



SECURITIES AND EXCHANGE COMMISSION

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VALUE QUEST SECURITIES CORPORATION
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2025

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

COVER PAGE

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

Report for the Year Beginning January 1, 2025 and Ended December 31, 2025.

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	Value Quest Securities Corporation
Address of Principal Place of Business:	Unit 1914 The PSE Tower 5th Avenue corner 28th Street Bonifacio Global City, Taguig 1634
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Ms. Zoila M. Perez	Tel. No.: +632 8 636 6684

IDENTIFICATION OF ACCOUNTANT	
Name of Independent Auditor whose opinion is contained in this report:	
Name: Reyes Tacandong & Co. SEC Accreditation No. 4782 SEC Group A; Issued August 11, 2022 Valid for Financial Periods 2021 to 2025	Tel. No.: +632 8 982 9100 Fax No.: +632 8 982 9111
Address: 26th Floor, BDO Towers Valero 8741 Paseo de Roxas Makati City 1226, Philippines	
MANUEL P. BUENSUCESO, JR. Partner CPA Certificate No. 143561 Tax Identification No. 311-867-595-000 BOA Accreditation No. 4782/P-025; Valid until June 6, 2026 SEC Accreditation No. 143561-SEC Group A issued August 17, 2023 Valid for Financial Periods 2023 to 2027 BIR Accreditation No. 08-005144-020-2024 Valid until November 26, 2027 PTR No. 10764011 Issued January 2, 2026, Makati City	



Glenn Garcia <valuequestsecurities@gmail.com>

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eafs@bir.gov.ph <eafs@bir.gov.ph>
To: VALUEQUESTSECURITIES@gmail.com
Cc: HENRY_ADEL@yahoo.com

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Hi VALUE QUEST SECURITIES CORPORATION,

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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Value Quest

SECURITIES CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Value Quest Securities Corporation** (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 financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co., the independent auditors appointed by the Board of Directors, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Signature: 
Glenn Paul R. Garcia, Chairman of the Board

Signature: 
Robinson W. Siao, President & CEO

Signature: 
Joane Q. Lim, Treasurer

Signed this 27th day of March 2026

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Series of 20 70

ATTY. DARWIN B. SANTOS
Notary Public for Makati City
Until December 31, 2027
Appointment No. M-009
Roll of Attorney No. 57952

IBP No. 010313-Lifetime Member-December 29, 2011
PTR No. 10765515/Jan. 2, 2026/Makati City
MCLE Compliance VIII No. 0022365/April 14, 2028
Unit 1 A MyHome Residences, 9051 San Nicolas St.
Guadalupe Nuevo, Makati City

SUBSCRIBED AND SWORN to before me this APR 17 2026 at MAKATI CITY
Affiant exhibiting to me his/her



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Value Quest Securities Corporation
Unit 1914 The PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig 1634

Opinion

We have audited the accompanying financial statements of Value Quest Securities Corporation (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 financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 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 audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the financial statements of public interest entities in the Philippines. We have also 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 a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

REYES TACANDONG & Co.



MANUEL P. BUENSUCESO, JR.

Partner

CPA Certificate No. 143561

Tax Identification No. 311-867-595-000

BOA Accreditation No. 4782/P-025; Valid until June 6, 2026

SEC Accreditation No. 143561-SEC Group A

Issued August 17, 2023

Valid for Financial Periods 2023 to 2027

BIR Accreditation No. 08-005144-020-2024

Valid until November 26, 2027

PTR No. 10764011

Issued January 2, 2026, Makati City

March 27, 2026

Makati City, Metro Manila

VALUE QUEST SECURITIES CORPORATION

STATEMENTS OF FINANCIAL POSITION

	Note	2025		2024	
		December 31			
		Money Balance	Security Valuation	Money Balance	Security Valuation
ASSETS		Long	Short	Long	Short
Current Assets					
Cash and cash equivalents	7	P111,477,910			
Financial assets at fair value through profit or loss (FVPL)	8	26,823,857			
Trade and other receivables	9	49,343,714	P4,744,000		P8,460,600
Other current assets	10	626,460	834,864,853	34,199,480	34,719,054
Total Current Assets		188,271,941		105,822,773	
Noncurrent Assets					
Property and equipment	11	11,208,619		11,738,777	
Exchange trading right	12	1,504,800		1,504,800	
Net deferred tax assets	20	1,836,690		2,047,969	
Other noncurrent assets	13	4,423,710		4,259,276	
Total Noncurrent Assets		18,973,819		19,560,822	
Total Assets		P207,245,760		P125,383,595	
Securities in Vault, Transfer Offices, and Philippine Depository and Trust Corporation			P5,294,556,933		P4,669,456,947
LIABILITIES AND EQUITY					
Current Liabilities					
Trade payables	14	P146,785,441		P66,683,831	
Current portion of lease liability	19	318,852		246,465	
Other current liabilities	15	563,204	4,454,948,080	662,475	4,626,277,293
Total Current Liabilities		147,667,497		67,592,771	
Noncurrent Liabilities					
Net retirement benefit liability	18	572,484		599,912	
Lease liability - net of current portion	19	535,515		-	
Total Noncurrent Liabilities		1,107,999		599,912	
Total Liabilities		148,775,496		68,192,683	
Equity					
Capital stock	5	40,000,000		40,000,000	
Additional paid-in capital		11,517,139		11,517,139	
Retained earnings:					
Appropriated	5	1,561,546		1,448,338	
Unappropriated		5,477,855		4,458,979	
Cumulative remeasurement losses on net retirement benefit liability (net of deferred tax)	18	(86,276)		(233,544)	
Total Equity		58,470,264		57,190,912	
Total Liabilities and Equity		P207,245,760	P5,294,556,933	P125,383,595	P4,669,456,947

See accompanying Notes to Financial Statements.

VALUE QUEST SECURITIES CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	2025	2024
REVENUES			
Commissions		₱11,042,532	₱9,178,437
Other income:			
Interest income	7	3,705,621	3,859,500
Trading gains on financial assets at FVPL - net	8	1,774,431	149,574
Dividend income	8	145,330	15,876
Others	9	3,338,559	3,593,899
		20,006,473	16,797,286
COST OF SERVICES			
Commissions		7,685,285	6,459,204
Personnel costs	17	3,143,212	2,967,503
Stock exchange dues and fees		961,744	887,979
Communications		72,267	74,290
Others		466,621	434,158
		12,329,129	10,823,134
GROSS PROFIT		7,677,344	5,974,152
GENERAL AND ADMINISTRATIVE EXPENSES			
Personnel costs	17	2,166,111	2,156,883
Dues and fees		320,475	277,814
Transportation and travel		283,243	317,446
Professional fees		158,500	145,250
Bank charges		130,788	75,031
Representation		129,382	91,115
Utilities		119,365	122,219
Taxes and licenses		118,062	119,851
Office supplies		93,990	84,365
Repairs and maintenance		71,429	77,857
Insurance		46,359	66,101
Others		364,295	354,699
		4,001,999	3,888,631
OTHER CHARGES			
Depreciation and amortization	11	1,536,643	1,589,551
Provision for estimated credit losses (ECL)	9	26,664	140,134
Interest expense on lease liability	19	7,139	26,677
		1,570,446	1,756,362
INCOME BEFORE INCOME TAX		₱2,104,899	₱329,159

(Forward)

	Note	Years Ended December 31	
		2025	2024
INCOME BEFORE INCOME TAX		₱2,104,899	₱329,159
INCOME TAX EXPENSE (BENEFIT)	20		
Current		810,625	833,188
Deferred		162,190	(1,035,536)
		972,815	(202,348)
NET INCOME		1,132,084	531,507
OTHER COMPREHENSIVE INCOME			
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gains on net retirement benefit liability - net of deferred tax	18	147,268	589,805
TOTAL COMPREHENSIVE INCOME		₱1,279,352	₱1,121,312

See accompanying Notes to Financial Statements.

VALUE QUEST SECURITIES CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Note	Capital Stock (see Note 5)		Additional Paid-in Capital		Retained Earnings		Unappropriated	Cumulative Remeasurement Losses on Net Retirement Benefit Liability (see Note 18)	Total
		(see Note 5)	(see Note 5)	Paid-in Capital	Appropriated (see Note 5)	Unappropriated				
Balances at December 31, 2024		P40,000,000	P11,517,139	P11,517,139	P1,448,338	P4,458,979	(P233,544)	P57,190,912		
Net income	18	-	-	-	-	1,132,084	-	1,132,084	-	1,132,084
Other comprehensive income		-	-	-	-	-	-	-	147,268	147,268
Appropriation	5	-	-	-	113,208	(113,208)	-	-	-	-
Balances at December 31, 2025		P40,000,000	P11,517,139	P11,517,139	P1,561,546	P5,477,855	(P86,276)	P58,470,264		
Balances at December 31, 2023		P40,000,000	P11,517,139	P11,517,139	P1,395,187	P3,980,623	(P823,349)	P56,069,600		
Net income		-	-	-	-	531,507	-	531,507	-	531,507
Other comprehensive income	18	-	-	-	-	-	-	-	589,805	589,805
Appropriation	5	-	-	-	53,151	(53,151)	-	-	-	-
Balances at December 31, 2024		P40,000,000	P11,517,139	P11,517,139	P1,448,338	P4,458,979	(P233,544)	P57,190,912		

See accompanying Notes to Financial Statements.

