



# SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City  
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## Company Information

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**SEC Registration No.:** 0000170485

**Company Name:** MERIDIAN SECURITIES INC.

**Industry Classification:** J66930

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST105182026811388821

**Document Type:** Annual Audited Financial Report

**Document Code:** SEC\_Form\_52-AR

**Period Covered:** December 31, 2025

**Submission Type:** Annual

**Remarks:** None

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Acceptance of this document is subject to review of forms and contents

**From:** noreply-cifssost@sec.gov.ph  
**Sent:** Tuesday, May 19, 2026 3:18 PM  
**Subject:** SEC eFast Final Acceptance

Dear **MERIDIAN SECURITIES INC.,**

Greetings!

Your submission has been reviewed and accepted. Please see attached file as proof of acceptance. You can also generate your QR Code page in your account.

**SEC Registration No:** 0000170485  
**Company Name:** MERIDIAN SECURITIES INC.  
**Document Code:** SEC\_Form\_52-AR

Thank you.

SECURITIES AND EXCHANGE COMMISSION  
SEC Headquarters, 7907 Makati Avenue,  
Salcedo Village, Barangay Bel-Air, Makati City,  
1209, Metro Manila, Philippines

**REMINDER:**

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2. General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF); 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

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**From:** noreply-cifssost@sec.gov.ph  
**Sent:** Saturday, May 16, 2026 12:52 AM  
**Subject:** SEC eFast Initial Acceptance

Dear **MERIDIAN SECURITIES INC.**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

**SEC Registration No:** 0000170485  
**Company Name:** MERIDIAN SECURITIES INC.  
**Document Code:** SEC\_Form\_52-AR

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION  
SEC Headquarters, 7907 Makati Avenue,  
Salcedo Village, Barangay Bel-Air, Makati City,  
1209, Metro Manila, Philippines

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**From:** ronaldsante@meridiansec.com.ph  
**Sent:** Friday, May 15, 2026 11:49 PM  
**To:** 'rdo\_43css@bir.gov.ph'  
**Subject:** AFS 2025\_MERIDIAN SECURITIES INC.  
**Attachments:** EAFS000338748AFSTY122025.pdf; EAFS000338748ITRTY122025.pdf;  
EAFS000338748RPTY122025.pdf; EAFS000338748TCTY122025-01.pdf

To Whom It May Concern:  
Please see attached for submission.  
Regards,

Ronald S. Sante  
Finance & Accounting Officer  
Telephone Number:8635-6262 loc 19  
Mobile Number:0917-8060944



**Meridian Securities, Incorporated**  
Suite 2702-C, 27th Floor, East Tower,  
Philippine Stock Exchange Centre, Ortigas Center  
Pasig City

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Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue

**BUREAU OF INTERNAL REVENUE**  
**Revenue Region No. 7B - East NCR**  
**RDO No. 043 - Pasig City**



**Mahasay na Serbisyo  
Katumbas ng Buwis Mo**



**BAGONG PILIPINAS**

**Dear valued taxpayers,**

**To address the persistent system issues and uploading failures when submitting your 2025 Annual Financial Statements and other attachments to the eAFS facility, we encourage you to submit / email your 2025 AFS and other attachments to the following email address:**

**[rdo\\_43css@bir.gov.ph](mailto:rdo_43css@bir.gov.ph)**

**Please be guided accordingly.**

**- RDO 043, Pasig City**

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	7	0	4	8	5				
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### COMPANY NAME

M	E	R	I	D	I	A	N		S	E	C	U	R	I	T	I	E	S	,		I	N	C	.				

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

2	7	0	2	-	B	&	C		T	E	K	T	I	T	E		E	A	S	T		T	O	W	E	R	,	
P	H	I	L	I	P	P	I	N	E		S	T	O	C	K		E	X	C	H	A	N	G	E				
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C	I	T	Y																									

Form Type

5	2	A	R
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Department requiring the report

M	S	R	D
---	---	---	---

Secondary License Type, if Applicable

B	R	O	K
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### COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@meridiansec.com.ph	8635-6262	0918-909-7661
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
six (6)	Last Friday of April	December 31

### CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone No./s	Mobile Number
Fely Charito C. Sarmiento	chatosarmiento@meridiansec.com.ph	8635-6262	0966-625-0229

### CONTACT PERSON'S ADDRESS

B3 L4 Isaiah St., Cielito Homes, Novaliches, Calocan City
-----------------------------------------------------------

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

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

***Meridian Securities, Inc.***

*Financial Statements*  
*December 31, 2025 and 2024*

*and*

*Independent Auditors' Report*



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

The Management of **MERIDIAN SECURITIES, INC.** 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 Philippine Financial Reporting Standards (PFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

**DIAZ MURILLO DALUPAN AND COMPANY**, the independent auditor, appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

**RONALDO S. SALONGA**  
Chairman of the Board and President

**GILDA C. SALONGA**  
Treasurer

Signed this 13<sup>th</sup> day of May, 2026

## **Independent Auditors' Report**

To the Board of Directors and Stockholders of  
**MERIDIAN SECURITIES, INC.**  
2702-B & C Tektike East Tower  
Philippine Stock Exchange Centre, Ortigas Center  
Pasig City, Metro Manila

### **Report on the Audits of the Financial Statements**

#### *Opinion*

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

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

#### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits 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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditors' Responsibilities for the Audits 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 audits. We also:

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

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

**Report on Supplementary Information required by the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of **Meridian Securities, Inc.** taken as a whole. The supplementary information in Note 34 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**DIAZ MURILLO DALUPAN AND COMPANY**

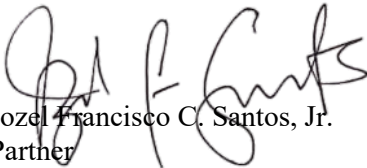
Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until June 23, 2026

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022, and  
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001911-000-2025, effective until March 25, 2028

By:



Jozel Francisco C. Santos, Jr.

Partner

CPA Certificate No. 89044

SEC Accreditation No. 1070-AR-2, Group A, issued on March 12, 2020

and valid for five years, has been extended to cover the audit of 2025 financial statements

Tax Identification No. 170-035-673

PTR No. 10771457, January 11, 2026, Makati City

BIR Accreditation No. 08-001911-003-2025, effective until March 11, 2028

May 13, 2026

**MERIDIAN SECURITIES, INC.**  
**Statements of Financial Position**

**As at December 31**

	2025			2024		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash - note 4	<b>₱ 25,956,327</b>			<b>₱ 13,790,571</b>		
Financial assets at fair value through profit or loss (FVPL) - note 5	<b>67,865,407</b>	<b>67,865,407</b>		80,612,851	80,612,851	
Trade receivables (net) - note 6	<b>57,970,975</b>	<b>639,476,119</b>		41,601,229	725,242,378	
Other receivables - note 7	<b>175,390</b>			204,751		
Due from related parties (net) - note 25	<b>26,865,576</b>			43,177,450		
Prepayments and other current assets - note 8	<b>1,531,979</b>			1,550,596		
	<b>180,365,654</b>			<b>180,937,448</b>		
<b>Noncurrent Assets</b>						
Financial assets at fair value through other comprehensive income (FVOCI) - note 12	<b>500,000</b>			350,000		
Property and equipment (net) - note 9	<b>568,140</b>			892,791		
Investment properties (net) - note 10	<b>6,881,518</b>			7,336,036		
Intangible asset - note 11	<b>1,408,000</b>			1,408,000		
Deferred tax assets - note 24	<b>8,164,678</b>			8,863,256		
Other noncurrent assets - note 13	<b>52,760</b>			46,600		
	<b>17,575,096</b>			<b>18,896,683</b>		
<b>TOTAL ASSETS</b>	<b>₱197,940,750</b>			<b>₱199,834,131</b>		
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Trade payables - note 14	<b>₱ 81,378,153</b>	<b>3,841,054,567</b>		<b>₱ 71,327,567</b>	<b>6,306,336,103</b>	
Borrowings - note 16	<b>1,592,237</b>			1,456,249		
Lease liability - note 27	<b>327,469</b>			304,303		
Other current liabilities - note 15	<b>1,490,326</b>			930,732		
	<b>84,788,185</b>			<b>74,018,851</b>		
<i>(Forward)</i>						
<b>LIABILITIES AND EQUITY</b>						
<b>Noncurrent liabilities</b>						
Borrowings (net of current portion) - note 16	<b>440,416</b>			2,032,653		
Lease liability (net of current portion) - note 27	<b>268,909</b>			596,379		
Retirement benefit obligation - note 26	<b>5,593,985</b>			4,736,365		
Deferred tax liability - note 24	<b>48,439</b>			2,765,652		
	<b>6,351,749</b>			<b>10,131,049</b>		
<b>Equity</b>						
Capital stock - note 17	<b>100,000,000</b>			100,000,000		
Additional paid-in capital - note 17	<b>1,117,000</b>			1,117,000		
Other comprehensive income- note 32	<b>495,396</b>			345,396		
Retained earnings - note 18						
Appropriated	<b>23,086,385</b>			23,086,385		
Unappropriated	<b>( 17,897,965)</b>			<b>( 8,864,550)</b>		
	<b>106,800,816</b>			<b>115,684,231</b>		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱197,940,750</b>			<b>₱199,834,131</b>		
<b>SECURITIES</b>						
<b>In box, transfer agents, brokers and</b>						
<b>Philippine Central Depository, Inc.</b>						
		<b>₱4,548,396,093</b>			<b>₱7,112,191,332</b>	
	<b>₱4,548,396,093</b>	<b>₱4,548,396,093</b>		<b>₱7,112,191,332</b>	<b>₱7,112,191,332</b>	

*(The accompanying notes are an integral part of these financial statements)*

**MERIDIAN SECURITIES, INC.**  
**Statements of Comprehensive Income**

	<b>For the Years Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>REVENUES</b> - note 19	<b>₱ 12,777,874</b>	₱ 6,325,207
<b>COSTS OF SERVICES</b> - note 20	<b>( 3,738,340)</b>	( 2,651,394)
<b>GROSS INCOME</b>	<b>9,039,534</b>	3,673,813
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> - note 21	<b>( 10,365,013)</b>	( 10,082,754)
<b>OTHER OPERATING INCOME (EXPENSES)</b> (net) - note 22	<b>( 9,244,859)</b>	352,545
<b>LOSS FROM OPERATIONS</b>	<b>( 10,570,338)</b>	( 6,056,396)
<b>FINANCE COSTS</b> - note 23	<b>( 322,784)</b>	( 432,837)
<b>LOSS BEFORE TAX</b>	<b>( 10,893,122)</b>	( 6,489,233)
<b>INCOME TAX BENEFITS</b> - note 24	<b>1,859,707</b>	1,957,391
<b>LOSS AFTER TAX</b>	<b>( 9,033,415)</b>	( 4,531,842)
<b>OTHER COMPREHENSIVE LOSS</b>		
Item to be reclassified subsequently to profit or loss in subsequent periods		
Fair value gain on financial assets at FVOCI - note 32	<b>150,000</b>	200,000
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(₱ 8,883,415)</b>	<b>(₱ 4,331,842)</b>
<b>LOSSES PER SHARE</b> - note 31		
Basic and Diluted	<b>(₱ 9)</b>	<b>(₱ 4)</b>

*(The accompanying notes are an integral part of these financial statements)*

**MERIDIAN SECURITIES, INC.**  
**Statements of Changes in Equity**

	Capital Stock (Note 17)	Deposit for Stock Subscriptions (Note 17)	Additional Paid-in Capital (Note 17)	Other Comprehensive Income (Note 32)	Retained Earnings		Total
					Appropriated (Note 18)	Unappropriated (Note 18)	
Balance as at January 1, 2024	₱ 100,000,000	₱	₱ 1,117,000	₱ 145,396	₱ 23,086,385	(₱ 4,332,708)	₱ 120,016,073
Total comprehensive loss for the year:							
Net loss for the year	-	-	-	-	-	( 4,531,842)	( 4,531,842)
Other comprehensive income for the year	-	-	-	200,000	-	-	200,000
Balance as at December 31, 2024	100,000,000	-	1,117,000	345,396	23,086,385	(8,864,550)	115,684,231
Total comprehensive income for the year:							
Net loss for the year	-	-	-	-	-	( 9,033,415)	( 9,033,415)
Other comprehensive income for the year	-	-	-	150,000	-	-	150,000
<b>Balance as at December 31, 2025</b>	<b>₱ 100,000,000</b>	<b>₱</b>	<b>₱ 1,117,000</b>	<b>₱ 495,396</b>	<b>₱ 23,086,385</b>	<b>(₱ 17,897,965)</b>	<b>₱ 106,800,816</b>

*(The accompanying notes are an integral part of these financial statements)*

**MERIDIAN SECURITIES, INC.**  
**Statements of Cash Flows**

	<b>For the Years Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(P 10,893,122)	(P 6,489,233)
Adjustments for:		
Fair value loss (gain) on FVPL – note 22	10,128,792	( 737,326)
Loss (gain) on sale of financial assets at FVPL - note 22	( 356,893)	6,403
Depreciation - note 9	779,169	902,754
Provision for retirement benefits - note 26	907,620	804,739
Provision for ECL (reversal of ECL) on trade receivables - note 6	( 504,733)	384,731
Interest income - note 22	( 3,108)	( 2,310)
Dividend income - note 19	( 2,209,274)	( 2,107,562)
Finance costs - note 23	322,784	432,837
Unrealized foreign exchange loss (gain) - note 22	( 1,308)	( 4,043)
Operating loss before working capital changes	( 1,830,073)	( 6,809,010)
Decrease (increase) in:		
Financial assets at FVPL	2,975,545	( 270,116)
Trade receivables	( 15,865,015)	289,363
Other receivables	29,361	( 123,591)
Prepayments and other current assets	18,617	187,188
Increase (decrease) in:		
Trade payables	10,050,586	5,203,692
Other current liabilities	559,594	( 1,921,019)
Cash used in operations	( 4,061,385)	( 3,443,493)
Interest received	3,108	2,310
Income tax paid	( 158,928)	( 54,375)
Retirement benefits paid - note 26	( 50,001)	( 100,000)
Dividends received	2,209,274	2,107,562
Net cash used in operating activities	( 2,057,932)	( 1,487,996)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collection of advances to related parties - note 25	16,311,874	1,873,889
Payments of borrowings - note 16	( 1,456,249)	( 1,319,538)
Finance costs paid	( 322,784)	( 413,190)
Payments of lease liability	( 304,301)	( 350,066)
Net cash from (used in) financing activities	14,228,540	( 208,905)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional rental deposit	( 6,160)	
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<b>1,308</b>	<b>4,043</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>12,165,756</b>	<b>( 1,692,858)</b>
<b>CASH - note 4</b>		
At beginning of year	13,790,571	15,483,429
At end of year	P 25,956,327	P 13,790,571

*(The accompanying notes are an integral part of these financial statements)*

## **MERIDIAN SECURITIES, INC.**

### **Notes to Financial Statements**

As at and for the years ended December 31, 2025 and 2024

#### **1. CORPORATE INFORMATION**

Meridian Securities, Inc. (the “Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 10, 1989 and is a member of the Philippine Stock Exchange (PSE). The Company is primarily engaged in the business of stock broker and dealer in securities including all transactions relating to the sale, transfer, and exchange of equity securities.

