



**REPORT OF INDEPENDENT AUDITOR
TO ACOMPANY FINANCIAL STATEMENT FOR
FILING WITH THE BUREAU OF INTERNAL REVENUE**

**To the Board of Directors and Shareholders
LARRGO SECURITIES CO., INC.**
Room 500, 5th floor Rufino Bldg., Ayala Avenue,
Cor. V.A. Rufino Makati City

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

In compliance with Revenue Regulations V-20, we are stating the following:

1. The taxes paid and accrued by the above Company for the year ended December 31, 2025 are shown in the Schedule of Taxes and Licenses.
2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal shareholders of the Company.

PEREZ, SESE, VILLA & CO.

BY:  **ETHEL P. MARTINEZ**
PARTNER

CPA Reg. No. 0144003

TIN 306-435-247-000

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

SEC Accreditation No:

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

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

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

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

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

valid until October 12, 2026

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

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

Manila, Philippines
April 22, 2026



LARRGO Securities Co., Inc.
Member: PHILIPPINE STOCK EXCHANGE
5th Floor Rufino Bldg, 6784 Ayala Ave. Makati City
Tel. Nos. Trading: 79406046/79406057
Office: 88101183
Tel Fax: 88101353-54

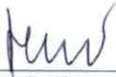
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **LARRGO SECURITIES CO., INC.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

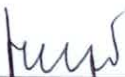
In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of **LARRGO SECURITIES CO., INC.** complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the **LARRGO SECURITIES CO., INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

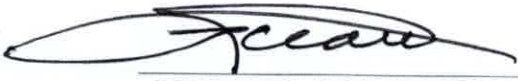
BY:
LARRGO SECURITIES CO., INC.



MA. ASUNCION L. UICHICO
Chairman of the Board



MA. ASUNCION L. UICHICO
President



LUIS CARLOS R. LAUREL
Treasurer



LARRGO Securities Co., Inc.

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5th Floor Rufino Bldg, 6784 Ayala Ave. Makati City
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Tel Fax: 88101353-54

April 10, 2026

Perez, Sese, Villa & Co.

Certified Public Accountant
Unit 9C, Marc 2000 Tower
1973 Taft Avenue corner San Andres St.,
Malate, Manila

Gentlemen:

In connection with your audit of the statement of financial position as at December 31, 2025 and statement of comprehensive income, statement of changes in equity and cash flow for the period then ended for the purpose of expressing an opinion as to whether the financial statements present fairly the financial position and results of operations of **LARRGO SECURITIES CO., INC.** in accordance with Philippine Financial Reporting Standards for PFRS. We confirm, to the best of our knowledge and belief, the following representations made to you during your examination.

1. We are responsible for the fair presentation in the financial statements of the financial position, results of operations, and cash flows in accordance with Philippine Financial Reporting Standards.
2. We have made available to you
 - a. Financial records and related data.
 - b. All minutes of the board of directors meeting that transpired in 2025 as well as minutes of meeting in 2026 before the financial statements were authorized for issue and summaries of actions of recent meetings for which minutes have not yet been prepared through the date of this letter.
3. There have been no
 - a. Irregularities involving management or employees who have significant roles in the system of internal accounting control.
 - b. Irregularities involving other employees that could have a material effect on the financial statements.
 - c. Communication from regulatory agencies concerning noncompliance with or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
4. We have no plans or intentions that may materially affect the carrying value of classification of assets and liabilities.

5. The following have been properly recorded or disclosed in the financial statements.
 - a. Related party transaction and related amounts receivable or payable, including sales, purchases, loans transfers, leasing arrangements, and guarantees.
 - b. Capital stocks repurchase options or agreements or capital stock reserved for options, warrants, conversions, or other requirements.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - d. Asset purchase agreement
 - e. Agreements to purchase assets previously sold.
6. There are no
 - a. Violation or possible violations of laws or regulations whose affects should be considered for disclosure in the financial statements or as basis for recording a loss contingency.
 - b. Other material liabilities or gain or loss contingencies that is required to be accrued or disclosed.
7. There are no material transactions that have not been properly, recorded in the accounting records underlying the financial statements.
8. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
9. The Company has satisfactorily title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
10. Provision has been made for any material loss to be sustained as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices.
11. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements on the event of noncompliance.
12. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements other than those already reported in this financial statements.

Moreover, the management acknowledges the responsibility for the presentation of the required disclosures to notes to financial statements as supplementary information in accordance with the Revenue Regulation 15-2010 issued by the Bureau of Internal Revenue (BIR). We believe that the supplementary tax information as required by the BIR have been completely disclosed in the notes to financial statements and the corresponding supporting documents such as the following are provided to you during the audit, as applicable:

1. VAT return/s for the year;
2. Income tax returns;
3. Withholding Taxes returns for the year;
4. Schedule of taxes and licenses accrued and/or paid during the year with the corresponding proof of filing/payments; and
5. All correspondences with tax authorities.

LARRGO SECURITIES CO., INC.

By:



MA. ASUNCION L. UICHICO
Chairman of the Board

LARRGO SECURITIES CO., INC.

FINANCIAL STATEMENTS
December 31, 2025 and 2024

and

Report of Independent Auditors

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

ANNUAL AUDITED FINANCIAL REPORT

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

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

IDENTIFICATION OF BROKER OR DEALER

Name of Broker / Dealer: LARRGO SECURITIES CO., INC.

Address of Principal Place of Business: Rm 500 Rufino Bldg., Ayala Avenue,
Cor. V.A. Rufino, Makati City

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

Name: MA. ASUNCION L. UICHICO Tel. No. 8810-1183
Fax No. _____

IDENTIFICATION OF ACCOUNTANT

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

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

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

Certificate Number: 0144003

PTR Number : 0368868 Date Issued: January 8, 2026



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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
 FOR FINANCIAL STATEMENTS**


The management of **LARRGO SECURITIES CO., INC.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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


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



MA. ASUNCION L. UICHICO
 Chairman of the Board



MA. ASUNCION L. UICHICO
 President



LUIS CARLOS R. LAUREL
 Treasurer

Signed this 10th day of April 2026.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the _____ Philippines, this _____, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE AND PLACE ISSUED
_____	_____	_____
_____	_____	_____
_____	_____	_____



SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders LARRGO SECURITIES CO., INC.

Room 500, 5th floor Rufino Bldg., Ayala Avenue,
Cor. V.A. Rufino Makati City

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

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of four (4) shareholders owning one hundred (100) or more shares each of the Company's Capital stock as of December 31, 2025, as disclosed in Note 20 of the Financial Statements.

PEREZ, SESE, VILLA & CO.

BY:  **ETHEL P. MARTINEZ**
PARTNER

CPA Reg. No. 0144003

TIN 306-435-247-000

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

SEC Accreditation No:

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

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

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

Manila, Philippines

April 22, 2026





REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

To the Board of Directors and Shareholders
LARRGO SECURITIES CO., INC.
Room 500, 5th floor Rufino Bldg., Ayala Avenue,
Cor. V.A. Rufino Makati City

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

PEREZ, SESE, VILLA & CO.

BY:  **ETHEL J. MARTINEZ**
PARTNER

CPA Reg. No. 0144003

TIN 306-435-247-000

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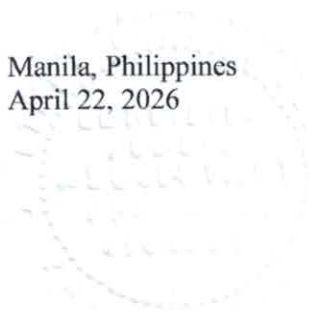
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Manila, Philippines
April 22, 2026





REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders

LARRGO SECURITIES CO., INC.

Room 500, 5th floor Rufino Bldg., Ayala Avenue,
Cor. V.A. Rufino Makati City

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 32 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY:  **ETHEL B. MARTINEZ**
PARTNER

CPA Reg. No. 0144003

TIN 306-435-247-000

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Manila, Philippines

April 22, 2026

LARGO SECURITIES CO., INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	Notes	2025		Security Position (2025)		2024		Security Position (2024)	
				Long	Short			Long	Short
		P		P		P		P	
ASSETS									
Current Assets									
Cash and cash equivalents	4.5.6	P	20,813,417	P	-	P	-	P	-
Financial asset at fair value through profit or loss	4.5.7		1,576,979		1,576,979		1,588,943		1,588,943
Receivables from customers	4.5.8		12,785		9,301,370		10,372		77,601,611
Receivables from clearing house	4.5.9		32,080		-		-		-
Advances to related parties	4.5.26		907,979		-		907,979		-
Other receivables	4.5.10		84,679		-		79,956		-
Prepayments and other current assets	4.5.11		1,675,233		-		1,583,353		-
Total Current Assets			25,103,152		10,878,349		23,190,656		79,190,554
Non-Current Assets									
Financial asset at fair value through other comprehensive income	4.5.12		25,798,240		25,798,240		20,598,400		-
Advances to contractors	4.5.13		12,855,402		-		12,855,402		-
Property and equipment, net	4.5.14		6,158		-		31,628		-
Intangible assets, net	4.5.15		196,417		-		392,851		-
Other non-current assets	4.5.16		168,513		-		167,392		-
Total Non-Current Assets			39,024,730		25,798,240		34,045,673		20,598,400
TOTAL ASSETS			P 64,127,882		P 36,676,589		P 57,236,329		P 99,788,954
Securities in Vault, Transfer Office and Philippine Depository and Trust Corp.									
			P		P		P		P
					566,847,547				486,709,748
LIABILITIES AND EQUITY									
Current Liabilities									
Payable to customers	4.5.17	P	4,818,222	P	530,170,958	P	2,784,868	P	386,920,794
Payable to clearing house	4.5.9		-		-		8,160		-
Advances from related parties	4.5.26		57,102		-		57,102		-
Other payables	4.5.18		779,161		-		656,857		-
Other current liabilities	4.5.19		102,602		-		103,293		-
Total Current Liabilities			5,757,087		530,170,958		3,610,280		386,920,794
Non-Current Liability									
Deferred tax liability, net	4.5.25		1,959,935		-		480,665		-
Total Liabilities			7,717,022		530,170,958		4,090,945		386,920,794
Equity									
Share capital	4.20		50,000,000		-		50,000,000		-
Equity reserves	4.20		15,844,858		-		11,684,986		-
Retained earnings (deficits)	4.20		(9,433,998)		-		(8,539,602)		-
Equity, net			56,410,860		-		53,145,384		-
TOTAL LIABILITIES AND EQUITY			P 64,127,882		P 566,847,547		P 57,236,329		P 486,709,748

(See accompanying Notes to Financial Statements)

LARRGO SECURITIES CO., INC.

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025 and 2024

	<i>Notes</i>	2025	2024
REVENUES			
Commission Revenue	4,21	P 945,251	P 380,430
Dividend income	4,5,7,12	1,350,130	1,337,224
Unrealized gain (loss) on financial assets at FVTPL	4,5,7	<u>(11,964)</u>	<u>81,407</u>
Total		2,283,417	1,799,061
DIRECT COSTS			
	4,22	<u>(1,199,464)</u>	<u>(1,122,361)</u>
GROSS INCOME			
		1,083,953	676,700
OPERATING EXPENSES			
	4,23	<u>(2,450,282)</u>	<u>(2,162,125)</u>
LOSS FROM OPERATION			
		(1,366,329)	(1,485,425)
INTEREST INCOME			
	4,5,6	<u>911,235</u>	<u>326,521</u>
NET LOSS BEFORE INCOME TAX			
		(455,094)	(1,158,904)
INCOME TAX BENEFITS			
	4,5,25		
Current		-	-
Deferred		<u>439,302</u>	<u>(563,851)</u>
		<u>439,302</u>	<u>(563,851)</u>
NET LOSS FOR THE YEAR			
		<u>(894,396)</u>	<u>(595,053)</u>
OTHER COMPREHENSIVE INCOME (LOSS)			
	4,5,20		
Items that will not be reclassified to profit or loss			
Fair value income (loss) on OCI		5,199,840	(753,600)
Tax effect		<u>(1,039,968)</u>	<u>150,720</u>
		<u>4,159,872</u>	<u>(602,880)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)			
FOR THE YEAR			
		<u>P 3,265,476</u>	<u>P (1,197,933)</u>

(See accompanying Notes to Financial Statements)

LARRGO SECURITIES CO., INC.