VALUE QUEST SECURITIES CORPORATION

STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱2,104,899	₱329,159
Adjustments for:			
Interest income	7	(3,705,621)	(3,859,500)
Depreciation and amortization	11	1,536,643	1,589,551
Retirement benefit costs	18	168,929	268,722
Dividend income	8	(145,330)	(15,876)
Unrealized losses on financial assets at FVPL	8	113,393	1,140,198
Provision for ECL	9	26,664	140,134
Interest expense on lease liability	19	7,139	26,677
Gain on sale of property and equipment	11	–	(44,642)
Operating income (loss) before working capital changes		106,716	(425,577)
Decrease (increase) in:			
Financial assets at FVPL		(16,958,295)	5,053,270
Trade and other receivables		(14,981,496)	(9,178,860)
Other current assets		73,186	(30,062)
Other noncurrent assets		(154,434)	(34,986)
Increase (decrease) in:			
Trade payables		80,101,610	(18,927,686)
Other current liabilities		(99,271)	157,329
Net cash generated from (used for) operations		48,088,016	(23,386,572)
Interest received		3,516,219	4,020,806
Income taxes paid		(840,976)	(882,652)
Dividends received		145,330	15,876
Net cash provided by (used in) operating activities		50,908,589	(20,232,542)
CASH FLOWS FROM INVESTING ACTIVITIES			
Prepaid rent capitalized as part of right-of-use (ROU) asset	19	(59,672)	–
Acquisition of property and equipment	11	(2,939)	(17,588)
Proceeds from disposal of property and equipment	11	–	44,642
Net cash provided by (used in) investing activities		(62,611)	27,054
CASH FLOW FROM A FINANCING ACTIVITY			
Payment of lease liability	19	(343,111)	(343,111)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		50,502,867	(20,548,599)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		60,975,043	81,523,642
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		₱111,477,910	₱60,975,043

See accompanying Notes to Financial Statements.

VALUE QUEST SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

1. Corporate Information

Value Quest Securities Corporation (the Company) was incorporated in the Philippines and registered with Securities and Exchange Commission (SEC) on October 22, 1990. The Company is a licensed broker/dealer in securities with the Philippine SEC, and is both a member and holder of an exchange trading right issued by the Philippine Stock Exchange (PSE).

The Company's principal office is at Unit 1914 The PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig 1634.

Approval of the Financial Statements

The financial statements of the Company as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Board of Directors (BOD) on March 27, 2026.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the financial statements is consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

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

The financial statements include additional information in line with the requirements of Rule 52.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All amounts are rounded to the nearest Peso, unless otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for:

- Financial assets at fair value through profit or loss (FVPL) which are measured at fair value;
- Lease liability which is measured at the present value of minimum lease payments; and
- Net retirement benefit liability which is measured at the present value of defined benefit obligation less the fair value of plan assets.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

- Note 6 – Fair Value Measurement
- Note 8 – Financial Assets at FVPL

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2025. The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

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

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

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

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.
 - Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments*, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

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

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1 and introduces new requirements on the presentation and disclosure of information in general purpose financial statements. It includes the introduction of defined categories and subtotals in the statement of comprehensive income, enhanced disclosures on management-defined performance measures, and improved guidance on the grouping and aggregation of information. The standard requires full retrospective application. Earlier application is permitted.

The adoption of PFRS 18 is not expected to have a material impact on the Company's financial position or financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the statements of comprehensive income and related disclosures.

Financial Instruments

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

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

Financial Assets

Initial Recognition and Measurement. Financial assets are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at FVPL, includes transaction cost.

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

As at December 31, 2025 and 2024, the Company has no financial assets at FVOCI.

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. 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 or impaired, 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, trade and other receivables and refundable deposits are classified under this category (see Notes 7, 9, 10 and 13).

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

This category includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

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

As at December 31, 2025 and 2024, the Company's investments in money market funds and quoted equity securities are classified under this category (see Note 8).

Impairment of Financial Assets at Amortized Cost. The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment and an assessment of both the current as well as the forecast direction of condition at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort, which is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

Initial Recognition and Measurement. Financial liabilities at amortized costs are recognized initially at fair value, which is the fair value of the consideration received, net of any directly attributable transaction costs.

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.

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. Financial liabilities at amortized cost are included under current liabilities if its settlement is within 12 months after the reporting period. Otherwise, these are classified as noncurrent liabilities.

As at December 31, 2025 and 2024, the Company's trade payables, other current liabilities (excluding nonfinancial liabilities), and lease liability are classified under this category (see Notes 14, 15 and 19).

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

Offsetting of Financial Assets and Liabilities

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

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, amortization and any accumulated impairment losses.

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

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Condominium and improvements	10 to 25
Furniture and fixtures	3
Right-of-use (ROU) asset	3
Transportation equipment	5

Depreciation and amortization ceases at the earlier of the date that the item is classified as held for sale and the date the property and equipment is derecognized.

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

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

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

Exchange Trading Right

Exchange trading right is initially measured at cost. It is an intangible asset with indefinite useful life and is tested for impairment annually. Exchange trading right is not amortized but is subsequently carried at cost less any accumulated impairment losses. The exchange trading right is deemed to have indefinite life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The assumption that the exchange trading right remains to be an intangible asset with an indefinite life is reviewed annually to determine whether this continues to be supportable as such. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight-line basis unless a more appropriate amortization method is warranted. Any impairment losses determined are recognized in profit or loss.

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

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, except for the exchange trading right where test of impairment is done annually. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the higher of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset that 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization of property and equipment, had there been no impairment loss recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding.

Additional Paid-in Capital. Additional paid-in capital pertains to the proceeds and/or fair value of considerations received in excess of the par value of the shares issued.

Retained Earnings. Retained earnings represent the cumulative balance of net income or losses.

Unappropriated retained earnings pertain to the unrestricted portion available for dividend declaration. Appropriated retained earnings pertain to the restricted portion which is intended for the reserve fund in compliance with the Securities Regulation Code (SRC) Rule 49.1 (B).

Cumulative Remeasurement Losses on Net Retirement Benefit Liability. This comprises income and expenses that are not recognized in profit or loss in accordance with PFRS Accounting Standards. Remeasurements of net retirement benefit liability are recognized immediately in the other comprehensive income (OCI) account and are not reclassified to profit or loss in subsequent periods.

Revenue Recognition

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

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as agent in its brokerage transactions. The Company acts as a principal in its income from other sources.

Commissions. This account consists of revenue from brokerage transactions, which is recorded on a trade date basis as trade transactions occur.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15:

Interest Income. Interest income is recognized as it accrues, taking into account the effective yield of the asset.

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

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

Other income. Income from other sources is recognized in profit or loss when earned during the period.

Cost and Expense Recognition

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

Cost of Services. Cost of services is recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business and costs incurred to market the services. These are expensed as incurred.

Employee Benefits

Short-term Employee Benefits. The Company recognizes short-term employee benefits based on contractual arrangements with employees. Unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of "Other current liabilities" account in the statements of financial position.

Retirement Benefits. Retirement benefit costs are determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The net retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting the estimated future cash flows using discount rates that reflect both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Company recognizes service costs, comprising of current service cost and net interest costs in profit or loss.

The Company determines the net interest costs by applying the discount rate to the net retirement benefit liability at the beginning of the year, taking into account any changes in the net retirement benefit liability during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefit liability, which comprise actuarial gains and losses and return on plan assets (excluding interest), are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods. Cumulative remeasurement gains or losses are presented in the equity section of the statements of financial position.

The Company is not required to pre-fund the future defined benefit obligation under the retirement plan before they become due. For this reason, the amount and timing of contributions to the retirement plan to support the defined benefits are at the Company's discretion. However, in the event a defined benefit claim arises and the retirement plan is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the retirement plan.

Leases - Company as a Lessee

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

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

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

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

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

ROU Asset. At commencement date of the lease contract, the Company measures ROU asset (presented as part of "Property and equipment" account) at cost. The initial measurement of ROU asset includes the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- An estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU asset are carried at cost less any accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the shorter of the lease term of three (3) years or the useful lives of the underlying asset.

Lease Liability. At commencement date, the Company measures lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

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

Income Taxes

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

Deferred Tax. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from the excess of 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 profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses 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 taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year 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.

Deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized to equity or in OCI.

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

Related Party Transactions

Related party transactions are transfer of resources, services or obligations between the Company and its related parties.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, stockholders and retirement benefit plan.

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

Provisions and Contingencies

Provisions. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss. If the effect of the time value of money is material, provisions are discounted using a current 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, provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. The increase in the provision due to the passage of time is recognized as interest expense.

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

Events after the Reporting Date

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

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS Accounting Standards requires management to exercise judgment, make accounting estimates and use assumptions that affect the amounts reported in the financial statements and related notes. The judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

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

Judgments

Classification and Measurement of Financial Assets. Classification and measurement of financial assets depends on the results of the “solely for payments of principal and interests” and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

The Company monitors financial assets measured at FVPL or amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

The Company’s money market funds and quoted equity securities held for trading are classified as financial assets at FVPL (see Note 8).

Cash and cash equivalents, trade and other receivables, and refundable deposits were classified as financial assets at amortized cost since the Company’s primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 7, 9, 10 and 13).

Determination of the Lease Term of Contracts with Renewal and Termination Options – Company as Lessee. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to renew the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has a lease contract that includes renewal option subject to mutual agreement between the parties. Accordingly, the Company did not include the period covered by the renewal option as part of the lease term in the recognition of ROU asset and lease liability since these are not yet enforceable.

Details of the lease agreement where the Company is the lessee are disclosed in Note 19 to the financial statements.

Accounting Estimates and Assumptions

Fair Value Measurement of Financial Instruments. The fair values of investments that are actively traded in organized financial markets are determined by reference to prevailing quoted market prices, which are usually the closing prices, as at reporting date.

In accordance with the amendments to PFRS 7, *Financial Instruments: Disclosures*, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented in Note 6 to the financial statements.

Assessment for the ECL on Trade Receivables. The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The recognized provision for ECL on trade receivables in 2025 and 2024 and the carrying amount of trade receivables as at December 31, 2025 and 2024 are disclosed in Note 9 to the financial statements.

Assessment for the ECL on Other Financial Assets at Amortized Cost. The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

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

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the counterparty.

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

The Company has assessed that the ECL on other financial assets at amortized cost is immaterial because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024.

The carrying amounts of other financial assets at amortized cost (cash in banks, cash equivalents, interest receivable, other receivables and refundable deposits) are disclosed in Notes 7, 9, 10 and 13 to the financial statements.

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

There are no changes in the estimated useful lives of property and equipment in 2025 and 2024. The recognized depreciation and amortization expense in 2025 and 2024 and the carrying amount of property and equipment as at December 31, 2025 and 2024 are disclosed in Note 11 to the financial statements.

Assessment for the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

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

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU unit to which the asset belongs.

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

No impairment loss on nonfinancial assets was recognized in 2025 and 2024.