The Company’s registered office address is 2702-B & C Tektite East Tower, Philippine Stock Exchange Center, Ortigas Center, Pasig City.

##### Authorization for issue of the financial statements

The financial statements as at and for the year ended December 31, 2025, including its comparatives as at and for the year ended December 31, 2024, were approved and authorized for issue by the Company’s Board of Directors (BOD) on May 13, 2026.

#### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all the years presented, unless otherwise stated.

##### Statement of compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and Interpretations issued by the former Standing Interpretations Committee (SIC), the Philippine Interpretations Committee (PIC) and the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the (SEC).

##### Basis of preparation

The financial statements have been prepared on a historical cost basis, except as otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The financial statements are presented in Philippine peso (₱), the Company’s functional and presentation currency. All amounts are rounded to the nearest peso except when otherwise indicated.

### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial years except for the following amended PFRS that are mandatorily effective for annual periods beginning on or after January 1, 2025.

*Lack of Exchangeability (Amendments to PAS 21)*. The amendment introduces requirements to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The amendment is effective for annual periods beginning on or after January 1, 2025, with earlier application permitted. The amendment does not have a material impact on the Company's financial statements.

### New accounting standards, interpretations and amendments to existing standards effective subsequent to January 1, 2025

Standards issued but not yet effective up to the date of the Company's financial statements are listed below. This list of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

*Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7)*. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of *PFRS 9, Financial Instruments*.

The amendments include:

- a. Derecognition of financial liability settled through electronic transfer - The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- b. Classification of financial assets - The amendments provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement, enhance the description of the term 'non-recourse', and clarify the characteristics of contractually linked instruments that distinguish them from other transactions.
- c. Disclosures - The requirements in PFRS 7 are amended for disclosures that an entity provides in respect of investments in equity instruments designated at fair value through other comprehensive income. The amendments also require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs.

The amendments also include amendments to *PFRS 19, Subsidiaries without Public Accountability: Disclosures*, which limit the disclosure requirements for qualifying subsidiaries.

The amendments are effective for reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments will not have a material impact on the financial statements of the Company.

*Annual Improvements to PFRS Accounting Standards – Volume 11*

- *Hedge accounting by a first-time adopter (Amendment to PFRS 1 First-time Adoption of International Financial Reporting Standards)*. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 Financial Instruments.
- *Gain or loss on derecognition (Amendment to PFRS 7 Financial Instruments: Disclosures)*. The amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 Fair Value Measurement was issued.
- *Disclosure of deferred difference between fair value and transaction price (Amendment to PFRS 7 Financial Instruments: Implementation Guidance)*. The amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
- *Introduction and credit risk disclosures (Amendment to PFRS 7 Financial Instruments: Implementation Guidance)*. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- *Lessee derecognition of lease liabilities (Amendment to PFRS 9 Financial Instruments)*. The amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
- *Transaction price (Amendment to PFRS 9 Financial Instruments)*. The amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- *Determination of a 'de facto agent' (Amendment to PFRS 10 Consolidated Financial Instruments)*. The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

- *Cost method (Amendment to PAS 7 Statement of Cash Flows)*. The amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments and improvements are effective for annual periods beginning on or after January 1, 2026, with earlier application permitted. The Company is in the process of assessing the impact of these amendments and improvements.

*PFRS 18, Presentation and Disclosure in Financial Statements*. This standard supersedes *PAS 1, Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income, and expenses. The standard requires an entity to clearly identify the financial statements, which must be distinguished from other information in the same published document, as well as each primary financial statements, and the notes to the financial statements. In addition, the following information must be displayed prominently and repeated as necessary:

- the name of the reporting entity and any change in the name
- whether the financial statements are a group of entities or an individual entity
- information about the reporting period
- the presentation currency (as defined by *PAS 21, The Effects of Changes in Foreign Exchange Rates*)
- the level of rounding used (e.g., thousands, millions).

Retrospective application of the standard is mandatory for annual reporting periods starting from January 1, 2027 onwards, but earlier application is permitted.

PFRS 18 supersedes PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements with movements on certain paragraphs into PAS 8 and PFRS 7. Furthermore, there were also minor amendments to PAS 7 and PAS 33 earnings per share. The new standard introduces new requirements to:

- present specified categories and defined subtotals in the statements of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The amendment is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies PFRS 18. The Company is in the process of assessing the impact of the new standard.

#### Determination of fair value and fair value hierarchy

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 to 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 non-financial 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as financial assets at FVPL and FVOCI, and for non-recurring measurement.

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

Fair value measurement disclosures of financial and non-financial assets are presented in Note 30 to the financial statements.

#### “Day 1” difference

When the transaction price 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 the statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of comprehensive income 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 amount.

#### Financial instruments

##### *Initial recognition, measurement and classification of financial instruments*

The Company recognizes financial assets and financial liabilities in the statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

With the exception of receivables that do not contain a significant financing component, financial assets and financial liabilities are recognized initially at fair value including transaction costs, except for those financial assets at FVPL where the transaction costs are charged to expense in the period incurred. Trade receivables that do not contain a significant financing component are recognized initially at their transaction price.

The Company classifies its financial assets as subsequently measured at amortized cost, FVOCI and FVPL.

The classification of debt instruments at amortized cost or at FVOCI depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing the financial assets. The Company’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company’s business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates or significantly reduces the measurement or recognition inconsistency and produce more relevant information.

Upon initial recognition, the Company may make an irrevocable election to present in other comprehensive income changes in the fair value of an equity investment that is not held for trading. The classification is determined on an instrument-by-instrument basis.

The Company classifies its financial liabilities as subsequently measured at amortized cost using the effective interest method or at FVPL.

*Financial assets at amortized cost*

Financial assets are measured at amortized when 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 measurement, financial assets at amortized cost are subsequently measured using the effective interest method less allowance for impairment. Gains and losses are recognized in the statement of comprehensive income when the financial assets at amortized cost are derecognized, modified or impaired. These financial assets are included in current assets if maturity is within 12 months from the end of the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, included under financial assets at amortized cost are the Company's cash, trade receivables, other receivables and due from related parties (see Notes 4, 6, 7 and 25).

Cash

Cash includes cash on hand and deposits held at call with banks. Included in the Company's cash is cash in a special reserve bank account which represents reserved cash in compliance with SRC Rule 49.2 covering customer protection and custody of securities and clients' funds which is maintained under a licensed bank.

Trade receivables

Trade receivables pertain to receivable from customers. Receivable from customer arise from securities purchased (in a regular way transaction) that have been contracted for but not yet delivered as at the end of the reporting period.

Other receivables

Other receivables pertain to advances to employees and other receivables. These receivables constitute advances granted by The Company subject to liquidation and salary deduction.

*Equity instrument designated at FVOCI*

Upon initial recognition, the Company may make an irrevocable election to present in other comprehensive income changes in the fair value of an equity investment that is not held for trading. The classification is determined on an instrument-by-instrument basis.

When the equity instrument is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to profit or loss, but is transferred to retained earnings. Dividends on such investments are recognized in profit or loss when the right of payment has been established, except when the dividends represent a recovery of part of the cost of the investment, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment. These financial assets are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Company elected to classify irrevocably its equity investment under this category (see Note 12).

*Financial assets at fair value through profit or loss (FVPL)*

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the profit or loss. Dividends on investments are recognized as part of “Revenues” in the statement of comprehensive income when the right of payment has been established. Gain or loss on sale of financial assets at FVPL is recognized for the difference between the net proceeds and its carrying value upon sale of financial assets at FVPL. These are recognized in the statement of comprehensive income under “Other operating income (expenses) (net)” as “Fair value loss on FVPL”.

As at December 31, 2025 and 2024, included under financial assets at FVPL are the Company’s listed equity investments held for trading (see Note 5).

*Financial liabilities at amortized cost*

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, or designated as at FVPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

As at December 31, 2025 and 2024, included in financial liabilities at amortized cost are the Company’s trade payables (excluding due to government agencies), borrowings, lease liability and other current liabilities (see Notes 14, 15, 16 and 27).

Trade payables pertain to payable to customers and payable to clearing house. Payable to customers arise from securities purchased (in a regular way transaction) that have been contracted for but not yet delivered as at the end of the reporting period. Payable to clearing house pertains to payable to Securities Clearing Corporation of the Philippines which acts as a Central Counterparty to trades executed at the PSE. It arises from securities purchased (in a regular way transaction) which have not been cleared as at the end of the reported period due to T+3 policy in a trading transaction.

Other current liabilities include payable to non-customer (mainly payable to suppliers), due to government agencies, accrued expenses and other liabilities.

*Borrowings* are recognized initially at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method. The difference between the proceeds, (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

*Lease liability* represents the Company's obligation to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value, is effectively treated as a financial liability which is measured at amortized cost, using the rate of interest implicit in the lease as the effective interest rate.

Trade and other payables are classified as current liabilities if payment is due within one (1) year or less or in the normal operating cycle of the business if longer while non-trade payables are classified as current liabilities if payment is due within one (1) year or less. If not, these are presented as noncurrent liabilities.

#### *Amortized cost and effective interest method*

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECLs), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Interest income is recognized under “Other operating income” in the statement of comprehensive income.

#### Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the 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 was discharged, cancelled or has expired.

Where 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 statement of comprehensive income.

### Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments that are measured at amortized cost or at FVOCI. ECLs are a probability-weighted estimate of credit losses over the expected life of the financial asset. Credit losses are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company assesses at each end of the reporting period whether the credit risk on a financial asset has increased significantly since initial recognition. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to the lifetime ECLs. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to 12-month ECLs. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting period.

Because it does not contain a significant financing component, the Company applies a simplified approach in calculating ECLs for trade receivables. The Company recognizes a loss allowance based on lifetime ECLs at the end of each reporting period. The ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, including time value of money where appropriate. The Company measures allowance for ECLs for trade receivable balances at the higher between the computed amount per ECLs model using simplified approach and that required by SRC rule 52.1.

When the credit risk on financial instruments for which lifetime ECLs have been recognized subsequently improves, and the requirement for recognizing lifetime ECLs is no longer met, the loss allowance is measured at an amount equal to 12-month ECLs at the current reporting period, except for assets for which simplified approach was used.

For other receivables, the Company opted to use general approach in calculating ECLs, due to wide range of the receivables being extended by the Company, with each having varying considerations in estimation of the allowances. The Company recognizes a loss allowance based on credit risk framework from past collection experience at the end of each reporting period.

The Company recognizes impairment loss (reversals) in statement of comprehensive income for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

*Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the end of reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than three (3) years to five (5) years past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### *Credit impaired financial assets*

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concessions that the lenders would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

#### *Write off policy*

The Company writes-off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

#### Prepayments and other current assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time. This account comprises prepaid rentals, insurance, taxes and other prepaid items, excess input tax and refundable deposits. Prepaid rentals, insurance premiums and other prepaid items are apportioned over the period covered by the payment and charged to the appropriate accounts in the statement of comprehensive income when incurred.

Prepaid tax is deducted from income tax payable on the same year the revenue was recognized. Input tax is deducted against output tax in arriving at the VAT due and payable.

Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current assets; otherwise, these are classified as other noncurrent assets.

The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses.

#### Property and equipment

Property and equipment are initially recognized at cost. After initial recognition property and equipment are measured at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location of its intended use and the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance are normally charged against operations in the period in which the costs are incurred. Expenditures for additions, major improvements and renewals are capitalized.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and computed using the straight-line basis over the estimated useful life of property and equipment as follows:

<u>Category</u>	<u>In Years</u>
Office condominium	25
Office furniture and equipment	5
Transportation equipment	3
Right-of-use (ROU) asset	3

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

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged against current operations.