STATEMENTS OF CHANGES IN EQUITY For the Years Ended December 31, 2025 and 2024

	<i>Notes</i>	2025	2024
SHARE CAPITAL	4,20		
Balance at beginning of the year		P 50,000,000	P 50,000,000
Issuance for the year		-	-
Balance at end of the year		50,000,000	50,000,000
EQUITY RESERVES	4,20		
Balance at beginning of the year		11,684,986	12,287,866
Other comprehensive income (loss) for the year		4,159,872	(602,880)
Reclassification due to disposal		-	-
Balance at end of the year		15,844,858	11,684,986
RETAINED EARNINGS (DEFICITS)	4,20		
Unappropriated			
Balance at beginning of the year		(9,813,998)	(9,218,945)
Net loss for the year		(894,396)	(595,053)
Reclassification from equity reserves due to disposal	4,11	-	-
Appropriation for the year per SRC Rule 49.1		-	-
Balance at end of the year		(10,708,394)	(9,813,998)
Appropriated			
Balance at beginning of the year		1,274,396	1,274,396
Appropriation for the year per SRC Rule 49.1		-	-
Balance at end of the year		1,274,396	1,274,396
Retained Earnings (Deficits)		(9,433,998)	(8,539,602)
EQUITY, net		P 56,410,860	P 53,145,384

(See accompanying Notes to Financial Statements)

LARRGO SECURITIES CO., INC.

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2025 and 2024

	<i>Notes</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before tax		P (455,094)	P (1,158,904)
Adjustment to reconcile net loss to			
Net cash provided by operating activities:			
Depreciation	4,5,14	25,470	25,470
Amortization	4,5,15	196,434	196,434
Unrealized (gain) loss on FVTPL	4,5,7	11,964	(81,407)
Dividend revenue	4,5,7,12	(1,350,130)	(1,337,224)
Interest income	4,5,6	(911,235)	(326,521)
		(2,482,591)	(2,682,152)
Operating loss before changes in working capital			
Decrease (Increase) in:			
Financial asset at fair value through profit or loss	4,5,7	-	(2,324)
Receivables from customers	4,5,8	(2,413)	(7,001)
Receivables from clearing house	4,5,9	(32,080)	393,100
Other receivables	4,5,10	(4,723)	-
Prepayments and other current assets	4,5,11	(91,880)	(41,011)
Increase (Decrease) in:			
Payable to customers	4,5,17	2,033,354	(1,295,175)
Payable to clearing house	4,5,9	(8,160)	8,160
Other payables	4,5,18	122,304	(8,712)
Other current liabilities	4,5,19	(691)	(30,686)
		(466,880)	(3,665,801)
Cash used in operations			
Interest received	4,5,6	911,235	326,521
Dividend received	4,5,7,12	1,350,130	1,337,224
		1,794,485	(2,002,056)
Net cash generated from (used in) operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of refundable deposit	4,5,16	(1,121)	(1,087)
CASH FLOWS FINANCING ACTIVITIES			
Payment of advances from related parties	4,5,26	-	(500,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,793,364	(2,503,143)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		19,020,053	21,523,196
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		P 20,813,417	P 19,020,053

(See accompanying Notes to Financial Statements)

LARRGO SECURITIES CO., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2025 and 2024

NOTE 1 - GENERAL INFORMATION

LARRGO SECURITIES CO., INC., (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 42406 dated October 8, 1970. The Company is established primarily to engage in the stock brokerage business, for the purchase and sale of any and all kinds of shares bonds, debentures, and securities either in the Philippines or in any foreign country.

The Company's registered address, which is also its principal place of business is located Rm 500, 5th Floor Rufino Building, Ayala Avenue Cor. V.A. Rufino, Makati City.

Approval of the Financial Statement

The financial statements of the Company for the year ended December 31, 2025 including its comparative figures as at December 31, 2024 were approved and authorized for issue by the Board of Directors (BOD) on April 10, 2026.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

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

Presentation and Measurement

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

The financial statements are presented in Philippine Peso (₱) the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest peso, except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements of the Company have been prepared on a historical cost basis, except for financial asset carried at fair value through profit or loss and financial asset at fair value through other comprehensive income.

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

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

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

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

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

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

- Note 5 - Significant Judgments, Accounting Estimates and Assumptions
- Note 30 - Fair Value Measurement

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

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

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

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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

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

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

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

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

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

Effective beginning on or after January 1, 2026

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

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

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

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

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

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

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise

qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

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

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

- Annual Improvements to PFRS Accounting Standards—Volume 11

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

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

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

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

- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

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

- Transaction Price

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

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

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

- Amendments to PAS 7, *Cost Method*

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

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

Effective beginning on or after January 1, 2027

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

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

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

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

- PFRS 19, *Subsidiaries without Public Accountability*

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

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

The application of the standard is optional for eligible entities.

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

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

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

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

Deferred effectivity

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

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

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

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

NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

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

Financial Assets and Liabilities

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

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

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

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

Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVTPL, (b) financial assets at amortized cost and (c) financial assets at fair

value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either (a) financial liabilities at FVTPL or (b) financial liabilities at amortized cost. The classification of a financial instruments largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2025 and 2024, the company had financial assets at FVTPL, financial asset and liabilities at amortized cost, financial asset at fair values though other comprehensive income (FVOCI) and no financial liability at FVTPL.

Financial Assets at FVTPL

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

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

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

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

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

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

As at December 31, 2025 and 2024, the Company's financial assets classified as FVTPL are presented in Note 7.

Financial Assets at Amortized Cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

As at December 31, 2025 and 2024, the Company's cash, receivable from customers, receivable from clearing house, other receivables and refundable deposits are classified under this category. (Note 6, 8, 9, 10, and 16)

Cash

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

Receivables

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

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

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

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

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

In measuring expected credit losses, the Company considers:

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

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

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

Financial Assets at FVOCI

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

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

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI as long as these are not held for trading purposes.

After initial recognition, Financial assets at FVOCI are presented in the financial statements at fair value with changes in fair value are recognized in Other Comprehensive Income (OCI).

Interest income on debt instruments is calculated using the effective interest method while credit losses on debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established. Cumulative changes in fair value of FVOCI equity instruments are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2025 and 2024, the Company's financial assets classified as FVOCI are presented in Note 12.

Financial liabilities

Classification and presentation

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

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

Financial Liabilities at Amortized Cost

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

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

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

interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2025 and 2024, the Company's payable to customers, payable to clearing house and other payables are classified under this category. (Note 9, 17 and 18).

Reclassification

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

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

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

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

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

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

Receivables from and Payables to Clearing House

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

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

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

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

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

Impairment of Financial Assets

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

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

Derecognition of Financial Assets and Liabilities

Financial Assets

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

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

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

Financial Liabilities

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

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

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

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

Prepayments and Other Current Assets

Prepayments represent advance payments for Company expenses which the Company expects to consume within one year. Other current assets includes Prepaid income tax. Prepayments and other current assets are stated in the statements of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

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

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment are measured in the statements of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives.

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

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

Intangible Assets

Intangible asset represents trading rights and purchased computer software.

Computer software is amortized over its estimated useful life of five (5) years using the straight-line method. If there is an indication that there has been a significant change in the useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

Trading right is not amortized but reviewed each year to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. The Company tests the asset for impairment by comparing its carrying amount with its recoverable amount, and recognizing any excess of the carrying amount over the recoverable amount as an impairment loss.

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

Refundable Deposits

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

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

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

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

Advances to Contractors

Advances to contractors represent payments made in connection with the acquisition of condominium units that are not yet turned over to the Company as of the reporting date.

These advances are recognized as assets when the Company has made payments to contractors or developers and has a contractual right to receive the underlying property upon completion. Such amounts are not yet available for use and do not meet the definition of property, plant and equipment or investment property at the reporting date.

Advances to contractors are initially measured at cost, which represents the amount of cash or cash equivalents paid to the contractor or developer. Subsequently, these advances are carried at cost less any allowance for impairment, if applicable. The Company assesses at each reporting date whether there is any indication that the asset may be impaired. If such indication exists, the recoverable amount is estimated, and an impairment loss is recognized when the carrying amount exceeds the recoverable amount.

No depreciation is recognized on these advances as the related assets are not yet available for use.

Upon completion and turnover of the condominium unit, the balance of advances to contractors is reclassified to the appropriate asset account, such as:

- Property, plant and equipment, if the unit is intended for use in operations; or
- Investment property, if the unit is held for rental or capital appreciation, in accordance with PAS 40 – Investment Property.

Advances to contractors are presented as non-current assets in the statement of financial position when the completion and turnover of the condominium unit are expected beyond twelve (12) months after the reporting date.

If turnover is expected within twelve (12) months, the advances are classified as current assets.

Impairment of Non-Financial Assets

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

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

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

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

Payables

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

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

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

Other Current Liabilities

Other current liabilities consist of withholding taxes, and statutory payables. These liabilities are recognized when the related obligation arises, such as upon occurrence of taxable transactions, incurrence of expenses, or recognition of payroll and statutory contributions. These are subsequently measured at the undiscounted amount expected to be paid to the relevant authorities, as these are short-term in nature and the effect of discounting is immaterial.

These are classified as current liabilities as they are expected to be settled within twelve (12) months from the reporting date and are derecognized upon payment or settlement of the obligation.

Deferred Tax

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

Deferred Tax Liabilities

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

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

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

Deferred tax liabilities are recognized when:

- the carrying amount of an asset exceeds its tax base, or

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

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

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

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

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

Share Capital

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

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

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

Retained Earnings

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

Appropriated Retained Earnings

Appropriated retained earnings pertains to the restricted portion which is intended for the resource fund. Unappropriated retained earnings represent the portion which can be declared as dividends to shareholders.

Deficit

Deficit represents accumulated losses incurred by the Company. Deficit may also include effects of correction of prior years' errors and changes in accounting policy as may be required by the standards transitional provisions.

Other Comprehensive Income (OCI)

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

Revenue

Revenue recognition

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

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

Commission

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

Other Income

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

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

Dividend income

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

Trading Gains or Losses on Financial Assets at FVTPL

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

Interest income

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

Expenses

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are generally recognized on an accrual basis, that is, in the period in which they are incurred, regardless of when payment is made.

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

Operating Expenses

Operating expenses represent costs directly related to the Company's core brokerage and securities trading activities. These expenses are necessary to facilitate the execution, clearing, and settlement of securities transactions and to maintain the Company's trading operations.

Administrative Expenses

Administrative expenses represent costs incurred in managing and supporting the overall operations of the Company but are not directly attributable to trading or brokerage activities.

Finance Costs

Finance costs, including interest expenses on borrowings, if any, are recognized in profit or loss using the effective interest method.

Finance costs consist of interest and other costs incurred by the Company in connection with the borrowing of funds. Finance costs are recognized as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction, or production of a qualifying asset, in which case such borrowing costs are capitalized as part of the cost of the asset.

Capitalization of borrowing costs commences when expenditures for the assets are being incurred, borrowing costs are being incurred, and activities necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Income Tax

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

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

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

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

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

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

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

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Employee Benefits

Short-term benefits

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

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

Retirement Benefits

The Company does not have a formal retirement benefit plan. However, the Company provides retirement benefits in compliance with RA 7641. No actuarial computation was obtained during the year because the amount of provision for retirement benefits will not materially affect the fair presentation of the financial statements considering that the Company has only three (3) employees.

Related Party Transactions and Relationships

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

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

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

Leases

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

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

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

Company as Lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed), variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability is increased for interest incurred and reduced for lease payments made.

