (Note 6)	₱ 54,082	₱ 78,823
Advances to employees	800	1,305
Advances to contractor	-	40,000
	<u>₱ 54,882</u>	<u>₱ 120,128</u>

Interest receivable pertains to accrued interest on placements as at December 31, 2025 and 2024, respectively.

Advances to contractor pertains to advance payment made to contractor for the renovation of the new condominium unit at PSE Building located in Bonifacio Global City.

Advances to employees pertains to employee's cash advances payable through salary deduction.

NOTE 10 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2025	2024
Prepaid software maintenance fee	₱ 41,667	₱ 41,667
Prepaid taxes and licenses	39,851	40,726
Prepaid insurance	36,504	36,504
VAT input	273,168	567,125
Prepaid income tax (Note 24)	483,396	361,465
	<u>₱ 874,586</u>	<u>₱ 1,047,487</u>

Prepaid software maintenance fee represents the unamortized software maintenance which is applicable in the succeeding period.

Prepaid taxes and licenses pertain to advance payment of taxes and licenses applicable in the succeeding period.

Prepaid insurance represents the insurance premium which is applicable in the next accounting period or within 12 months from reporting period.

VAT input are value added tax on purchases of goods and services. These are deductible against the Company's VAT liability.

Prepaid income tax pertains to excess tax credits, which could be applied to tax liability of the company in the succeeding period

NOTE 11 - PROPERTY AND EQUIPMENT, net

A reconciliation in the carrying amounts at the beginning and end of 2025 and 2024, of property and equipment is shown below:

2025

	<u>Condominium Unit (At Cost)</u>	<u>Revaluation Surplus on Condominium Unit</u>	<u>Furniture, Fixtures and Office Equipment</u>	<u>Other Property and Equipment</u>	<u>Total</u>
Costs					
Beginning	P 22,116,628	P 58,222,609	P 1,186,998	P 766,830	P 82,293,065
Additions	176,897	-	27,501	-	204,398
Disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
	<u>22,293,525</u>	<u>58,222,609</u>	<u>1,214,499</u>	<u>766,830</u>	<u>82,497,563</u>
Accumulated depreciation					
Beginning	2,530,880	28,128,940	1,143,356	766,830	32,570,006
Depreciation	884,665	2,543,163	28,343	-	3,456,171
Disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
	<u>3,415,545</u>	<u>30,672,103</u>	<u>1,171,699</u>	<u>766,830</u>	<u>36,026,177</u>
Carrying amount- 12/31/2025	<u>P 18,877,980</u>	<u>P 27,550,506</u>	<u>P 42,800</u>	<u>P -</u>	<u>P 46,471,286</u>
Carrying amount- 12/31/2024	<u>P 19,585,748</u>	<u>P 30,093,669</u>	<u>P 43,642</u>	<u>P -</u>	<u>P 49,723,059</u>

2024

	<u>Condominium Unit (At Cost)</u>	<u>Revaluation Surplus on Condominium Unit</u>	<u>Furniture, Fixtures and Office Equipment</u>	<u>Other Property and Equipment</u>	<u>Total</u>
Costs					
Beginning	21,743,735	14,472,792	1,186,998	766,830	38,170,355
Additions	372,893	-	-	-	372,893
Disposal	-	-	-	-	-
Revaluation	-	43,749,817	-	-	43,749,817
	<u>22,116,628</u>	<u>58,222,609</u>	<u>1,186,998</u>	<u>766,830</u>	<u>82,293,065</u>
Accumulated depreciation					
Beginning	2,362,830	9,040,057	1,114,978	766,830	13,284,695
Depreciation	168,050	1,069,183	28,378	-	1,265,611
Disposal	-	-	-	-	-
Revaluation	-	18,019,700	-	-	18,019,700
	<u>2,530,880</u>	<u>28,128,940</u>	<u>1,143,356</u>	<u>766,830</u>	<u>32,570,006</u>
Carrying amount- 12/31/2024	<u>P 19,585,748</u>	<u>P 30,093,669</u>	<u>P 43,642</u>	<u>P -</u>	<u>P 49,723,059</u>
Carrying amount- 12/31/2023	<u>P 19,380,905</u>	<u>P 5,432,735</u>	<u>P 72,020</u>	<u>P -</u>	<u>P 24,885,660</u>

The Company applied the revaluation model in the valuation of its Condominium unit with parking lot. Below is the breakdown of the revaluations made:

2025

	Acquisition Cost	Revaluation 2012	Revaluation 2016	Revaluation 2020	Revolution 2024	Total Revaluation
Cost	P 22,293,525	P 1,455,146	P 2,824,085	P 10,193,561	P 43,749,817	P 58,222,609
Accumulated depreciation	(3,415,545)	(969,384)	(2,017,477)	(7,381,997)	(20,303,245)	(30,672,103)
	<u>P 18,877,980</u>	<u>P 485,762</u>	<u>P 806,608</u>	<u>P 2,811,564</u>	<u>P 23,446,572</u>	<u>P 27,550,506</u>

2024

	Acquisition Cost	Revaluation 2012	Revaluation 2016	Revaluation 2020	Revolution 2024	Total Revaluation
Cost	P 22,116,628	P 1,455,146	P 2,824,085	P 10,193,561	P 43,749,817	P 58,222,609
Accumulated depreciation	(2,530,880)	(890,742)	(1,886,892)	(6,926,824)	(18,424,482)	(28,128,940)
	<u>P 19,585,748</u>	<u>P 564,404</u>	<u>P 937,193</u>	<u>P 3,266,737</u>	<u>P 25,325,335</u>	<u>P 30,093,669</u>

Property and equipment are stated at cost, except for the condominium unit and parking lot, which are measured using the revaluation model, less accumulated depreciation and any impairment losses.

Revaluation of Condominium Unit

The Company applies the revaluation model to its condominium unit and related parking lot. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

The most recent valuation was performed on September 11, 2024 by an independent accredited appraiser, Topconsult, Inc., using the market approach, which reflects recent market transactions for similar properties.

The appraised values of the properties are as follows:

- Condominium unit – ₱35,177,000
- Office condominium unit and parking slot – ₱15,176,000
-

Any increase in the carrying amount arising from revaluation is recognized in other comprehensive income and accumulated in equity under revaluation surplus, except to the extent that it reverses a revaluation decrease previously recognized in profit or loss.

A decrease arising from revaluation is recognized in profit or loss to the extent that it exceeds any balance previously recognized in revaluation surplus relating to the same asset.

The revaluation surplus represents the cumulative net increase in the fair value of the revalued condominium unit and is presented under equity.

The movement in revaluation surplus is disclosed in the statement of changes in equity.

Depreciation expense amounted to ₱3,456,171 and ₱3,129,493 for the years ended December 31, 2025 and 2024, respectively.

Fully Depreciated Assets

As of December 31, 2025 and 2024, the gross carrying amount of fully depreciated property and equipment that are still in use amounted to ₱2,442,718.

The Company has no property and equipment pledged as security for any liabilities. There are no contractual commitments for the acquisition of property and equipment as of the reporting date. There were no impairment losses recognized in 2025 and 2024.

NOTE 12 - INTANGIBLE ASSETS

This account consists of:

	<u>2025</u>	<u>2024</u>
Trading right	₱ 3,500,000	₱ 3,500,000
Computer software	3,482	9,256
	<u>₱ 3,503,482</u>	<u>₱ 3,509,256</u>

Trading right represents the Company's privilege in trading securities in the PSE floor. In compliance with Section 8, Article III of the Amended By-Laws of the Exchange, the Company's trading right (previously the exchange membership seat) is pledged at its full value to the PSE to secure the payments of all debts due to the Exchange and to other trading participants of the Exchange arising out of or in connection with the present or future contracts relating to securities and in compliance with Section 7, Article II of the Rules Governing Trading Rights and Trading Participants, to secure the payment of all debts and claims due to the clients of the Company, the Government, the Exchange and the other trading participants of the Exchange and to the Securities Clearing Corporation of the Philippines.

The last transacted price for the sale of trading right in the PSE was Seven Million Seven Hundred Thousand Pesos (₱7,700,000) as approved by the PSE Board of Directors on September 17, 2025. Considering that the market value is significantly higher than the carrying amount, no impairment loss shall be recognized for this account.

Computer software pertains to the accounting system of the Company.

A reconciliation of the carrying amounts at the beginning and end of 2025 and 2024, of computer software is shown below:

	<u>2025</u>	<u>2024</u>
Beginning balance	₱ 9,256	₱ 21,577
Additions	-	-
Amortization	(5,774)	(12,321)
Ending balance	<u>₱ 3,482</u>	<u>₱ 9,256</u>

NOTE 13 - REFUNDABLE DEPOSITS

This account consists of:

	<u>2025</u>	<u>2024</u>
Clearing and Trade Guaranty Fund	₱ 4,659	₱ 317,014
Renovation bond	100,000	100,000
Utility deposits	286,521	69,507
	<u>₱ 391,180</u>	<u>₱ 486,521</u>

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.