When properties and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

#### Investment properties

Investment properties which are properties held to earn rentals and/or for capital appreciation are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses at the end of each reporting period.

Investment properties are derecognized by the Company upon its disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

#### Intangible asset

Intangible asset pertains to exchange trading rights, which are carried at cost less any allowance for impairment losses. Exchange trading rights are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading rights are deemed to have indefinite useful lives as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The Company does not intend to sell its exchange trading right in the near future.

The assessment of indefinite life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, a change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets are derecognized at disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of comprehensive income.

### Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that any of its assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognized in prior periods are assessed at the end of each reporting period 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 had been recognized. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### Leases

#### *Company as lessee*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. Right-of-use assets are presented under property and equipment account.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

#### Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss in the statements of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Deferred income tax is determined using tax rates that have been enacted or substantively enacted as at the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each reporting date the Company reassesses the need to recognize previously unrecognized deferred income tax assets.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### Employee benefits

##### *(a) Short-term employee benefits*

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period that are expected to be settled wholly before 12 months after the end of the reporting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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

##### *(b) Retirement benefits obligations*

The Company has a noncontributory, unfunded, defined benefit retirement plan. The cost of providing benefits under the defined benefits plans is determined using the projected unit credit method which reflects the services rendered by employees to the date of valuation and incorporated assumptions concerning employees' projected salaries.

Typically, defined benefit plans define an amount of retirement benefits that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The Company's defined benefit retirement plan provides a retirement benefit equivalent to 22 1/2 days plus retirement allowance, if applicable, for every year of credited service.

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. Defined benefit costs comprise service cost, net interest on the net defined benefit liability and remeasurements of net defined benefit liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. Past service costs are recognized immediately in profit or loss. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability. Net interest on the net defined benefit liability is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

#### Related parties and related party transactions

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Related party relationship exists when: (a) a person or a close member of that person's family has control or joint control, has significant influence or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; and (b) when any of the following conditions apply: (i) the entity and the Company are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party; (v) the entity is a post-employment benefit plan for the benefit of employees of the Company; (vi) the entity is controlled or jointly controlled by a person as identified in (a) above; (vii) the entity or any member of a group of which it is part, provides key management personnel services to the Company or to the parent of the Company; (viii) a person identified in (a) above has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

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

#### Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Capital stock represents the par value of shares that are issued and outstanding at the end of the reporting period.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Deposit received from stockholders for future stock subscriptions is classified under Equity if all criteria are met as provided in SEC Financial Reporting Bulletin No. 6:

- The unissued authorized capital is insufficient to cover the subscription;
- The BOD and Stockholders approved the increase in authorized share capital (for which a deposit was received by the corporation); and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

Otherwise, it is presented as liability as non-current liability.

Other comprehensive income comprises gains and losses due to the cumulative unrealized fair value changes on financial instrument at FVOCI and remeasurement loss on retirement benefits.

Unappropriated retained earnings represent accumulated earnings of the Company less dividends declared.

Appropriated retained earnings represent a portion of accumulated earnings set aside for specific purposes determined by the Company's BOD.

#### Revenue recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that future economic benefits will flow to the Company, and the costs incurred or to be incurred can be measured reliably, regardless of when the payment is being made. Revenue is measured using the fair value of the consideration given or receivable, taking into account the contractually defined terms of payment and excluding taxes and duties. The Company concluded that it is the principal in all its revenue arrangements except for its brokerage transactions.

To determine whether to recognize revenue, the Company follows a 5-step process such as: (a) identifying the contract with a customer; (b) identifying the performance obligations; (c) determining the transaction price; (d) allocating the transaction price to the performance obligations; and (e) recognizing revenue when/as performance obligation(s) are satisfied.

The Company recognizes revenue from the following sources:

*Commission income* is recognized at the time it is earned, generally when securities transactions made are completed.

*Dividend income* from investments is recognized when the Company's rights to receive payment have been established. The right to receive payment is usually established when the dividends is declared by the BOD of the investee.

*Interest income* is recognized as it accrues using the effective interest method (i.e., the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

*Miscellaneous income* is recognized when earned.

#### Expense recognition

Cost and expenses are recognized in the statements of comprehensive income when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Expenses in the statements of comprehensive income are presented using the function of expense method. Cost of services is recognized as an expense when the services related to the sale, transfer and exchange of equity securities have been rendered. General and administrative expenses constitute costs of administering the business and are expensed as incurred.

#### Foreign currency transactions

##### *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the functional currency. Functional currency is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Philippine peso (₱), the Company's functional and presentation currency.

##### *Transactions and balances*

Transactions denominated in foreign currencies are translated to the Philippine peso using the exchange rate prevailing at the date of transaction. At the end of each reporting period, foreign currency monetary items are restated using the closing rate. Foreign exchange gains and losses are recognized in the profit or loss.

#### Earnings per share

Basic earnings per share (EPS) is computed by dividing the net income for the year attributable to common shareholders (net income for the year) by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is computed by dividing the net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of diluted shares.

The Company has no dilutive potential common shares, therefore the computation and amounts reported for basic and dilutive earnings (loss) per share were the same.

### Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made with the amount of the 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, an increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain, and its amount is estimable. The expense relating to any provision is presented in the statements of comprehensive income, net of any reimbursement.

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

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognized in the financial statements.

### Events after the reporting period

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

## **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make judgments and estimates that affect amounts reported in the financial statements. These judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company believes the following represents a summary of these significant judgments and estimates and the related impact and associated risks in the financial statements.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgments in applying the Company's accounting policies

*(a) Business model assessment*

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

The Company monitors financial assets measured at amortized cost or FVOCI that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

*(b) Significant increase in credit risk*

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Management assessed that there has been no significant increase in credit risk on the Company's financial assets for the years ended December 31, 2025 and 2024.

*(c) Assessing impairment of property and equipment, investment properties, intangible asset and right-of use asset*

The Company assesses impairment on property and equipment, investment properties, intangible asset, and right-of-use asset whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and presented value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on management's assessment, there are no indications of impairment on the Company's property and equipment, investment properties, intangible asset and right-of-use asset as at December 31, 2025 and 2024.

*(d) Impairment of other receivables*

The Company's other receivables have been assessed whether there is objective evidence of impairment. It is the management's judgment that the balances as at December 31, 2025 and 2024 of other receivables are collectible, hence, no impairment was provided.

*(e) Income taxes*

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. Recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary difference can be applied. The components of deferred income tax are shown in Note 24.

*(f) Determining lease term and discount rate*

The Company has entered into a contract of lease of the warehouse space it occupies. The Company has determined that all significant risks and benefits of ownership on these properties will be retained by the lessor. In determining significant risks and benefits of ownership, the Company considered among others, the significance of the lease term as compared with the estimated useful life of the related asset. In 2025 and 2024, all significant leases are accounted for as finance leases.

*i. Determining lease term*

The Company has exercised significant judgment in determining the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be extended or in any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company determined that renewal periods of leases with longer periods are not included as part of the lease term as these are not reasonably certain to be exercised.

*ii. Estimating the incremental borrowing rate (IBR)*

Significant management judgment was made by the Company in determining the discount rate, whether implicit rate, if readily available, or IBR, to be used in calculating the present value of right-of-use asset and lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Company would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

An IBR of 6% was used adjusted for the Company-specific estimates.

*(g) Distinction between Investment Properties and Owner-occupied Properties*

The Company determines whether a property qualifies as an investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process. Some properties comprise a portion that is held for earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately when making its judgment.

Significant accounting estimates and assumptions

*(a) Allowance for ECL of trade receivables*

In compliance with the requirement of PFRS 9, the Company assesses allowance for impairment using the ECLs model using the simplified approach for trade receivables and general approach for other receivable accounts. The allowance of impairment under ECLs model using both simplified and general approach is compared to the balance of impairment of receivable balances computed as required by SRC rule 52.1, and opted to use the most conservative amounts.

ECLs model requires the entity to calculate allowance for credit losses by considering on a discounted basis the cash short falls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of the scenarios occurring. The allowance is the sum of these probability weighted outcomes. Because every loan and receivable carried with it some risk of default, every such asset has an expected loss attached to it - from the moment of its origination or acquisition.

The SRC rule 52.1 on the other hand, provides a basis of computing allowance for ECL as follows:

<b>Classification</b>	<b>Provision</b>	<b>Base</b>
T+0 to T+2	0%	Total Receivables (TR)
T+3 to T+13	2%	TR
T+14 to T+30	50%	TR less collateral (net of haircut)
T+31 up	100%	TR less collateral (net of haircut)

The allowance for ECLs is computed by getting, for each doubtful account, an amount equivalent to the provision (see table above) of the amount outstanding, net of collateral (net of haircut). The basis for the computation would be the individual accounts.

As at December 31, 2025 and 2024, the management assessed impairment based on PFRS 9 ECLs model relating to trade and other receivable balances. The management assessment is significantly lower to the amount required by SRC as at December 31, 2025 and 2024, respectively.

Trade receivables (net of allowance for ECLs amounting to ₱2,277,085 and ₱2,781,817 as at December 31, 2025 and 2024 amounted to ₱57,970,975 and ₱41,601,229, respectively (see Note 6).

*(b) Allowance for ECLs of due from related parties*

The loss allowances for due from related parties are based on assumptions about the risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The carrying amount of the Company's due from related parties amounted to ₱26,865,576 and ₱43,177,450 as at December 31, 2025 and 2024, respectively. Allowance for ECL recognized in the statements of financial position amounted to ₱2,581,476 as at December 31, 2025 and 2024 (see Note 25).

*(c) Determining fair values of financial instruments*

PFRS requires that certain financial assets and liabilities be carried at fair value, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (e.g., foreign exchange rates, interest rates and volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would directly affect the statement of income and the statement of changes in equity.

The fair values of the Company's financial instruments as at December 31, 2025 and 2024 amounted to ₱67,865,407 and ₱80,612,851, respectively (see Note 30).

*(d) Estimating useful lives and impairment of property and equipment*

The Company's management determines the estimated useful lives and related depreciation charges for its property and equipment. This estimate is based on the period over which the assets are expected to be available for use in operations. The Company annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. Management increases the depreciation charge where useful lives are less than previously estimated lives, or writes off or writes down impaired or non-strategic assets.

The carrying amounts of the Company's property and equipment as at December 31, 2025 and 2024 amounted to ₱568,140 and ₱892,791, respectively (see Note 9).

*(e) Determining the realizable of deferred tax assets (DTA)*

The Company reviews its DTA at each reporting date 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 DTA to be utilized.

The Company's DTA as at December 31, 2025 and 2024 amounted to ₱8,164,678 and ₱8,863,256, respectively (see Note 24).

*(f) Retirement benefits obligation*

The determination of the retirement benefits obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, expected returns on plan assets and rates of compensation increase. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement benefits obligations.

The carrying amounts of the Company's retirement benefits obligation amounted to ₱5,593,984 and ₱4,736,365 as at December 31, 2025 and 2024, respectively (see Note 26).

#### 4. CASH

Cash as at December 31 consists of:

	2025	2024
Cash on hand	₱ 5,000	₱ 5,000
Cash in banks	25,951,327	13,785,571
	<b>₱ 25,956,327</b>	<b>₱ 13,790,571</b>

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

Interest earned on cash amounted to ₱3,108 and ₱2,310 in 2025 and 2024, respectively, and is presented under “Other operating income (expenses) (net)” in the statements of comprehensive income (see Note 22).

Foreign currency denominated cash in bank amounted to ₱97,211 and ₱95,875 as at December 31, 2025 and 2024, respectively, resulting to unrealized foreign exchange gain (loss) amounting to ₱1,308 in 2025 and ₱4,043 in 2024 (see Note 22).

In compliance with Securities Regulation Code (SRC) Rule 49.2 covering protection and custody of Securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers. Reserve requirement is determined on a monthly basis using Securities and Exchange Commission (SEC) prescribed computation. The bank account has a balance of ₱11,183,504 and ₱7,012,787 as at December 31, 2025 and 2024, respectively. As at December 31, 2025 and 2024, the Company’s reserve accounts are adequate to cover its reserve requirements.

#### 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

This account consists of held-for-trading equity securities held from various listed companies in the Philippines. Fair values of these securities have been determined directly by reference to published prices quoted in the Philippine Stock Exchange (PSE) at the end of reporting periods.

Financial assets at FVPL are presented within operating activities as part of changes in working capital in the statements of cash flows.

Financial assets at FVPL as at December 31 consist of:

	2025	2024
Cost:		
Balance at beginning of year	₱ 80,612,851	₱ 79,611,812
Additions during the year	11,802,083	4,034,870
Disposals during the year	( 15,725,655)	( 3,763,986)
Balance at end of year	76,689,279	79,882,696
Cumulative fair value gain (loss) at end of year	( 8,823,872)	730,155
	<b>₱ 67,865,407</b>	<b>₱ 80,612,851</b>

The details of financial assets at FVPL as at December 31 are as follows:

	2025	2024
Equities within PSEi	<b>₱ 31,878,800</b>	₱ 47,812,651
Equities outside PSEi	<b>35,986,607</b>	32,800,200
	<b>₱ 67,865,407</b>	₱ 80,612,851

Philippine Stock Exchange Composite Index (PSEi), formerly called Phisix, is a fixed basket of 30 common stocks of listed companies, carefully selected to represent the general movement of the stock market. In other words, it is the benchmark measuring the performance of the Philippine stock market.