The carrying amounts of nonfinancial assets (excess tax credits, prepayments, property and equipment, and other noncurrent assets excluding refundable deposits) as at December 31, 2025 and 2024 are disclosed in Notes 10, 11 and 13 to the financial statements.

Assessment for Impairment of the Exchange Trading Right. Exchange trading right carried at cost less any allowance for impairment loss, is reviewed for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

No impairment loss on exchange trading right was recognized in 2025 and 2024. The carrying amount of exchange trading right as at December 31, 2025 and 2024 is disclosed in Note 12 to the financial statements.

Determination of Retirement Benefits. The determination of the net retirement benefit liability and expense is dependent on discount rate and other assumptions used in calculating such amounts. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the net retirement benefit liability.

The recognized retirement benefit costs in 2025 and 2024 and the carrying amount of net retirement benefit liability as at December 31, 2025 and 2024 are disclosed in Note 18 to the financial statements.

Determination of the Incremental Borrowing Rate on Lease. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liability. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Company estimates the incremental borrowing rate using available observable inputs adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Company has applied a weighted average incremental borrowing rate of 5.32% for the computation of ROU asset and lease liability.

The carrying amounts of ROU asset and lease liability as at December 31, 2025 and 2024 are disclosed in Note 19 to the financial statements.

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

The management believes that the Company will be able to utilize in the future all its deferred tax assets on deductible temporary differences and carryforward benefits from unused tax credits and unused tax losses based on the Company's projected taxable income.

The carrying amount of deferred tax assets as at December 31, 2025 and 2024 is disclosed in Note 20 to the financial statements.

4. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist mainly of cash and cash equivalents, financial assets at FVPL, trade and other receivables, refundable deposits, trade payables, other current liabilities (excluding nonfinancial liabilities) and lease liability.

The main risks arising from the Company's use of financial instruments include equity price risk, credit risk and liquidity risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

Equity Price Risk

Equity price risk is the risk that the Company will incur economic losses due to adverse changes in a particular stock or stock index. The equity price risk exposure of the Company arises mainly from financial assets at FVPL.

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

The table below sets forth the impact of assumed changes in the PSE index (PSEi) in the Company's income before income tax:

	2025		2024	
Changes in PSEi	16.68%	(16.68%)	15.34%	(15.34%)
Changes in trading income at equity portfolio under:				
Property	₱994,971	(₱994,971)	₱1,266,999	(₱1,266,999)
Casinos and gaming	66,385	(66,385)	51,797	(51,797)
Information technology	–	–	207,270	(207,270)
	₱1,061,356	(₱1,061,356)	₱1,526,066	(₱1,526,066)

The sensitivity rate used for estimating the equity price risk represents management's assessment of the reasonably possible change in stock prices in the PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by their specific beta for valuation at reporting date.

The following table demonstrates the sensitivity of the Company's income before income tax to a reasonably possible change in the net asset value per unit (NAVPU) of the Company's investment in money market fund, with all other variables held constant. There is no other impact on the Company's equity other than those already affecting profit or loss.

	Increase/Decrease in NAVPU	Effect on Income before Income Tax
December 31, 2025	+21.0	₱245,634
	-21.0	(245,634)
December 31, 2024	+22.89	₱19,163
	-22.89	(19,163)

Credit Risk

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

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

	2025			Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Financial assets at amortized cost:				
Cash in banks and cash equivalents	P111,372,910	P-	P-	P111,372,910
Trade and other receivables	447,078	48,896,636	250,694	49,594,408
Refundable deposits*	4,367,640	-	-	4,367,640
	P116,187,628	P48,896,636	P250,694	P165,334,958

*Included under "Other noncurrent assets" account in the statements of financial position.

	2024			Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Financial assets at amortized cost:				
Cash in banks and cash equivalents	P60,970,043	P-	P-	P60,970,043
Trade and other receivables	259,557	33,939,923	224,030	34,423,510
Refundable deposits*	4,279,480	-	-	4,279,480
	P65,509,080	P33,939,923	P224,030	P99,673,033

*Included under "Other current assets" and "Other noncurrent assets" accounts in the statements of financial position.

Trade Receivables

The Company limits its exposure to credit risk on receivables from stock brokering by transacting mainly with recognized and creditworthy customers based on their profile (i.e. financial capacity, reputation, collateral). The Company also monitors receivable balances regularly. In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

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

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and offsetting arrangements. The provision matrix is based on the Company's historical default rates, which are adjusted for forward-looking information if forecast of economic conditions (i.e., stock market index) are expected to improve over the next year which can lead to a decreased number of defaults in the stock trading industry. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of the Company's trade receivables from customers and brokers as at December 31, 2025 and 2024 is as follows:

Days from Transaction Date of Counterparty	2025		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
0 to 1 day	₱10,509,612	₱533,162,382	₱1,517,004
2 to 12 days	12,534,677	12,534,677	-
13 to 30 days	213,127	213,127	-
Over 30 days	18,696,828	18,696,826	-
	₱41,954,244	₱564,607,012	₱1,517,004

Days from Transaction Date of Counterparty	2024		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
0 to 1 day	₱4,103,692	₱6,910,653	₱2,454,923
2 to 12 days	10,417,033	10,417,033	-
13 to 30 days	1,131,598	1,131,598	-
Over 30 days	4,533,215	4,517,526	15,689
	₱20,185,538	₱22,976,810	₱2,470,612

Counterparty exposure is computed based on the rules provided by SRC 52.1-11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

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

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

As at December 31, 2025 and 2024, trade receivables from customers and brokers amounting to ~~₱41,954,244~~ and ₱20,169,849, are secured by collateral comprising equity securities of listed companies with a total market value of ₱834,864,853 and ₱34,719,054, respectively (see Note 9).

Other Financial Assets at Amortized Cost

The Company's other financial assets at amortized cost consist of cash in banks and cash equivalents, interest receivable, other receivables and refundable deposits.

It is the Company's policy to measure ECL on other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers the factors discussed in Note 3 to the financial statements in assessing ECL on other financial assets at amortized cost.

The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments. For refundable deposits and other receivables, credit risk is low since the Company only transacted with reputable companies with respect to these financial assets. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024.

Liquidity Risk

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

The Company monitors its cash flows, particularly the receivable from customers' collections and funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in cash in banks and cash equivalents (see Note 7).

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2025 and 2024:

	2025			Total
	Up to 1 Month	>1 Month to 12 Months	Beyond 1 Year	
Financial liabilities at amortized cost:				
Trade payables	P146,785,441	P-	P-	P146,785,441
Lease liability	-	358,029	566,879	924,908
Other current liabilities*	-	242,101	-	242,101
	P146,785,441	P600,130	P566,879	P147,952,450

*Excluding nonfinancial liabilities amounting to P321,103 as at December 31, 2025.

	2024			Total
	Up to 1 Month	>1 Month to 12 Months	Beyond 1 Year	
Financial liabilities at amortized cost:				
Trade payables	P66,683,831	P-	P-	P66,683,831
Lease liability	-	253,604	-	253,604
Other current liabilities*	-	247,978	-	247,978
	P66,683,831	P501,582	P-	P67,185,413

*Excluding nonfinancial liabilities amounting to P414,497 as at December 31, 2024.

5. Capital Management

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

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

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

Required Capitalization for Broker/Dealers

In compliance with SRC Rule 28 of the 2015 Implementing Rules and Regulations of SRC, trading participants are required to have an unimpaired paid-up capital of ₱100,000,000 for those who will be participating in a registered clearing agency. However, other broker/dealers not meeting the ₱100,000,000 capitalization and not seeking authorization to engage in market-making transaction shall maintain a ₱30,000,000 unimpaired paid-up capital and file surety bond not less than ₱10,000,000 for brokers and not less than ₱2,000,000 for dealers.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱51,517,139 as at December 31, 2025 and 2024.

The Company availed of an insurance policy with a surety bond coverage amounting to ₱12,000,000 in 2025 and 2024.

As at December 31, 2025 and 2024, the Company is compliant with the capital requirements.

Details of the Company's common stock with par value of ₱1 per share as at December 31, 2025 and 2024 are as follows:

	Number of Shares	Amount
Authorized		
Balance at beginning and end of year	40,000,000	₱40,000,000
Issued and Outstanding		
Balance at beginning and end of year	40,000,000	₱40,000,000

Reserve Fund

The Company shall annually appropriate 10% of its audited income after tax and transfer the same to "Appropriated retained earnings" in compliance with SRC Rule 49.1 (B). The Company appropriated ₱113,208 and ₱53,151 for reserve fund in 2025 and 2024, respectively.

The total amount of appropriated retained earnings amounted to ₱1,561,546 and ₱1,448,338 as at December 31, 2025 and 2024, respectively.

Net Liquid Capital (NLC)

The Company is required, at all times, to have and maintain an NLC of ₱5,000,000 or 5% of its Aggregate Indebtedness (AI), whichever is higher.

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

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

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

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

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

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

The Company's NLC met the minimum prescribed amounts as at December 31, 2025 and 2024 as shown below:

	2025	2024
NLC:		
Equity eligible for net liquid capital	₱56,633,574	₱55,142,943
Less ineligible assets	17,903,851	18,200,505
	38,729,723	36,942,438
Required NLC:		
Higher of:		
5% of AI	7,438,775	3,409,634
Minimum amount	5,000,000	5,000,000
	7,438,775	5,000,000
Net risk-based capital excess	₱31,290,948	₱31,942,438

Ratio of AI to NLC

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

The Company's AI consisted of 384% and 185% of its NLC as at December 31, 2025 and 2024, respectively. The Company is compliant with the required ratio of AI to NLC as at December 31, 2025 and 2024.

RBCA Requirement/Ratio

The RBCA requirement/ratio refers to the minimum levels of capital to be maintained by firms which are licensed, or securing a broker/dealer license, taking into consideration the firm size, complexity and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting, and margin financing risks. The RBCA ratio should be greater than or equal to 1.1. The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR.

The TRCR 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.

	2025	2024
NLC	₱38,729,723	₱36,942,438
TRCR:		
Operational risk	3,400,151	4,118,290
Position risk	1,211,400	3,633,505
Large exposure risk to a single issuer and group of companies	-	215,176
	₱4,611,551	₱7,966,971
RBCA ratio	840%	464%

As at December 31, 2025 and 2024, the Company is in compliance with the required RBCA ratio.