The right-of-use asset is initially measured at the amount of lease liability adjusted for any initial direct costs incurred by the lessee, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Foreign Currency Transaction

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

Provisions and Contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the

provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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

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

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

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

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

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

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

Subsequent events

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

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgements and accounting estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as at the reporting date. While the Branch believes that the assumptions are reasonable and appropriate. Future events may

occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

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

Judgment

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

Classification of financial assets at fair value through profit or loss (FVTPL)

The Company applies judgment in classifying its financial assets at fair value through profit or loss (FVTPL). As a security broker, the Company manages its financial assets on a fair value basis and holds these instruments primarily for trading purposes. Accordingly, such financial assets are classified at FVTPL in accordance with PFRS 9.

Management also exercises judgment in determining whether transactions are part of trading activities or held for other purposes, and whether the contractual cash flow characteristics of financial assets meet the solely payments of principal and interest (SPPI) criterion. Financial assets that fail the SPPI test or are managed on a fair value basis are classified at FVTPL.

Day 1 Profit Recognition

The Company applies judgment in determining whether the transaction price at initial recognition represents fair value. Where fair value is determined using valuation techniques with unobservable inputs, any difference between the transaction price and the fair value ("Day 1 gain or loss") is deferred and recognized in profit or loss only when the inputs become observable or when the instrument is derecognized.

Assessment of Impairment of Nonfinancial Assets

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

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

Recoverability of Advances to Contractors

The Company exercises significant judgment in assessing the recoverability of advances to contractors relating to a condominium unit for which payments were made in prior years, including amounts paid in 2016, and which remains uncompleted and not yet turned over as of the

reporting date. In evaluating whether the carrying amount of the advances is recoverable, management considered various factors, including the current status and progress of the project, the financial condition and performance of the developer, the existence and enforceability of contractual rights, and the likelihood of either completion and turnover of the unit or recovery of the amounts advanced. The prolonged delay in project completion was identified as an indicator of possible impairment, and management applied judgment in determining whether an impairment loss should be recognized in accordance with PAS 36 – Impairment of Assets. This assessment involves significant estimation uncertainty, and changes in these assumptions could materially affect the amount ultimately recoverable and the resulting carrying value of the advances in future periods.

Determination of ECL on financial assets

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

The provision matrix is based on the Company's historically observed default rates. The Company's management intends to regularly calibrate on an annual basis the matrix to consider the historical credit loss experience with forward-looking information. Details about the ECL on the Company's trade and other receivables are disclosed in Note 28.

Estimates

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

Estimation of Allowance for Credit Losses

The measurement of the allowance for Credit Losses on financial assets at amortized cost and at FVOCI (debt instruments) is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring Credit Losses is further detailed in Note 28.

Fair value measurement of financial assets at FVTPL

The fair value of financial assets at FVTPL is determined using quoted market prices in active markets (Level 1 inputs) when available. For financial instruments that are not traded in active markets, fair value is determined using valuation techniques in accordance with PFRS 13.

These valuation techniques may include the use of recent market transactions, broker quotations, and other valuation models that require the use of estimates and assumptions such as discount rates, expected cash flows, and market liquidity adjustments.

Where significant inputs are not directly observable, the financial assets are classified under Level 2 or Level 3 of the fair value hierarchy. Changes in these assumptions may significantly affect the fair value of financial assets recognized in profit or loss.

Estimating useful lives of property and equipment

The Company estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets

and residual values are reviewed, and adjusted if appropriate, only if there is a significant change in the asset or how it is used.

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

Particulars	Useful Lives
Office Equipment	5 years
Furniture and Fixtures	5 years
Transportation Equipment	5 years

Determination of Realizable Amount of Deferred Tax Assets/Liabilities

The Company reviews its deferred tax assets/liabilities at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets/liabilities to be utilized. Management assessed that the deferred tax assets/liabilities recognized as at December 31, 2025 and 2024 will be fully utilized/will be due in the coming years. The carrying value of deferred tax assets/liabilities as of those dates is disclosed in Note 25.

NOTE 6 - CASH AND CASH EQUIVALENTS

This account consists of:

	2025	2024
Cash in banks	P 18,276,099	P 16,069,504
Cash in bank – reserve account	2,535,318	2,948,549
Cash on hand	2,000	2,000
	P 20,813,417	P 19,020,053

Cash in banks generally earns interest at rates based on daily bank deposit rates. Temporary cash investments are made for varying periods up to three months depending on the Company's immediate cash requirements and earn interest at the prevailing temporary cash investment rates. These are unrestricted and available for use in the Company's operation except for the special reserve bank account with Banco De Oro.

Interest income recognized in the Statements of Comprehensive Income amounted to P911,235 and P326,521 in 2025 and 2024, respectively.

In compliance with Securities Regulation Code (SRC) Rule 49.2-1, the Company maintains a special reserve account with Banco de Oro for the exclusive benefit of its customers. The Company's reserve requirement is determined on SEC's prescribed computations. As of December 31, 2025, and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

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

This account consists of:

	2025	2024
Held for trading securities		
Equities in PHISIX	P 4,864	P 6,683
Equities outside PHISIX	1,572,115	1,582,260
	P 1,576,979	P 1,588,943

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

	<u>2025</u>		<u>2024</u>
Balance at beginning of year	₱ 1,588,943	₱	1,505,212
Additions	-		2,324
Disposals	-		-
Fair value adjustments	(11,964)		81,407
Balance at end of year	₱ 1,576,979	₱	1,588,943

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

Dividend income on financial assets at FVTPL presented in the statements of comprehensive income amounted to ₱94,130 and ₱81,224 in 2025 and 2024, respectively.

The Company has not disposed of any financial assets classified as fair value through profit or loss (FVTPL) during the reporting period.

The change in fair value of financial assets at fair value through profit or loss recognized and presented as part of unrealized gain (loss) on financial assets at FVTPL in the statements of comprehensive income amounted to a loss of ₱11,964 in 2025 and a gain of ₱81,407 in 2024.

Net trading losses on financial assets at FVTPL consist of the following:

	<u>2025</u>		<u>2024</u>
Unrealized gain (loss) on fair value changes	₱ (11,964)	₱	81,407
Realized gains on disposal	-		-
	₱ (11,964)	₱	81,407

Dividend income is recognized from the following:

	<u>2025</u>		<u>2024</u>
Financial assets at FVTPL (Note 7)	₱ 94,130	₱	81,224
Financial assets at FVOCI (Note 12)	1,256,000		1,256,000
	₱ 1,350,130	₱	1,337,224

NOTE 8 - RECEIVABLE FROM CUSTOMERS

The security valuation of the debit balances of receivable from customers' accounts are presented below:

	2025		2024	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Fully secured accounts:				
More than 250%	P 12,585	P 9,301,033	P 10,172	P 77,601,168
Between 200% to 250%	-	-	200	443
Between 150% to 200%	200	337	-	-
Between 100% to 150%	-	-	-	-
Less than 100%	555	-	555	-
	<u>13,340</u>	<u>9,301,370</u>	<u>10,927</u>	<u>77,601,611</u>
Partially secured accounts:				
Less than 100%	-	-	-	-
Unsecured accounts	200	-	200	-
	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>
Less: Allowance for credit losses	(755)	-	(755)	-
	<u>P 12,785</u>	<u>P 9,301,370</u>	<u>P 10,372</u>	<u>P 77,601,611</u>

Receivables from customers are due within two (2) business days after the consummation of the transactions.

Allowance for credit losses on receivables from customers is computed using the formula provided by the SRC Rule No. 52.1.11 which forms part of the Risk-Based Capital Adequacy (RBCA) Report, (Note 29). No credit losses was recognized both in 2025 and 2024.

NOTE 9 - RECEIVABLES FROM / PAYABLES TO CLEARING HOUSE

The net balance of this account as at December 31, 2025 and 2024 relates to the trading transactions made on the trading floor of the Philippine Stock Exchange for the last two trading days which have not yet been cleared. The outstanding balance were net receivable from clearing house amounting to P32,080 in 2025 and net payable to clearing house amounting P8,160 in 2024.

NOTE 10 - OTHER RECEIVABLES

This account consists of:

	2025	2024
Refundable deposit (Note 27)	P 76,878	P 76,878
Advances to employees	7,801	3,078
	<u>P 84,679</u>	<u>P 79,956</u>

Advances to employees pertains to amount of under deduction of employee's share on statutory contribution. These will be deducted from employee's salary in the succeeding period.

Refundable deposit pertains to rental deposit, this is refundable at the end of the lease agreement.

NOTE 11 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2025	2024
Prepayments	P 138,180	P 138,180
Prepaid income tax (Note 25)	529,655	462,713
VAT Input	1,007,398	982,460
	<u>P 1,675,233</u>	<u>P 1,583,353</u>

Prepayment represents paid rent, insurance and taxes and licenses applicable in succeeding period.

Prepaid income tax pertains to excess tax credit which can be claimed against the Company's income tax liability.

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

NOTE 12 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of PSE shares amounting to P25,798,240 and P20,598,400 as of December 31, 2025 and 2024, respectively.

The movement in the financial assets at fair value through other comprehensive income is summarized below:

2025

	PSE shares	Amount
Balance at beginning of year	125,600	P 20,598,400
Additions	-	-
Disposals	-	-
Fair value adjustments	125,600	5,199,840
	<u>125,600</u>	<u>P 25,798,240</u>

2024

	PSE shares	Amount
Balance at beginning of year	125,600	P 21,352,000
Additions	-	-
Disposals	-	-
Fair value adjustments	125,600	(753,600)
	<u>125,600</u>	<u>P 20,598,400</u>

The Company has 125,600 PSE shares in 2025 and 2024, respectively. The fair market value of PSE shares is quoted at P205.40 and P164 per share as at December 31, 2025 and 2024, respectively. Fair values of these securities at FVOCI have been determined based on quoted prices in active market.

Dividend income on these shares were recognized in the statements of comprehensive income amounting to P1,256,000 both in 2025 and 2024. (Note 7)

NOTE 13 - ADVANCES TO CONTRACTORS

Advances to contractors amounting to ₱12,855,402 as of December 31, 2025 and 2024 represent payments made in prior years in connection with the acquisition of a condominium unit which, as of the reporting date, has not yet been completed or turned over to the Company.

These advances are carried at cost less any allowance for impairment losses. Management assesses at each reporting date whether there is any indication that the carrying amount may not be recoverable, in accordance with PAS 36 – Impairment of Assets.

Given that the payments were made in 2016 and the unit remains undelivered as of December 31, 2024, management considered this as an indicator of possible impairment and performed an assessment of the recoverable amount of the advances.

In determining recoverability, management exercised significant judgment and considered the status of the project, the financial condition of the developer, existing contractual rights, and the likelihood of either completion and turnover of the unit or recovery of the amounts advanced.

Based on this assessment, management determined that the carrying amount of the advances is fully recoverable, and accordingly, no impairment loss was recognized. The recoverable amount represents management's best estimate of the amount expected to be recovered from the developer, either through completion of the unit or refund of the advances.

Due to the inherent uncertainty associated with the timing and outcome of the project, actual results may differ from these estimates and could materially affect the carrying amount of the advances in future periods.

NOTE 14 - PROPERTY AND EQUIPMENT, net

Details of movement in property and equipment at the beginning and end of 2025 and 2024, of property and equipment is shown below:

2025

	Leasehold Improvement	Office Equipment	Transportation Equipment	Total
Costs				
January 01, 2025	₱ 500,000	₱ 1,285,124	₱ 7,374,500	₱ 9,159,624
Additions	-	-	-	-
Disposals	-	-	-	-
December 31, 2025	500,000	1,285,124	7,374,500	9,159,624
Accumulated depreciation				
January 01, 2025	500,000	1,253,496	7,374,500	9,127,996
Depreciation expense	-	25,470	-	25,470
Disposals	-	-	-	-
December 31, 2025	500,000	1,278,966	7,374,500	9,153,466
Carrying amount				
December 31, 2025	₱ -	₱ 6,158	₱ -	₱ 6,158
Carrying amount				
December 31, 2024	₱ -	₱ 31,628	₱ -	₱ 31,628

2024

	Leasehold Improvement	Office Equipment	Transportation Equipment	Total
Costs				
January 01, 2024	P 500,000	P 1,285,124	P 7,374,500	P 9,159,624
Additions	-	-	-	-
Disposals	-	-	-	-
December 31, 2024	500,000	1,285,124	7,374,500	9,159,624
Accumulated depreciation				
January 01, 2024	500,000	1,228,026	7,374,500	9,102,526
Depreciation expense	-	25,470	-	25,470
Disposals	-	-	-	-
December 31, 2024	500,000	1,253,496	7,374,500	9,127,996
Carrying amount				
December 31, 2024	P -	P 31,628	P -	P 31,628
Carrying amount				
December 31, 2023	P -	P 57,098	P -	P 57,098

As of December 31, 2025, and 2024, management believes that there is no impairment loss on its property and equipment.