The selection of these companies is based on a specific set of criteria. Under the revised policy on index management, companies should meet three (3) criteria to qualify under the PSEi:

- The company's free float level must be at least 12%.
- The company must rank among the top 25% in terms of median daily value in nine out of the 12-month period in review.
- Ranking of TOP 30 qualified companies based on full market capitalization.

The fair value of all listed equity securities is based on their current price in an active market.

The movements of unrealized fair value gain (loss) as at December 31 are as follows:

	2025	2024
Balance at beginning of year	<b>₱ 730,155</b>	₱ 1,131,051
Realized portion of fair value gain on sold securities	<b>574,765</b>	( 1,138,222)
Unrealized fair value gain on unsold securities - note 22	<b>(10,128,792)</b>	737,326
Balance at end of year	<b>(₱8,823,872)</b>	₱ 730,155

The Company recognized gain (loss) on sale of financial assets at FVPL amounting to ₱356,893 and (₱6,403) in 2025 and 2024, respectively, which are presented as part of "Other operating income (expenses) (net)" in the statements of comprehensive income (see Note 22).

The Company's financial assets at FVPL include certain PSE share that is restricted and pledged at its value to secure the payment of all debts due to other members of the exchange arising out of or in connection with the present or future members' contracts amounting to ₱1,792,000 as at December 31, 2025 and 2024 (see Note 11). Fair market value of each restricted PSE share as at December 31, 2025 and 2024 amounted to ₱205 and ₱164, respectively.

All other financial assets at FVPL as at December 31, 2025 and 2024 are not held as collateral for its liabilities and are free from any encumbrance.

## 6. TRADE RECEIVABLES (NET)

Trade receivables at December 31 consist of:

	2025	2024
Trade receivables from:		
Customers	₱ 60,248,060	₱ 44,383,046
Allowance for ECLs	( 2,277,085)	( 2,781,817)
	<b>₱ 57,970,975</b>	<b>₱ 41,601,229</b>

Trade receivables from customers are collectible within three (3) days after the buying transactions and are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls below the required level, customers may either deposit additional collateral or sell stocks to cover their account balance.

The receivable from customer balances become demandable upon failure of the customer to duly comply with these requirements within three (3) days. As at December 31, 2025 and 2024, ₱57,700,807 and ₱41,003,006 of the total trade receivables from customers are fully covered by collateral.

The Company's trade receivables as at December 31, 2025 and 2024 are not held as collateral for its liabilities and are free from any encumbrances.

The Company's receivables from customers and its security valuation as at December 31 are as follows:

Classification	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Cash and fully secured accounts				
More than 250%	₱44,876,484	₱614,845,908	₱ 32,715,013	₱ 710,980,034
Between 200% and 250%	798,184	1,624,898	-	-
Between 150% and 200%	10,490,703	20,735,800	6,409,590	10,765,288
Between 100% and 150%	478,898	533,396	1,869,748	1,988,876
Partly secured accounts				
less than 100%	2,572,763	1,736,117	2,358,500	1,508,180
Unsecured accounts	1,031,028	-	1,030,195	-
	<b>60,248,060</b>	<b>639,476,119</b>	44,383,046	725,242,378
Allowance for ECLs	( 2,277,085)	-	( 2,781,817)	-
	<b>₱57,970,975</b>	<b>₱639,476,119</b>	<b>₱ 41,601,229</b>	<b>₱ 725,242,378</b>

As at December 31, the aging analysis of receivables is as follows:

	2025	2024
1 – 30 days	₱ 18,194,962	₱ 27,317,146
Over 90 days	42,053,098	17,065,900
	<b>60,248,060</b>	44,383,046
Allowance for ECLs	( 2,277,085)	( 2,781,817)
	<b>₱57,970,975</b>	<b>₱ 41,601,229</b>

Based on management evaluation as guided by Securities Regulation Code (SRC) 52.1, allowance for ECLs on trade receivables from customers as at December 31, 2025 and 2024 amounting to ₱2,277,085 and ₱2,781,817, respectively, is sufficient.

Net receivables over 90 days have been assessed by the management of the Company as good and collectible.

Movements in the allowance for ECLs are as follows:

	2025	2024
Balance at beginning of year	₱ 2,781,817	₱ 2,397,086
Reversal of prior provision for ECLs – note 22	( 504,733)	-
Provision for ECLs – note 22	-	384,731
Balance at end of year	<b>₱ 2,277,085</b>	<b>₱ 2,781,817</b>

## 7. OTHER RECEIVABLES

Other receivables at December 31 consist of:

	2025	2024
Advances to employees	₱ 171,350	₱ 194,701
Others	4,040	10,050
	<b>₱ 175,390</b>	<b>₱ 204,751</b>

Advances to employees consist of advances subject to liquidation and non-interest bearing advances subject to salary deductions with terms within a period of six (6) months to one (1) year.

Other receivables mainly consist of advances to suppliers, SSS receivable and others.

## 8. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets at December 31 consist of:

	2025	2024
Prepaid taxes	₱ 1,299,834	₱ 1,311,043
Prepaid licenses	104,586	105,586
Excess input VAT	92,361	98,770
Prepaid software maintenance	31,428	31,427
Prepaid insurance	3,770	3,770
Prepaid rent	-	-
	<b>₱ 1,531,979</b>	<b>₱ 1,550,596</b>

## 9. PROPERTY AND EQUIPMENT (NET)

Details of property and equipment are as follows:

<u>December 31, 2025</u>	Net carrying amounts, January 1	Additions	Depreciation	Net carrying amounts, December 31
Right-of-use asset	<b>₱ 892,791</b>	<b>₱ -</b>	<b>₱324,651</b>	<b>₱ 568,140</b>
		Cost	Accumulated Depreciation	Net carrying amounts, December 31
Office condominium		₱ 3,444,444	(₱ 3,444,444)	₱-
Office furniture, fixtures and equipment		14,021,939	( 14,021,939)	-
Transportation equipment		3,928,501	( 3,928,501)	-
Right-of-use asset		973,954	(405,814)	568,140
		<b>₱22,368,838</b>	<b>₱21,800,698</b>	<b>₱568,140</b>
<u>December 31, 2024</u>	Net carrying amounts, January 1	Additions	Depreciation	Net carrying amounts, December 31
Right-of-use asset	<b>₱ 231,506</b>	<b>₱ 973,954</b>	<b>(₱312,669)</b>	<b>₱ 892,791</b>
		Costs	Accumulated Depreciation	Net carrying amounts, December 31
Office condominium		₱ 3,444,444	(₱ 3,444,444)	₱ -
Office furniture, fixtures and equipment		14,021,939	( 14,021,939)	-
Transportation equipment		3,928,501	( 3,928,501)	-
Right-of-use asset		973,954	( 81,163)	892,791
		<b>₱22,368,838</b>	<b>(₱21,476,047)</b>	<b>₱ 892,791</b>

Fully depreciated property and equipment that are still in use by the Company have a total cost of ₱21,394,884 in 2025 and ₱21,394,884 in 2024.

Depreciation of property and equipment is disclosed under “General and Administrative Expenses” in the statements of comprehensive income (see Note 21).

During the year, right-of-use asset and the related lease liability are recognized due to adoption of PFRS 16 (see Note 27).

**10. INVESTMENT PROPERTIES (NET)**

Details of investment properties are as follows:

<u>December 31, 2025</u>	Net carrying amounts, January 1	Additions	Depreciation	Net carrying amounts, December 31
Office condominium	₱ 7,336,036	₱ -	(₱ 454,518)	₱ 6,881,518
		Costs	Accumulated Depreciation	Net carrying amounts, December 31
Office condominium		₱ 19,073,941	(₱ 12,192,423)	₱ 6,881,518

<u>December 31, 2024</u>	Net carrying amounts, January 1	Additions	Depreciation	Net carrying amounts, December 31
Office condominium	₱ 7,926,121	₱ -	(₱ 590,085)	₱ 7,336,036
		Costs	Accumulated Depreciation	Net carrying amounts, December 31
Office condominium		₱15,629,497	(₱ 8,293,461)	₱7,336,036

The Company's office condominium with a carrying amount of ₱6,881,518 and ₱7,336,036 are mortgaged to secure payment of long-term borrowings under a mortgage trust indenture as at December 31, 2025 and 2024 (see Note 16).

In 2023, the Company classified two condominium units under Property and Equipment, as they were intended for operational use. However, in 2024, these units were leased out to third parties, leading to their reclassification as Investment Property in accordance with PAS 40 – Investment Property. The reclassification reflects the change in the intended use of the assets, as they are now held to generate rental income rather than for administrative or operational purposes. The Company measured the investment property at cost, in line with the Company's accounting policy.

Rent income derived from the rental of condominium units amounted to ₱1,839,267 in 2025 (see Note 19). Expenses paid in 2025 for the condominium units that are being leased out amounting to ₱58,469 and ₱45,541 are presented as part of Dues and subscriptions and Taxes and licenses, respectively, under General and administrative expenses in the statements of comprehensive income (see Note 21).

As of December 31, 2025, the fair value of the investment properties amounting to P37.19 million has been determined based on the zonal value set by the BIR since an independent appraised value is not available as of December 31, 2025. Management acknowledges that zonal values may not always reflect actual market conditions. To ensure a more accurate valuation, management plan to obtain an independent appraisal in 2025, and any adjustments to fair value will be disclosed accordingly in subsequent financial statements.

## 11. INTANGIBLE ASSET

Under the PSE rules, all exchange seats are pledged at its full value to the PSE to secure the payments of all debts due to other members of the exchange arising out of or in connection with the present or future member's contracts. The last transacted price of the trading right subject of the most recent sale approved by the PSE BOD on September 22, 2021 and December 14, 2011 was ₱9 million and ₱8.5 million, respectively.

In 2001, the demutualization or conversion of PSE into a stock corporation was approved by the SEC effective August 8, 2001. Each membership seat will be exchanged for shares of stock of PSE. In accordance with the conversion, PSE will issue ₱9.2 million shares with a par value of ₱1 per share out of the members' contribution of ₱286.6 million. Thus, each of the 184 members or brokers will subscribe to a total of 50,000 shares of stock with a par value of ₱1 per share. The balance of members' contribution of ₱277.40 million will be treated as additional paid-in capital in the financial statement of PSE.

In addition to the shares, each member will receive a Certificate of Trading Right to maintain their continued access to the trading floor of PSE. PSE, however, will not issue shares of stock for the value of its donated assets. The donated assets consisting of two (2) pieces of real property located in Makati and Pasig City, where its trading floors are located, are subject to restrictions on their transferability. The effects of the conversion plan, specifically on the separate valuation of the ownership of the exchange seat and trading rights have been recognized in the Company's financial statements.

The Company received a 100% stock dividend recorded and received on October 22, 2008 with Certificate No. 000997. The Company received a 20% stock dividend recorded and received on January 17, 2014 with Certificate No. 002716.

In accordance with the SEC Circular, the cost of the Exchange Seat has been prorated at 56% and 44% between the PSE shares and Trading Right, respectively, and should be reviewed for impairment loss at reporting date.

Allocations of the cost as at December 31 were as follows:

	2025	2024
PSE shares	₱ 1,792,000	₱ 1,792,000
Trading right	1,408,000	1,408,000
Exchange seat cost	₱ 3,200,000	₱ 3,200,000

The PSE shares were taken up as "Financial Assets at FVPL" in the statements of financial position.

The carrying amounts of the trading right amounted to ₱1,408,000 as at December 31, 2025 and 2024.

Based on the impairment review of the Company's assets, the Company believes that there is no indication of impairment on its trading right.

The Company's intangible assets as at December 31, 2025 and 2024 are not held as collateral for its liabilities and are free from any liens or encumbrances.

The Company has no contractual commitment to acquire intangible assets as at December 31, 2025 and 2024.

## 12. FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI represent one (1) proprietary golf share of Splendido Taal Residential Golf and Country Club “B”. Movements at December 31 are as follows:

	2025	2024
Acquisition cost	₱ 2,600,000	₱ 2,600,000
Unrealized fair value loss	( 2,100,000)	( 2,250,000)
Carrying amounts	₱ 500,000	₱ 350,000

Fair value gain on the financial assets amounting to ₱150,000 in 2025 and ₱200,000 in 2024 was presented under Other comprehensive income in the statements of comprehensive income.

The fair value of financial assets at FVOCI has been determined directly by reference to the published price in the active market.

The Company’s financial assets at FVOCI as at December 31, 2025 and 2024 are not held as collateral for its liabilities and are free from any encumbrances.

## 13. OTHER NONCURRENT ASSETS

Other noncurrent assets as at December 31 consist of:

	2025	2024
Refundable deposits	₱ 38,160	₱ 32,000
Other deposits	14,600	14,600
	₱ 52,760	₱ 46,600

## 14. TRADE PAYABLES

Trade payables as at December 31 consist of:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
<b>Payable to customers</b>				
With money balances	₱81,378,154	₱3,467,505,816	₱ 69,032,426	₱ 5,718,932,223
No money balances	-	373,548,751	-	587,403,880
	81,378,154	3,841,054,567	69,032,426	6,306,336,103
<b>Payable to clearing house</b>				
			2,295,141	-
	₱81,378,154	₱3,841,054,567	₱ 71,327,567	₱ 6,306,336,103

Trade payables consist of payable to customers and payable to clearing house. Payable to customers are to be settled within three (3) working days after the selling transactions. The customer, however, has the option to defer the collection or use the balance for future payment of buying transactions. All trade payables are non-interest bearing.

Payable to clearing house represents the net amount of payable on the purchases of securities made on the trading floor of the PSE with the banks and must be paid after three (3) days from the consummation of the transactions.