Ratio of Core Equity to ORR

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

Core equity refers to the sum of paid-up capital stock, capital 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 or loss in fair value changes.

The Company's ratio of core equity to ORR as at December 31, 2025 and 2024 is as follows:

	2025	2024
Capital stock	₱40,000,000	₱40,000,000
Additional paid-in capital	11,517,139	11,517,139
Retained earnings, beginning of year	5,907,317	5,375,810
Core equity	57,424,456	56,892,949
ORR	3,400,151	4,118,290
Ratio of Core Equity to ORR	1,689%	1,381%

As at December 31, 2025 and 2024, the Company is compliant with the required ratio of core equity to ORR.

6. Fair Value Measurement

The following table presents the carrying amount and fair value of the Company's asset measured at fair value (recurring measurements) and the corresponding fair value hierarchy as at December 31, 2025 and 2024:

	Note	2025			
		Carrying Amount	Fair value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset measured at fair value -					
Financial assets at FVPL	8	P26,823,857	P26,823,857	P-	P-

	Note	2024			
		Carrying Amount	Fair value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset measured at fair value -					
Financial assets at FVPL	8	P9,978,955	P9,978,955	P-	P-

The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on quoted market prices from active markets as at the reporting date.

There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2025 and 2024.

The table below presents the financial assets and liabilities whose carrying amounts approximate their fair values as at December 31, 2025 and 2024.

	Note	2025	2024
Financial assets at amortized cost:			
Cash and cash equivalents	7	P111,477,910	P60,975,043
Trade and other receivables	9	49,343,714	34,199,480
Refundable deposits*	10, 13	4,367,640	4,279,480
		P165,189,264	P99,454,003
Financial liabilities at amortized cost:			
Trade payables	14	P146,785,441	P66,683,831
Other current liabilities**	15	242,101	247,978
		P147,027,542	P66,931,809

*Included under "Other current assets" and "Other noncurrent assets" accounts.

**Excluding nonfinancial liabilities aggregating to P321,103 and P414,497 as at December 31, 2025 and 2024, respectively.

Current Financial Assets and Liabilities. The carrying amounts of cash and cash equivalents, trade and other receivables, trade payables, and other current liabilities (excluding nonfinancial liabilities) approximate their fair values due to their short-term nature.

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

7. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	P105,000	P5,000
Cash in banks	4,222,910	8,470,043
Cash equivalents	107,150,000	52,500,000
	P111,477,910	P60,975,043

Cash in banks earn interest at the prevailing bank deposit interest rates and are readily available for use in the Company's operations.

Cash equivalents have maturity periods within three (3) months or less and earn interest rates ranging from 4.38% to 6.28% and 5.75% to 6.28% in 2025 and 2024, respectively.

Interest income recognized is from the following:

	2025	2024
Cash in banks	P21,097	P32,580
Cash equivalents	3,684,524	3,826,920
	P3,705,621	P3,859,500

In compliance with SRC Rule 49.2 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to P100,223,751 and P45,287,715 as at December 31, 2025 and 2024, respectively. The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

8. Financial Assets at FVPL

This account consists of investments in:

	2025	2024
Money market funds	P22,079,857	P1,518,355
Quoted equity securities	4,744,000	8,460,600
	P26,823,857	P9,978,955

The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair value based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on quoted market prices or bidding dealer price quotations from active market as at the reporting date (see Note 6).

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

	2025	2024
Realized gain on sale	P1,887,824	P1,289,772
Unrealized losses on fair value changes	(113,393)	(1,140,198)
	P1,774,431	P149,574

Dividend income earned from financial assets at FVPL amounted to P145,330 and P15,876 in 2025 and 2024, respectively.

9. Trade and Other Receivables

This account consists of:

	2025	2024
Trade receivables:		
Customers	P37,609,740	P20,185,538
Clearing house	7,193,086	13,978,415
Brokers	4,344,504	-
	49,147,330	34,163,953
Less allowance for ECL on trade receivables	250,694	224,030
	48,896,636	33,939,923
Interest receivable	378,735	189,333
Other receivables	68,343	70,224
	P49,343,714	P34,199,480

Trade receivables from customers and brokers are due within two (2) business days from the transaction date. Trade receivables from customers and brokers as at December 31, 2025 and 2024 are as follows:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Cash and fully secured accounts:				
More than 250%	P5,030,412	P761,204,948	P24,145	P3,500,964
Between 150% to 250%	13,411,703	33,178,765	-	-
Between 100% to 150%	19,167,625	36,131,140	11,896,197	22,484,840
Partially secured accounts	4,344,504	4,350,000	8,249,507	8,733,250
Unsecured accounts	-	-	15,689	-
	41,954,244	834,864,853	20,185,538	34,719,054
Less allowance for ECL	250,694	-	224,030	-
	P41,703,550	P834,864,853	P19,961,508	P34,719,054

Collaterals on trade receivables from customers pertain to listed equity securities amounting to P834,864,853 and P34,719,054 as at December 31, 2025 and 2024, respectively. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

Trade receivables from clearing house are due and collectible after two (2) days from transaction date. Accordingly, balances as at December 31, 2025 and 2024 were fully collected in January 2026 and January 2025, respectively.

Balance and movements in the allowance for ECL on trade receivables as at December 31, 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	P224,030	P83,896
Provision for ECL	26,664	140,134
Balance at end of year	P250,694	P224,030

Interest receivable arises from the Company's cash equivalents which are collectible at maturity.

The components of "Others" under "Other income" presented in the statements of comprehensive income are as follows:

	Note	2025	2024
Interest on margin accounts		P2,292,214	P2,690,664
Other trading fees		1,046,345	858,593
Gain on sale of property and equipment	11	-	44,642
		P3,338,559	P3,593,899

10. Other Current Assets

This account consists of:

	Note	2025	2024
Excess tax credits		P517,440	P487,089
Prepayments		109,020	153,791
Refundable lease deposits	19	-	28,415
		P626,460	P669,295

11. Property and Equipment

The balances and movements in this account as at and for the years ended December 31 are as follows:

	2025				Total
	Condominium and Improvements	Furniture and Fixtures	ROU Asset (see Note 19)	Transportation Equipment	
Cost					
Balances at beginning of year	₱14,897,788	₱1,710,441	₱957,180	₱2,000,000	₱19,565,409
Additions	-	2,939	1,003,546	-	1,006,485
Derecognition related to expired lease	-	-	(957,180)	-	(957,180)
Retirement	-	(6,044)	-	-	(6,044)
Balances at end of year	14,897,788	1,707,336	1,003,546	2,000,000	19,608,670
Accumulated Depreciation and Amortization					
Balances at beginning of year	3,841,574	1,307,056	678,002	2,000,000	7,826,632
Depreciation and amortization	809,467	392,245	334,931	-	1,536,643
Derecognition related to expired lease	-	-	(957,180)	-	(957,180)
Retirement	-	(6,044)	-	-	(6,044)
Balances at end of year	4,651,041	1,693,257	55,753	2,000,000	8,400,051
Carrying Amounts	₱10,246,747	₱14,079	₱947,793	₱-	₱11,208,619

	2024				Total
	Condominium and Improvements	Furniture and Fixtures	ROU Asset (see Note 19)	Transportation Equipment	
Cost					
Balances at beginning of year	₱14,897,788	₱1,692,853	₱957,180	₱4,087,500	₱21,635,321
Disposals	-	-	-	(2,087,500)	(2,087,500)
Additions	-	17,588	-	-	17,588
Balances at end of year	14,897,788	1,710,441	957,180	2,000,000	19,565,409
Accumulated Depreciation and Amortization					
Balances at beginning of year	3,032,107	846,032	358,942	4,087,500	8,324,581
Disposals	-	-	-	(2,087,500)	(2,087,500)
Depreciation and amortization	809,467	461,024	319,060	-	1,589,551
Balances at end of year	3,841,574	1,307,056	678,002	2,000,000	7,826,632
Carrying Amounts	₱11,056,214	₱403,385	₱279,178	₱-	₱11,738,777

Proceeds and the corresponding gain on sale of fully-depreciated property and equipment amounted to ₱44,642 in 2024. The gain on sale of property and equipment is included under "Others" account in the statements of comprehensive income (see Note 9).

As at December 31, 2025 and 2024, cost of fully-depreciated assets still in use amounted to ₱3,677,536 and ₱2,000,000, respectively.

12. Exchange Trading Right

Under the PSE rules, all exchange trading rights are pledged at its full value to the PSE to secure the payment of all debts to other members of the PSE arising out of or in connection with the presence of future members' contracts.

The carrying amount of the exchange trading right is ₱1,504,800 as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the latest transacted price of the exchange trading right, as provided by the PSE, amounted to ₱7,700,000 and ₱8,000,000, respectively.

13. Other Noncurrent Assets

This account consists of the following:

	Note	2025	2024
Refundable deposits:			
Clearing and Trade Guaranty Fund (CTGF) contributions		₱4,329,225	₱4,241,065
Lease	19	28,415	–
Utilities		10,000	10,000
Others		56,070	18,211
		₱4,423,710	₱4,269,276

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

Under the amended 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 be satisfied or paid in full.

14. Trade Payables

This account consists of:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Trade payable to customers:				
With money balance	₱146,785,441	₱3,207,880,948	₱66,127,992	₱2,815,017,515
Without money balance	–	1,247,067,132	–	1,811,259,778
	146,785,441	4,454,948,080	66,127,992	4,626,277,293
Payable to clearing house	–	–	555,839	–
	₱146,785,441	₱4,454,948,080	₱66,683,831	₱4,626,277,293

Trade payables as at December 31, 2025 and 2024 are noninterest-bearing and due within two (2) business days from the transaction date.

Payable to clearing house as at December 31, 2024 was fully settled in January 2025.

15. Other Current Liabilities

This account consists of:

	2025	2024
Accrued expenses	P229,307	P244,297
VAT payable	169,893	147,108
Statutory payables	151,210	267,389
Others	12,794	3,681
	P563,204	P662,475

Other current liabilities are noninterest-bearing and are generally settled in varying periods within one (1) year.