The amount of depreciation is presented in the statements of comprehensive income under the operating expenses (Note 24).

The Company has not entered into any contractual commitment for the acquisition of property and equipment in 2025 and 2024.

NOTE 15 - INTANGIBLE ASSETS, net

The intangible assets of the Company consist of a computer software.

Details of movement in intangible assets at the beginning and end of 2025 and 2024, of computer software is shown below:

	2025	2024
Cost		
January 1	P 1,017,143	P 1,017,143
December 31	1,017,143	1,017,143
Accumulated Depreciation		
January 1	624,292	427,858
Amortization expense (Note 24)	196,434	196,434
December 31	820,726	624,292
Carrying Amount		
	P 196,417	P 392,851

NOTE 16 - REFUNDABLE DEPOSIT

This account pertains to Clearing and Trade Guaranty Fund (CTGF) amounting to P168,513 and P167,392 as of December 31, 2025 and 2024, respectively. This pertains to fund established, maintained by Securities Clearing Corporation of the Philippines (SCCP), for the purpose of

covering failed trades due to member's illiquidity and/or insolvency. This is refundable upon cessation of the Company's business and/or termination of the Company's membership with SCCP.

NOTE 17 - PAYABLES TO CUSTOMERS

This account consists of Payable to Customers amounting to ₱4,818,222 and ₱2,784,868 as at December 31, 2025 and 2024, respectively.

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

	2025		2024	
	Credit Balance	Security Valuation-Long	Credit Balance	Security Valuation-Long
With money balance	₱ 4,818,222	₱ 456,637,706	₱ 2,784,868	₱ 348,203,587
Without money balance	-	73,533,252	-	38,717,207
	₱ 4,818,222	₱ 530,170,958	₱ 2,784,868	₱ 386,920,794

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

NOTE 18 - OTHER PAYABLES

This account consists of:

	2025	2024
Accrued expenses	₱ 179,650	₱ 79,106
Miscellaneous payable	599,511	577,751
	₱ 779,161	₱ 656,857

Accrued expenses represent incurred professional fees and utilities which has not been paid as of the reporting dates.

Miscellaneous payables pertain to dividends received by the Company on behalf of its clients that has not been claimed as of years end.

NOTE 19 - OTHER CURRENT LIABILITIES

This account consists of:

	2025	2024
Due to BIR	₱ 7,385	₱ 8,752
Statutory payable	95,217	94,541
	₱ 102,602	₱ 103,293

Due to BIR consists of obligations to Bureau of Internal Revenue such as final taxes, stock transaction taxes, withholding taxes and value added tax.

Statutory payable consists of statutory obligations to government agencies such as Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund. These are for remittance in the succeeding period.

NOTE 20 - EQUITY

Capital Stock

The Company is authorized to issue Five Hundred Thousand (500,000) ordinary shares with par value of one hundred peso (₱ 100) per share.

As at December 31, 2025 and 2024, the Company's total subscribed, issued and outstanding capital stock is owned by six (6) shareholders. Four (4) shareholders owned more than 100 shares.

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

2025

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2024	500,000	₱ 50,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2025	<u>500,000</u>	<u>₱ 50,000,000</u>

2024

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2023	500,000	₱ 50,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2024	<u>500,000</u>	<u>₱ 50,000,000</u>

Minimum Capital Requirement

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

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

On November 15, 2024, the Company renewed its SEC licenses and the required surety bond coverage for the period January 1, 2024 to December 31, 2024 in the amount of Twelve Million Pesos (₱12,000,000) in compliance with SRC Rule 28.1.

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

such as counterparty, settlement, large exposure, and margin financing risks, and (c) operation risk.

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

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

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

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

- A. RBCA ratio of greater than or equal to 1:1;

As at December 31, 2025 and 2024, the Company's RBCA ratio of 16.72 and 15.74, respectively, is in compliance with the minimum capital requirement set out by the RBCA framework.

- B. NLC should be at least ₱5,000,000 or 5% of aggregate indebtedness, whichever is higher;

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

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

The Company's NLC amount to ₱16,678,175 and ₱16,992,809 as of December 31, 2025 and 2024, respectively, which is more than 5% of the Company's aggregate indebtedness. As at December 31, 2025 and 2024, the Company is compliant with items B to D as prescribed by Securities and Exchange Commission (SEC).

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

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

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

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

Equity Reserves

Reconciliation of the equity reserves account is as follows:

2025

	<u>PSE Shares</u>
Balance at beginning of year	₱ 11,684,986
Fair value gain (loss) on FVOCI	5,199,840
Tax expense	(1,039,968)
Other comprehensive income after tax	4,159,872
Balance at end of year	₱ 15,844,858

2024

	<u>PSE Shares</u>
Balance at beginning of year	₱ 12,287,866
Fair value gain (loss) on FVOCI	(753,600)
Tax expense	150,720
Other comprehensive income after tax	(602,880)
Balance at end of year	₱ 11,684,986

Retained Earnings

Appropriation

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

Total appropriated retained earnings as of December 31, 2025 and 2024, in compliance with the above circular amounted to ₱1,274,396. The Company did not appropriate for reserve fund for both years 2025 and 2024 due to losses incurred.

NOTE 21 - COMMISSION REVENUE

The Company earns commission revenue through stocks transaction, this amounts to ₱945,251 in 2025 and ₱380,430 in 2024.

NOTE 22 - DIRECT COSTS

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

	2025	2024
Salaries and wages	P 934,275	P 873,955
Stock exchange dues and fees	220,393	157,957
SSS, PHIC, HDMF contribution	40,760	39,225
Central depository fees	4,036	51,224
	<u>P 1,199,464</u>	<u>P 1,122,361</u>

NOTE 23 - OPERATING EXPENSES

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

	2025	2024
Professional fees	P 639,857	P 602,743
Condominium dues and fees	404,064	355,536
Rent (Note 27)	351,182	351,182
Amortization (Note 14)	196,434	196,434
Utilities	174,534	141,598
Repairs and maintenance	104,803	153,621
Postage, telephone and communication	73,004	73,687
Taxes and licenses (Note 32)	64,272	64,212
Insurance	38,362	38,188
Depreciation (Note 13)	25,470	25,470
Office supplies	13,956	13,859
Transportation and travel	12,769	10,797
Bank charges	1,430	1,250
Miscellaneous expense	350,145	133,548
	<u>P 2,450,282</u>	<u>P 2,162,125</u>

NOTE 24 - DEPRECIATION, AMORTIZATION AND EMPLOYEE BENEFITS

Depreciation, amortization and employee benefits were presented as follows:

2025

	Direct Costs	Operating Expense	Total
Depreciation	P -	P 25,470	P 25,470
Amortization	-	196,434	196,434
Employee benefits	<u>975,035</u>	-	<u>975,035</u>

*Employee benefits includes salaries and wages and SSS, PHIC, HDMF contribution

2024

	Direct Costs	Operating Expense	Total
Depreciation	P -	P 25,470	P 25,470
Amortization	-	196,434	196,434
Employee benefits	<u>913,180</u>	-	<u>913,180</u>

*Employee benefits includes salaries and wages and SSS, PHIC, HDMF contribution

NOTE 25 - INCOME TAXES

Income tax benefit for the years ended December 31 consists of:

	<u>2025</u>	<u>2024</u>
Current tax expense:		
MCIT	P -	P -
Deferred tax expense (income) arising from:		
Temporary differences	<u>439,302</u>	<u>(563,851)</u>
Income tax benefit	<u>P 439,302</u>	<u>P (563,851)</u>

Reconciliation between statutory tax and effective tax follows:

	<u>2025</u>	<u>2024</u>
Income tax at statutory rate	P (91,019)	P (231,781)
Tax effect of income subject to final tax	(182,247)	(65,304)
Tax effect of dividend income exempt from income tax	(270,026)	(267,445)
Expiration of MCIT	-	679
Expiration of NOLCO	<u>982,594</u>	
Effective income tax	<u>P 439,302</u>	<u>P (563,851)</u>

Analysis of prepaid income tax follows:

	<u>2025</u>	<u>2024</u>
Regular Corporate Income Tax:		
Loss before tax	P (455,094)	P (1,158,904)
Permanent differences:		
Interest income subjected to final tax	(911,235)	(326,521)
Non-taxable dividend income	(1,350,130)	(1,337,224)
Temporary differences:		
Unrealized gain (loss) on FVPL, previous year	81,470	(73,093)
Unrealized (gain) loss on FVPL, current year	<u>11,964</u>	<u>(81,407)</u>
Taxable loss	(2,623,025)	(2,977,149)
Tax rate	20%	20%
	<u>P (524,605)</u>	<u>P (595,430)</u>
Minimum Corporate Income Tax:		
Taxable gross income (loss)	P -	P -
Tax rate	2%	2%
	<u>P -</u>	<u>P -</u>
Tax due (Higher of RCIT or MCIT)	-	-
Less:		
Prior Year's Excess Credit	P (462,713)	P (451,179)
Creditable withholding tax	(66,942)	(11,534)
1st-3rd Quarters income tax payments	-	-
Prepaid income tax (Note 11)	<u>P (529,655)</u>	<u>P (462,713)</u>

Net Operating Loss Carry Over (NOLCO)

Net operating loss carry over (NOLCO) represents the excess of allowable deductions over gross income in a taxable year that may be carried forward and deducted from the Company's taxable income for the next three (3) consecutive taxable years immediately following the year of such loss.

Details of NOLCO which can be claimed as deduction from gross income for the next five (5) consecutive taxable years pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020 follows:

<u>Date Incurred</u>	<u>Date of Expiration</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Balance</u>
31-Dec-2021	2026	₱ 1,555,588	₱ -	₱ -	₱ 1,555,588
31-Dec-2020	2025	2,660,892	-	(2,660,892)	-
		<u>₱ 4,216,480</u>	<u>₱ -</u>	<u>₱(2,660,892)</u>	<u>₱ 1,555,588</u>

Details of NOLCO which can be claimed as deduction from gross income for the next three (3) consecutive taxable years follows:

<u>Date Incurred</u>	<u>Date of Expiration</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Balance</u>
31-Dec-2025	2028	₱ 2,623,025	₱ -	₱ -	₱ 2,623,025
31-Dec-2024	2027	2,977,149	-	-	2,977,149
31-Dec-2023	2026	2,837,414	-	-	2,837,414
31-Dec-2022	2025	2,252,079	-	(2,252,079)	-
		<u>₱ 10,689,667</u>	<u>₱ -</u>	<u>₱(2,252,079)</u>	<u>₱ 8,437,588</u>

Minimum Corporate Income Tax (MCIT)

The Company is subject to Minimum Corporate Income Tax (MCIT) equivalent to 2% of gross income beginning on the fourth taxable year immediately following the year in which the Company commenced business operations. The MCIT is imposed when it is greater than the regular corporate income tax based on taxable income.