## 15. OTHER CURRENT LIABILITIES

Other current liabilities at December 31 consist of:

	2025	2024
Payable to non-trade customers	₱ 914,825	₱ 637,997
Due to government agencies	447,204	160,763
Accrued expenses	115,834	122,179
Others	13,004	9,793
	<b>₱ 1,490,326</b>	<b>₱ 930,732</b>

Payable to non-trade customers pertains to payables to suppliers. These are non-interest bearing payables and are generally settled within 30 days term

Accrued expenses mainly include accruals for professional fees and utilities.

Due to government agencies include Social Security System (SSS), Home Development Mutual Fund (HDMF), withholding taxes and other taxes payables to government agencies.

## 16. BORROWINGS

Borrowings at December 31 consist of bank loans as follows:

	2025	2024
Balance at beginning of year	₱ 3,488,902	₱ 4,808,440
Payments	( 1,456,249)	( 1,319,538)
Balance at end of year	2,032,653	3,488,902
Less: Current portion	1,592,237	1,456,249
Noncurrent portion	<b>₱ 440,416</b>	<b>₱ 2,032,653</b>

On March 15, 2017, the Company availed of a ₱12,063,027 loan from BDO for the purpose of funding the acquisition of a condominium unit. The principal is payable monthly over a period of ten (10) years starting on April 15, 2017. The loan carries an annual interest of 9.25% which is payable monthly based on the principal amount outstanding and is subject to repricing after five (5) years. As at December 31, 2025 and 2024, the outstanding balance of the loan is ₱2,032,653 and ₱3,488,902, respectively. Interest on borrowings amounting to ₱277,021 in 2025 and ₱413,190 in 2024 are presented as "Finance costs" in the statements of comprehensive income (see Note 23).

## 17. CAPITAL STOCK

Information on the capital stock as at December 31 follows:

	2025	2024
Authorized:		
1,000,000 common shares at P100 par value per share	<b>₱100,000,000</b>	₱ 100,000,000
Issued, fully paid and outstanding:		
1,000,000 common shares at P100 par value per share	<b>₱100,000,000</b>	₱ 100,000,000

The Company has one (1) class of common shares which carry no fixed return on income.

Additional paid-in capital amounting to ₱1,117,000 as at December 31, 2025 and 2024, respectively, is an excess over par value received from the sale of capital stock of the Company to the stockholders.

## 18. RETAINED EARNINGS

### Unappropriated

	2025	2024
At beginning of year	<b>(₱8,864,550)</b>	(₱4,332,708)
Net loss for the year	<b>( 9,033,415)</b>	( 4,531,842)
At end of year	<b>(₱23,086,305)</b>	(₱8,864,550)

### Appropriated

Under Securities Regulation Code No.49.1 (B), Reserve Fund of such circular requires that every broker-dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to Appropriated Retained Earnings. The minimum appropriation shall be 30%, 20% and 10% of profit after tax broker-dealers with unimpaired paid-up capital between ₱10 million to ₱30 million, between ₱30 million to ₱50 million and more than ₱50 million, respectively. As at December 31, 2025 and 2024, the appropriated retained earnings amounted to ₱23,086,385.

## 19. REVENUES

This account consists of:

	2025	2024
Commission income from:		
Buying and selling transactions	<b>₱ 8,402,036</b>	₱ 3,414,858
Initial public offering	<b>327,297</b>	78,023
	<b>8,729,333</b>	3,492,881
Dividend income	<b>2,209,274</b>	2,107,562
Rental income	<b>1,839,267</b>	724,764
	<b>₱12,777,874</b>	₱ 6,325,207

The Company has received cash dividends from Philippine Stock Exchange, Inc. amounting to ₱1,500,000 on May 27, 2025 and ₱1,500,000 on April 5, 2024. The Company has also received cash dividends from other investees amounting to ₱709,274 in 2025 and ₱607,562 in 2024.

## 20. COSTS OF SERVICES

This account consists of:

	2025	2024
Stock exchange and other fees	₱ 1,386,654	₱ 1,366,213
Agents' commissions – note 25	1,572,734	691,364
Depository fees	778,952	593,817
	<b>₱ 3,738,340</b>	<b>₱ 2,651,394</b>

## 21. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	2025	2024
Salaries, wages and other benefits	₱ 4,250,921	₱4,687,940
Professional fees	1,435,932	916,396
Provision for retirement benefits – note 26	907,620	804,739
Depreciation – notes 9 and 10	779,169	902,754
Repairs and maintenance	545,596	277,025
Communications, light and water	504,569	523,396
SSS, philhealth and pag-ibig contributions	397,729	409,348
Supplies	274,633	250,928
Taxes and licenses	238,721	283,393
Dues and subscriptions	215,954	569,181
Meetings and conferences	201,157	126,395
Transportation and travel	169,821	163,292
Insurance	82,412	83,553
Miscellaneous	360,779	84,414
	<b>₱ 10,365,013</b>	<b>₱10,082,754</b>

## 22. OTHER OPERATING INCOME (EXPENSES) (NET)

This account consists of:

	2025	2024
Fair value gain (loss) on FVPL – note 5	(₱10,128,792)	₱ 737,326
Reversal of ECL provision (Provision for ECL) – note 6	504,733	(384,731)
Gain (loss) on sale of financial assets at FVPL – note 5	356,893	( 6,403)
Interest income – note 4	3,108	2,310
Unrealized foreign exchange gain – note 4	1,308	4,043
Other income	17,891	-
	<b>(₱9,244,859)</b>	<b>₱ 352,545</b>

## 23. FINANCE COSTS

This account consists of interests on:

	2025	2024
Borrowings – note 16	₱277,021	₱413,190
Lease liability – note 27	45,763	19,647
	<b>₱322,784</b>	<b>₱432,837</b>

## 24. INCOME TAX

The major components of income tax benefits as reported in the statements of comprehensive income for the years ended December 31 are as follows:

	2025	2024
<b>Current tax:</b>		
Minimum corporate income tax (MCIT)	₱ 158,928	₱ 54,374
<b>Deferred tax:</b>		
Benefits on origination and reversal of temporary differences	( 2,018,635)	( 2,011,763)
	<b>(₱1,859,707)</b>	<b>(₱1,957,391)</b>

The components of DTA and liability are as follows:

	2025	2024
<b>Deferred tax assets:</b>		
NOLCO	₱ 5,427,409	₱6,173,752
Retirement benefits obligation	1,398,496	1,184,091
Allowance for ECLs	569,271	695,454
Unrealized fair value loss on financial asset at FVOCI	525,000	562,500
MCIT	237,442	245,486
Net lease payments	7,060	1,973
	<b>₱ 8,164,678</b>	<b>₱ 8,863,256</b>
<b>Deferred tax liabilities:</b>		
Unrealized fair value gain on financial assets at FVPL	₱ 48,112	₱ 2,764,642
Unrealized foreign exchange gain	327	1,010
	<b>₱ 48,439</b>	<b>₱ 2,765,652</b>

Deferred tax assets and liabilities are determined using the income tax rates in the period the temporary differences are expected to be recovered or settled.

Details of NOLCO as at December 31 are as follows:

Year of Incurrence	Year of Expiry	2024 Balance	2025		2025 Balance
			Addition	Applied/ Expired	
2020	2025	₱ 4,514,849	₱ -	(₱4,514,849)	₱ -
2021	2026	3,811,956	-	-	<b>3,811,956</b>
2023	2026	9,320,397	-	-	<b>9,320,397</b>
2024	2027	7,047,808	-	-	<b>7,047,808</b>
2025	2028		1,529,474	-	<b>1,529,474</b>
		<b>₱ 24,695,010</b>	<b>₱ 1,529,474</b>	<b>(₱4,514,849)</b>	<b>₱ 21,709,635</b>

Details of MCIT as at December 31 are as follows:

Year of Incurrence	Year of Expiry	2024 Balance	2025		2025 Balance
			Addition	Expired	
2022	2025	₱ 166,972	₱ -	(₱166,972)	₱ -
2023	2026	24,140	-	-	<b>24,140</b>
2024	2027	54,374	-	-	<b>54,374</b>
2025	2028	-	158,928	-	<b>158,928</b>
		₱ 245,486	₱ 158,928	(₱166,972)	₱ <b>237,442</b>

Reconciliation of income tax expense

The reconciliation of income before income tax computed at the regular corporate tax rate to the income tax benefit is as follows:

	2025	2024
Loss before tax	<b>(₱10,893,385)</b>	(₱6,489,233)
Tax at applicable rates of 25%	<b>(₱ 2,723,346)</b>	(₱1,622,308)
Tax effect on:		
Expired NOLCO	<b>1,128,712</b>	-
Expired MCIT	<b>166,972</b>	125,205
Dividend income	( <b>552,319</b> )	( 526,890)
Interest income subject to final tax	( <b>777</b> )	( 578)
Nondeductible expenses	<b>83,551</b>	17,180
Realized gain on forex	-	-
Nontaxable fair value gain on FVOCI	<b>37,500</b>	50,000
Income tax benefits	<b>(₱1,859,707)</b>	(₱1,957,391)

**25. RELATED PARTY TRANSACTIONS**

The Company, in the normal course of business, has transactions with the following related parties:

Related parties	Relationship
Topwind Supplies, Inc. (TSI)	<i>Common stockholder</i>
RS Sealand Food Corporation (RSSFC)	<i>Common stockholder</i>
MERS Holdings & Development, Inc. (MHDI)	<i>Common stockholder</i>
Le Donne Bolzano Shoe Corporation (LDBSC)	<i>Common stockholder</i>
Citiparking Management Corporation (CMC)	<i>Common stockholder</i>
Stockholders (KMP)	<i>Key management personnel</i>

Details of significant related party transactions and balances as at and for the years ended December 31 follows:

a) *Outstanding accounts in securities transactions*

**December 31, 2025**

<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Receivable (Payable)</b>	<b>Terms and Conditions</b>
<b><u>KMP</u></b>			
Stock trading transactions (buying and selling)	<b>₱4,314,752</b>	<b>(₱27,102,703)</b>	Payable on T+3 days, secured, guaranteed, no impairment (i) No fixed date of repayment, unsecured,
Commission	<b>36,270</b>	<b>3,802</b>	unguaranteed (ii) Payment every 15th day and 30th day of the month (iii)
Professional fees	<b>420,000</b>	-	

**December 31, 2024**

<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Receivable (Payable)</b>	<b>Terms and Conditions</b>
<b><u>KMP</u></b>			
Stock trading transactions (buying and selling)	<b>₱7,605,609</b>	<b>(₱ 24,167,118)</b>	Payable on T+3 days, secured, guaranteed, no impairment (i) No fixed date of repayment, unsecured,
Commission	<b>24,963</b>	<b>(3,028)</b>	unguaranteed (ii) Payment every 15th day and 30th day of the month (iii)
Professional fees	<b>420,000</b>	-	

- i. The Company has advances from officers and stockholders related to buying and selling transactions. Details of outstanding balance as at December 31 is as follows:

	<b>2025</b>	<b>2024</b>
Receivable from customers (buying transactions)	<b>₱ -</b>	<b>₱ -</b>
Payable to customers (selling transactions)	<b>( 27,102,703)</b>	<b>( 24,167,118)</b>
	<b>( 27,102,703)</b>	<b>( 24,167,118)</b>

- ii. Commission from securities transactions amounting to ₱36,270 in 2025 and ₱24,963 in 2024 are presented as part of “Costs of services” in the statements of comprehensive income (see Note 20).
- iii. Professional fee from securities transactions amounting to ₱420,000 in 2025 and 2024, are presented as part of “General and Administrative expenses” in the statements of comprehensive income.

b) *Due from related parties*

The Company grants unsecured and unguaranteed non-interest-bearing advances to affiliates which are to be settled in cash. Details of transactions and account balances as at and for the years ended December 31 are as follows:

Related parties	Amount of transactions		Outstanding balances	
	2025	2024	2025	2024
TSI	<b>₱ 631,594</b>	₱ 1,787,316	<b>₱4,725,977</b>	₱ 4,094,383
MHDI	<b>1,324,053</b>	1,904,105	<b>4,201,580</b>	2,877,527
RSSF	-	1,160	<b>527,490</b>	527,490
LDBSC	-	-	<b>216,114</b>	216,115
CMC	-	6,206	<b>128,455</b>	128,455
KMP	<b>(18,267,520)</b>	(5,572,676)	<b>19,647,436</b>	37,914,956
Total	<b>(16,311,874)</b>	(1,873,889)	<b>29,447,052</b>	45,758,926
Less: Allowance for ECLs	-	-	<b>( 2,581,476)</b>	( 2,581,476)
	<b>(₱16,311,874)</b>	<b>(₱1,873,889)</b>	<b>₱26,865,576</b>	<b>₱ 43,177,450</b>

c) *Remuneration of key management personnel*

The remuneration of the key management personnel composing the BOD and officers as specified in PAS 24, “*Related Party Disclosures*” amounted to ₱1,291,818 and ₱1,290,000 for the years ended December 31, 2025 and 2024, respectively.

## 26. RETIREMENT BENEFITS

The Company provides for estimated retirement benefit cost required to be paid under RA 7641 to qualified employees. The Company obtained actuarial valuation to ascertain its retirement benefit obligation in accordance with the Revised PAS 19, “*Employee Benefits*.”

Unfunded retirement benefit obligations recognized in the statements of financial position as at December 31, 2025 and 2024 amounted to ₱5,593,985 and ₱4,736,365, respectively.