Refundable deposit – CTGF, pertains to the Company's contribution to the Clearing and Trade Guaranty Fund (CTGF) maintained by Securities Clearing Corporation of the Philippines (SCCP), for the purpose of covering failed trades due to member's illiquidity and/or insolvency. This is refundable upon cessation of the Company's business and/or termination of the Company's membership with SCCP.

Under the amended Securities Clearing Corporation of the Philippines (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.

Renovation bond pertains to the required deposit for the renovation of the Company's condominium unit. This deposit is refundable after the construction is completed net of any charges for damages on common areas.

Utility deposit represents deposits with various utility service providers which is refundable at the end of service agreement.

NOTE 14 - PAYABLES TO CUSTOMERS

This account consists of:

	2025	2024
Payables to customers	P 14,480,631	P 11,549,758
Dividends payable-customers	333,208	261,798
	<u>P 14,813,839</u>	<u>P 11,811,556</u>

Payables to customer pertains to segregated bank balances secured and held for customers in the course of its regulated trading activities.

Payables to customers are non-interest bearing and are due within two (2) business days after the consummation of the transactions.

The security values of the credit balance of customers' account follows:

	2025		2024	
	Credit Balance	Security Valuation-Long	Credit Balance	Security Valuation-Long
With money balance	P 14,480,631	P 206,617,052	P 11,549,758	P 184,212,893
Without money balance	-	192,462,304	-	204,161,771
	<u>P 14,480,631</u>	<u>P 399,079,356</u>	<u>P 11,549,758</u>	<u>P 388,374,664</u>

NOTE 15 - OTHER PAYABLES

This account consists of:

	<u>2025</u>	<u>2024</u>
Security deposit (Note 26)	P 552,400	P 552,400
SCCP fees payable	183,813	210,476
Accrued expenses	65,623	101,409
Others	-	984
	<u>P 801,836</u>	<u>P 865,269</u>

Security deposits are required for tenant for the faithful performance of the provisions of the lease agreements and this cover possible damages to the leased premises. These are refundable at the end of the service agreement.

SCCP fees payable pertains to trading fees incurred in buying and selling of shares of stocks that are still payable to the clearing house.

Accrued expense pertains to salaries and benefits incurred but not year paid as of reporting period.

Others pertains to employee's tax refund on withholding tax.

NOTE 16 - OTHER CURRENT LIABILITIES

This account consists of:

	<u>2025</u>	<u>2024</u>
Statutory payable	P 93,302	P 68,610
Due to BIR	32,269	26,040
	<u>P 125,571</u>	<u>P 94,650</u>

Statutory payable consists of statutory obligations to government agencies such as Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund.

Due to BIR consists of obligations to Bureau of Internal Revenue such as stock transaction taxes and withholding taxes

NOTE 17 - EQUITY

Share Capital

The Company is authorized to issue Seventy Thousand (70,000) ordinary shares with par value of one thousand peso (P1,000) per share. The shareholders subscribed 63,000 shares as of December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the Company's total subscribed issued and outstanding capital stock is owned by nine (9) shareholders. Four (4) shareholders owned more than 100 shares.

A reconciliation of the outstanding share capital at the beginning and end of 2025 and 2024 is shown below:

2025

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2024	63,000	₱ 63,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2025	<u>63,000</u>	<u>₱ 63,000,000</u>

2024

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2023	63,000	₱ 63,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2024	<u>63,000</u>	<u>₱ 63,000,000</u>

Minimum Capital Requirement

In a meeting held on October 21, 2010, the SEC issued Resolution No. 489 and 492 granting the deferment of the ₱30,000,000 unimpaired paid-in capital requirement of Trading Participants effective January 1, 2011 until November 30, 2011 provided that Trading Participants with Unimpaired Paid-up Capital falling below ₱30,000,000 shall post a surety bond amounting to ₱30,000,000 on top of the surety bond of ₱12,000,000 in compliance with SRC Rule 28.1 for the same period until securities held and controlled by the Trading Participant shall be recorded under the name of the individual clients in the books of the Transfer Agent or in the sub-account with the Philippine Depository and Trust Corporation at the option of the client. Compliance with the requirement is a condition for the renewal of the Broker Dealer license for the period covering January 1, 2011 to December 31, 2013.

In compliance with Section 2 of D, Article VII of the amended Market Regulation Rules, which was approved by the Securities and Exchange Commission on September 8, 2009, effective November 1, 2009, the surety bond, shall be Ten Million Pesos (₱10,000,000) for Brokers and Two Million Pesos (₱2,000,000) for Dealers.

On November 18, 2024, the Company renewed its surety bond coverage for the period January 1, 2025 to December 31, 2025 in the amount of Twelve Million Pesos (₱12,000,000) in compliance with SRC Rule 28.1.

On November 10, 2023, the Company renewed its surety bond coverage for the period January 1, 2024 to December 31, 2024 in the amount of Twelve Million Pesos (₱12,000,000) in compliance with SRC Rule 28.1.

Based on SEC Memorandum Circular No. 16 dated November 11, 2004, starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the Risk-Based Capital Adequacy (RBCA) rules. As of December 31, 2005, the RCBA report is prepared based on the guidelines which cover the following risks: (a) position of market risks, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operation risk.

The Company monitors capital on the basis of RBCA Ratio and Net Liquid Capital (NLC). RBCA requirement is the minimum level of capital that has to be maintained by firms which are licensed, or securing a broker dealer license, taking into consideration the firms size, complexity and business risk. RBC ratio is the quotient of the NLC and the sum of the requirements for operation risk, credit risk, and position or market risk.

NLC, on the other hand, represents the equity eligible for NLC adjusted for non-allowable current and non-current assets as described under the Circular.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Under the guidelines set-out by the SEC, all registered brokers dealers should maintain the following RBCA and NLC requirements:

- A. RBCA ratio of greater than or equal to 1.1;

As at December 31, 2025 and 2024, the Company's RBCA ratio of 4.79 and 4.75, respectively, is in compliance with the minimum capital requirement set out by the RBCA framework.

- B. NLC should be at least ₱5,000,000 or 5% of aggregate indebtedness, whichever is higher;
C. A dealer who deals only with proprietary shares and does not keep shares in its custody shall maintain a NLC of ₱2,500,000 or 2.5% of aggregate indebtedness, whichever is higher;

- D. No broker dealer shall permit its aggregate indebtedness to exceed 2,000% of its NLC.

The Company's NLC amount to ₱12,543,439 and ₱13,632,835 as of December 31, 2025 and 2024, respectively, which is more than 5% of the Company's aggregate indebtedness. As of December 31, 2025 and 2024, the Company is in compliant with items A to D as prescribed by Securities and Exchange Commission (SEC).

On May 28, 2009, the SEC approved PSE's Rules Governing Trading Rights and Trading Participants which provides among other the following provisions:

- a. Trading participants should have a minimum unimpaired paid-up capital (defined as the trading participant's total paid up capital less any deficiency in the retained earnings account) of ₱20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid up capital shall be ₱30,000,000; and
b. Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due to the trading participant, the government, PSE and to other trading participants of the PSE and to the Securities Clearing Corporation of the Philippines.

On August 8, 2023, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

As at December 31, 2025 and 2024, the Company is in compliance with PSE's Rules Governing Trading Rights and Trading Participants.

Equity Reserves

The reconciliation of items of other comprehensive income presented under Equity Reserves in the statements of changes in equity are shown below:

2025

	Revaluation Gains	Actuarial Gains	Total
Balance at beginning of year	₱ 24,074,934	₱ 598,503	₱ 24,673,437
Revaluation for the year	-	-	-
Realization of revaluation through depreciation	(2,543,163)		(2,543,163)
Actuarial gain (loss)	-	871,858	871,858
Other comprehensive income (loss) before tax	(2,543,163)	871,858	(1,671,305)
Tax effect	508,633	(174,372)	334,261
Other comprehensive income after tax	(2,034,530)	697,486	(1,337,044)
Balance at end of year	₱ 22,040,404	₱ 1,295,989	₱ 23,336,393

2024

	Revaluation Gains	Actuarial Gains	Total
Balance at beginning of year	₱ 4,346,187	₱ 578,468	₱ 4,924,655
Revaluation for the year	25,730,117	-	25,730,117
Realization of revaluation through depreciation	(1,069,183)	-	(1,069,183)
Actuarial gain (loss)	-	25,044	25,044
Other comprehensive income (loss) before tax	24,660,934	25,044	24,685,978
Tax effect	(4,932,187)	(5,009)	(4,937,196)
Other comprehensive income after tax	19,728,747	20,035	19,748,782
Balance at end of year	₱ 24,074,934	₱ 598,503	₱ 24,673,437

Retained Earnings

Appropriation

In compliance with SRC Rule 49.1 (B) Reserve Fund, every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfers the same to the appropriated retained earnings. Appropriation shall be 30%, 20%, 10% of profit after tax for broker dealers with unimpaired paid-up capital of ₱ 10M to ₱ 30M, ₱ 30M to ₱ 50M and above ₱ 50M, respectively.

In compliance with the above circular, the Company appropriated retained earnings amounts to ₱nil in 2025 and 2024. Total appropriated retained earnings as of December 31, 2025 and 2024, in compliance with the above circular amounted to ₱550,617. The company is in compliance with the SRC Rule 49.1(B).