Details of the Company's MCIT are as follows:

<u>Year Incurred</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Balance</u>	<u>Date of Expiration</u>
2021	<u>₱ 679</u>	<u>₱ -</u>	<u>₱ (679)</u>	<u>₱ -</u>	December 31, 2024

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

	Statements of Comprehensive Income					
	Statements of Financial Position		Profit or Loss		Other Comprehensive	
	2025	2024	2025	2024	2025	2024
NOLCO	P 1,998,873	P 2,456,862	P (457,989)	P 595,430	P -	P -
MCF	-	-	-	(679)	-	-
Unrealized (gain) loss on FVOCI	(3,961,215)	(2,921,247)	-	-	(1,039,968)	150,720
Unrealized (gain) loss on FVPL	2,407	(16,280)	18,687	(30,900)	-	-
Net deferred tax assets (liabilities)	<u>P (1,959,935)</u>	<u>P (480,665)</u>				
Deferred tax expense (income)			<u>P (439,302)</u>	<u>P 563,851</u>	<u>P (1,039,968)</u>	<u>P 150,720</u>

NOTE 26 - RELATED PARTY TRANSACTIONS

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

2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Buying	P 6,237,904			
	Selling	(46,208,593)			
	Collections	(6,237,271)			
	Payments	43,994,850	P 2,213,110	(2)	(4)
	Collections	-			
	Advances to	-	P 907,979	(1)	(3)
	Payment	-			
Advances from	-	P (57,102)	(1)	(3)	

- (1) Non-interest bearing, payable in cash, no schedule repayments terms
- (2) Non-interest bearing, payable in cash, T+2
- (3) Unsecured
- (4) Secured by equity securities

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Buying	₱ 4,782,175			
	Selling	(22,844,769)			
	Collections	(4,779,555)			
	Payments	23,702,467	₱ 860,318	(2)	(4)
	Collections	-			
	Advances to	-	₱ 907,979	(1)	(3)
	Payment	500,000			
	Advances from	-	₱ (57,102)	(1)	(3)

(1) Non-interest bearing, payable in cash, no schedule repayments terms

(2) Non-interest bearing, payable in cash, T+2

(3) Unsecured

(4) Secured by equity securities

Cash Advances

The Company obtains advances from and grants to and obtains cash advances from shareholders for working capital purposes of the parties. Outstanding balance of advances to (from) related parties are presented in Advances to related parties (Advances from related parties) account in the statements of financial position.

Buying and Selling Transaction

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

Others

The Company entered into an agreement with Mr. Manuel S. Tanjanco, who already passed away, in which rights is in the process of transfer to Mr. Luis Carlos R. Laurel, the Treasurer of the Company that authorizes the latter to use the Trading Rights of the former "gratuitously". The agreement does not provide any terms with regards to considerations, period and other conditions for the use of the trading rights.

Key Management Compensation

There were no compensation or any forms of remuneration paid to the members of key management in either 2025 or 2024.

NOTE 27 - LEASE AGREEMENTS

Company as Lessee

The Company entered into a lease agreement with VAR Buildings, Inc. for an office space in Makati City. The lease term covers a period of one (1) year from December 1, 2022 to November 30, 2023 and was subsequently renewed for another one (1) year until November 30, 2024. A refundable rental deposit amounting to ₱76,878 as of December 31, 2024 and 2023 was required under the lease agreement (Note 10).

Lease Payments Not Recognized as Liabilities

The Company has elected to apply the recognition exemptions under PFRS 16 – Leases for short-term leases, defined as leases with a term of twelve (12) months or less and without a purchase option, and for leases of low-value assets. Accordingly, no right-of-use asset and lease liability have been recognized for these leases. Instead, lease payments are recognized as an expense on a straight-line basis over the lease term. Total lease expense recognized amounted to ₱351,182 for the years ended December 31, 2024 and 2023 (Note 23).

As of December 31, 2024, the Company has no significant outstanding lease commitments under these arrangements.

NOTE 28 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market Risk

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

A. Price Risk

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

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

Observed Volatility Rates	2025		2024	
	+17%	-17%	+15%	-15%
Profit before tax	₱ 2,034	₱ (2,034)	₱ 12,211	₱ (12,211)

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

B. Interest Rate Risk

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2025 and 2024, these amounted to ₱20,813,417 and ₱19,018,053, respectively. The Company's exposure to changes in interest rates is not significant.

Credit Risk

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

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk. Accordingly, the Company's exposure to bad debts is not significant.

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

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

The table below is an analysis of receivables from customers is as follows:

2025

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	₱ -	₱ -	₱ -	₱ -	₱ -
T+2 to T+12 of counterparty	-	-	-	-	-
T+13 to T+30 of counterparty	-	-	-	-	-
Beyond T+30 of counterparty	13,340	6,170,170	(6,156,830)	-	-
	<u>₱ 13,340</u>	<u>₱ 6,170,170</u>	<u>₱ (6,156,830)</u>	<u>₱ -</u>	<u>₱ -</u>

2024

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	₱ -	₱ -	₱ -	₱ -	₱ -
T+2 to T+12 of counterparty	-	1,518,596	(1,518,596)	-	-
T+13 to T+30 of counterparty	558	3,242	(2,684)	-	-
Beyond T+30 of counterparty	10,569	55,764,162	(55,753,793)	755	-
	<u>₱ 11,127</u>	<u>₱ 57,286,000</u>	<u>₱ (57,275,073)</u>	<u>₱ 755</u>	<u>₱ -</u>

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

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

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position.

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash and receivables from customers as described below.

(a) Cash and cash equivalents

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱1,000,000 for every depositor per banking institution.

(b) Receivables from Customers

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

A substantial portion of the Company's Receivable from Customers is secured by shares of stocks (Note 8).

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

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

Classification

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

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

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

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

(c) Receivable from Clearing House

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

(d) Other receivables and advances to related parties

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

Liquidity Risk

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

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

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

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

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

	December 31, 2025				Total
	Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	
Payable to customers	P 4,818,222	P -	P -	P -	P 4,818,222
Payable to clearing house	-	-	-	-	-
Advances from related parties	57,102	-	-	-	57,102
Other payables	779,161	-	-	-	779,161
	<u>P 5,654,485</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 5,654,485</u>

	December 31, 2024				
	Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P 2,784,868	P -	P -	P -	P 2,784,868
Payable to clearing hou	8,160	-	-	-	8,160
Advances from related parties	57,102	-	-	-	57,102
Other payables	656,857	-	-	-	656,857
	<u>P 3,506,987</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 3,506,987</u>

NOTE 29 - CAPITAL MANAGEMENT

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

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

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

Risk Based Capital Adequacy Requirement

Based on SEC Memorandum Circular No. 16, the Company is required an RBCA ratio of greater than or equal to 1:1. The RBCA ratio is computed by dividing Company's Net Liquid Capital (NLC) to its Total Risk Capital Requirement (TRCR). TRCR is the sum of: a) Operational Risk Requirement (ORR); b) Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and c) Position or Market Risk Requirement.

On August 8, 2023, The SEC approved amendments to the 2015 implementing rules and regulations of Securities Regulation Code ("the 2015 SRC Rules") and SEC Circular (MC) No. 16 Series of 2024, relative to the settlement cycle from T+3 to T+2.

The Company's RBCA ratio as at years ended December 31, 2025 and 2024 are 1,672% and 1,574% respectively.

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

	2025	2024
Net liquid capital		
Equity eligible for net liquid capital	P 58,370,795	P 53,609,770
Ineligible assets	(41,692,620)	(36,616,961)
Total	<u>16,678,175</u>	<u>16,992,809</u>
Risk capital requirements		
Operational risk requirement	P 445,956	P 524,403
Position risk requirement	551,456	555,462
Large exposure risk	-	-
Total	<u>P 997,412</u>	<u>P 1,079,865</u>
Risk based capital adequacy ratio	<u>1,672%</u>	<u>1574%</u>

Net Liquid Capital

The Company is required, at all times, to have and maintain a Net Liquid Capital (NLC) of five million (P5M) or 5% of its Aggregate Indebtedness (AI), whichever is higher. The Company's NLC has an excess of P11,678,175 and P11,992,809 as of December 31, 2025 and 2024, respectively.

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

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

	2025	2024
Net liquid capital	P 16,678,175	P 16,992,809
Less: Required net liquid capital, higher of:		
5% aggregate indebtedness	287,854	180,514
Minimum amount	5,000,000	5,000,000
Required net liquid capital	5,000,000	5,000,000
Net risk based capital excess (deficiency)	P 11,678,175	P 11,992,809
Ratio of aggregate indebtedness to net liquid capital	35%	21%

Total Risk Capital Requirement

Detail of TRCR follows:

A. Operational Risk

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

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

Revenue	2024	2023	2022	Average
Commission revenue	P 380,430	P 438,985	P 1,155,680	P 658,365
Interest income	326,521	135,472	20,611	160,868
Net Recovery from market decline of Marketable Securities Owned	-	-	-	-
Dividend income	1,337,224	1,384,693	1,501,534	1,407,817
Gain on Sale of Marketable Securities	-	1,188	-	396
Gain on Sale of other Assets	-	-	-	-
Other income/revenue	-	-	7,000	2,333
Average of the last three year gross income	2,044,175	1,960,338	2,684,825	2,229,779
Operational risk factor				20%
Total operational risk requirement				P 445,956

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

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

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

B. Position/Price Risk

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

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

2025

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	P 4,864	25.00%	P 1,216
Other equities outside the PHISIX	1,572,115	35.00%	550,240
FX Position	-	8.00%	-
	P 1,576,979		P 551,456

2024

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	P 6,683	25.00%	P 1,671
Other equities outside the PHISIX	1,582,260	35.00%	553,791
FX Position	-	8.00%	-
	P 1,588,943		P 555,462

C. Large Exposure Risk

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

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

D. Counterparty Risk Exposure

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

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

The Company has no counterparty exposure which results to counterparty exposure on unsettled customers trades in 2025 and 2024.

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

NOTE 30 - FAIR VALUE MEASUREMENT

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

		2025			
		Carrying Amount	Fair Value		
Notes	Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value:					
Financial asset at FVTPL	7	P 1,576,979	P 1,576,979	P -	P -
Financial asset at FVOCI	12	25,798,240	25,798,240	-	-
Assets for which fair values are disclosed:					
Cash and cash equivalents	6	20,813,417	-	20,813,417	-
Receivables from customers	8	12,785	-	12,785	-
Receivable from clearing house	9	32,080	-	32,080	-
Advances to related parties	26	907,979	-	907,979	-
Other receivables	10	84,679	-	84,679	-
Other non-current assets	16	168,513	-	168,513	-
		P 49,394,672	P 27,375,219	P 22,019,453	P -
Liabilities for which fair values are disclosed:					
Payable to customers	17	P 4,818,222	P -	P 4,818,222	P -
Advances from related parties	26	57,102	-	57,102	-
Other payables	18	779,161	-	779,161	-
		P 5,654,485	P -	P 5,654,485	P -

	Notes	2024			
		Carrying Amount	Fair Value		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Financial asset at FVTPL	7	P 1,588,943	P 1,588,943	P -	P -
Financial asset at FVOCI	12	20,598,400	20,598,400	-	-
Assets for which fair values are disclosed:					
Cash and cash equivalents	6	19,020,053	-	19,020,053	-
Receivables from customers	8	10,372	-	10,372	-
Advances to related parties	26	907,979	-	907,979	-
Other receivables	10	79,956	-	79,956	-
Other non-current assets	15	167,392	-	167,392	-
		<u>P 42,373,095</u>	<u>P 22,187,343</u>	<u>P 20,185,752</u>	<u>P -</u>
Liabilities for which fair values are disclosed:					
Payable to customers	17	P 2,784,868	P -	P 2,784,868	P -
Payable to clearing house	9	8,160	-	8,160	-
Advances from related parties	26	57,102	-	57,102	-
Other payables	18	656,857	-	656,857	-
		<u>P 3,506,987</u>	<u>P -</u>	<u>P 3,506,987</u>	<u>P -</u>

Offsetting of Financial Assets and Financial Liabilities

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

	Gross amounts recognized in the statements of financial position		Net amount presented in statement of financial position
	Financial assets	Financial Liabilities	
December 31, 2025			
Receivable from clearing house	<u>P 32,080</u>	<u>P -</u>	<u>P 32,080</u>
December 31, 2024			
Payable to clearing house	<u>P 10,740</u>	<u>P 18,900</u>	<u>P 8,160</u>

NOTE 31 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Present below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

2025

Balance as of January 1, 2025	<u>P 57,102</u>
Cash flow from Financing Activities:	
Additional Borrowing	-
Repayment of Borrowing	-
Balance, December 31, 2025	<u>P 57,102</u>

2024

	Advanced from related party
Balance as of January 1, 2024	₱ 557,102
Cash flow from Financing Activities:	
Additional Borrowing	-
Repayment of Borrowing	(500,000)
Balance, December 31, 2024	<u>₱ 57,102</u>

NOTE 32 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under Revenue Regulation (RR) No. 15-2010 and 34-2020 to disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRSs Accounting Standards.