Movements in the retirement benefit obligation are as follows:

	2025	2024
Balance at beginning of year	<b>₱ 4,736,365</b>	₱ 4,031,626
Provision for retirement benefits: – note 21		
Current service cost	<b>555,708</b>	505,189
Interest expense	<b>351,912</b>	299,550
	<b>907,620</b>	804,739
Retirement benefits paid	<b>( 50,000)</b>	( 100,000)
Balance at end of year	<b>₱5,593,985</b>	₱ 4,736,365

The significant actuarial assumptions used are as follows:

	2025	2024
Discount rate	<b>7.43%</b>	7.43%
Salary increase rate	<b>10.00%</b>	10.00%

The discount rate at December 31, 2025 and 2024, also called the zero yield curve, was derived by applying the procedure of bootstrapping on the bonds included in the Php. BVAL in 2019 and PDST-R2 Index in 2018, projected as of the valuation date. Assumptions regarding mortality experience are based on 100% of the adjusted 1985 Unisex Annuity Table and 100% of the adjusted 1952 Disability Table reflecting experience improvement and Philippine experience.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	<b>Change in assumption</b>	<b>Increase in assumptions</b>	<b>Decrease in assumptions</b>
Discount rate	+/- 100 bps	(₱241,092); (9.4%)	₱296,550; 11.5%
Salary increase rate	+/- 100 bps	₱286,009; 11.1%	(₱237,956); (9.3%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement plan, the Company is exposed to a number of risks, the most significant of which are as follows:

- Changes in bond yield – A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The weighted average duration of the defined benefit obligation is 10.50 years.

## 27. LEASE COMMITMENT

On October 1, 2024, the Company entered into a lease agreement for its storage unit for a period of three (3) years commencing October 1, 2024 at a monthly rental of ₱29,172 subject to 5% escalation rate on the third year of lease period.

The present value of the lease liability as at December 31 is as follows:

	<b>2025</b>	<b>2024</b>
Carrying value of loan at beginning of year	<b>₱ 900,682</b>	₱ 257,147
Additions	-	973,954
Payments	<b>( 304,303)</b>	( 330,419)
Carrying value of loan at end of year	<b>596,379</b>	900,682
Less: Current portion	<b>268,909</b>	304,303
Noncurrent portion	<b>₱ 596,378</b>	₱ 596,379

Amounts recognized in profit and loss:

	2025		2024
Depreciation – note 9	₱ 324,651	₱	312,669
Interest on lease liability – note 23	45,763		19,647
	<b>₱ 370,414</b>	₱	<b>332,316</b>

The future minimum lease payments as at December 31 are as follows:

	2025		2024
Due within 1 year	₱ 354,442	₱	350,066
Due after one to two years	275,676		630,189
Future minimum lease payments	630,118		980,185
Amounts representing finance charges	( 33,740)	(	79,503)
	<b>₱ 596,378</b>	₱	<b>900,682</b>

The net carrying amount of the right-of-use assets recognized is as follows:

	2025		2024
Cost	₱ 973,954	₱	973,954
Accumulated depreciation	( 405,814)	(	81,163)
	<b>₱ 568,140</b>	₱	<b>892,791</b>

## 28. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that the Company maintains healthy capital ratios in order to support its business, pay existing obligations and maximize shareholders value. The Company manages its capital structure and makes adjustments to it, in light with economic conditions. No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.

The Company being a registered broker in securities is subject to the stringent rules of the SEC and PSE with respect to the maintenance of specific levels of risk-based capital adequacy (RBCA) ratios. RBCA is a ratio that compares the broker or dealer's total measured risk to its liquid capital.

SEC Memorandum Circular No. 16 dated November 11, 2004 as approved by the SEC provides the guidelines on the adoption in the Philippines of the RBCA Framework for all registered brokers dealers in accordance with SRC. RBCA also covers the following risks: (a) position or market risks, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operational risk.

As a rule, the Company must maintain an RBCA ratio of at least 110% and a net liquid capital (NLC) of at least ₱5 million or five percent (5%) of its aggregate indebtedness, whichever is higher.

Also, the Aggregate Indebtedness (AI) of every stock broker should not exceed two thousand (2,000%) of its NLC.

The Amended Implementing Rules and Regulations of the Securities Regulation Code (SRC) issued by SEC and became effective February 28, 2004 provides, the revised terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows: (a) to allow a net capital of ₱2.5 million or 2.50% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities, (b) to allow the SEC to set a different net capital requirement for those authorized to use the Risk-Based Capital Adequacy (RBCA) model, and (c) to require unimpaired paid-up capital of ₱100 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; ₱30 million plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

In the event that the minimum RBCA ratio of 110% or the minimum NLC is breached, the Company shall immediately cease doing business as a broker and shall notify PSE and SEC. As at December 31, 2025 and 2024, the Company is in compliance with the other RBCA requirements as follows:

The Company's capital pertains to equity eligible for NLC adjusted for ineligible assets.

	2025	2024
Equity eligible for net liquid capital	<b>₱91,750,383</b>	₱106,820,975
Less: Ineligible assets	<b>33,839,035</b>	54,963,926
<b>Net liquid capital (NLC)</b>	<b>₱57,911,348</b>	₱ 51,857,049
Position risk	<b>₱20,572,789</b>	₱ 23,440,903
Operational risk	<b>1,723,880</b>	3,149,040
Counterparty risk	<b>10,391</b>	-
Large exposure risk	<b>11,784,946</b>	14,663,844
<b>Total risk capital requirement</b>	<b>₱34,092,006</b>	₱ 41,253,787
<b>Aggregate indebtedness (AI)</b>	<b>₱84,833,854</b>	₱ 81,384,247
5% of AI	<b>₱4,241,693</b>	₱ 4,069,212
Required NLC	<b>5,000,000</b>	5,000,000
<b>Net Risk-Based Capital Excess</b>	<b>₱52,911,348</b>	₱ 46,857,049
Ratio of AI to NLC	<b>146%</b>	157%
RBCA ratio	<b>170%</b>	126%

The following are the definition of terms used in the above computation:

1. Ineligible assets

These pertain to fixed assets and assets which cannot be readily convertible to cash.

2. Operational risk requirement

The amount required to cover a level of operational risk which is the exposure 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 or failed internal processes, people and systems which include, among others, risk of fraud, operational or settlement failure and shortage of liquid resources, or from external events.

3. Position risk requirement

The amount necessary to accommodate a given level of position risk which is the risk a broker dealer is exposed to and arising from securities held by it as a principal or in its proprietary or dealer account.

4. Aggregate Indebtedness

Total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, the market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' account having short positions in securities subject to the exclusions provided in the said SEC Memorandum.

On May 28, 2009, the SEC approved the PSE's Rule Governing Trading Rights and Trading Participants, which supersedes the Membership Rules of the PSE. Section 8 (c) of Article III of the said rules requires trading participants to have a minimum unimpaired paid-up capital, as defined by the SEC, of ₱20 million effective December 31, 2009, and ₱30 million effective December 31, 2010 and onwards. In 2025 and 2024, the Company is compliant with the new capital requirement.

In addition to the above requirements, SRC Rule 49.1 (B), Reserve Fund, also requires that every broker shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to Appropriated Retained Earnings. Minimum appropriations shall be 30%, 20% and 10% of profit after tax for brokers/dealers with unimpaired paid-up capital of ₱10 million to ₱30 million, between ₱30 million to ₱50 million and more than ₱50 million, respectively.

The Company's regulated operations have complied with all externally-imposed capital requirements as at December 31, 2025 and 2024.

**29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise of cash (excluding cash on hand), financial assets at FVPL, financial assets at FVOCI, trade receivables and other receivables, trade payables, other current liabilities (excluding local and other taxes and other liabilities to government agencies) and borrowings, which arise from current operations. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company does not actively engage in trading of financial assets for speculative purposes, nor does it have options.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and equity price risk. The BOD reviews and agrees on the policies for managing each of these risks. A summary of which follows:

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfil their obligations, as and when they fall due. It is inherent to the stock brokerage business as potential losses may arise due to the failure of its customers and counterparties to fulfil their trading obligations on settlement dates or the possibility that the value of collateral held to secure obligations becoming inadequate due to adverse market conditions. The Company's credit risk is primarily attributable to its cash in banks, trade receivables, advances to officers and employees and other receivables.

The Company's current credit risk grading framework is as follows:

Category	Description	Basis for recognizing ECL	Minimum allowance for credit loss	Stage
Performing	Low risk of default and does not have any past due	12- month ECL	0%	1
Doubtful	Past due account beyond the normal credit terms; Significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired	2%	2
In default	Indicating asset is credit impaired	Lifetime ECL – credit impaired	50%	3
Write off	There is evidence indicating and the Company has no realistic prospect of recovery	Amount is written off	100%	4

The table below shows the Company's maximum exposure to credit risk and the credit quality of the Company's financial assets:

**December 31, 2025**

	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash*	No ECL (a)	₱ 25,951,327	₱ -	₱ 25,951,327
Trade receivables	12- month ECL (b)	59,559,828	( 2,277,085)	57,282,742
Others	No ECL (c)	175,391	-	175,391
		<b>₱ 85,686,546</b>	<b>(₱ 2,277,085)</b>	<b>₱ 83,409,460</b>

\*excluding cash on hand

**December 31, 2024**

	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash*	No ECL (a)	₱ 13,785,571	₱ -	₱ 13,785,571
Trade receivables	12- month ECL (b)	44,383,046	( 2,781,817)	41,601,229
Others	No ECL (c)	204,751	-	204,751
		<b>₱ 58,373,368</b>	<b>(₱ 2,781,817)</b>	<b>₱ 55,591,551</b>

\*excluding cash on hand

- a) Cash in banks are assessed to have low credit risk at each reporting period. Cash balances are held by reputable banking institutions; hence, no ECL is recognized.
- b) For its trade receivables, the Company adopted a policy that all customers who wish to trade on credit are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis by taking into account the financial position, past collection experience and other market factors. The aging of the trade receivable balances was based on SRC. As at December 31, 2025 and 2024, ₱57,700,807 and ₱41,003,006 of total receivables from customers is fully secured by collateral comprising of equity securities of listed companies with total market value of ₱639,476,118 and ₱725,242,378, respectively (see Note 6). There is no concentration of credit risk into a single counter party as at December 31, 2025 and 2024.
- c) The Company's other receivables are neither classified as past due nor impaired since collection is evident, hence no ECL is recognized.

*Aging analysis of financial assets*

The following tables show the Company's aging analysis of past due but not impaired financial assets:

**December 31, 2025**

	Neither past due nor impaired		Past due but not impaired			Total
	Current	T+0 to T+2 days	T+3 to T+13 days	T+14 to T+30 days	T+31 to T+365 days	
Cash	₱25,951,327	₱ -	₱ -	₱ -	₱ -	₱25,951,327
Trade receivables	-	540,887	765,509	16,208,988	42,053,098	59,568,482
Others	175,391	-	-	-	-	175,391
	₱26,126,718	₱ 540,887	₱ 765,509	₱16,208,988	₱42,053,098	₱85,695,200

**December 31, 2024**

	Neither past due nor impaired		Past due but not impaired			Total
	Current	T+0 to T+2 days	T+3 to T+13 days	T+14 to T+30 days	T+31 to T+365 days	
Cash	₱ 13,785,571	₱ -	₱ -	₱ -	₱ -	₱13,785,571
Trade receivables	-	2,551,347	8,241,221	16,524,578	17,065,900	44,383,046
Others	204,751	-	-	-	-	204,751
	₱ 13,990,322	₱ 2,551,347	₱8,241,221	₱16,524,578	₱ 17,065,900	₱58,373,368

Liquidity risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstances.

The Company's liquidity is closely monitored by the treasurer in coordination with the BOD and focuses on actively securing the Company's short to medium term cash flows. Details on the calculation of Net Liquidity Capital (NLC) ratio to Total Risks Capital Requirements (TRCR) under SRC Rule 28.1 of the SEC is fully discussed in Note 28.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

**December 31, 2025**

	<b>One to Three Months</b>	<b>Three Months to One Year</b>	<b>More than One Year</b>	<b>Total</b>
Trade payables	₱ 81,378,152	₱ -	₱ -	₱ 81,378,152
Other current liabilities*	1,650,452			1,650,452
	<b>₱ 83,028,604</b>	<b>₱ -</b>	<b>₱ -</b>	<b>₱ 83,028,604</b>

\*excluding due to government agencies as at December 31, 2025 and 2024.

**December 31, 2024**

	<b>One to Three Months</b>	<b>Three Months to One Year</b>	<b>More than One Year</b>	<b>Total</b>
Trade payables	₱ 71,327,567	₱ -	₱ -	₱ 71,327,567
Other current liabilities*	769,969	-	-	769,969
	<b>₱ 72,097,536</b>	<b>₱ -</b>	<b>₱ -</b>	<b>₱ 72,097,536</b>

\*excluding due to government agencies as at December 31, 2024 and 2023.

As at December 31, 2025 and 2024, all the Company's financial liabilities are contractually payable on demand. Correspondingly, the financial assets that can be used by the Company to manage its liquidity risk as at December 31, 2025 and 2024 consist of cash in bank, trade receivables and financial assets at FVPL.

**Market risk**

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes. The Company's market risk originates from its holdings of equity instruments.

*Interest rate risk*

The Company's exposure to the risks of changes in market rates is not significant in as much as the Company short-term deposits is immaterial.

*Foreign currency risk*

The Company undertakes certain transactions denominated in foreign currency. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in U.S. Dollar (US \$).

Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Company believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for a financial institution engaged in the type of business in which the Company is engaged.

The Company's U.S. dollar-denominated financial instruments, pertains only to cash in bank (savings account), translated into Philippine Peso at the closing rates, amounting to ₱97,211 and ₱95,875 as at December 31, 2025 and 2024, respectively.

The Company recognized net unrealized foreign exchange gain (loss) amounting to ₱1,308 and ₱4,043 in the statements of comprehensive income included under "Other operating income (expenses) (net)" account for the years ended December 31, 2025 and 2024, respectively (see Note 22).

This resulted from the movements of the Philippine Peso against the US Dollar as shown in the following table:

Dates	Philippine Peso to US Dollar
<b>December 31, 2025</b>	<b>₱58.805</b>
December 31, 2024	57.842
December 31, 2023	55.567

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar rate, with all variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets) and the Company's equity:

Currency	Appreciation (Depreciation) of PHP	Effect in Income Before Tax	
		2025	2024
U.S. Dollar	100	₱	₱ 3,925
	50		1,963
	(100)		( 3,925)
	( 50)		( 1,963)

Comparing the average U.S. Dollar-Philippine peso exchange rates, the U.S. Dollar is strengthened by 1.67% against the Philippine peso from December 31, 2024 to December 31, 2025 (strengthened by 4.09% against the Philippine Peso from December 31, 2024 to December 31, 2025) based on analysis performed using historical movements of the U.S. Dollar against the Philippine peso. If the U.S. Dollar had weakened by 1.67% at December 31, 2025 (weakened by 4.09% at December 31, 2024) against the Philippine peso with all other variables held constant, pre-tax profit for the year would have been ₱1,622 higher (₱3,925 higher in 2024), mainly as a result of foreign exchange gain on transaction of U.S. Dollar-denominated cash in bank.

#### *Equity Price Risk*

Equity price risk is the risk to the earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Company's exposure to equity price risk relates primarily to its financial assets at FVPL which pertains to investments in shares of stocks of companies listed in PSE. The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

The observed volatility rates using standard deviation of the fair values of the Company's financial asset held at fair value and their impact on the Company's income before tax as at December 31, 2025 and 2023 are summarized below:

Currency	Volatility Rates	Appreciation (Depreciation)	Effect in Income Before Tax	
			2025	2024
Equity securities listed in the Philippines	10%	100	<b>(P 1,012,733)</b>	P 73,733
		50	<b>( 506,440)</b>	36,866
		(100)	<b>1,012,733</b>	( 73,733)
		( 50)	<b>506,440</b>	( 36,866)

### 30. FAIR VALUE MEASUREMENT AND DISCLOSURES

#### Fair value hierarchy

Except as discussed below, the Company has no other assets and liabilities measured at fair value as at December 31, 2025 and 2024. However, the Company has financial assets and financial liabilities not measured at fair value but for which fair value is required to be disclosed in accordance with other relevant PFRS. Accordingly, in accordance with PFRS 13, such financial assets and liabilities are categorized into three levels based on the significance of inputs used to measure the fair value (see Note 2).

#### Asset measured at fair value

The following table shows the Company's financial instruments carried at fair value as at December 31:

	2025	2024	Fair value hierarchy
Financial assets at FVPL	<b>P 67,865,407</b>	P 80,612,851	Level 1
Financial assets at FVOCI	<b>500,000</b>	350,000	Level 2
	<b>P 68,365,407</b>	P 80,962,851	

As of December 31, 2025 and 2024, the Company does not have financial instruments whose fair values are determined using Level 3.

The Company carries its financial assets at FVPL. This instrument is included in Level 1 wherein fair value is determined using quoted prices in active markets for identical assets or liabilities. The Company's financial assets at FVPL pertain to investment in equity securities listed in the Philippine Stock Exchange (PSE). The Company's financial asset at FVOCI pertains to investment in proprietary golf shares of Splendido Taal Residential Golf and Country Club.

The fair value of financial assets at FVPL has been determined directly by reference to published closing prices in the PSE as at December 31, 2025 and 2024. The fair value gain (loss) of P10,128,792 and P737,326 in 2025 and 2024, respectively, is shown as part of "Other operating income (expenses) (net)" in the statements of comprehensive income (see Note 22). The fair value of financial assets at FVOCI has been determined directly by reference to published bid prices as at December 31, 2025 and 2024.

Assets and liabilities not measured at fair value

*Cash, trade and other receivables, due from related parties, trade and other current liabilities*

Due to the short-term nature of the accounts, the carrying values approximate the fair values of these financial instruments.

**31. EARNINGS (LOSSES) PER SHARE**

The basic earnings (loss) per share are computed as follows:

	2025	2024
Total comprehensive loss for the year	(₱ 8,883,415)	(₱4,331,842)
Outstanding shares	1,000,000	1,000,000
	(₱ 9)	(₱ 4)

The Company has no dilutive potential common shares, therefore, the computation and amounts reported for basic and dilutive losses per share were the same.

**32. OTHER COMPREHENSIVE INCOME**

Details of other comprehensive income are as follows:

	2025	2024
<b><u>Not subject to reclassification adjustment</u></b>		
Remeasurement gain on retirement benefits obligation	₱ 1,858,896	₱ 1,858,896
<b><u>Subject to reclassification adjustment</u></b>		
Unrealized loss on financial assets at FVOCI:		
Balance at beginning of year	( 1,513,500)	( 1,713,500)
Fair value gain during the year, net of deferred taxes	150,000	200,000
Balance at end of year	( 1,363,500)	( 1,513,500)
	₱ 495,396	₱ 345,396

**33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The reconciliation about the changes in the Company's liabilities arising from financing activities, including cash changes for the year ended December 31, 2025 and 2024 are as follows:

<b><u>December 31, 2025</u></b>	<b>Balance as at January 1, 2025</b>	<b>Changes from financing cash flows</b>	<b>Balance as at December 31, 2025</b>
Borrowings	₱ 3,488,902	(₱ 1,456,249)	₱ 2,032,653
Lease liability	900,682	( 304,301)	596,378
Finance costs	-	( 322,784)	
Collection of advances to related parties	-	16,311,874	
<b>Total liabilities from financing activities</b>	<b>₱ 4,389,584</b>	<b>₱ 14,228,540</b>	<b>₱ 2,629,031</b>

<u>December 31, 2024</u>	Balance as at January 1, 2024	Changes from financing cash flows	Balance as at December 31, 2024
Borrowings	₱ 4,808,440	(₱ 1,319,538)	₱ 3,488,902
Lease liability	257,147	( 350,066)	900,682*
Finance costs	-	( 413,190)	-
Grant of advances to related parties	-	1,873,889	-
<b>Total liabilities from financing activities</b>	<b>₱ 5,065,587</b>	<b>(₱ 208,905)</b>	<b>₱ 5,206,749</b>

\*Please refer to Note 33 for the non-cash information.

### 34. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

The following information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

#### Supplementary information required by Revenue Regulations No. 15-2010

Presented below are the detailed information on taxes, duties and license fees paid or accrued by the Company during the taxable year ended December 31, 2025:

- a. Value-added tax sales of services amounted to ₱10,943,385 for taxable year 2025. Total amount of Value-added output tax on sale of services for the year ended December 31, 2025 amounted to ₱1,313,206.

- b. The details of input VAT are as follows:

	Amounts
Balance at beginning of year	₱ 98,769
Deferred input VAT from capital goods exceeding ₱1 million	-
Add: Current year's domestic purchases/payments for:	
Domestic purchases of goods other than capital goods	31,457
Domestic purchases of services	380,664
	510,890
Deduct: Claims for tax credit/ refund and other adjustments	
Deferred input VAT from capital goods exceeding ₱1 million	-
Applied to output tax during the year	(510,890)
<b>Balance at end of year</b>	<b>₱ -</b>

- c. The Company has no transactions on excise taxes and importations for the year ended December 31, 2025.
- d. The Company has paid documentary stamp tax arising from property insurance amounting to ₱4,692 for the year ended December 31, 2025.

- e. The amount of other taxes and licenses follows:

	Amounts
Local taxes:	
Mayor's permit	₱ 68,322
Community tax certificate	3,000
Realty taxes	115,781
SEC secondary license	37,450
Documentary stamp tax	4,692
Others	9,476
	₱ 238,721

- f. The amount of withholding taxes follows:

	Amounts
Tax on compensation and benefits	₱ 174,169
Expanded withholding taxes	241,139
	₱ 415,308

- g. The Company has no deficiency tax assessments with the BIR for taxable year 2025 but the Company has pending tax case for taxable year 2017 under administrative appeal with the CIR on the Final Decision on Disputed Assessment (FDDA) dated January 5, 2023 amounting to ₱3,727,349.34.

\* \* \*

Statement Required by Rule 68, Part I, Section 3.F,  
Revised Securities Regulation Code (SRC),  
As Amended on August 19, 2019

To the Board of Directors and Stockholders of  
**MERIDIAN SECURITIES, INC.**  
2702-B & C Tektite East Tower  
Philippine Stock Exchange Centre, Ortigas Center  
Pasig City, Metro Manila

We have audited the accompanying financial statements of **Meridian Securities, Inc** (the “Company”) as at and for the year ended December 31, 2025, on which we have rendered the attached report dated May 13, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Company has a total number of four (4) stockholders owning one hundred (100) or more shares each.

**DIAZ MURILLO DALUPAN AND COMPANY**

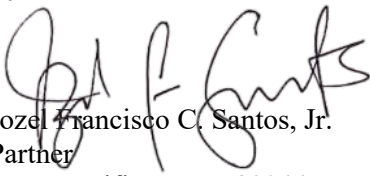
Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until June 23, 2026

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022, and  
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001911-000-2025, effective until March 25, 2028

By:



Jozel Francisco C. Santos, Jr.

Partner

CPA Certificate No. 89044

SEC Accreditation No. 1070-AR-2, Group A, issued on March 12, 2020

and valid for five years, has been extended to cover the audit of 2025 financial statements

Tax Identification No. 170-035-673

PTR No. 10771457, January 11, 2026, Makati City

BIR Accreditation No. 08-001911-003-2025, effective until March 11, 2028

May 13, 2026

**Global Reach, Global Quality**

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 894 5892 / 844 9421 / Fax: +63(2) 818 1872  
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029  
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636  
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580  
Website : [www.dmdcpa.com.ph](http://www.dmdcpa.com.ph)

## INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

To the Board of Directors and Stockholders of  
**MERIDIAN SECURITIES, INC.**  
2702-B & C Tektite East Tower  
Philippine Stock Exchange Centre, Ortigas Center  
Pasig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Meridian Securities, Inc.** as at and for the years ended December 31, 2025 and 2024, on which we have rendered the attached report dated May 13, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators shown in “**Appendix A**”, including their definitions, formulas, calculation and their appropriateness or usefulness to the intended users, are the responsibility of the Company’s management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Philippine Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company’s financial statements as at December 31, 2025 and 2024 and no material exceptions were noted.

### **DIAZ MURILLO DALUPAN AND COMPANY**

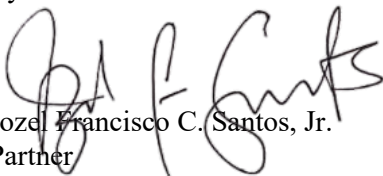
Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until June 23, 2026

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022, and  
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001911-000-2025, effective until March 25, 2028

By:



Jozel Francisco C. Santos, Jr.  
Partner

CPA Certificate No. 89044

SEC Accreditation No. 1070-AR-2, Group A, issued on March 12, 2020

and valid for five years, has been extended to cover the audit of 2025 financial statements

Tax Identification No. 170-035-673

PTR No. 10771457, January 11, 2026, Makati City

BIR Accreditation No. 08-001911-003-2025, effective until March 11, 2028

May 13, 2026

#### **Global Reach, Global Quality**

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 894 5892 / 844 9421 / Fax: +63(2) 818 1872  
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Website : [www.dmdcpa.com.ph](http://www.dmdcpa.com.ph)

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

**ANNUAL AUDITED FINANCIAL REPORT**

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

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

**IDENTIFICATION OF BROKER OR DEALER**

Name of Broker/Dealer: **MERIDIAN SECURITIES, INC.**

Address of Principal Place of Business: **2702-B&C Tektite East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City**

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

Name: Ronald S. Sante

Tel. No.: 635-6261 to 64

Fax No. : 634-6937

**IDENTIFICATION OF ACCOUNTANT**

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

Name: **DIAZ MURILLO DALUPAN AND COMPANY**  
**Jozel Francisco C. Santos, Jr.**

Tel No. : 894-58-92 to 95

Fax No.: 818-18-72

Address: **7F, Don Jacinto Building, Dela Rosa corner Salcedo Sts., Legaspi Village, Makati City**

Certificate Number: 89044

PTR Number: 10478580

BOA/PRC Registration No. 0234

Date issued: January 9, 2025

Date issued: March 17, 2022

**MERIDIAN SECURITIES, INC.**  
**ANNUAL AUDITED FINANCIAL STATEMENTS**  
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**DECEMBER 31, 2025**

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Statements of Changes in Equity	X
Statements of Cash Flows	X
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Other Opinions to Accompany Report of Independent Auditors	X
Other Schedules to Accompany Report of Independent Auditors	X
Statement of Changes in Liabilities Subordinated to Claims of General Creditors (Schedule I)	X
Computation of Risk Based Capital Adequacy (RBCA) Ratio pursuant to Securities Regulation Code (SRC) Rule 49.1-1 (Schedule II)	X
Information Relating to the Possession or Control Requirements under Annex F of SRC Rule 49.2-1 (Schedule III)	X
Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2-1 (Schedule IV)	X
A report describing any material inadequacies found to exist or found to have existed since the date of the audit (Schedule V)	X
Results of Quarterly Securities Count Conducted Pursuant to SRC Rule 49.2-1 as of the Date of the Balance Sheets in the Annual Audited Financial Statements (Schedule VI)	X

**Schedule I**

**MERIDIAN SECURITIES, INC.  
Statement of Changes in Liabilities Subordinated  
to Claims of General Creditors  
December 31, 2025**

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There are no liabilities subordinated to the claims of general creditors.