NOTE 18 - COMMISSION REVENUE

The Company earns commission through stocks transaction, tender offer and initial public offering, this amounts to ₱1,522,223 in 2025 and ₱781,943 in 2024.

Breakdown of commission revenue recognized at point in time follows:

	<u>2025</u>	<u>2024</u>
Commission on stocks transaction	₱ 1,128,467	₱ 705,598
Commission on IPO and tender offer	393,756	76,345
	<u>₱ 1,522,223</u>	<u>₱ 781,943</u>

NOTE 19 - DIRECT COSTS

Details of the Company's direct costs are as follows:

	<u>2025</u>	<u>2024</u>
Salaries and statutory benefits	₱ 2,392,164	₱ 1,913,043
Stock exchange dues and fees	448,466	440,516
	<u>₱ 2,840,630</u>	<u>₱ 2,353,559</u>

NOTE 20 - OPERATING EXPENSES

Details of the Company's operating expense are as follows:

	<u>2025</u>	<u>2024</u>
Depreciation (Note 11)	₱ 3,456,171	₱ 1,265,611
Salaries and statutory benefits	1,641,981	1,338,571
Professional fees	638,521	459,418
Taxes and licenses (Note 30)	421,058	110,061
Retirement expense (Note 23)	382,472	355,301
Utilities	195,099	203,596
Condominium dues and fees	162,895	442,438
Communication and postage	134,452	152,386
Office supplies	108,789	86,590
Repairs and maintenance	85,864	88,585
Insurance	40,351	40,351
Transportation and travel	36,067	31,195
Representation	25,205	24,000
Advertising expense	12,000	550
Trainings and seminars	6,250	8,725
Amortization (Note 12)	5,774	12,321
Bank charges	5,112	14,105
Photocopies	531	125
Miscellaneous	32,619	32,955
	<u>₱ 7,391,211</u>	<u>₱ 4,666,884</u>

NOTE 21 - OTHER INCOME

Details of the Company's other income are as follows:

	<u>2025</u>	<u>2024</u>
Rental income (Note 26)	₱ 1,334,300	₱ -
Interest income – Short-term investment (Note 6)	370,612	439,521

Interest income – Regular deposit (Note 6)	24,681	14,187
Unrealized foreign exchange gain (Note 6)	410	1,268
Miscellaneous income	64,729	-
	<u>₱ 1,794,732</u>	<u>₱ 454,976</u>

NOTE 22 - DEPRECIATION AND EMPLOYEE BENEFITS

Depreciation and employee benefits were presented as follows:

2025

	Direct Costs	Operating Expense	Total
Depreciation and amortization	₱ -	₱ 3,456,171	₱ 3,456,171
Employee benefits	2,392,164	2,024,453	4,416,617

*Employee benefits include salaries and statutory benefits and retirement expense

2024

	Direct Costs	Operating Expense	Total
Depreciation and amortization	₱ -	₱ 1,277,932	₱ 1,277,932
Employee benefits	1,913,043	1,620,912	3,606,915

*Employee benefits includes salaries and statutory benefits and retirement expense

NOTE 23 - EMPLOYEE'S COMPENSATION AND OTHER BENEFITS

Salaries and Employee Benefits Expense

Details of salaries and employee benefits are presented below (Note 19 and 20).

	2025	2024
Short-term employee benefits	₱ 4,034,145	₱ 3,251,614
Post-employment defined benefit	382,472	355,301
	<u>₱ 4,416,617</u>	<u>₱ 3,606,915</u>

Post-employment Defined Benefit Plan

(a) *Characteristics of the Defined Benefit Plan*

The Company does not have an established retirement plan and only conforms to the minimum regulatory benefit under Retirement Pay Law (Republic Act No. 7641) which is of the final salary defined benefit type and provides a retirement equal to 22.5 days pay for every year of credited service. The regulatory benefit is paid in a lump sum upon retirement.

(b) *Explanation of Amounts Presented in the Financial Statements*

The Company engaged the services of actuary using Projected Unit Credit (PUC) method. The retirement has unfunded, non-contributory defined benefit plan covering substantially all of its regular employees. The retirement benefits are based on years of services and employee's salary of the time of retirement using the Projected Unit Credit (PUC) method.

The amounts of retirement liability recognized in the statements of financial position are determined as follows:

	2025	2024
Present value of retirement liability	P 2,837,448	P 3,326,834
Fair value of plan assets	-	-
	<u>P 2,837,448</u>	<u>P 3,326,834</u>

The movements in the present value of the post-employment defined benefit obligation recognized in the books is shown below.

	2025	2024
Balance at beginning of year	P 3,326,834	P 2,996,577
Current service cost	177,539	175,506
Interest cost	204,933	179,795
Actuarial (gain) loss	(871,858)	(25,044)
Balance at end of year	<u>P 2,837,448</u>	<u>P 3,326,834</u>

The Company does not have a formal retirement plan and therefore has no plan assets.

The components of retirement expense recognized in profit or loss are as follows:

	2025	2024
Current service cost	P 177,539	P 175,506
Interest cost	204,933	179,795
Total	<u>P 382,472</u>	<u>P 355,301</u>

The components of retirement benefit expense recognized in other comprehensive income are as follows:

	2025	2024
Actuarial (gain) loss-changes in financial assumptions	P 16,602	P (29,016)
Actuarial (gain) loss-changes in demographic assumptions	(655,852)	3,972
Actuarial (gain) loss- experience	(232,608)	-
Total	<u>P (871,858)</u>	<u>P (25,044)</u>

Current service cost and net interest cost is presented in the statements of comprehensive as retirement expense under operating expenses. Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

The principal assumptions used to determine the retirement benefits are as follows:

	2025	2024
Discount rate	6.03%	6.16%
Salary increase rate	5.00%	5.00%

(c) *Risks Associated with the Retirement Plan*

There are no unusual or significant risks to which the Retirement Obligation exposes the Company. However, it should be noted that in the event a benefit claim arises under the Retirement Obligation, the benefit shall immediately be due and payable from the Company.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below:

(i) *Sensitivity Analysis*

The sensitivity analysis based on reasonably possible changes of the assumptions follows:

2025

	<u>Basis Points</u>		<u>Effect on Retirement Obligation Increase (Decrease)</u>	
Discount rate	+100	₱	(123,622)	(4.4%)
	-100		133,356	4.7%
Salary rate	+100		133,394	5.7%
	-100		(125,943)	(5.3%)
No Attrition Rates			837,014	29.5%

2024

	<u>Basis Points</u>		<u>Effect on Retirement Obligation Increase (Decrease)</u>	
Discount rate	+100	₱	(172,972)	(5.2%)
	-100		187,843	5.6%
Salary rate	+100		188,139	5.7%
	-100		(176,416)	(5.3%)
No Attrition Rates			182,531	5.5%

Each Sensitivity Analysis on the significant actuarial assumptions was prepared by remeasuring the DBO at the balance sheet date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

(ii) *Asset-liability Matching Strategies*

The Company does not have a formal retirement plan and therefore has no plan assets to match against the liabilities under the Retirement Obligation.

(iii) *Funding Arrangements and Expected Contributions*

Since the Company does not have a formal retirement plan, benefit claims under the Retirement Obligation are paid directly by the Company when they become due.

The maturity analysis of expected future benefit payments follows:

	2025	2024
Less than five (5) years	P 1,893,943	P 2,559,187
Six (6) to ten (10) years	2,822,989	2,928,581
	<u>P 4,776,932</u>	<u>P 5,487,768</u>

NOTE 24 - INCOME TAXES

Income tax expense (benefits) for the years ended December 31 is computed as follows:

	2025	2024
Current tax expense		
MCIT	P 4,517	P 12,498
Final tax	4,499	2,835
	<u>9,016</u>	<u>15,333</u>
Deferred tax income arising from:		
Temporary difference	556,823	(942,762)
Income tax benefit	<u>P 565,839</u>	<u>P (927,429)</u>

Reconciliation between statutory tax and effective tax follows:

	2025	2024
Income tax at statutory rate	P (1,205,467)	P (982,627)
Tax effect of income subject to final tax	(74,560)	(87,906)
Tax effect of dividend income exempt from income tax	(73,294)	(87,775)
Tax effect of non-deductible depreciation expense	508,633	213,837
Tax effect of non-deductible representation expense	1,997	3,236
Tax effect of non-deductible deficiency tax	52,680	-
Expiration of NOLCO	1,317,111	-
Expiration of MCIT	6,507	13,806
Adjustment of taxes of prior period	32,232	
Effective income tax	<u>P 565,839</u>	<u>P (927,429)</u>

Details of income tax payable (prepaid income tax) follows:

	2025	2024
Regular Corporate Income Tax:		
Loss before tax	P (6,027,336)	P (4,913,134)
Permanent differences:		
Interest income subjected to final tax	(395,293)	(453,708)
Non-taxable dividend income	(366,468)	(438,876)
Non-deductible depreciation expense	2,543,163	1,069,183
Non-deductible representation expense	9,983	16,181
Non-deductible deficiency tax on taxes and licenses	263,399	-
Temporary differences:		
Retirement benefit expense	382,472	355,301
Unrealized foreign exchange loss (gain)	(410)	(1,268)
Realized foreign exchange loss	1,268	(286)