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented below and in the succeeding pages.

Revenue Regulation 15-2010

a) Output VAT

In 2025, the Company declared output VAT as follows:

	Tax Base	Output VAT
Taxable Sales (Commission Revenue)	<u>₱ 945,251</u>	<u>₱ 113,430</u>

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

b) Input VAT

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

	Purchases	Input VAT
Balance, beginning of year	₱ -	₱ 982,457
Domestic purchases of services	1,153,092	138,371
Purchases other than capital goods	-	-
Total available Input VAT		1,120,828
Application against VAT payable		(113,430)
Balance, end of the year		<u>₱ 1,007,398</u>

c) Taxes and Licenses

Taxes and licenses account pertains to business permits and other licenses amounting to ₱64,272 for the year ending December 31, 2025, and are included under the operating expenses in the statements of comprehensive income.

d) Withholding Taxes

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

	Amount
Withholding tax at source (expanded)	P 74,888
Withholding tax on compensation	26,498
	<u>P 101,386</u>

e) Tax Assessments and Cases

The Company has no outstanding Letter of Authority from the Bureau of Internal Revenue as of the reporting date.

f) Related Party Transaction

The Company is not covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for related party transaction, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

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

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

SCHEDULE II

LARRGO SECURITIES CO., INC.
RISK BASED-CAPITAL ADEQUACY WORKSHEET PURSUANT TO
SEC MEMORANDUM CIRCULAR NO. 16, AS AMENDED, THROUGH SEC
MEMORANDUM CIRCULAR NO. 11, SERIES OF 2023
DECEMBER 31, 2025

Assets	66,129,162
Liabilities	5,757,087
Equity as per books	60,372,075
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(2,001,280)
Revaluation Reserves	-
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(2,001,280)
Equity Eligible For Net Liquid Capital	58,370,795
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	-
b. Intercompany Receivables	907,979
c. Fixed Assets, net of accumulated and excluding those used as collateral	371,088
d. Prepayment from client for Early Settlement of Account	-
f. All Other Current Assets	222,859
f. Securities Not Readily Marketable	-
g. Negative Exposure (SCCP)	-
h. Notes Receivable (non-trade related)	-
i. Interest and Dividends Receivables outstanding for more than 30 days	-
j. Ineligible Insurance claims	-
k. Ineligible Deposits	-
l. Short Security Differences	-
m. Long Security Differences not resolved prior to sale	-
n. Other Assets including Equity Investment in PSE	40,190,694
Total ineligible assets	41,692,620
Net Liquid Capital (NLC)	16,678,175
Less:	
Operational Risk Requirement	445,956
Position Risk Requirement	551,456
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)	997,412
Net RBCA Margin (NLC-TRCR)	15,680,763
Liabilities	5,757,087
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	5,757,087
5% of Aggregate Indebtedness	287,854
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess / (Deficiency)	11,678,175
Ratio of AI to Net Liquid Capital	35%
RBCA Ratio (NLC / TRCR)	1672%

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

1. Customers' fully paid securities and excess margin securities not in the broker's or dealers' possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required actions was not taken by respondent within the time frame specified under SRC Rule 49.2-1:

Market Valuation P _____
Nuner of items P _____

2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under SRC rule 49.2-1

Market Valuation P _____
Nuner of items P _____

SCHEDULE IV

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

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts.	1,346,066	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.	-	
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old.		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		40,744
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		
12. Failed to deliver customers' securities not older than 30 calendar days.		-
13. Others:		
Total	1,346,066	40,744
Net Credit (Debit)	1,305,322	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	1,370,588	

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

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

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

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




LARRGO Securities Co., Inc.
 Member: PHILIPPINE STOCK EXCHANGE
 5th Floor Rufino Bldg, 6784 Ayala Ave. Makati City
 Tel. Nos. Trading: 79406046/79406057
 Office: 88101183
 Tel Fax: 88101353-54

OATH

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

I, Ma. Asuncion L. Uichico, Chairman of the Board and President of the LARRGO SECURITIES CO., INC. do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2025 are true and correct to the best of my knowledge and belief.


MA. ASUNCION L. UICHICO
 Chairman of the Board/President

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

Doc. No. _____
 Page No. _____
 Book No. _____
 Series of _____

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

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIA AMALGAMATED HOLDINGS	37,100	59,731	-	-	37,100	59,731	-	-	-	-	-	-
AB	ATOK-BIG WEDGE CO., INC.	480	989	-	-	480	989	-	-	-	-	-	-
ABA	ABACORE CAPITAL HOLDINGS INC.	16,010	4,163	3,000	780	19,010	4,943	-	-	-	-	-	-
ABS	ABS-CBN CORPORATION	4,050	17,051	-	-	4,050	17,051	-	-	-	-	-	-
AC	AYALA CORP.	3,080	1,441,440	-	-	3,080	1,441,440	-	-	-	-	-	-
ACE	ACE	88,000	105,600	-	-	88,000	105,600	-	-	-	-	-	-
ACEN	ACEN	935,745	2,545,226	-	-	935,745	2,545,226	-	-	-	-	-	-
ACENA	ACEN CORP. PERPETUAL SERIES A PREF.	2,200	2,222,000	-	-	2,200	2,222,000	-	-	-	-	-	-
ACENB	ACEN CORP. PERPETUAL SERIES B PREF.	2,200	2,354,000	-	-	2,200	2,354,000	-	-	-	-	-	-
ACR	ALSON CONSOLIDATED RESOURCES	20,000	9,400	-	-	20,000	9,400	-	-	-	-	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	44,920	1,257,760	-	-	44,920	1,257,760	-	-	-	-	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	40,000	327,600	-	-	40,000	327,600	-	-	-	-	-	-
AGW	ALLIANCE GLOBAL GROUP INC. WARRANTS	10,000	11,700	-	-	10,000	11,700	-	-	-	-	-	-
ALC	ALSONS CEMENT CORPORATION	1	0	-	-	-	-	1	0	-	-	-	-
ALCO	ARTHALAND CORPORATION	1,391,500	584,430	-	-	1,391,500	584,430	-	-	-	-	-	-
ALCPD	ARTHALAND CORP. PREF. SHARES D	6,400	3,104,000	-	-	6,400	3,104,000	-	-	-	-	-	-
ALJ	AYALA LAND INC.	583,970	13,110,127	5	112	583,975	13,108,892	60	1,347	-	-	-	-
ALLDY	ALLDAY MARTS, INC.	8,053,000	249,643	-	-	8,053,000	249,643	-	-	-	-	-	-
ALLHC	ALLHC	440,900	573,170	-	-	440,900	573,170	-	-	-	-	-	-
ALTER	ALTERNERGY HOLDINGS CORP.	3,210,000	2,696,400	-	-	3,210,000	2,696,400	-	-	-	-	-	-
ANI	AGRINURTURE, INC.	240	130	-	-	240	130	-	-	-	-	-	-
ANS	A. SORIANO CORPORATION	99,302	1,429,949	-	-	99,302	1,429,949	-	-	-	-	-	-
AP	ABOITIZ POWER CORP.	19,900	875,600	-	-	19,900	875,600	-	-	-	-	-	-
APC	APC GROUP INC.	119,725,000	12,690,850	20,000	2,120	119,745,000	12,692,970	-	-	-	-	-	-
APL	APL	18,247,200	91,236	-	-	18,247,200	91,236	-	-	-	-	-	-
APO	ANGLO-PHIL OIL	318,940	223,258	-	-	318,940	223,258	-	-	-	-	-	-
APVI	APVI	31	260	-	-	31	260	-	-	-	-	-	-
APX	APEX MINING CO., INC.	18,575	231,073	-	-	18,575	231,073	-	-	-	-	-	-
AR	ABRA MNG. & INDL. CORP.	500,000	2,300	-	-	500,000	2,300	-	-	-	-	-	-
ARA	ARANETA PROPERTIES, INC.	44,620	17,848	-	-	44,620	17,848	-	-	-	-	-	-
AREIT	AREIT, INC.	109,000	4,741,500	-	-	109,000	4,741,500	-	-	-	-	-	-
AT	ATLAS CONS. MINING & DEV.	265,493	1,606,923	-	-	265,465	1,600,754	28	169	-	-	-	-
ATN	ATN HOLDINGS	50,000	24,750	-	-	50,000	24,750	-	-	-	-	-	-
BC	BENGLUET CORP.	1,694,106	8,470,530	-	-	1,694,106	8,470,530	-	-	-	-	-	-
BCB	BENGLUET CORP. - B	74,653	360,574	-	-	74,653	360,574	-	-	-	-	-	-
BCI	BCI	1,487	-	-	-	-	-	1,487	-	-	-	-	-
BCP	BENGLUET PREFERRED	88	2,213	299	7,520	387	9,733	-	-	-	-	-	-
BDO	BANCO DE ORO UNIVERSAL BANK	7,605	1,023,633	-	-	7,471	1,005,597	134	18,036	-	-	-	-
BE	BENGLUET EXPLORATION INC.	325,000	-	-	-	-	-	325,000	-	-	-	-	-
BEL	BELLE CORPORATION	1,195,267	1,577,752	-	-	1,195,267	1,577,752	-	-	-	-	-	-
BHI	BOULEVARD HOLDINGS, INC.	5,820,000	226,980	-	-	5,820,000	226,980	-	-	-	-	-	-
BLOOM	BLOOMBERRY RESORTS CORP.	1,738,600	4,416,044	-	-	1,738,600	4,416,044	-	-	-	-	-	-
BNCOM	BANK OF COMMERCE	448,900	4,129,880	-	-	448,900	4,129,880	-	-	-	-	-	-
BPI	BANK OF PHIL ISLANDS	10,412	1,208,833	-	-	10,412	1,208,833	-	-	-	-	-	-
BRN	A. BROWN CO., INC.	294,322	273,719	-	-	294,322	273,719	-	-	-	-	-	-
BSC	BASIC ENERGY CORPORATION	846,322	99,020	-	-	846,322	99,020	-	-	-	-	-	-
C	C	43,000	40,850	-	-	43,000	40,850	-	-	-	-	-	-
CA	CONCRETE AGGREGATE	-	-	290	14,022	-	-	-	-	-	-	-	-
CB	CHINA BANKING CORP.	2,005	114,285	-	-	2,005	114,285	-	-	-	-	-	-
CBC	CROWN EQUITIES, INC.	460,000	33,120	-	-	460,000	33,120	-	-	-	-	-	-
CCEI	CENTRO ESCOLAR UNIVERSITY	3,428	53,820	-	-	3,428	53,820	-	-	-	-	-	-
CEU	CEBU HOLDINGS, INC.	3,000	18,360	-	-	-	-	3,000	18,360	-	-	-	-