16. Related Party Transactions

The Company, in the ordinary course of business, has transactions with its related parties as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
Trade Receivables						
Close family members of Key Management Personnel (KMP)	Trading of securities	P1,006,163,649	P883,082,930	P13,411,703	P8,249,507	2-day, noninterest-bearing, secured, unimpaired and generally collected in cash
KMP	Trading of securities	73,872,507	60,590,624	5,002,870	-	2-day, noninterest-bearing, secured, unimpaired and generally collected in cash
Under common key management	Trading of securities	45,899,294	58,893,661	-	-	2-day, noninterest-bearing, secured, unimpaired and generally collected in cash
				P18,414,573	P8,249,507	
Trade Payables						
Under common key management	Trading of securities	P37,011,070	P71,256,430	P10,408,501	P7,450,195	2-day, noninterest-bearing, secured, and generally settled in cash
Close family members of KMP	Trading of securities	959,913,963	904,100,366	6,540,211	11,970,116	2-day, noninterest-bearing, secured, and generally settled in cash
KMP	Trading of securities	33,407,190	68,891,557	4,320	112,719	2-day, noninterest-bearing, secured, and generally settled in cash
				P16,953,032	P19,533,030	
Commission Income						
Close family members of KMP	Trading of securities	P4,923,400	P4,475,301	P-	P-	2-day, noninterest-bearing, secured, unimpaired and generally collected in cash
KMP	Trading of securities	268,272	323,826	-	-	2-day, noninterest-bearing, secured, unimpaired and generally collected in cash
Under common key management	Trading of securities	207,505	325,375	-	-	2-day, noninterest-bearing, secured, unimpaired and generally collected in cash
				P-	P-	

(Forward)

	Nature of Transaction	Amount of Transaction		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
Commission Expense						
KMP	Trading of securities	₱7,639,989	₱6,385,039	₱-	₱-	Noninterest-bearing, unsecured, payable at the end of month
Lease liability (see Note 19)						
KMP	Lease payments	₱343,111	₱343,111	₱854,367	₱246,465	Noninterest-bearing, unsecured, payable at the end of quarter
Refundable Lease Deposit (see Note 19)						
KMP	Deposits	₱-	₱-	₱28,415	₱28,415	Noninterest-bearing, unsecured, unimpaired, and refundable upon termination of lease contract
Plan Asset (see Note 18)						
Retirement benefit plan	Contributions	₱-	₱-	₱909,525	₱875,079	Interest-bearing and to be applied against retirement claims of qualified retiring employees
Salaries and Other Employee Benefits						
KMP	Short-term employee benefits	₱1,804,517	₱1,729,208	₱-	₱-	

Compliance with Revenue Regulation (RR) No. 34-2020

The Company is not covered by the requirements and procedures for the related party transactions provided under RR No. 34-2020 and is not required to file and submit the Related Party Transaction Form or BIR Form No. 1709 together with the Annual Income Tax Return as at and for the years ended December 31, 2025 and 2024 since the Company did not meet any of the criteria under Section 2 of the said RR.

17. Personnel Costs

This account consists of:

	Note	2025	2024
Salaries and wages		₱3,323,451	₱3,192,410
Other employee benefits		1,816,943	1,663,254
Retirement benefit costs	18	168,929	268,722
		₱5,309,323	₱5,124,386

Personnel costs were distributed in the statements of comprehensive income as follows:

	2025	2024
Cost of services	₱3,143,212	₱2,967,503
General and administrative expenses	2,166,111	2,156,883
	₱5,309,323	₱5,124,386

18. Retirement Benefits

The Company has a funded, noncontributory defined benefit retirement plan covering substantially all of its regular employees. The benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The funded benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The benefits to be received by the employees under the defined benefit retirement plan shall not be less than the minimum mandated benefit under RA No. 7641, *The Retirement Pay Law*. The Company did not obtain an actuarial valuation report for the years ended December 31, 2025 and 2024 as the management has assessed that the differences between amounts recognized in the financial statements and the amounts that would have been determined had an actuarial valuation been obtained is not significant.

The components of retirement benefit costs included under "Personnel costs" account in the statements of comprehensive income are as follows (see Note 17):

	2025	2024
Current service cost	P132,109	P150,243
Net interest costs	36,820	118,479
	P168,929	P268,722

The components of net retirement benefit liability recognized in the statements of financial position as at December 31 are as follows:

	2025	2024
Balance at beginning of year	P599,912	P1,117,597
Remeasurement gains recognized in OCI	(196,357)	(786,407)
Retirement benefit costs	168,929	268,722
Balance at end of year	P572,484	P599,912

The funded status and amounts recognized in the statements of financial position for the net retirement benefit liability as at December 31 are as follows:

	2025	2024
Present value of defined benefit obligation	P1,482,009	P1,474,991
Fair value of plan assets	(909,525)	(875,079)
Net retirement benefit liability	P572,484	P599,912

The changes in the present value of the defined benefit obligation as at and for the years ended December 31 are as follows:

	2025	2024
Balance at beginning of year	P1,474,991	P1,960,627
Current service cost	132,109	150,243
Interest cost	90,528	118,585
Remeasurement gains recognized in OCI - Change in financial assumptions	(215,619)	(754,464)
Balance at end of year	P1,482,009	P1,474,991

The changes in the fair value of plan assets as at and for the years ended December 31 are as follows:

	2025	2024
Balance at beginning of year	P875,079	P843,030
Interest income	53,708	106
Remeasurement gains (losses) recognized in OCI	(19,262)	31,943
Balance at end of year	P909,525	P875,079
Actual return on plan assets	P34,446	P32,049

The major categories of plan assets as a percentage of the fair value of total plan assets as at December 31 are as follows:

	2025	2024
Investment in unit investment trust fund	100.00%	84.78%
Cash and cash equivalents	0.00%	15.22%
	100.00%	100.00%

The cumulative remeasurement losses on net retirement benefit liability presented in the statements of financial position as at December 31 are as follows:

	2025		
	Cumulative Remeasurement Losses	Deferred Tax (see Note 20)	Net
Balances at beginning of year	P311,392	(P77,848)	P233,544
Remeasurement gains recognized during the year	(196,357)	49,089	(147,268)
Balances at end of year	P115,035	(P28,759)	P86,276
	2024		
	Cumulative Remeasurement Losses	Deferred Tax (see Note 20)	Net
Balances at beginning of year	P1,097,799	(P274,450)	P823,349
Remeasurement gains recognized during the year	(786,407)	196,602	(589,805)
Balances at end of year	P311,392	(P77,848)	P233,544

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment and Interest Rate Risks. The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Longevity and Salary Risks. The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

The principal assumptions used in determining net retirement benefit liability as at December 31 are as follows:

	2025	2024
Discount rate	6.14%	6.14%
Salary increase rate	2.00%	4.00%

Sensitivity analysis on the defined benefit obligation as at December 31 are as follows:

	Change in Assumption	Effect on Defined Benefit Obligation	
		2025	2024
Discount rate	+1.00%	(P132,851)	(P138,262)
	-1.00%	129,518	156,356
Salary increase rate	+1.00%	133,999	158,171
	-1.00%	(138,796)	(142,229)

The foregoing sensitivity analysis has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the end of the reporting date.

The maturity analysis of the undiscounted defined benefit obligation as at December 31 is as follows:

	2025	2024
More than five (5) years to 10 years	P1,768,398	P1,860,800
More than 10 years	894,193	1,000,655
	P2,662,591	P2,861,455

As at December 31, 2025 and 2024, the average duration of the net retirement benefit liability is 13.4 years and 15.7 years, respectively.

There is no expected contribution to the plan in 2026.

19. Leases - Company as Lessee

The Company entered into a lease agreement with a related party for the use of storage and lounge areas for a period of three (3) years, renewable upon mutual agreement of the parties.

The lease agreement expired on November 15, 2025, resulting in the derecognition of the related ROU asset with gross cost and accumulated amortization amounting to P957,180. On November 16, 2025, the parties renewed the lease agreement for another three (3) years. Upon renewal, the Company recognized a lease liability of P943,874 and ROU asset of P1,003,546, inclusive of prepaid rent amounting to P59,672, which will be applied on the last two (2) months of the lease term.

The derecognition of the ROU asset related to the expired lease agreement and the initial recognition of the ROU asset (excluding prepaid rent) and lease liability related to the renewed lease agreement are considered noncash transaction excluded from the statements of cash flows.

Following the renewal of the lease agreement, refundable lease deposit amounting to ₱28,415 was reclassified from "Other current assets" account (see Note 10) to "Other noncurrent assets" account (see Note 13).

The balance and movements in ROU asset, classified as property and equipment, are as follows (see Note 11):

	2025	2024
Cost		
Balance at beginning of year	₱957,180	₱957,180
Addition	1,003,546	-
Derecognition related to expired lease	(957,180)	-
Balance at end of year	1,003,546	957,180
Accumulated Amortization		
Balance at beginning of year	678,002	358,942
Amortization during the year	334,931	319,060
Derecognition related to expired lease	(957,180)	-
Balance at end of year	55,753	678,002
Carrying Amount	₱947,793	₱279,178

The balance and movements in lease liability are as follows:

	2025	2024
Balance at beginning of year	₱246,465	₱562,899
Initial recognition	943,874	-
Payments	(343,111)	(343,111)
Interest expense	7,139	26,677
Balance at end of year	854,367	246,465
Current portion	318,852	246,465
Noncurrent portion	₱535,515	₱-

Maturity analysis of lease liability as at December 31 are as follows:

	2025	2024
Within one (1) year	₱358,029	₱253,604
After one (1) year but no more than three (3) years	566,879	-
	₱924,908	₱253,604

The Company recognized the following lease-related expenses:

	Note	2025	2024
Amortization of ROU asset	11	₱334,931	₱319,060
Interest expense on lease liability		7,139	26,677
		₱342,070	₱345,737

20. Income Taxes

The components of income tax expense (benefit) as reported in the statements of comprehensive income are as follows:

	Note	2025	2024
Reported in Profit or Loss			
Current:			
Final tax		₱741,124	₱771,900
MCIT		69,501	61,288
		810,625	833,188
Deferred tax expense (benefit)		162,190	(1,035,536)
		₱972,815	(₱202,348)
Reported in OCI			
Deferred tax expense on remeasurement			
gains of net retirement benefit liability	18	₱49,089	₱196,602

The components of the Company's net deferred tax assets as at December 31 are as follows:

	2025	2024
Deferred tax assets:		
NOLCO	₱1,268,749	₱1,341,797
Lease liability	213,592	61,616
Excess of MCIT over RCIT	213,335	203,808
Cumulative excess of cost over fair value of quoted equity securities classified as financial assets at FVPL	157,250	289,638
Net retirement benefit liability	143,121	149,978
Allowance for ECL on trade receivables	62,674	56,008
	2,058,721	2,102,845
Deferred tax liability - ROU asset	222,031	54,876
	₱1,836,690	₱2,047,969

Details of the Company's NOLCO as at December 31, 2025, which can be claimed as deduction against future taxable income, are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiration
2025	₱-	₱2,748,039	₱-	₱2,748,039	2028
2024	2,326,955	-	-	2,326,955	2027
2022	3,040,231	-	3,040,231	-	2025
	₱5,367,186	₱2,748,039	₱3,040,231	₱5,074,994	

Details of the Company's excess of MCIT over RCIT as at December 31, 2025, which can be claimed as tax credit against future income tax payable, are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiration
2025	P-	P69,501	P-	P69,501	2028
2024	61,288	-	-	61,288	2027
2023	82,546	-	-	82,546	2026
2022	59,974	-	59,974	-	2025
	P203,808	P69,501	P59,974	P213,335	

The reconciliation between the income tax expense (benefit) based on statutory income tax rate and the effective income tax rate is as follows:

	2025	2024
Income tax expense at statutory tax rate	P526,225	P82,290
Expired NOLCO	760,058	-
Expired excess of MCIT over RCIT	59,974	-
Decrease in income tax resulting from:		
Interest income already subjected to final tax	(185,281)	(192,975)
Trading gains on investments in money market funds classified as financial assets at FVPL	(151,828)	(87,694)
Dividend income exempt from income tax	(36,333)	(3,969)
Income tax expense (benefit) at effective tax rate	P972,815	(P202,348)

In 2025 and 2024, the income tax rates used in determining RCIT and MCIT are 25% and 2%, respectively.



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

The Stockholders and the Board of Directors
Value Quest Securities Corporation
Unit 1914 The PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig 1634

We have audited the accompanying financial statements of Value Quest Securities Corporation (the Company) as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 27, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has three (3) stockholders owning 100 or more shares each.

REYES TACANDONG & Co.

MANUEL P. BUENSUCESO, JR.

Partner

CPA Certificate No. 143561

Tax Identification No. 311-867-595-000

BOA Accreditation No. 4782/P-025; Valid until June 6, 2026

SEC Accreditation No. 143561-SEC Group A

Issued August 17, 2023

Valid for Financial Periods 2023 to 2027

BIR Accreditation No. 08-005144-020-2024

Valid until November 26, 2027

PTR No. 10764011

Issued January 2, 2026, Makati City

March 27, 2026
Makati City, Metro Manila



REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

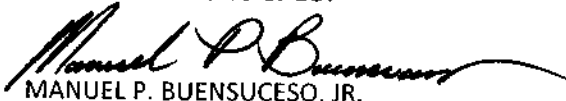
The Stockholders and the Board of Directors
Value Quest Securities Corporation
Unit 1914 The PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig 1634

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Value Quest Securities Corporation (the Company) as at and for the years ended December 31, 2025 and 2024, and have issued our opinion thereon dated March 27, 2026. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules as at and for the year ended December 31, 2025 are the responsibility of the Company's management. These supplementary schedules include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk-Based Capital Adequacy Requirement Pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 16-2004;
- Information Relating to the Possession or Control Requirements under Annex F of Securities Regulation Code (SRC) Rule 49.2;
- Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2;
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Report Date of the Previous Audit; and
- Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended.

The supplementary schedules are presented for purposes of complying with the Revised SRC Rule 68 and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.


MANUEL P. BUENSUCESO, JR.

Partner

CPA Certificate No. 143561

Tax Identification No. 311-867-595-000

BOA Accreditation No. 4782/P-025; Valid until June 6, 2026

SEC Accreditation No. 143561-SEC Group A

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Valid until November 26, 2027

PTR No. 10764011

Issued January 2, 2026, Makati City

March 27, 2026

Makati City, Metro Manila

SCHEDULE I

**VALUE QUEST SECURITIES CORPORATION
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

DECEMBER 31, 2025

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

SCHEDULE II

**VALUE QUEST SECURITIES CORPORATION
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO
SEC MEMORANDUM CIRCULAR NO. 16-2004**

DECEMBER 31, 2025

Assets	P207,245,760
Liabilities	148,775,496
Equity as per books	58,470,264
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated liabilities	-
Unrealized Gain / (Loss) in proprietary accounts	-
Deferred income tax	(1,836,690)
Revaluation reserves	-
Deposit for future stock subscription (No application with SEC)	-
Minority interest	-
Total Adjustments to Equity per books	(1,836,690)
Equity Eligible For Net Liquid Capital	56,633,574
Contingencies and Guarantees	
Deduct: Contingent liability	-
Guarantees or indemnities	-
Ineligible Assets	
a. Trading right and all other intangible assets (net)	1,553,709
b. Intercompany receivables	-
c. Fixed assets, net of accumulated and excluding those used as collateral	11,208,619
d. All other current assets	694,803
e. Securities not readily marketable	-
f. Negative exposure (SCCP)	71,919
g. Notes receivable (non-trade related)	-
h. Interest and dividends receivables outstanding for more than 30 days	-
i. Ineligible insurance claims	-
j. Ineligible deposits	4,367,640
k. Short security differences	-
l. Long security differences not resolved prior to sale	-
m. Other assets including equity investment in PSE	7,161
Total ineligible assets	17,903,851
Net Liquid Capital (NLC)	38,729,723
Less:	
Operational Risk Requirement	3,400,151
Position Risk Requirement	1,211,400
Credit Risk Requirement	-
Counterparty Risk	-
Large Exposure Risk	-
LERR to a single client	-
LERR to a single debt	-
LERR to a single Issuer and group of companies	-
Total Risk Capital Requirement (TRCR)	4,611,551
Net RBCA Margin (NLC-TRCR)	34,118,172
Liabilities	148,775,496
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	-
Total adjustments to AI	-
Aggregate Indebtedness	148,775,496
5% of Aggregate Indebtedness	7,438,775
Required Net Liquid Capital (> of 5% of AI or R5M)	7,438,775
Net Risk-based Capital Excess / (Deficiency)	P31,290,948
Ratio of AI to Net Liquid Capital	384%
RBCA Ratio (NLC/TRCR)	840%

SCHEDULE III

**VALUE QUEST SECURITIES CORPORATION
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER ANNEX F OF SRC RULE 49.2**

DECEMBER 31, 2025

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

Market Valuation	<u>NIL</u>
Number of Items	<u>NIL</u>

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

Market Valuation	<u>NIL</u>
Number of Items	<u>NIL</u>

**VALUE QUEST SECURITIES CORPORATION
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2**

DECEMBER 31, 2025

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱129,129,602	
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 of 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.		₱23,303,719
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		-
12. Failed to deliver customers' securities not older than 30 calendar days.		6,837,051
13. Others due from clearing house		-
Total	₱129,129,602	₱30,140,770
Net Credit (Debit)	₱98,988,832	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱98,988,832	

SCHEDULE V

**VALUE QUEST SECURITIES CORPORATION
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED
SINCE THE REPORT DATE OF THE PREVIOUS AUDIT**

DECEMBER 31, 2025

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

SCHEDULE VI

**VALUE QUEST SECURITIES CORPORATION
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED
DECEMBER 31, 2025**

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

VALUE QUEST SECURITIES CORPORATION
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED

DECEMBER 31, 2025

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AB	ATOK-BIG WEDGE MNG. CO., INC. "A"	121,980	₱251,279	121,980	₱251,279	-	₱-
ABA	ABACORE CAPITAL HOLDINGS, INC.	69,426	18,051	69,426	18,051	-	-
AC	AYALA CORPORATION	97,860	45,798,480	97,860	45,798,480	-	-
ACEN	ACEN CORPORATION	1,614,638	4,391,815	1,614,638	4,391,815	-	-
ACENB	ACEN CORP SERIES B PREFERRED	15,000	16,050,000	15,000	16,050,000	-	-
ACPB3	AYALA CORP CLASS " B" PEF. SHARES	8,635	17,166,380	8,635	17,166,380	-	-
ACPB4	AYALA CORP CLASS "B" 4 PEF SHARES	250	497,250	250	497,250	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	623,925	17,469,900	623,925	17,469,900	-	-
AGI	ALLIANCE GLOBAL, INC.	11,179,100	91,556,829	11,179,100	91,556,829	-	-
AGIW	ALLIANCE GLOBAL INC. WARRANTS	1,108,525	1,296,974	1,108,525	1,296,974	-	-
ALCO	ARTHALAND CORPORATION	21,554,885	9,053,052	21,554,885	9,053,052	-	-
ALI	AYALA LAND, INC.	2,835,737	63,662,296	2,835,737	63,662,296	-	-
ALDY	ALLDAY MARTS, INC.	13,503,000	418,593	13,503,000	418,593	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	1,990,000	2,587,000	1,990,000	2,587,000	-	-
ALTER	ALTERNERGY HOLDINGS CORPORATION	35,854,000	30,117,360	35,854,000	30,117,360	-	-
AP	ABOITIZ POWER CORPORATION	17,195,100	756,584,400	17,195,100	756,584,400	-	-
APC	APC GROUP, INC.	800,000	84,800	800,000	84,800	-	-
APL	APOLLO GLOBAL CAPITAL INC	33,880,000	169,400	33,880,000	169,400	-	-
APO	ANGLO PHIL. HOLDINGS CORP.	9,500	6,650	9,500	6,650	-	-
AR	ABRA MNG. & IND'L. CORP.	604,500,000	2,780,700	604,500,000	2,780,700	-	-
ARA	ARANETA PROPERTIES, INC.	3,568,000	1,427,200	3,568,000	1,427,200	-	-
AREIT	AREIT INC.	1,140,100	49,594,350	1,140,100	49,594,350	-	-
AT	ATLAS CONS. MINING & DEV. "A"	291,600	1,758,348	291,600	1,758,348	-	-
ATN	ATN HOLDINGS, INC. "A"	2,621,000	1,297,395	2,621,000	1,297,395	-	-
ATNB	ATN HOLDINGS, INC. "B"	299,000	148,005	299,000	148,005	-	-
AUB	ASIA UNITED BANK CORPORATION	6,750	264,600	6,750	264,600	-	-
AXI.M	AXELUM RESOURCES CORP.	15,000	35,400	15,000	35,400	-	-
BC	BENGUET CORP. "A"	142,594	712,970	142,594	712,970	-	-
BDO	BDO UNIBANK, INC.	75,297	10,134,976	75,297	10,134,976	-	-
BEL	BELLE CORPORATION	50,000	66,000	50,000	66,000	-	-
BHI	BOULEVARD HOLDINGS, INC.	41,400,000	1,614,600	41,400,000	1,614,600	-	-
BLOOM	BLOOMBERRY RESORTS CORP.	12,930,500	32,843,470	12,930,500	32,843,470	-	-
BNCOM	BANK OF COMMERCE	5,500	50,600	5,500	50,600	-	-
BPI	BANK OF PHIL. ISLANDS	19,099	2,217,394	19,099	2,217,394	-	-
BRN	A BROWN COMPANY, INC.	227,687	211,749	227,687	211,749	-	-
BSC	BASIC ENERGY CORP.	6,500,000	760,500	6,500,000	760,500	-	-
C	CHELSEA LOGISTICS & INFRA HOLDINGS	89,000	84,550	89,000	84,550	-	-
CBC	CHINA BANKING CORPORATION	13,583	774,231	13,583	774,231	-	-
CDC	CITYLAND DEV. CORP.	403,821	238,254	403,821	238,254	-	-
CEB	CEBU AIR, INC.	1,468,000	46,976,000	1,468,000	46,976,000	-	-
CEBCP	CEBU AIR CONVERTIBLE PEF. SHARES	1,069,200	37,422,000	1,069,200	37,422,000	-	-
CHP	CEMEX HOLDINGS PHILIPPINES INC.	216,767	236,276	216,767	236,276	-	-
CLI	CEBU LANDMASTERS, INC.	791,650	1,860,378	791,650	1,860,378	-	-
CNVRG	CONVERGE INFORMATION & COMMUNICATIO	21,004,900	321,795,068	21,004,900	321,795,068	-	-
COSCO	COSCO CAPITAL, INC.	674,300	4,713,357	674,300	4,713,357	-	-
CPG	CENTURY PROPERTIES GROUP INC.	30,165	20,814	30,165	20,814	-	-
CPM	CENTURY PEAK HOLDINGS CORPORATION	611,000	1,460,290	611,000	1,460,290	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CREIT	CITICORE ENERGY REIT CORP.	26,561,000	₱94,822,770	26,561,000	₱94,822,770	-	P-
CTS	CTS GLOBAL EQUITY GROUP INC.	1,160,000	417,600	1,160,000	417,600	-	-
CYBR	CYBER BAY CORPORATION	2,600,000	858,000	2,600,000	858,000	-	-
DD	DOUBLEDRAAGON PROPERTIES CORP.	65,400	606,912	65,400	606,912	-	-
DDMPR	DDMP REIT INC	2,734,000	2,788,680	2,734,000	2,788,680	-	-
DITO	DITO CME HOLDINGS CORPORATION	11,210,300	7,623,004	11,210,300	7,623,004	-	-
DMC	DMCI HOLDINGS, INC.	2,787,400	29,379,196	2,787,400	29,379,196	-	-
DMW	D.M. WENCESLAO & ASSOCIATES, INC.	6,457,200	32,286,000	6,457,200	32,286,000	-	-
DNA	PHILAB HOLDINGS CORP.	45,400	129,844	45,400	129,844	-	-
DNL	D&L INDUSTRIES, INC.	24,966,200	96,119,870	24,966,200	96,119,870	-	-
DWC	DISCOVERY WORLD CORPORATION	79,100	85,428	79,100	85,428	-	-
ECVC	EAST COAST VULCAN CORPORATION	1,181,000	318,870	1,181,000	318,870	-	-
EG	IP E-GAME VENTURES, INC.	9,895,548,500	93,018,156	9,895,548,500	93,018,156	-	-
EIBA	EXPORT & INDUSTRY BANK	200,000	52,000	200,000	52,000	-	-
EIBB	EXPORT & INDUSTRY BANK-B	260,000	67,600	260,000	67,600	-	-
ELI	EMPIRE EAST LAND INC.	1,000,000	104,000	1,000,000	104,000	-	-
ENEX	ENEX ENERGY CORP	28,100	93,854	28,100	93,854	-	-
EW	EAST WEST BANKING CORPORATION	13,499,900	156,598,840	13,499,900	156,598,840	-	-
FB	SAN MIGUEL FOOD & BEVERAGE INC.	20,170	1,109,350	20,170	1,109,350	-	-
FCG	FIGARO CULINARY GROUP, INC.	335,000	194,300	335,000	194,300	-	-
FDC	FILINVEST DEV. CORP.	191,700	872,235	191,700	872,235	-	-
FGEN	FIRST GEN CORPORATION	7,361,900	130,600,106	7,361,900	130,600,106	-	-
FILRT	FILINVEST REIT CORP	3,064,503	9,499,959	3,064,503	9,499,959	-	-
FLI	FIL-INVEST LAND, INC.	3,478,296	2,678,288	3,478,296	2,678,288	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	36,591,594	49,398,652	36,591,594	49,398,652	-	-
FOOD	ALLIANCE SELECT FOOD INT'L., INC.	48,000	17,760	48,000	17,760	-	-
FPH	FIRST PHIL HOLDINGS	1,261	97,097	1,261	97,097	-	-
FRUIT	FRUITAS HOLDINGS, INC.	449,000	287,360	449,000	287,360	-	-
GEO	GEOGRACE RESOURCES PHILS., INC.	14,922,285	1,298,239	14,922,285	1,298,239	-	-
GERI	GLOBAL-ESTATE RESORTS, INC.	70,000	48,300	70,000	48,300	-	-
GLO	GLOBE TELECOM, INC.	31,125	49,302,000	31,125	49,302,000	-	-
GMA7	GMA NETWORK, INC.	560,000	3,029,600	560,000	3,029,600	-	-
GMAP	GMA HOLDINGS, INC.	17,000	89,930	17,000	89,930	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	281,190	167,308,050	281,190	167,308,050	-	-
HOME	ALLHOME CORP.	317,200	75,176	317,200	75,176	-	-
HTI	HAUS TALK, INC.	10,000	11,000	10,000	11,000	-	-
ICT	INTL CONTAINER TERMINAL SER.	1,500	850,500	1,500	850,500	-	-
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	225,326	781,881	225,326	781,881	-	-
IMP	IMPERIAL RES., INC. "A"	20,000	14,000	20,000	14,000	-	-
INFRA	PHILIPPINE INFRADEC HOLDINGS INC.	50,013,000	15,754,095	50,013,000	15,754,095	-	-
IPO	IPEOPLE, INC.	250	1,500	250	1,500	-	-
IS	ISLAND INFO AND TECH INC.	17,450,000	2,146,350	17,450,000	2,146,350	-	-
JAS	JACKSTONES, INC.	1,619,000	1,813,280	1,619,000	1,813,280	-	-
JFC	JOLLIBEE FOODS CORP.	1,880	338,400	1,880	338,400	-	-
JGS	JG SUMMIT HOLDINGS, INC.	1,352,658	31,990,362	1,352,658	31,990,362	-	-
KEEPR	THE KEEPERS HOLDINGS, INC.	198,000	491,040	198,000	491,040	-	-
KPPI	KEPWEALTH PROPERTY PHILS., INC.	160,000	190,400	160,000	190,400	-	-
LAND	CITY & LAND DEVELOPERS, INC.	1,180,015	625,408	1,180,015	625,408	-	-
LC	LEPANTO CONS. MNG. - A	40,543,964	7,500,633	40,543,964	7,500,633	-	-
LCB	LEPANTO CONS. MNG. - B	140,671	26,305	140,671	26,305	-	-
LMG	LMG CORP.	1,557,739,670	389,434,918	1,557,739,670	389,434,918	-	-
LTG	LT GROUP, INC.	4,004,800	59,190,944	4,004,800	59,190,944	-	-
MA	MANILA MINING CORP.- A	480,000	3,504	480,000	3,504	-	-
MAB	MANILA MINING CORP. - B	44,510,000	320,472	44,510,000	320,472	-	-
MAC	MACROASIA CORPORATION	100,000	434,000	100,000	434,000	-	-
MAH	METRO ALLIANCE HLDGS. A	15,000	5,550	15,000	5,550	-	-
MARC	MARCVENTURES HOLDINGS, INC.	159,500	111,650	159,500	111,650	-	-