Unrealized (gain) loss on financial asset at FVTPL	39,642	416,747
Reversal of gain (loss) on financial asset at FVTPL	<u>(416,747)</u>	<u>1,348,561</u>
Taxable loss	(3,966,327)	(2,601,299)
Tax rate	20%	20%
	<u>₱ (793,265)</u>	<u>₱ (520,260)</u>

Minimum Corporate Income Tax:

Taxable gross income	₱ 225,866	₱ 624,920
Tax rate	2%	2%
	<u>₱ 4,517</u>	<u>₱ 12,498</u>

Tax due (Higher of RCIT or MCIT) **₱ 4,517** **₱ 12,498**

Less:

Prior Year's Excess Credit	(361,465)	(361,880)
Creditable withholding tax	<u>(126,448)</u>	<u>(12,083)</u>
Prepaid income tax	<u>₱ (483,396)</u>	<u>₱ (361,465)</u>

The net deferred tax assets pertain to the following as of December 31, 2025 and 2024 and the related deferred tax income (expense) for the year ended December 31, 2025 and 2024:

	Statements of Comprehensive Income					
	Statement of Financial Position		Profit or Loss		Other Comprehensive Income	
	2025	2024	2025	2024	2025	2024
NOLCO	₱ 2,677,832	₱ 3,233,910	₱ (556,078)	₱ 520,260	₱ -	₱ -
MCIT	17,015	19,005	(1,990)	(1308)	-	-
Retirement liability	567,489	665,367	76,494	71,060	(174,372)	(5,009)
Foreign exchange (gain) loss	(81)	(253)	172	(311)	-	-
Revaluation surplus	(5,510,102)	(6,018,735)	-	-	508,633	(4,932,187)
Unrealized (gain) loss on FVTPL	7,928	83,349	(75,421)	353,061	-	-
Net deferred tax liability	<u>₱ (2,239,919)</u>	<u>₱ (2,017,357)</u>				
Deferred tax income (expense)			<u>₱ (556,823)</u>	<u>₱ 942,762</u>	<u>₱ 334,261</u>	<u>₱ (4,937,196)</u>

Deferred tax asset from NOLCO, arises from the taxable loss that can be charged against income of the next three taxable years except for NOLCO incurred for the year 2020 and 2021. Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of Company's NOLCO which can be claimed as deductions against future taxable income for the three (3) consecutive taxable years are as follows:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance (NOLCO)
2025	2028	₱ 3,966,327	₱ -	₱ -	₱ 3,966,327
2024	2027	2,601,199	-	-	2,601,199
2023	2026	4,614,068	-	-	4,614,068
2022	2025	2,700,952	-	(2,700,952)	-
		<u>₱ 13,882,646</u>	<u>₱ -</u>	<u>₱ (2,700,952)</u>	<u>₱ 11,181,694</u>

Details of Company's NOLCO which can be claimed as deductions against future taxable income for the five (5) consecutive taxable years in reference to RR 25 - 2020 are as follows:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance (NOLCO)
2021	2026	₱ 2,207,466	₱ -	₱ -	₱ 2,207,466
2020	2025	3,884,603	-	(3,884,603)	-
		₱ 6,092,069	₱ -	₱ (3,884,603)	₱ 2,207,466

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment.

Details of MCIT follows:

Year Incurred	Amount	Expired	Balance	Date of Expiration
2025	₱ 4,517	₱ -	₱ 4,517	December 31, 2028
2024	12,498	-	12,498	December 31, 2027
2022	6,507	(6,507)	-	December 31, 2025
	₱ 23,522	₱ (6,507)	₱ 17,015	

NOTE 25 - RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Presented below are the specific relationship, amount of transactions, account balances, terms and conditions and the nature of the consideration to be provided in settlement, and settlement terms.

2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Shareholders and Related interests	Buying	₱ 33,554,854	₱(6,199,220)	(2)	(3)
	Selling	₱ 27,355,634			

- (1) Non-interest bearing, payable in cash, no scheduled repayment terms
- (2) Non-interest bearing, payable in cash, T+2 (2 business days after trade date)
- (3) Secured by equity securities

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Shareholders and Related interests	Buying	₱ 48,181,151	₱(8,550,729)	(2)	(3)
	Selling	₱ 33,912,624			

- (1) Non-interest bearing, payable in cash, no scheduled repayment terms
- (2) Non-interest bearing, payable in cash, T+2 (2 business days after trade date)
- (3) Secured by equity securities

Buying and Selling Transaction

In the ordinary course of business, the Company acts as broker to certain shareholders. Under the Company's policy, these transactions are made substantially on the same terms as with other businesses of comparable risks. In 2025 and 2024, the Company's outstanding receivable and payable is presented as part of Receivables from Customers and Payables to Customers in the statement of financial position.

Key Management Compensation

The compensation of key management paid by the Company are as follows:

	<u>2025</u>	<u>2024</u>
Short-term benefits	P 872,335	P 667,518
Post-employment benefits	204,812	163,999
	<u>P 1,077,047</u>	<u>P 831,517</u>

NOTE 26 - LEASE AGREEMENT

Company as a lessor

The Company entered into a lease agreement with Mabuhay Tech Corporation for the lease of office space and parking facilities. The lease term is for a period of two (2) years, commencing on March 1, 2025, and ending on February 28, 2027, renewable upon mutual agreement of both parties.

The Company has assessed that the lease is classified as an operating lease, as substantially all the risks and rewards incidental to ownership of the underlying asset are retained by the Company.

Lease income from operating leases is recognized on a straight-line basis over the lease term.

Rental income recognized for the year ended December 31, 2025 amounted to P1,334,300, and is presented as part of other income in the statement of comprehensive income.

The lease agreement requires tenants to provide refundable security deposits. As of December 31, 2025, and 2024, refundable deposits amounted to P552,400, which are presented under other payables in the statement of financial position.

These deposits are refundable upon termination of the lease, subject to compliance with the terms and conditions of the lease agreement.

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	<u>2025</u>	<u>2024</u>
Within one year	P 1,601,160	P -
After one year but not more than fifteen years	266,860	-
	<u>P 1,868,020</u>	<u>P -</u>

NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the Board of Directors, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

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 business 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.

The most significant financial risks to which the Company is exposed to are described below:

Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from both its operating, investing and financing activities.

A. Foreign Currency Risk

All transactions of the Company are denominated in Philippine peso, its functional currency. The Company's exposure relates primarily to its dollar denominated bank deposit amounting to ₱30,489 and ₱30,065 as at December 31, 2025 and 2024, respectively. The Company's exposure of foreign currency risk is not significant.

B. Price Risk

The Company's market price risk arises from its investments carried at fair value (i.e., financial assets classified as financial assets at FVTPL). The Company manages exposures to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

For listed equity securities, an average volatility of 17% and 15% has been observed during 2025 and 2024, respectively. The table below summarizes the sensitivity of the Company profit before tax to the observed volatility rates of the fair values.

Observed Volatility Rates	2025		2024	
	+17.00%	-17.00%	+15.00%	-15.00%
Profit before tax	₱ 6,739	(6,739)	₱ 62,512	(62,512)

The assumed price volatilities used in the sensitivity analysis represent the defined shift used by the Company to manage price risk based on the historical performance of equity securities.

C. Interest Rate Risk

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts and placement investments. As at December 31, 2025 and 2024, these amounted to ₱28,389,634 and ₱24,268,708, respectively. The Company's exposure to changes in interest rates is not significant. (Note 6)

Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from selling services to customers including related parties and deposits with banks.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. Accordingly, the Company's exposure to credit losses is not significant.

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents, receivable from clearing house, other receivables and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company's exposure on rental deposit is minimal since no default in payments were made by the counterparties.

The Company's receivable from customers related to unsecured and partially secured account is actively monitored to avoid significant concentrations of credit risk. A substantial portion of the Company's receivable from customers is secured by shares of stocks listed and traded in the PSE and lodged with Philippine Depository and Trust Corporation (PDTC) under the account of the Company.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers are subject to credit verification procedures.

In respect of receivable from clearing house and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The table below shows the maximum exposure to credit risk for the components of the statements of financial position. The maximum exposure is shown at gross amount, without taking into account collateral and other credit enhancement.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	P 28,389,634	P 24,268,708
Receivable from clearing house	-	2,598,600
Other receivables	54,882	120,128
Refundable deposits	391,180	48,521
	<u>P 28,835,696</u>	<u>P 27,035,957</u>

Cash excludes petty cash fund and cash on hand amounting to P5,000 in 2025 and 2024

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below:

(a) Cash

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1,000,000 for every depositor per banking institution.

(b) Receivables from Customers

The Company trades only with recognized and credit worthy third parties. In accordance with RBCA requirements, limits are imposed to avoid large exposures to a single client or counterparty, single debt issue and single equity issue relative to a particular issuer company and its group of companies. As a result, maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts in the statements of financial position.