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		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CHP	CONCREAT HOLDINGS PHILIPPINES INC.	60,000	65,400	-	-	-	-	65,400	-	-	-	-	-
CLI	CLI	66,900	157,215	-	-	-	-	157,215	-	-	-	-	-
CNVRG	CONVERGE ICT SOLUTIONS INC.	89,500	1,371,140	-	-	-	-	1,371,140	-	-	-	-	-
COAL	COAL	18,200,000	509,600	-	-	-	-	509,600	-	-	-	-	-
CPG	CPG	38,612	26,642	-	-	-	-	26,642	-	-	-	-	-
CREIT	CITICORE ENERGY REIT CORP.	1,552,000	5,540,640	-	-	-	-	5,540,640	-	-	-	-	-
CYBR	CYBER BAY CORPORATION	115,790	36,474	-	-	-	-	36,474	-	-	-	-	-
DD	DD	6,100	56,608	-	-	-	-	56,608	-	-	-	-	-
DDMPR	DDMPR	19,733,000	20,127,660	-	-	-	-	20,127,660	-	-	-	-	-
DITO	DITO	105,421	71,686	-	-	-	-	71,686	-	-	-	-	-
DMC	DMCI HOLDINGS INC.	2,782,850	29,331,239	-	-	-	-	29,331,239	-	-	-	-	-
DMW	DMW	260,000	1,300,000	-	-	-	-	1,300,000	-	-	-	-	-
DNL	DNL	157,200	605,220	-	-	-	-	605,220	-	-	-	-	-
DWC	DWC	150,000	162,000	-	-	-	-	162,000	-	-	-	-	-
ECCV	EAST COAST VULCAN CORPORATION	3,352	905	-	-	-	-	905	-	-	-	-	-
EEL	ENGINEERING EQUIPMENT INC.	988,200	2,721,288	-	-	-	-	2,721,288	-	-	-	-	-
EEIPB	EEL CORPORATION PREFERRED SHARES B	48,000	4,723,200	-	-	-	-	4,723,200	-	-	-	-	-
EG	IP E-GAME VENTURES, INC.	14,900,000	140,060	-	-	-	-	14,900,000	-	-	-	-	-
EGRN	EVERWOODS GREEN RES. AND HLDGS.	800,000	-	-	-	-	-	800,000	-	-	-	-	-
EIBA	EXPORT INDUSTRY BANK	1,044,000	-	-	-	-	-	30,000	-	-	-	-	-
EIBB	EXPORT INDUSTRY BANK-B	150,000	-	-	-	-	-	150,000	-	-	-	-	-
EELI	EMPIRE EAST LAND HOLDINGS, INC.	1,826,050	189,909	-	-	-	-	189,909	-	-	-	-	-
ETON	ETON PROPERTIES PHILS., INC.	12,000	33,720	-	-	-	-	33,720	-	-	-	-	-
EW	EW	15,000	174,000	-	-	-	-	174,000	-	-	-	-	-
FCG	FIGARO COFFEE GROUP, INC.	60,000	34,800	-	-	-	-	34,800	-	-	-	-	-
FDC	FILINVEST DEV. CORP.	139,288	633,760	-	-	-	-	633,760	-	-	-	-	-
FDCPA	FILINVEST DEVT. CORP. SERIES A PREF	8,255	8,337,550	-	-	-	-	8,337,550	-	-	-	-	-
FDCPB	FILINVEST DEVT. CORP. SERIES B PREF	1,500	1,506,000	-	-	-	-	1,506,000	-	-	-	-	-
FFI	FILIPINO FUND, INC.	65	488	-	-	-	-	488	-	-	-	-	-
FGEN	FIRST GEN CORPORATION	5,000	88,700	-	-	-	-	88,700	-	-	-	-	-
FILRT	FILINVEST REIT CORP.	1,791,900	5,554,890	-	-	-	-	5,554,890	-	-	-	-	-
FIPB	F AND J PRINCE CORP. - B	20,000	44,200	-	-	-	-	44,200	-	-	-	-	-
FLI	FIL-INVEST LAND, INC.	12,650,049	9,740,538	-	-	-	-	9,740,538	-	-	-	-	-
FNETF	FIRST METRO PHIL. EQUITY EXCHANGE	100	10,100	-	-	-	-	10,100	-	-	-	-	-
FNI	FNI	19,882	26,841	-	-	-	-	26,841	-	-	-	-	-
FOOD	ALLIANCE SELECT FOODS INTL., INC.	11,806	4,368	-	-	-	-	4,368	-	-	-	-	-
PPH	FIRST PHIL. HOLDINGS CORP.	217,740	16,765,980	-	-	-	-	16,765,980	-	-	-	-	-
GBB	GBB	26	-	-	-	-	-	-	-	-	-	-	-
GEO	GEOGRACE REOURCES PHILIPPINES INC.	43,224,648	3,760,544	-	-	-	-	3,760,544	-	-	-	-	-
GERI	GERI	27,921	19,265	-	-	-	-	19,265	-	-	-	-	-
GLO	GLOBE TELECOM, INC.	2,597	4,113,648	-	-	-	-	4,113,648	-	-	-	-	-
GMA7	GMA NETWORK, INC.	260,385	1,408,683	-	-	-	-	1,408,683	-	-	-	-	-
GMAP	GMA NETWORK PDR	116,000	613,640	-	-	-	-	613,640	-	-	-	-	-
GO	GOTESCO LAND, INC.	600	-	-	-	-	-	-	-	-	-	-	-
GOB	GOTESCO LAND - B	963	-	-	-	-	-	-	-	-	-	-	-
GREEN	GREEN	10,000	1,800	-	-	-	-	1,800	-	-	-	-	-
GSMI	GINEBRA SAN MIGUEL INC.	5,200	1,534,000	-	-	-	-	1,534,000	-	-	-	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	180	107,100	-	-	-	-	107,100	-	-	-	-	-
HOME	HOME	5,000	1,185	-	-	-	-	1,185	-	-	-	-	-
HTI	HAUS TALK, INC.	35,000	38,500	-	-	-	-	38,500	-	-	-	-	-
ICT	INTL CONT TERMINAL SERV INC	4,872	2,762,424	-	-	-	-	2,762,424	-	-	-	-	-
IDC	IDC	1,000	870	-	-	-	-	870	-	-	-	-	-

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		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	140,000	485,800	-	-	-	485,800	-	-	-	-	-	-
IMP	IMPERIAL RES., INC.	531,900	372,330	-	-	-	372,330	-	-	-	-	-	-
INFRA	INFRADEV HOLDINGS INC.	11,000	3,465	5,000	1,575	-	5,040	-	-	-	-	-	-
ION	IONICS, INC.	57,000	58,140	-	-	-	58,140	-	-	-	-	-	-
IPM	IPM	28,000	43,960	-	-	-	43,960	-	-	-	-	-	-
IPO	IPEOPLE, INC.	204,373	1,226,238	-	-	-	1,226,238	-	-	-	-	-	-
IS	ISLAND INFORMATION & TECHNOLOGY, INC.	4,049,000	498,027	-	-	-	498,027	-	-	-	-	-	-
JFC	JOLIBEE FOODS CORP.	1,986	357,480	-	-	-	357,480	-	-	-	-	-	-
JFCPB	JOLIBEE FOODS CORP. - PREFERRED B	9,600	9,542,400	-	-	-	9,542,400	-	-	-	-	-	-
KEEPR	THE KEEPERS HOLDINGS, INC.	1,193,605	2,960,140	-	-	-	2,960,140	-	-	-	-	-	-
KPM	KEPPEL PHILIPPINES MARINE, INC.	3,546	10,638	-	-	-	10,638	-	-	-	-	-	-
LC	LEPANTO CONS. MNG.	487,296,538	90,149,860	-	-	-	90,149,860	-	-	-	-	-	-
LCB	LEPANTO CONS. MNG. - B	18,233,285	3,409,624	-	-	-	3,409,624	-	-	-	-	-	-
LJB	LIBERTY TELECOMMUNICATIONS	262,000	408,720	-	-	-	408,720	-	-	-	-	-	-
LPZ	LOPEZ HOLDINGS CORPORATION	41,500	154,380	-	-	-	154,380	-	-	-	-	-	-
LR	LEISURE AND RESORTS WORLD CORP.	82	230	-	-	-	230	-	-	-	-	-	-
LSC	LORENZO SHIPPING CORPORATION	1,000	610	-	-	-	610	-	-	-	-	-	-
LTG	LT GROUP, INC.	2,100	31,038	-	-	-	31,038	-	-	-	-	-	-
LYCEUM	LYCEUM	2	-	-	-	-	-	-	-	-	-	-	-
MA	MANILA MINING CORP.	872,332,087	6,368,024	-	-	-	6,368,024	-	-	-	-	-	-
MAB	MANILA MINING CORP. - B	29,715,618	213,952	100,000	720	-	214,672	-	-	-	-	-	-
MAC	MACROASIA CORPORATION	702,050	3,046,897	-	-	-	3,046,897	-	-	-	-	-	-
MACAY	MACAY	110,667	773,562	-	-	-	773,562	-	-	-	-	-	-
MAHB	METRO ALLIANCE HLDGS "B"	2,000	1,380	-	-	-	1,380	-	-	-	-	-	-
MARC	MARCVENTURES HOLDINGS, INC.	408,540	285,978	-	-	-	285,978	-	-	-	-	-	-
MAXS	MAXS	5,600	13,720	-	-	-	13,720	-	-	-	-	-	-
MB	MANILA BULLETIN PUBLISHING	18,082	2,965	80	13	-	2,979	-	-	-	-	-	-
MBT	METRO BANK & TRUST CO.	2,870	196,595	-	-	-	196,595	-	-	-	-	-	-
MED	MEDCO HOLDINGS, INC.	50,000	4,500	-	-	-	4,500	-	-	-	-	-	-
MEDIC	MEDILINES DISTRIBUTORS INC.	1,649,000	428,740	-	-	-	428,740	-	-	-	-	-	-
MEG	MEGAWORLD PROP. HOLDINGS, INC.	475,960	989,997	-	-	-	989,997	-	-	-	-	-	-
MER	MANILA ELECTRIC CO.	6,200	3,558,800	-	-	-	3,558,800	-	-	-	-	-	-
MG	MG	3,520,000	211,200	-	-	-	211,200	-	-	-	-	-	-
MGH	MGH	44,200	-	-	-	-	-	-	-	-	-	-	-
MHC	MABUHAY HOLDINGS CORP.	62,000	7,130	-	-	-	7,130	-	-	-	-	-	-
MIC	MANILA JOCKEY CLUB, INC.	548	696	-	-	-	696	-	-	-	-	-	-
MIC	MICI INVESTMENTS, INC.	6,700	6,700	-	-	-	6,700	-	-	-	-	-	-
MONDE	MONDE NISSIN CORPORATION	166,200	963,960	-	-	-	963,960	-	-	-	-	-	-
MRC	MRC ALLIED, INC.	15,000	13,050	-	-	-	13,050	-	-	-	-	-	-
MVC	MABUHAY VINYL CORPORATION	6,000	31,140	-	-	-	31,140	-	-	-	-	-	-
MWC	MANILA WATER CO., INC.	35,700	1,438,710	-	-	-	1,438,710	-	-	-	-	-	-
MWP7A	MEGAWIDE CONST. SERIES 7A PREFERRED	32,780	3,291,112	-	-	-	3,291,112	-	-	-	-	-	-
MTNLD	MAYNILAD WATER SERVICES, INC.	56,000	946,400	-	-	-	946,400	-	-	-	-	-	-
NI	NIHAO MINERALS INTERNATIONAL INC.	1,170,000	368,550	-	-	-	368,550	-	-	-	-	-	-
NIKEL	NICKEL ASIA CORPORATION	21,976,540	85,488,741	-	-	-	85,488,741	-	-	-	-	-	-
NN	NEGROS NAVIGATION CO.	3,500	1,295	-	-	-	1,295	-	-	-	-	-	-
NOW	NOW	66,300	45,084	-	-	-	45,084	-	-	-	-	-	-
NRCP	NATIONAL REINSURANCE CORP. OF THE P	28,000	21,560	-	-	-	21,560	-	-	-	-	-	-
NXGEN	NXGEN	5,750	40,250	-	-	-	40,250	-	-	-	-	-	-
OM	OMICO MNG.	1,967,333	198,701	-	-	-	1,967,333	-	-	-	-	-	-
OPM	ORIENTAL PETROLEUM	14,154,657	169,856	3,917	47	-	167,807	-	-	-	-	-	-
OPMB	ORIENTAL PETROLEUM - B	694,988	8,340	-	-	-	8,340	-	-	-	-	-	-