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		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
MAXS	MAXS GROUP, INC.	171,900	₱421,155	171,900	₱421,155	-	₱-
MBT	METROPOLITAN BANK & TRUST CO.	6,664,990	456,551,816	6,664,990	456,551,816	-	-
MED	MEDCO HOLDINGS, INC.	1,500,000	135,000	1,500,000	135,000	-	-
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	1,748,000	454,480	1,748,000	454,480	-	-
MEG	MEGAWORLD CORPORATION	62,039,851	129,042,890	62,039,851	129,042,890	-	-
MER	MANILA ELECTRIC CO.	46,588	26,741,512	46,588	26,741,512	-	-
MG	MILLINIUM GLOBAL HOLDINGS, INC.	8,598,294	515,898	8,598,294	515,898	-	-
MHC	MABUHAY HOLDINGS CORP.	47,645,000	5,479,175	47,645,000	5,479,175	-	-
MJC	MANILA JOCKEY CLUB, INC.	55,678	70,711	55,678	70,711	-	-
MJIC	MJC INVESTMENT CORP.	199,000	199,000	199,000	199,000	-	-
MM	MERRYMART CONSUMER CORP.	98,000	39,200	98,000	39,200	-	-
MMC	MARCOPPER MINING CORP.	1,790	-	1,790	-	-	-
MONDE	MONDE NISSIN CORPORATION	649,000	3,764,200	649,000	3,764,200	-	-
MRC	MRC ALLIED INC.	46,367,000	40,339,290	46,367,000	40,339,290	-	-
MREIT	MREIT INC	2,303,000	32,242,000	2,303,000	32,242,000	-	-
MRSGL	METRO RETAIL STORES GROUP, INC	18,000	20,700	18,000	20,700	-	-
MWC	MANILA WATER COMPANY, INC.	4,248,500	171,214,550	4,248,500	171,214,550	-	-
MWIDE	MEGAWIDE CONSTRUCTION CORP.	435,000	1,300,650	435,000	1,300,650	-	-
MYNLD	MAYNILAD WATER SERVICES, INC	1,406,000	23,761,400	1,406,000	23,761,400	-	-
NIKL	NICKEL ASIA CORPORATION	1,278,100	4,971,809	1,278,100	4,971,809	-	-
NRCP	NATIONAL REINSURANCE CORP. OF THE P	5,000	3,850	5,000	3,850	-	-
OPM	ORIENTAL PETROLEUM "A"	5,000,000	60,000	5,000,000	60,000	-	-
OPMB	ORIENTAL PETROLEUM "B"	103,800,000	1,245,600	103,800,000	1,245,600	-	-
OV	PHILODRILL CORPORATION	10,500,000	93,450	10,500,000	93,450	-	-
PA	PACIFICA HOLDINGS, INC.	58,300	55,385	58,300	55,385	-	-
PBB	PHILIPPINE BUSINESS BANK	7,500	57,750	7,500	57,750	-	-
PCOR	PETRON CORPORATION	6,113,500	15,161,480	6,113,500	15,161,480	-	-
PCP	PICOP RESOURCES, INC.	13,230,000	2,712,150	13,230,000	2,712,150	-	-
PERC	PETRO ENERGY RES. CORP.	133,297	466,540	133,297	466,540	-	-
PGOLD	PUREGOLD PRICE CLUB INC.	3,504,900	133,186,200	3,504,900	133,186,200	-	-
PHA	PREMIERE HORIZON ALLIANCE CORP.	316,000	74,892	316,000	74,892	-	-
PHR	PH RESORTS GROUP HOLDINGS INC.	38,000	5,054	38,000	5,054	-	-
PIZZA	SHAKEYS PIZZA ASIA VENTURES, INC.	109,900	747,320	109,900	747,320	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	549,500	8,901,900	549,500	8,901,900	-	-
PNB	PHIL. NATIONAL BANK	151,214	8,226,042	151,214	8,226,042	-	-
PNX	PHOENIX PETROLEUM PHILIPPINES, INC.	124,000	517,080	124,000	517,080	-	-
PNX4	PHOENIX PETROLEUM SERIES 4 PREF.	500	88,950	500	88,950	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	186,000	241,800	186,000	241,800	-	-
PRMX	PRIMEX CORPORATION	13,877,000	17,762,560	13,877,000	17,762,560	-	-
PSB	PHILIPPINE SAVINGS BANK	3,980	214,920	3,980	214,920	-	-
PSE	PHIL. STOCK EXCHANGE, INC.	19,060	3,914,924	19,060	3,914,924	-	-
PTT	PT&T CORP.	20,000	6,600	20,000	6,600	-	-
PX	PHILEX MINING CORP.	460,452	4,558,475	460,452	4,558,475	-	-
PXP	PXP ENERGY CORPORATION	1,737	4,134	1,737	4,134	-	-
RCB	RIZAL COMMERCIAL BANKING CORP	266,600	6,918,270	266,600	6,918,270	-	-
RCI	ROXAS AND COMPANY, INC.	192,000	514,560	192,000	514,560	-	-
RCR	RL COMMERCIAL REIT, INC.	4,090,000	32,801,800	4,090,000	32,801,800	-	-
RFM	RFM CORPORATION	318,000	1,510,500	318,000	1,510,500	-	-
RLC	ROBINSON'S LAND CORP. - B	4,345,000	70,215,200	4,345,000	70,215,200	-	-
RLT	PHIL. REALTY & HOLDINGS CORP.	900,000	98,100	900,000	98,100	-	-
ROCK	ROCKWELL LAND CORPORATION	1,882	3,482	1,882	3,482	-	-
ROX	ROXAS HOLDINGS, INC.	1,245,000	1,805,250	1,245,000	1,805,250	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	581,800	19,228,490	581,800	19,228,490	-	-
SCC	SEMRARA MINING & POWER COR	794,100	22,433,325	794,100	22,433,325	-	-
SCM	SAN CARLOS MILLING CO., INC.	200	200	200	200	-	-
SECB	SECURITY BANK CORP.	824,984	54,160,200	824,984	54,160,200	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
	SECURITY BANK CORPORATION-						
SECB-P	PREFERRED	7,200	P-	7,200	P-	-	P-
SFI	SWIFT FOODS, INC.	12,900,000	606,300	12,900,000	606,300	-	-
SFIP	SWIFTS FOOD, INC.-PREFERRED	21,980	34,069	21,980	34,069	-	-
SGP	SYNERGY GRID & DEVT PHILS. INC	20,208,300	334,649,448	20,208,300	334,649,448	-	-
SHLPH	PILIPINAS SHELL PETROLEUM CORP.	15,765,591	109,255,546	15,765,591	109,255,546	-	-
SHNG	SHANG PROPERTIES, INC.	9,299	32,918	9,299	32,918	-	-
SM	SM INVESTMENTS CORPORATION	84,213	58,906,994	84,213	58,906,994	-	-
SMC	SAN MIGUEL CORPORATION "A"	20,000	1,640,000	20,000	1,640,000	-	-
SMC2L	SAN MIGUEL CORP SERIES 2L PREFERRED	37,000	2,873,050	37,000	2,873,050	-	-
SMC2O	SAN MIGUEL CORP SERIES 2O PREFERRED	280,750	22,740,750	280,750	22,740,750	-	-
SMC2Q	SAN MIGUEL CORP PEF SUBSERIES "2Q"	1,340	104,252	1,340	104,252	-	-
SMPH	SM PRIME HOLDINGS, INC.	1,428,908	32,507,657	1,428,908	32,507,657	-	-
SPNEC	SP NEW ENERGY CORPORATION	97,437	114,001	97,437	114,001	-	-
STR	VISTAMALLS, INC.	800	1,000	800	1,000	-	-
SUN	SUNTRUST RESORT HOLDINGS, INC.	1,301,166	988,886	1,301,166	988,886	-	-
T	TKC METALS CORPORATION	134,000	58,960	134,000	58,960	-	-
TBGI	TRANSPACIFIC BROADBAND	2,900,000	385,700	2,900,000	385,700	-	-
TEL	PLDT INC.	107,169	135,032,940	107,169	135,032,940	-	-
TFHI	TOP FRONTIER INVESTMENTS HOLDINGS	3,000	183,000	3,000	183,000	-	-
UNI	UNIOIL RES. & HOLDINGS CO.	2,350,000	578,100	2,350,000	578,100	-	-
UPM	UNITED PARAGON MINING CORP.	40,100,000	232,580	40,100,000	232,580	-	-
URC	UNIVERSAL ROBINA CORP.	540,850	36,399,205	540,850	36,399,205	-	-
V	VANTAGE EQUITIES, INC.	15,000	13,350	15,000	13,350	-	-
VITA	VITARICH CORPORATION	1,340,000	710,200	1,340,000	710,200	-	-
VMC	VICTORIAS MILLING CO., INC.	86,136	149,015	86,136	149,015	-	-
WEB	PHILWEB CORPORATION	1,475,000	9,145,000	1,475,000	9,145,000	-	-
WLCON	WILCON DEPOT INC.	31,397,800	218,528,688	31,397,800	218,528,688	-	-
X	XURPAS INC.	1,180,000	292,640	1,180,000	292,640	-	-
XG	NEXGEN ENERGY CORP	59,000	187,620	59,000	187,620	-	-
ZHI	ZEUS HOLDINGS, INC.	14,179,000	949,993	14,179,000	949,993	-	-
		13,125,949,068	P5,294,556,933	13,125,949,068	P5,294,556,933	-	P-

SCHEDULE VII

VALUE QUEST SECURITIES CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
PURSUANT TO SEC MEMORANDUM CIRCULAR 18-2024

DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	₱145,000	₱135,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
TOTAL AUDIT AND NON-AUDIT FEES	₱145,000	₱135,000

SCHEDULE VIII

**VALUE QUEST SECURITIES CORPORATION
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
PURSUANT TO THE REVISED SRC RULE 68**

DECEMBER 31, 2025 AND 2024

Ratio	Formula	2025	2024
Current ratio	Total current assets	₱188,271,941	₱105,822,773
	Divided by: Total current liabilities	147,667,497	67,592,771
	Current ratio	1.27:1	1.57:1
Solvency ratio	Net income after tax	₱1,132,084	₱531,507
	Add: Depreciation and amortization	1,536,643	1,589,551
	Net income after tax before depreciation and amortization	2,668,727	2,121,058
	Divided by: Total liabilities	148,775,496	68,192,683
	Solvency ratio	0.02:1	0.03:1
Debt-to-equity ratio	Total liabilities	₱148,775,496	₱68,192,683
	Divided by: Total equity	58,470,264	57,190,912
	Debt-to-equity ratio	2.54:1	1.19:1
Asset-to-equity ratio	Total assets	₱207,245,760	₱125,383,595
	Divided by: Total equity	58,470,264	57,190,912
	Asset-to-equity ratio	3.54:1	2.19:1
Interest rate coverage ratio	Income before income tax	₱2,104,899	₱329,159
	Add: Interest expense	7,139	26,677
	Income before interest and taxes	2,112,038	355,836
	Divided by: Interest expense	7,139	26,677
	Interest rate coverage ratio	295.85:1	13.34:1
Return on equity	Net income after tax	₱1,132,084	₱531,507
	Divided by: Average total equity	57,830,588	56,630,256
	Return on equity	0.02:1	0.01:1
Return on assets	Net income after tax	₱1,132,084	₱531,507
	Divided by: Average total assets	166,314,678	134,625,177
	Return on assets	0.01:1	0.004:1
Net profit margin	Net income after tax	₱1,132,084	₱531,507
	Divided by: Revenues	20,006,473	16,797,286
	Net profit margin	0.06:1	0.03:1