The Company applies the provision of SRC Rules 52.1.11 and Risk Based Capital Adequacy in measuring Credit Losses. In 2023 Section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11 Series of 2023.

To measure the credit losses, receivables were classified based on the provision of SRC Rule No. 52.1.11.2 as follows:

Classification

T+0 to T+1
T+2 to T+12
T+13 to T+30
T+31 up

The credit loss rates are based on the provision of SRC Rule No. 52.1.11.3 as follows:

<u>Classification</u>	<u>Provision</u>	<u>Base</u>
T+0 to T+0 to T+1	0	Total Receivables (TR)
T+2 to T+2 to T+12	2%	TR
T+13 to T+13 to T+30	50%	TR less collateral (net of haircut)
T+31 up	100%	TR less collateral (net of haircut)

The credit loss were computed by getting, for each doubtful account an amount equivalent to the provision of the amount outstanding net of collateral (net of haircut). Basis for the computation would be the individual accounts.

(c) Receivable from Clearing House

The credit risk for receivable from clearing house is considered negligible, the amount due were collected within the T+2 term of the receivable. Securities Clearing Corporation of the Philippines (SCCP) is a wholly-owned subsidiary of The Philippine Stock Exchange, Inc. (PSE) and is under the regulatory supervision of the Securities and Exchange Commission (SEC).

(d) Refundable deposits

The credit risk for other receivables and refundable deposits are considered negligible and therefore the loss allowance is to be determined using the general approach. The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

Liquidity Risk

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Company's inability to meet its obligation when they come due without recurring unacceptable losses or coats.

The Company manages its liquidity needs by carefully monitoring cash inflows and cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are normally invested in short-term placements. Funding for long-term liquidity needs could be sourced through available credit facilities.

Company's payable to customers are normally settled within two (2) days. Other payables are normally settled within one (1) year after reporting date.

The following table presents the maturity profile of the Company's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments.

		December 31, 2025				
		Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P	14,813,839	P -	P -	P -	P 14,813,839
Other Payables		801,836				801,836
	P	<u>15,615,675</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 15,615,675</u>
		December 31, 2024				
		Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P	11,811,556	P -	P -	P -	P 11,811,556
Other Payables		865,269				865,269
	P	<u>12,676,825</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 12,676,825</u>

NOTE 28 - 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 capital requirements imposed by PSE and SEC.

The Company, being a broker/dealer in securities, is regulated by PSE and SEC and subject to the following capital requirement in accordance with the Securities Regulatory Commission (SRC).

Risk Based Capital Adequacy Requirement

Based on SEC Memorandum Circular No. 16, the Company is required an RBCA ratio of greater than or equal to 1.1. The RBCA ratio is computed by dividing Company's Net Liquid Capital (NLC) to its Total Risk Capital Requirement (TRCR). TRCR 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.

On August 8, 2023, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

The Company's RBCA ratio as at years ended December 31, 2025 and 2024 are 479% and 475%, respectively.

Details of computation of the Company's Risk Based Capital Adequacy Ratio are shown below:

	2025	2024
Net liquid capital		
Equity eligible for net liquid capital	₱ 63,784,773	₱ 68,440,462
Ineligible assets	51,241,334	54,807,627
Total	₱ 12,543,439	₱ 13,632,835
Risk capital requirements		
Operational risk requirement	₱ 571,883	₱ 699,951
Position risk requirement	2,048,339	2,202,155
Large exposure risk	-	-
Total	₱ 2,620,222	₱ 2,872,106
Risk based capital adequacy ratio	479%	475%

Net Liquid Capital

The Company is required, at all times, to have and maintain a Net Liquid Capital (NLC) of five million (₱ 5M) or 5% of its Aggregate Indebtedness (AI), whichever is higher.

In computing for NLC, all non-allowable asset/equities, and collateralized liabilities will be deducted and allowable liabilities and equities are added to equity per books.

Details of Company NLC as of years ended December 31, 2025 and 2024 are shown below:

	2025	2024
Net liquid capital	₱ 12,543,439	₱ 13,632,835
Less: Required net liquid capital, higher of:		
5% aggregate indebtedness	928,935	804,915
Minimum amount	5,000,000	5,000,000
Required net liquid capital	5,000,000	5,000,000
Net risk based capital excess	₱ 7,543,439	₱ 8,632,835
Ratio of aggregate indebtedness to net liquid capital	148%	118%

Total Risk Capital Requirement

Detail of TRCR follows:

A. Operational Risk

It is the exposure that is associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate of failed internal process, people and systems which include, among others, risk if fraud, operational or settlement failure and shortage of liquid resources, or from external events.

Below is the manual computation of operational risk requirement for the last three years:

Revenue	2024	2023	2022	Average
Commission revenue	₱ 781,943	₱ 1,074,248	₱ 2,061,852	₱ 1,306,014
Interest income	450,873	610,388	274,075	445,112
Net Recovery from market decline of	-	1,248,561	-	588,436

Marketable Securities Owned				
Dividend income	438,876	378,139	306,491	374,502
Gain on Sale of Marketable Securities	848,261	-	-	143,838
Other income/revenue	1,268	500	2,767	1,512
Total revenue/income	<u>2,521,221</u>	<u>3,411,836</u>	<u>2,645,185</u>	
Average of the last three year gross income				2,859,414
Operational risk factor				20%
Total operational risk requirement				<u>₱ 571,883</u>

The Company's Core Equity should, at all times, be greater than its Operational Risk Requirement.

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 FVOCI securities).

The Company has no operational risk exposure since its Core Equity is greater than the operational risk requirement as calculated.

B. Position Risk

The Company is exposed to equity security price risk because of investments held and classified in Fair Value through Profit or Loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the management.

Below is the manual computation of position risk requirement as of the years December 31, 2025 and 2024:

2025

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	₱ 8,183,600	25%	2,045,900
Other equities outside the PHISIX	-	35%	-
FX Position	30,489	8%	2,439
	<u>₱ 8,214,089</u>		<u>2,048,339</u>

2024

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	₱ 8,799,000	25%	₱ 2,199,750
Other equities outside the PHISIX	-	35%	-
FX Position	30,065	8%	2,405
	<u>₱ 8,829,065</u>		<u>₱ 2,202,155</u>

C. Large Exposure Risk

It is a risk to which a broker dealer is exposed to a single equity security or single issuer group. This is the maximum permissible large exposure and calculated as a percentage of core equity.

The Company does not have any exposure to single client or counterparty, direct exposure to debt for fixed income securities, and direct exposure to a single equity relative to a particular issuer company and its group of companies as the Company does not exceed to the maximum Large Exposure Risk Limit of 30% of its Core Equity.

D. Counterparty Risk Exposure

Unsettled customer trades (arising from customer-to-broker agency relationship)- A counterparty exposure of this kind occurs when a) the customer poses the possible risk of failing to deliver securities on a sell contract or b) the customer poses the possible risk of failing to pay cash on a buy contract.

Unsettled principal trades (arising from broker-to-broker or broker-to-exchange/clearing agency relationships). A counterparty exposure risk of this kind occurs when a) the broker dealer poses the possible risk of failing receive cash from its counterparty on a sell contract or b) the broker dealer poses the possible risk of failing to receive the securities from its counterparty on a buy contract. Debts/loans, contra losses and other amounts due- A broker dealer has a counterparty exposure if a debt/loan, receivable from a customer/client, contra loss, or any other amount due is not paid on its agreed due date. In the case of a contra loss, the due date shall be the date of the contra.

The Company has no counter party exposure as of reporting date.

As at December 31, 2025 and 2024, the Company is in compliance with Risk Based Capital Adequacy Requirement.

NOTE 29 - FAIR VALUE MEASUREMENT

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market condition regardless of whether the price is directly observable or estimated using another valuation technique.

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy:

	Notes	Carrying Amount	2025		
			Quoted prices in active markets (Level 1)	Fair Value Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Financial asset at FVTPL	7	P 8,183,600	P 8,183,600	P	P
Condominium unit	11	46,428,486			46,428,486
Assets for which fair values are disclosed:					
Cash and cash equivalents	6	28,394,634		28,394,634	
Other receivables	9	54,882		54,882	
Refundable deposit	13	391,180		391,180	
		P 83,452,782	P 8,183,600	P 28,840,696	P 46,428,486

Liabilities for which fair values are disclosed:									
Payable to customers	14	P	14,813,839	P	-	P	14,813,839	P	-
Other payables	15		801,836		-		801,836		-
		P	15,615,675	P	-	P	15,615,675	P	-
2024									
						Fair Value			
				Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)	
Assets measured at fair value:	Notes		Carrying Amount						
Financial asset at FVTPL	7	P	8,799,000	P	8,799,000	P		P	
Condominium unit	11		49,679,417		-				49,679,417
Assets for which fair values are disclosed:									
Cash and cash equivalents	6		24,273,708		-		24,273,708		
Receivable from clearing house	8		2,598,600		-		2,598,600		
Other receivables	9		120,128		-		120,128		
Refundable deposit	13		486,521		-		486,521		
		P	85,957,374	P	8,799,000	P	27,478,957	P	49,679,417
Liabilities for which fair values are disclosed:									
Payable to customers	14	P	11,811,556	P	-	P	11,811,556	P	-
Other payables	15		865,269		-		865,269		-
		P	12,676,825	P	-	P	12,676,825	P	-

Offsetting of Financial Assets and Financial Liabilities

The following financial assets and financial liabilities with net amount presented in the statements of financial position are subject to offsetting, enforceable matter netting arrangements and similar arrangements:

	Gross amounts recognized in the statements of financial position		Net amount presented in statement of financial position
	Financial assets	Financial Liabilities	
December 31, 2025			
No trading transactions	P -	P -	P -
December 31, 2024			
Receivable from clearing house	P 2,598,600	P -	P 2,598,600

NOTE 30 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 to be disclosed as part of the notes to the financial statements.