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OV	THE PHILODRILL CORPORATION	2,569,757	22,871	-	-	2,549,757	22,693	20,000	178	-	-	-	-
PA	PACIFICA, INC.	10,500	9,975	-	-	10,500	9,975	-	-	-	-	-	-
PAL	PAL HOLDINGS	7,630	28,994	-	-	7,630	28,994	-	-	-	-	-	-
PAX	PAXYS, INC.	3,600	9,396	-	-	3,600	9,396	-	-	-	-	-	-
PCOR	PETRON CORP.	251,294	623,209	-	-	249,694	619,241	1,600	3,968	-	-	-	-
PCP	PICOP RESOURCES, INC.	11,535	-	-	-	10,705	-	830	-	-	-	-	-
PERC	PETROENERGY RESOURCES CORP.	247,566	866,481	-	-	247,566	866,481	-	-	-	-	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	6,700	254,600	-	-	6,700	254,600	-	-	-	-	-	-
PHA	PHILCOMSAT HOLDINGS, CORP.	404,000	95,748	-	-	404,000	95,748	-	-	-	-	-	-
PHC	PHILCOMSAT HOLDINGS, CORP.	21,763	-	-	-	21,763	-	-	-	-	-	-	-
PHN	PHINMA CORPORATION	1,712	28,590	-	-	1,712	28,590	-	-	-	-	-	-
PHR	PHINMA CORPORATION	187,200	24,898	-	-	187,200	24,898	-	-	-	-	-	-
PIZZA	PIZZA	10,000	68,000	-	-	10,000	68,000	-	-	-	-	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	81,595	1,321,839	-	-	81,595	1,321,839	-	-	-	-	-	-
PMT	PRIMETOWN PROPERTIES	35,000	-	-	-	35,000	-	-	-	-	-	-	-
PNB	PHIL. NATIONAL BANK	1,507	81,981	-	-	1,495	81,328	12	653	-	-	-	-
PNX	PHOENIX PETROLEUM PHILS. INC.	36,740	151,206	-	-	36,740	153,206	-	-	-	-	-	-
PRF3B	PETRON CORP. SERIES 3B	30,150	30,300,750	1,500	1,507,540	31,650	31,808,250	-	-	-	-	-	-
PRF4A	PETRON CORP. SERIES 4A PREFERRED	2,000	1,959,000	-	-	2,000	1,959,000	-	-	-	-	-	-
PRF4B	PETRON CORP. SERIES 4B PREFERRED	3,000	2,985,000	-	-	3,000	2,985,000	-	-	-	-	-	-
PRF4C	PETRON CORP. SERIES 4C PREFERRED	2,570	2,593,130	-	-	2,570	2,593,130	-	-	-	-	-	-
PRF4D	PETRON CORP. SERIES 4D PREFERRED	10,740	10,632,600	-	-	10,740	10,632,600	-	-	-	-	-	-
PRF4E	PETRON CORP. SERIES 4E PREFERRED	10,740	10,740,000	-	-	10,740	10,740,000	-	-	-	-	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	41	53	-	-	41	53	-	-	-	-	-	-
PSB	PHIL. SAVINGS BANK	70	3,780	-	-	70	3,780	-	-	-	-	-	-
PSE	THE PHILIPPINE STOCK EXCHANGE, INC.	125,600	25,798,240	-	-	125,600	25,798,240	-	-	-	-	-	-
PTT	PT AND T CORP.	221,997	20,997	-	-	201,997	-	20,000	-	-	-	-	-
PX	PHILEX MNG. CORP.	2,067,115	20,464,439	-	-	2,067,115	20,464,439	-	-	-	-	-	-
PXP	PXP	554,290	1,319,210	-	-	554,290	1,319,210	-	-	-	-	-	-
RIZAL	RIZAL COMMERCIAL BANKING CORP.	12	311	-	-	12	311	-	-	-	-	-	-
RCI	ROXAS & CO., INC.	88	236	-	-	88	236	-	-	-	-	-	-
RGR	RL COMMERCIAL REIT, INC.	628,000	5,036,560	-	-	628,000	5,036,560	-	-	-	-	-	-
REG	REPUBLIC GLASS CORP.	10,868	24,996	-	-	8,778	20,189	-	-	-	-	-	-
RFM	RFM CORPORATION	40,000	190,000	-	-	40,000	190,000	-	-	2,090	4,807	-	-
RLC	ROBINSONS LAND CORP.	16,176	261,404	-	-	16,176	261,404	-	-	-	-	-	-
RLT	PHIL. REALTY & HOLDINGS CORP.	1,259	137	-	-	1,259	137	-	-	-	-	-	-
ROCK	ROCK	42,633	78,871	-	-	42,633	78,871	-	-	-	-	-	-
RPC	REYNOLDS PHILIPPINE CORPORATION	35,712	5,357	-	-	35,712	5,357	-	-	-	-	-	-
SCC	SEMIRARA MINING CORPORATION	9,000	254,250	-	-	9,000	254,250	-	-	-	-	-	-
SDP	SIME DARBY PHILIPINAS, INC.	113	-	-	-	113	-	-	-	-	-	-	-
SECB	SECURITY BANK CORP.	23,179	1,521,701	-	-	23,179	1,521,701	-	-	-	-	-	-
SEVN	PHILIPPINE SEVEN CORP.	1,240	45,880	-	-	1,240	45,880	-	-	-	-	-	-
SFT	SWIFT FOODS, INC.	9,039	425	-	-	8,119	382	920	43	-	-	-	-
SGI	SOLID GROUP, INC.	195,000	247,650	-	-	195,000	247,650	-	-	-	-	-	-
SGP	SYNERGY GRID AND DEVT. PHILS., INC.	659,000	10,913,040	-	-	659,000	10,913,040	-	-	-	-	-	-
SHLPH	SHLPH	132,397	917,511	-	-	132,397	917,511	-	-	-	-	-	-
SHNG	SHANG PROPERTIES, INC.	12,121	42,908	-	-	12,121	42,908	-	-	-	-	-	-
SLI	STA. LUCIA LAND, INC.	1,000	2,600	-	-	1,000	2,600	-	-	-	-	-	-
SM	SM INVESTMENTS CORPORATION	1,000	699,500	-	-	1,000	699,500	-	-	-	-	-	-
SNC	SAN MIGUEL CORPORATION	29,926	2,453,932	-	-	29,926	2,453,932	-	-	-	-	-	-
SNC2P	SNC SERIES 2 PREFERRED SHARES 2P	11,350	873,950	-	-	11,350	873,950	-	-	-	-	-	-
SNC2T	SNC SERIES PREFERRED SHARES 2T	40,000	3,060,000	-	-	40,000	3,060,000	-	-	-	-	-	-

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

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
SMPH	SM PRIME HOLDINGS, INC.	36,900	839,475	-	-	36,900	839,475	-	-	-	-	-	-
SOC	SOUTH CHINA PET. & EXPL	4,000	728	-	-	4,000	728	-	-	-	-	-	-
SPC	SALCON POWER CORPORATION	67,200	654,528	-	-	67,200	654,528	-	-	-	-	-	-
SPM	SEAFONT RESOURCES CORP.	17,048	40,233	44	104	13,437	31,711	3,655	8,626	-	-	-	-
SPNEC	SP NEW ENERGY CORPORATION	85,000	99,450	-	-	85,000	99,450	-	-	-	-	-	-
SSI	SSI	330,000	867,900	-	-	330,000	867,900	-	-	-	-	-	-
STN	STENIEL MANUFACTURING CORP.	65,918	14,988	-	-	62,918	-	3,000	14,988	-	-	-	-
STR	STR	2,500	2,000	-	-	2,000	2,500	-	-	-	-	-	-
SUN	SUNTRUST HOME DEVELOPERS, INC.	1,040,515	790,791	-	-	1,040,515	790,791	-	-	-	-	-	-
TCB2C	CIRTEK HOLDING PHILS., CORP PREF. C	18,100	235,300	-	-	18,100	235,300	-	-	-	-	-	-
TCB2D	CIRTEK HOLDING PHILS., CORP PREF D	29,900	246,974	-	-	29,900	246,974	-	-	-	-	-	-
TECH	TECH	1,800	1,134	2,000	1,260	3,800	2,394	-	-	-	-	-	-
TEL	PHIL. LONG DISTANCE TEL. CO.	3,744	4,717,440	-	-	3,744	4,717,440	-	31,136	-	-	-	-
TELU	PLDT (10% PREF) SERIES U	2,800	31,136	-	-	1,427	87,047	2,800	-	-	-	-	-
TFHI	TFHI	1,427	87,047	-	-	1,427	87,047	-	-	-	-	-	-
TUGS	TUGS	13,000	7,670	-	-	13,000	7,670	-	-	-	-	-	-
UBP	UNION BANK OF THE PHILS.	11,494	305,740	807	21,466	12,301	327,207	-	-	-	-	-	-
UNI	UNIOIL RESOURCES HOLDINGS CO., INC.	20,000	4,920	-	-	20,000	4,920	-	-	-	-	-	-
UP	UNIVERSAL RIGHTFIELD	2,603,000	-	-	-	2,603,000	-	-	-	-	-	-	-
UPM	UNITED PARAGON MINING CORP.	5,000,000	29,000	-	-	5,000,000	29,000	-	-	-	-	-	-
UP-SR	UP-SR	100,000	-	-	-	100,000	-	-	-	-	-	-	-
URC	UNIVERSAL ROBINA CORP.	75	5,048	-	-	75	5,048	-	-	-	-	-	-
V	VANTAGE CORPORATION	587,000	522,430	-	-	587,000	522,430	-	-	-	-	-	-
VITA	VITARICH CORP.	200	106	-	-	200	106	-	-	-	-	-	-
VLL	VISTA LAND & LIFESCAPE, INC.	26,950	28,028	-	-	26,950	28,028	-	-	-	-	-	-
VMC	VICTORIAS MILLING CO., INC.	129,753	224,473	-	-	128,772	222,776	981	1,697	-	-	-	-
VVT	VIVANT CORPORATION	25	486	-	-	25	486	-	-	-	-	-	-
WEB	PHILWEB CORPORATION	68,400	424,080	-	-	68,400	424,080	-	-	-	-	-	-
WIN	WELLEX INDUSTRIES, INC.	85,266	22,169	-	-	85,266	22,169	-	-	-	-	-	-
WPI	WATERFRONT PHILS. INC.	122,000	49,410	-	-	122,000	49,410	-	-	-	-	-	-
X	X	227,000	56,296	-	-	227,000	56,297	-	-	-	-	-	-
		1,770,023,431	565,285,556	136,945	1,561,991	1,768,374,334	562,508,380	1,730,321	204,773	55,721	4,134,394		

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2025

LARRGO SECURITIES CO., INC.
Rm 202 Rufino Bldg., Ayala Avenue, Cor. V.A. Rufino, Makati City

Unappropriated Retained Earnings, beginning of reporting period		(P9,813,998)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
• Reversal of Retained Earnings Appropriation/s	-	
• Effect of restatements or prior-period adjustments	-	
• Reclassification from equity reserves due to disposal	-	
		<hr/>
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
• Dividends declaration during the reporting period	-	
• Retained Earnings appropriated during the reporting period	-	
• Effect of restatements or prior-period adjustments	-	
• Others	-	
		<hr/>
Unappropriated Retained Earnings, as adjusted		(9,813,998)
Add/Less: Net Income (Loss) for the current year		(894,396)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
• Equity in net income of associate/joint venture, net of dividends declared	-	
• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Unrealized fair value gain of Investment Property	-	
• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-	
• Sub-total	-	
		<hr/>
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	11,964	
• Realized fair value gain of Investment Property	-	
• Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-	
• Sub-total	-	
		<hr/>
		11,964

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the Reporting Period Ended December 31, 2025

LARRGO SECURITIES CO., INC.
Rm 202 Rufino Bldg., Ayala Avenue, Cor. V.A. Rufino, Makati City

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)					
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents		-			
• Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		-			
• Reversal of previously recorded fair value gain of Investment Property		-			
•					
Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS		-			
• Sub-total				-	
Adjusted Net Income (Loss)				(882,432)	
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)					
• Depreciation on revaluation increment (after tax)		-			
• Sub-total				-	
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP					
• Amortization of the effect of reporting relief		-			
• Total amount of reporting relief granted during the year		-			
• Others		-			
• Sub-total				-	
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution					
• Net movement of treasury shares (except for reacquisition of redeemable shares)		-			
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories		-			
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable		-			
• Adjustment due to deviation from PFRS/GAAP - gain (loss)		-			
• Others		-			
• Sub-total				-	
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION				P-nil-	