This supplementary information is presented for purposes of compliance with BIR requirements and is not a required disclosure under the Philippine Financial Reporting Standards (PFRS) Accounting Standards

The details of taxes, duties, and license fees paid or accrued during the taxable year, as required under the aforementioned Revenue Regulations, are presented below and in the succeeding pages.

Revenue Regulation 15-2010

a) Output VAT

In 2025, the Company declared output VAT as follows:

	<u>Tax Base</u>	<u>Output VAT</u>
Taxable Sales	₱ 4,559,138	₱ 547,097

The tax bases are included as part of Income in the 2025 statements of comprehensive income.

b) Input VAT

Movement in input VAT for the year ended December 31, 2025 follow:

	<u>Purchases</u>	<u>Input VAT</u>
Balance, beginning of year		₱ 567,125
Domestic purchase	₱ 1,316,202	157,945
Total available Input VAT		725,070
Application against VAT payable		(451,902)
Balance, end of the year		₱ 273,168

c) Taxes and Licenses for 2025

The details of Taxes and Licenses under operating expenses account (Note 20) are broken down as follows:

	<u>Amount</u>
Business permit and licenses	₱ 53,604
Real property tax	84,473
Tax deficiency	263,399
Others	19,582
	₱ 421,058

d) Withholding Taxes for 2025

The details of total withholding taxes for the year ended December 31, 2025 are shown below.

	<u>Amount</u>
Withholding tax at source (expanded)	₱ 65,205
Withholding tax on compensation	95,903
	₱ 161,108

e) Tax Assessments and Cases

On February 15, 2018, the Company received Letter of Authority from the Bureau of Internal Revenue with serial number of eLA201600036250 for the examination of books of accounts and accounting records of the Company for the period January 1, 2017 to December 31, 2017. The examination was completed with a payment of tax deficiency amounting to ₱263,399.

SCHEDULE I

**SARANGANI SECURITIES, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
FOR THE YEAR ENDED December 31, 2025**

The Company has no subordinated liabilities as of December 31, 2025

SARANGANI SECURITIES, INC.
RISK BASED-CAPITAL ADEQUACY WORKSHEET PURSUANT TO
SEC MEMORANDUM CIRCULAR NO. 16, AS AMENDED, THROUGH SEC
MEMORANDUM CIRCULAR NO. 11, SERIES OF 2023

December 31, 2025

Assets	91,143,914
Liabilities	24,088,877
Equity as per books	67,055,037
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(3,270,264)
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(3,270,264)
Equity Eligible For Net Liquid Capital	63,784,773
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	3,500,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	46,474,768
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	118,822
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	1,147,744
Total ineligible assets	51,241,334
Net Liquid Capital (NLC)	12,543,439
Less:	
Operational Risk Req't (Schedule ORR-1)	571,883
Position Risk Req't (Schedule PRR-1)	2,048,339
Counterparty Risk (Schedule CRR-1 and detailed schedules)	
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	2,620,222
Net RBCA Margin (NLC-TRCR)	9,923,217
Liabilities	24,088,877
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	5,510,183
Total adjustments to AI	(5,510,183)
Aggregate Indebtedness	18,578,694
5% of Aggregate Indebtedness	928,935
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess / (Deficiency)	7,543,439
Ratio of AI to Net Liquid Capital	148%
RBCA Ratio (NLC / TRCR)	479%

SARANGANI SECURITIES, INC.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER APPENDIX F OF SRC RULE 49.2.1
FOR THE YEAR ENDED DECEMBER 31, 2025

1. Customers' fully paid securities and excess margin securities not in the broker's or dealers' 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 actions was not taken by respondent within the time frame specified under SRC Rule 49.2-1:

Market Valuation	₱	-nil-
Numer of items	₱	-nil-

2. 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 49.2-1

Market Valuation	₱	-nil-
Numer of items	₱	-nil-

SARANGANI SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER SRC RULE 49.2
DECEMBER 31, 2025

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts. 2. Monies borrowed collateralized by securities carried for the account of customers. 3. Monies payable against customers' securities loaned. 4. Customers' securities failed to receive. 5. Credit balances in firm accounts which are attributable to principal sales to customer. 6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old, 7. Market value of the short security count differences over 30 calendar days old. 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. 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. 10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection. 11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver. 12. Failed to deliver customers' securities not older than 30 calendar days. 13. Others:	14,567,915	
Total	14,567,915	-
Net Credit (Debit)	14,567,915	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	15,296,311	

SARANGANI SECURITIES, INC.
RESERVE FORMULA WORKSHEET
December 31, 2025

1 . Free Credit balances and Other Credit Balances in Customer Securities Accounts	
Unadjusted trial balance amount	14,480,631
A . Additions:	
1. Bank Account Overdrafts/1	
2. Credit balances in customer omnibus accounts	-
3. Any other customer credit balance not accounted for elsewhere (explain nature) Miscellaneous Payable (Customer Stale/Unreleased checks as of December 31)	333,208
Subtotal	333,208
B . Deductions:	
1. Credit Balances in the accounts of non customers such as general partners and principal officers	245,923
2. Credit balances in customers' cash accounts arising from the sale of a security not delivered if the securities are purchased by the broker-dealer for its own account and have not been resold	
Subtotal	245,923
Adjusted total line item #1	14,567,915
2 . Monies Borrowed Collateralized by Securities carried for the Accounts of Customers	
Unadjusted trial balance amount customer loan	
Unadjusted trial balance amount commingled loan/2	
Adjusted total line item #2	-
3 . Monies Payable Against Securities Loaned	
Unadjusted trial balance amount	
A . Additions:	
1. The amount by which the market value of customers securities loaned exceed the collateral value received from lending os such securities	
Adjusted total line item #3	-
4 . Customer Securities Failed to Receive (as Determined by Allocation or Specific Identification)	
Unadjusted Balance:	
A . Additions:	
1. The amount by which the market value by which fails to receive outstanding for more than 34 calendar days exceed their contract value/3	
2. Clearing Accounts with net credit balances attributable to customers transactions. (Clearing Corporations)	
3. Unsecured customer short positions which allocate to customer long positions/4	
4. Any other credit not accounted for elsewhere in the formula	
Subtotal	-
Adjusted total line item #4	-
5 . Credit balances in Firm Accounts which are Attributable to Principal Sales to Customers/5	
6 . Market Value of Stock Dividends and Splits Outstanding Over 30 Calendar days / 5 / 6	
7 . Market Value of Short Security Count Differences over 30 calendar days old (not to be offset by long count differences)	
8 . Market Value of Short Securities and Credits (not to be offset by loans or debits) in all Suspense Accounts over 30 calendar days old	
1. Credit Balances Only	
2. Security Positions Only / 5	

SARANGANI SECURITIES, INC.
RESERVE FORMULA WORKSHEET
December 31, 2025

3. Security Positions with Related Balances / 5 / 7		
Adjusted total line item #8		-
9 . Market Value of Securities in Transfer in Excess of 40 Calendar Days which have not been confirmed to be in transfer by the Transfer Agent of the issuer during 40 days		
Aggregate Credit Items		14,567,915
10 . Debit Balances in customers' cash and margin accounts excluding Unsecured Accounts and Accounts Doubtful of Collection		
Unadjusted trial balance		-
A . Additions:		
1. Debit balance in customer omnibus accounts		-
2. Any other customer debit balance not accounted for elsewhere (explain nature)		
	Subtotal	-
B . Deductions:		
1. Unsecured balances and accounts doubtful of collection		-
2. Debit balances in the accounts of non-customers such as general partners and principal officers		-
3. Reduction of margin debits for undue concentration of collateral/8		-
4. Deficits in customer-related omnibus accounts/9		
5. Debit Balances in accounts of household members and affiliated members/10		
6. Reduction if unduly concentrated margin account balances/11		
7. Reduction of debit balances of accounts jointly owned by customers and non-customers/12		
8. Reduction for partly secured cash accounts		
	Subtotal	-
	Subtotal of Adjusted Total Debits	-
Reduce Subtotal by 1%		1%
Adjusted total line item #10		-
11 . Prepayment from Client for Early Settlement of Account		
12 . Securities Borrowed to Effectuate Short Sales by Customers and Securities Borrowed to make delivery on Customers' Securities Failed to Deliver		
13 . Fails to Deliver of Customer Securities not older than 30 calendar days (as determined by Allocation or Specific Identification)		
Unadjusted Balance		
A . Additions		
1. Clearing Accounts with net debit balances attributable to customer transactions (Clearing Corporations)		
2. Drafts receivable outstanding less than 30 calendar days related to customer transaction / 13		
	Subtotal	-
B . Deductions		
1. Securities which are in the firm's physical possession and control and in excess of the broker-dealer's possession and control requirements for three business days past settlement.		
2. Others (explain nature)		
	Subtotal	-
Adjusted line item # 12		-
Aggregate Debit items		-

SARANGANI SECURITIES, INC.
RESERVE FORMULA WORKSHEET
 December 31, 2025

B . Determination of Requirements	
Aggregate Credit Items	14,567,915
Aggregate Debit Items	-
Net Credit/(Debit)	14,567,915
Required Reserve (100% of Net Credit if making a weekly computation or 105% if monthly)	15,296,311

C . Frequency of Computation

Monthly, if:

AND 96%
14,567,915

D . Special Reserve Bank Account Balance

Special Reserve Account balance Prior to Computation	16,433,803
Less: Deposit Required	15,296,311
Additional Deposit Required	-
Note: Deposit should be made no later than 10 a.m. on the second banking day following computation date.	

SARANGANI SECURITIES, INC.
REPORT DESCRIBING MATERIAL INADEQUACIES FOUND TO EXIST
OR FOUND TO HAVE EXISTED SINCE THE PREVIOUS AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2025

No material weakness in the internal control or material inadequacies in the practices and procedures for safeguarding securities were found since the date of previous report.

**SARANGANI SECURITIES, INC.
REPORT OF MONTHLY SECURITIES COUNT CONDUCTED PURSUANT TO
SRC RULE 52.1-10, AS AMENDED
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

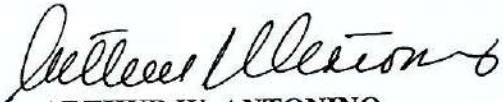
SARANGANI SECURITIES, INC.

Trading Participant of the Philippine Stock Exchange, Inc.
A Member of SCCP and of the SIPP

OATH


REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

I, Arthur W. Antonino, President of the SARANGANI SECURITIES, INC. do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2025 are true and correct to the best of my knowledge and belief.


ARTHUR W. ANTONINO
President

SUBSCRIBED AND SWORN to before me, a Notary Public, this APR 29 2026 day of _____, affiant exhibiting to me this _____ issued at _____ on _____ and date expired on _____.

Doc. No. 02
Page No. 10
Book No. 6
Series of 281


ATTY. GLADYS KAVEL CHUA
NOTARY PUBLIC City of Makati
Until 31, DEC. 2027
Appointment No. M-110 (2026-2027)
PTR No. MKT 10791519 January 22, 2026, Makati City
Lifetime IBP No. C14502; July 29, 2016 Zambasulta Chapter
MCLE Compliance 8th - 0010270
Roll of Attorney's No. 66695
B&S Building, 1644 Evangelista Street,
Bangkal, Makati City

SARANGANI SECURITIES, INC.
STOCK POSITION PER LOCATION REPORT
As of December 31, 2025

STOCK CODE	NAME OF STOCKS	No. of Shares	Market Value	PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
				No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
ABS	ABS-CBN CORPORATION	31,670	133,331	31,670	133,331	-	-	-	-	-	-
ABSP	ABS-CBN HOLDINGS CORPORATION	36,850	125,659	36,850	125,659	-	-	-	-	-	-
AC	AYALA CORP.	71,804	33,604,272	71,804	33,604,272	-	-	-	-	-	-
ACEN	ACEN CORPORATION	1,729,071	4,703,073	1,729,071	4,703,073	-	-	-	-	-	-
ACPB3	AC RE-ISSUANCE CLASS 'B' PREF. SHS.	1,300	2,584,400	1,300	2,584,400	-	-	-	-	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	1,250	35,000	1,250	35,000	-	-	-	-	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	1,200	9,828	1,200	9,828	-	-	-	-	-	-
ALCO	ARTHALAND CORPORATION	3,750	1,575	3,750	1,575	-	-	-	-	-	-
ALCPF	ARTHALAND CORP. SEREIS F PREF SHS	2,000	1,000,000	2,000	1,000,000	-	-	-	-	-	-
ALI	AYALA LAND INC.	1,850,226	41,537,574	1,850,226	41,537,574	-	-	-	-	-	-
ALLDY	ALLDAY MARTS, INC.	500,000	15,500	500,000	15,500	-	-	-	-	-	-
ANS	A SORIANO CORPORATION	4,218	60,739	4,218	60,739	-	-	-	-	-	-
AP	ABOITIZ POWER CORP.	78,600	3,458,400	78,600	3,458,400	-	-	-	-	-	-
APC	APC GROUP INC.	251,000	26,606	251,000	26,606	-	-	-	-	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	350,000	1,750	350,000	1,750	-	-	-	-	-	-
APVI	ALTUS PROPERTY VENTURES, INC.	5,075	42,630	5,075	42,630	-	-	-	-	-	-
AREIT	AREIT, INC.	633,600	27,561,600	633,600	27,561,600	-	-	-	-	-	-
AT	ATLAS CONS. MINING & DEV.	32,400	195,372	32,400	195,372	-	-	-	-	-	-
BCB	BENGUET CORP. - B	471	2,275	471	2,275	-	-	-	-	-	-
BDO	BDO UNIBANK, INC.	4,625	622,525	4,625	622,525	-	-	-	-	-	-
BEL	BELLE RESOURCES	20,780	27,430	20,780	27,430	-	-	-	-	-	-
BKR	BRIGHT KINDLE RES. & INVEST., INC.	500,000	325,000	500,000	325,000	-	-	-	-	-	-
BLOOM	BLOOMBERRY RESORTS CORP.	13,400	34,036	13,400	34,036	-	-	-	-	-	-
BPI	BANK OF PHIL. ISLANDS	43,040	4,996,944	43,040	4,996,944	-	-	-	-	-	-
C	CHELSEA LOG. & INFRA. HLDGS. CORP.	14,000	13,300	14,000	13,300	-	-	-	-	-	-
CBC	CHINA BANKING CORPORATION	31,635	1,803,195	31,635	1,803,195	-	-	-	-	-	-
CEB	CEBU AIR, INC.	200	6,400	200	6,400	-	-	-	-	-	-
CHP	CONCREAT HOLDINGS PHILIPPINES, INC.	16,000	17,440	16,000	17,440	-	-	-	-	-	-
COAL	COAL ASIA HOLDINGS INCORPORATED	700,000	19,600	700,000	19,600	-	-	-	-	-	-
CPM	CENTURY PEAK HOLDINGS CORPORATION	43,000	102,770	43,000	102,770	-	-	-	-	-	-
CREIT	CITICORE ENERGY REIT CORP.	117,000	417,690	117,000	417,690	-	-	-	-	-	-
DD	DOUBLEDRAGON CORPORATION	12,000	111,360	12,000	111,360	-	-	-	-	-	-
DDMP	DDMP REIT, INC.	270,000	275,400	270,000	275,400	-	-	-	-	-	-
DITO	DITO CME HOLDINGS CORP.	30,016	20,411	30,016	20,411	-	-	-	-	-	-
DMC	DMCI HOLDINGS INC.	247,800	2,611,812	247,800	2,611,812	-	-	-	-	-	-
DNL	D&L INDUSTRIES, INC.	3,700	14,245	3,700	14,245	-	-	-	-	-	-
EEL	ENGINEERING EQUIPMENT INC.	6,400	18,176	6,400	18,176	-	-	-	-	-	-
EGRN	EVERWOODS GREEN RES & HOLDINGS, INC	10,000	2,000	10,000	2,000	-	-	-	-	-	-
ELI	EMPIRE EAST LAND HOLDINGS, INC.	5,405	562	5,405	562	-	-	-	-	-	-
FB	SAN MIGUEL FOOD AND BEVERAGES, INC.	65,000	3,575,000	65,000	3,575,000	-	-	-	-	-	-
FDC	FILINVEST DEV. CORP.	12,466	56,720	12,466	56,720	-	-	-	-	-	-
FEU	FAR EASTERN UNIVERSITY, INC.	11,489	9,191,200	11,489	9,191,200	-	-	-	-	-	-
FGEN	FIRST GEN CORPORATION	96,825	1,717,676	96,825	1,717,676	-	-	-	-	-	-
FILRT	FILINVEST REIT, CORP.	79,000	244,900	79,000	244,900	-	-	-	-	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	187,921	253,693	187,921	253,693	-	-	-	-	-	-
FPH	FIRST PHIL. HOLDINGS CORP.	669,695	51,566,515	669,695	51,566,515	-	-	-	-	-	-
FPI	FORUM PACIFIC, INC.	20,000	4,800	20,000	4,800	-	-	-	-	-	-
GERI	GLOBAL-ESTATE RESORTS, INC.	1,921,400	1,325,766	1,921,400	1,325,766	-	-	-	-	-	-
GLO	GLOBE TELECOM, INC.	817	1,294,128	817	1,294,128	-	-	-	-	-	-
GMA7	GMA NETWORK, INC.	39,200	212,072	39,200	212,072	-	-	-	-	-	-
GREEN	GREENERGY HOLDINGS	84	15	84	15	-	-	-	-	-	-

SARANGANI SECURITIES, INC.
STOCK POSITION PER LOCATION REPORT
As of December 31, 2025

STOCK CODE	NAME OF STOCKS	No. of Shares	Market Value	PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
				No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
ROCK	ROCKWELL LAND CORP.	79,340.00	146,779	79,340.00	146,779	-	-	-	-	-	-
RPC	REYNOLDS PHILIPPINE CORPORATION	1,142.00	-	1,142.00	-	-	-	-	-	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	12,500.00	413,125	12,500.00	413,125	-	-	-	-	-	-
SCC	SEMIRARA MINING AND POWER CORP.	92,400.00	2,610,300	92,400.00	2,610,300	-	-	-	-	-	-
SECB	SECURITY BANK CORP.	53,410.00	3,506,367	53,410.00	3,506,367	-	-	-	-	-	-
SEVN	PHILIPPINE SEVEN CORP.	6,012.00	222,444	6,012.00	222,444	-	-	-	-	-	-
SGI	SOLID GROUP, INC.	11,000.00	13,970	11,000.00	13,970	-	-	-	-	-	-
SGP	SYNERGY GRID & DEVT PHILS. INC.	685,100.00	11,345,256	685,100.00	11,345,256	-	-	-	-	-	-
SHLPH	SHELL PILIPINAS CORPORATION	10,500.00	72,765	10,500.00	72,765	-	-	-	-	-	-
SHNG	SHANG PROPERTIES, INC.	2,486.00	8,800	2,486.00	8,800	-	-	-	-	-	-
SLF	SUN LIFE FINANCIAL, INC.	20.00	68,800	20.00	68,800	-	-	-	-	-	-
SM	SM INVESTMENTS CORPORATION	1,912.00	1,337,444	1,912.00	1,337,444	-	-	-	-	-	-
SMC	SAN MIGUEL CORPORATION	100,203.00	8,216,646	100,203.00	8,216,646	-	-	-	-	-	-
SMC2N	SMC SERIES 2-N PREFERRED SHARES	14,800.00	1,191,400	14,800.00	1,191,400	-	-	-	-	-	-
SMPH	SM PRIME HOLDINGS, INC.	569,072.00	12,946,388	569,072.00	12,946,388	-	-	-	-	-	-
SPM	SEAFRONT RESOURCES CORP.	127.00	300	127.00	300	-	-	-	-	-	-
SPNEC	SP NEW ENERGY CORPORATION	100,000.00	117,000	100,000.00	117,000	-	-	-	-	-	-
SSI	SSI GROUP, INC.	8,400.00	22,092	8,400.00	22,092	-	-	-	-	-	-
STI	STI EDUCATION SYSTEM HOLDINGS, INC.	2,212,000.00	3,118,920	2,212,000.00	3,118,920	-	-	-	-	-	-
STN	STENIEL MANUFACTURING CORP.	19,375.00	42,238	19,375.00	42,238	-	-	-	-	-	-
SUN	SUNTRUST RESORT HOLDINGS, INC.	30,000.00	22,800	30,000.00	22,800	-	-	-	-	-	-
TECH	CIRTEK HOLDINGS PHILIPPINES CORP.	8,000.00	5,040	8,000.00	5,040	-	-	-	-	-	-
TEL	PLDT INC.	2,405.00	3,030,300	2,405.00	3,030,300	-	-	-	-	-	-
UBP	UNION BANK OF THE PHILS.	4,675.00	124,355	4,675.00	124,355	-	-	-	-	-	-
UP	UNIVERSAL RIGHTFIELD	14,000.00	-	14,000.00	-	-	-	-	-	-	-
URC	UNIVERSAL ROBINA CORP.	14,760.00	993,348	14,760.00	993,348	-	-	-	-	-	-
VLL	VISTA LAND & LIFESCAPE, INC.	300.00	312	300.00	312	-	-	-	-	-	-
VLL2A	VLL SERIES 2A PREFERRED SHARES	10,000.00	919,500	10,000.00	919,500	-	-	-	-	-	-
VMC	VICTORIAS MILLING CO., INC.	17,460.00	30,206	17,460.00	30,206	-	-	-	-	-	-
WEB	PHILWEB CORPORATION	120.00	744	120.00	744	-	-	-	-	-	-
WLCO	WILCON DEPOT, INC.	900.00	6,264	900.00	6,264	-	-	-	-	-	-
Total		59,794,065	407,262,956	59,793,989	407,262,934	76	21	-	-	-	-

SCHEDULE VII

SARANGANI SECURITIES INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68

FINANCIAL SOUNDNESS INDICATORS

For The Years Ended December 31, 2025 and 2024

Current Ratio

	<u>2025</u>	<u>2024</u>
Total current assets	₱ 37,507,702	₱ 36,838,923
Total current liabilities	<u>15,741,246</u>	<u>12,771,475</u>
Current ratio	<u><u>2.383:1</u></u>	<u><u>2.884:1</u></u>

Quick Ratio

	<u>2025</u>	<u>2024</u>
Total liquid asset	₱ 36,633,116	₱ 35,791,436
Total current liabilities	<u>15,741,246</u>	<u>12,771,475</u>
Quick ratio	<u><u>2.327:1</u></u>	<u><u>2.802:1</u></u>

Working Capital to Total Asset

	<u>2025</u>	<u>2024</u>
Working capital	₱ 21,766,456	₱ 24,067,448
Total Asset	<u>87,873,650</u>	<u>90,557,759</u>
Working capital ratio	<u><u>0.25:1</u></u>	<u><u>0.27:1</u></u>

Solvency Ratio

	<u>2025</u>	<u>2024</u>
Net income (loss) after tax + Depreciation and Amortization	₱ (3,137,004)	₱ (3,985,705)
Total liabilities	<u>20,818,613</u>	<u>22,117,296</u>
Solvency ratio	<u><u>-0.151:1</u></u>	<u><u>-0.149:1</u></u>

Debt-to-equity Ratio

	<u>2025</u>	<u>2024</u>
Total liabilities	₱ 20,818,613	₱ 18,115,666
Total equity	<u>67,055,037</u>	<u>72,442,093</u>
Debt-to-equity ratio	<u><u>0.31:1</u></u>	<u><u>0.25:1</u></u>

SCHEDULE VII

SARANGANI SECURITIES INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS

For The Years Ended December 31, 2025 and 2024

Asset-to-equity Ratio

	2025	2024
Total assets	₱ 87,873,650	₱ 90,557,759
Total equity	67,055,037	72,442,093
Asset to equity ratio	1.31:1	1.25:1

Interest Rate Coverage Ratio

	2025	2024
Pre-tax profit (loss) before interest	₱ (6,027,336)	₱ (4,913,134)
Interest expense	-	-
Interest rate ratio	N/A	N/A

Profitability Ratios

a.) Return on asset ratio

	2025	2024
Net income (loss) after tax	₱ (6,593,175)	₱ (3,985,705)
Average assets	133,152,530	81,568,030
	-0.05:1	-0.049:1

b.) Return on equity ratio

	2025	2024
Net income (loss) after tax	₱ (6,593,175)	₱ (3,985,705)
Average equity	103,276,084	81,568,030
	-0.064:1	-0.049:1

d.) Net Profit Margin

	2025	2024
Net profit (loss) after tax	₱ (6,593,175)	₱ (3,985,705)
Revenue	1,522,223	781,943
	-4.331:1	-5.097:1

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2025

SARANGANI SECURITIES, INC.
Unit 2 D-1 Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City

Unappropriated Retained Earnings, beginning of reporting period	(P16,026,680)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
• Reversal of Retained Earnings Appropriation/s	-
• Effect of restatements or prior-period adjustments	-
• Others	-
	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
• Dividends declaration during the reporting period	-
• Retained Earnings appropriated during the reporting period	-
• Effect of restatements or prior-period adjustments	-
• Others	-
	-
Unappropriated Retained Earnings, as adjusted	(16,026,680)
Add/Less: Net Income (Loss) for the current year	(6,593,175)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
• Equity in net income of associate/joint venture, net of dividends declared	-
• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	31,714
• Unrealized fair value gain of Investment Property	-
• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-
• Sub-total	31,714
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
• Realized fair value gain of Investment Property	-
• Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-
• Sub-total	-

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2025

SARANGANI SECURITIES, INC.

Unit 2 D-1 Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
•		
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Reversal of previously recorded fair value gain of Investment Property	-	
• Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
• Sub-total	-	-
Adjusted Net Income (Loss)		(6,561,461)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
• Depreciation on revaluation increment (after tax)	2,543,163	
• Sub-total		2,543,163
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP		
• Amortization of the effect of reporting relief	-	
• Total amount of reporting relief granted during the year	-	
• Others	-	
• Sub-total	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
• Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
• Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
• Others	-	
• Sub-total	-	-
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION		(20,044,978)