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**MERIDIAN SECURITIES, INC.**  
**RISK-BASED CAPITAL ADEQUACY WORKSHEET**  
**December 31, 2025**

<b>Assets</b>	<b>205,865,456</b>
<b>Liabilities</b>	<b>95,922,669</b>
<b>Equity as per books</b>	<b>109,942,787</b>
<b>Adjustments to Equity per books</b>	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / ( Loss ) in proprietary accounts	
Deferred Income Tax	<b>(18,192,404)</b>
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	<b>(18,192,404)</b>
<b>Total Adjustments to Equity per books</b>	
	<b>91,750,383</b>
<b>Equity Eligible For Net Liquid Capital</b>	
<b>Contingencies and Guarantees</b>	
Deduct: <a href="#">Contingent Liability</a>	
<a href="#">Guarantees or indemnities</a>	
<b>Ineligible Assets</b>	<b>2,381,954</b>
a. Trading Right and all Other Intangible Assets (net)	7,218,140
b. Intercompany Receivables	4,767,702
c. Fixed Assets, net of accumulated and excluding those used as collateral	
d. All Other Current Assets	17,658,866
e. Securities Not Readily Marketable	350,000
f. Negative Exposure (SCCP)	
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. <a href="#">Ineligible Insurance claims</a>	
j. <a href="#">Ineligible Deposits</a>	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	1,462,372
<b>Total ineligible assets</b>	<b>33,839,035</b>
<b>Net Liquid Capital (NLC)</b>	<b>57,911,348</b>
<b>Less:</b>	
<a href="#">Operational Risk Reqt (Schedule ORR-1)</a>	<b>1,723,880</b>
<a href="#">Position Risk Reqt (Schedule PRR-1)</a>	<b>20,572,789</b>
<a href="#">Counterparty Risk (Schedule CRR-1 and detailed schedules)</a>	<b>10,391</b>
<b>Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)</b>	
<a href="#">LERR to a single client (LERR-1)</a>	
<a href="#">LERR to a single debt (LERR-2)</a>	
<a href="#">LERR to a single issuer and group of companies (LERR-3)</a>	<b>11,784,946</b>

<b>Total Risk Capital Requirement ( TRCR )</b>	<b>34,092,006</b>
<b>Net RBCA Margin (NLC-TRCR)</b>	<b>23,819,341</b>
<b>Liabilities</b>	<b>95,922,669</b>
<b>Add: Deposit for Future Stock Subscription (No application with SEC)</b>	
<b>Less: Exclusions from Aggregate Indebtedness</b>	
<u>Subordinated Liabilites</u>	
<u>Loans secured by securities</u>	
<u>Loans secured by fixed assets</u>	2,032,653
<u>Others</u>	9,056,163
<b>Total adjustments to AI</b>	<b>(11,088,816)</b>
<b>Aggregate Indebtedness</b>	<b>84,833,854</b>
<b>5% of Aggregate Indebtedness</b>	<b>4,241,693</b>
<b>Required Net Liquid Capital (&gt; of 5% of AI or P5M)</b>	<b>5,000,000</b>
<b>Net Risk-based Capital Excess / ( Deficiency )</b>	<b>52,911,348</b>
<b>Ratio of AI to Net Liquid Capital</b>	<b>146%</b>
<b>RBCA Ratio (NLC / TRCR)</b>	<b>170%</b>

**MERIDIAN SECURITIES, INC.**  
**Information Relating to Possession or Control Requirements**  
**Under Annex F of SRC Rule 49.2-1**  
**December 31, 2025**

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

Market Valuation	P	NIL
------------------	---	-----

Number of items		NIL
-----------------	--	-----

2. Customer's 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	NIL
------------------	---	-----

Number of items		NIL
-----------------	--	-----

**Schedule IV**

**MERIDIAN SECURITIES, INC.**  
**Formula for Determination of**  
**Reserve Requirements of Brokers and Dealers**  
**Under Annex G of SRC Rule 49.2-1**  
**December 31, 2025**

	<b>CREDITS</b>	<b>DEBITS</b>
1. Free credit balances and other credit balances in customers' security accounts	₱ 43,590,308	
2. Monies borrowed collateralized by securities carried for the account of customers.	NIL	
3. Monies payable against customers' securities loaned.	NIL	
4. Customer's securities failed to receive.	₱ 2,295,140	
5. Credit balances in firm accounts which are attributable to principal sales to customers.	NIL	
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 45 calendar days.	NIL	
7. Market value of short security count differences over 30 calendar days old.	NIL	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	NIL	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	NIL	
10. Debit balances in customer's cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱ 42,086,075
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		NIL
12. Failed to deliver customers' securities not older than 30 calendar days.		NIL
	<b>₱ 45,885,448</b>	<b>₱ 42,086,075</b>
13. Excess of total credits (sum of items 1-9) over total debits (sum of items 10-12) required to be on deposit in the "Reserve Bank Account." If the computation is made monthly as permitted by paragraph (4) of SRC Rule 49.2-1, the deposit shall be not less than 105 percent of the excess of total credits over total debits.		-

**MERIDIAN SECURITIES, INC.**  
Pasig City

**A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST  
OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE AUDIT.**

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**During the current year's audit, we noted no material inadequacies that exist or  
found to have existed since the date of audit covering the year ended  
December 31, 2025.**

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**MERIDIAN SECURITIES, INC.  
RESULTS OF QUARTERLY SECURITIES COUNT  
CONDUCTED PURSUANT TO SRC RULE 49.2-1  
December 31, 2025**

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There is no discrepancy in the results of the securities count conducted.  
Please see attached summary.

---

**MERIDIAN SECURITIES, INC.**

Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10

As at December 31, 2025

STOCK CODE	STOCK NAME	TOTAL SHARES	PER RECORD MARKET VALUE	TOTAL MARKET VALUE	TOTAL SHARES	PER COUNT MARKET VALUE	TOTAL MARKET VALUE
2GO	2GO GROUP, INC.	-	0.0000	-	-	-	-
AAA	ASIA AMALGAMATED HOLDINGS.	421,295,536	0.0500	21,064,777	421,295,536	0.0500	21,064,777
AB	ATOK BIG-WEDGE-A	20	2.0600	41	20	2.0600	41
ABA	ABACORE CAPITAL HOLDINGS, INC.	1,497,920	0.2600	389,459	1,497,920	0.2600	389,459
ABG	ASIABEST GROUP INTERNATIONAL INC.,	51	18.7800	958	51	18.7800	958
ABS	ABS-CBN BROADCASTING CORPORATION	401,145	4.2100	1,688,820	401,145	4.2100	1,688,820
ABSP	ABS-CBN PDR	12,502	3.4100	42,632	12,502	3.4100	42,632
ABSP1	ABS-CBN CORPORATION PREFERRED SHARE	93,133	0.0000	-	93,133	0.0000	-
AC	AYALA CORPORATION "A"	17,348	468.0000	8,118,864	17,348	468.0000	8,118,864
ACEN(ACEPH)	AC ENERGY PHILIPPINES, INC.	7,182,270	2.7200	19,535,774	7,182,270	2.7200	19,535,774
ACEX(PHN)	ACE ENEXOR, INC.	-	0.0000	-	-	0.0000	-
ACPB1	AYALA CORPORATION PREFERRED SERIES1	-	0.0000	-	-	0.0000	-
ACR	ALSONS CONS. RESOURCES	6,859,000	0.4700	3,223,730	6,859,000	0.4700	3,223,730
ACV	AYALA CORPORATION VOTING PREFERRED	14,724	0.0000	-	14,724	0.0000	-
AEV	ABOITIZ EQUITY VENTURES, INC.	316,323	28.0000	8,857,044	316,323	28.0000	8,857,044
AGI	ALLIANCE GLOBAL, INC.	851,700	8.1900	6,975,423	851,700	8.1900	6,975,423
ALCO	ARTHALAND CORPORATION	3,928,249	0.4200	1,649,865	3,928,249	0.4200	1,649,865
ALCPB	-	-	0.0000	-	-	0.0000	-
ALCPC	ARTHALAND CORPORATION PREFERRED - C	-	0.0000	-	-	0.0000	-
ALI	AYALA LAND, INC.	723,341	22.4500	16,239,005	723,341	22.4500	16,239,005
ALIP	-	-	0.0000	-	-	0.0000	-
ALLDY	ALLDAY MARTS, INC.	6,476,000	0.0310	200,756	6,476,000	0.0310	200,756
ALLHC(POPI)	AYALA LAND AND LOGISTICS HOLDINGS C	459,100	1.3000	596,830	459,100	1.3000	596,830
ALTER	ALTERNERGY HOLDINGS CORPORATION	1,337,000	0.8400	1,123,080	1,337,000	0.8400	1,123,080
ANI	AGRINURTURE INC.	34,600	0.5400	18,684	34,600	0.5400	18,684
ANS	A. SORIANO CORPORATION "A"	231,587	14.4000	3,334,853	231,587	14.4000	3,334,853
AP	ABOITIZ POWER CORP.	676,725	44.0000	29,775,900	676,725	44.0000	29,775,900
APC	ASIAN PETROLEUM CORP.	2,546,000	0.1060	269,876	2,546,000	0.1060	269,876
APL(YEHEY)	APOLLO GLOBAL CAPITAL, INC	3,499,313,300	0.0050	17,496,567	3,499,313,300	0.0050	17,496,567
APO	ANGLO-PHIL. OIL & MINING CORP "A"	12,094,866	0.7000	8,466,406	12,094,866	0.7000	8,466,406
APVI	ALTUS PROPERTY VENTURES INC	237	8.4000	1,991	237	8.4000	1,991
APX	APEX MINING COMPANY, INC. "A"	1,186,300	12.4400	14,757,572	1,186,300	12.4400	14,757,572
AR	ABRA MINING & INDUSTRIAL CORP.	335,700,000	0.0046	1,544,220	335,700,000	0.0046	1,544,220
ARA	ARANETA PROPERTIES	685,205	0.4000	274,082	685,205	0.4000	274,082
AREIT	AYALA LAND INC REIT	118,701	43.5000	5,163,494	118,701	43.5000	5,163,494
ASLAG	RASLAG CORP.	200,000	0.8200	164,000	200,000	0.8200	164,000
AT	ATLAS CONS.MNG.&DEVT. CORP. "A"	8,300,123	6.0300	50,049,742	8,300,123	6.0300	50,049,742
ATI	ASIAN TERMINAL INC.	194,499	34.5000	6,710,216	194,499	34.5000	6,710,216
ATN	ATN HOLDINGS, INC.	8,819,000	0.4950	4,365,405	8,819,000	0.4950	4,365,405
ATNB	ATN HOLDINGS, INC. "B"	20,000	0.4950	9,900	20,000	0.4950	9,900
AUB	ASIA UNITED BANK	608,274	39.2000	23,844,341	608,274	39.2000	23,844,341
AXLM	AXELUM RESOURCES CORP.	636,000	2.3600	1,500,960	636,000	2.3600	1,500,960
BALAI	BALAI NI FRUTAS, INC.	-	0.0000	-	-	0.0000	-
BC	BENGUET CORPORATION "A"	1,308,075	5.0000	6,540,375	1,308,075	5.0000	6,540,375
BCB	BENGUET CORPORATION "B"	-	0.0000	-	-	0.0000	-
BCOR	BERJAYA PHILIPPINES INC.	-	0.0000	-	-	0.0000	-
BDO	BANCO DE ORO UNIVERSAL BANK	364,294	134.6000	49,033,972	364,294	134.6000	49,033,972
BEL	BELLE RESOURCES CORPORATION	1,945,096	1.3200	2,567,527	1,945,096	1.3200	2,567,527
BF	BANCO FILIPINO	-	0.0000	-	-	0.0000	-
BFC	BANCO FILIPINO CON. PREFERRED	-	0.0000	-	-	0.0000	-
BHI	BOULEVARD PROPERTIES & HOLDINGS, IN	81,530,000	0.0390	3,179,670	81,530,000	0.0390	3,179,670
BLFI	BDO LEASING AND FINANCE, INC.	-	0.0000	-	-	0.0000	-
BLOOM	BLOOMBERRY RESORTS CORPORATION	2,304,250	2.5400	5,852,795	2,304,250	2.5400	5,852,795
BNCOM	BANK OF COMMERCE	191,900	9.2000	1,765,480	191,900	9.2000	1,765,480
BPI	BANK OF THE PHILIPPINE ISLANDS	1,115,790	116.1000	129,543,219	1,115,790	116.1000	129,543,219
BRN	A BROWN COMPANY, INC.	1,541,136	0.9300	1,433,256	1,541,136	0.9300	1,433,256
BRNP	A BROWN CO INC. PREFERRED	-	0.0000	-	-	0.0000	-
BSC	BASIC CONSOLIDATED, INC.	11,384,041	0.1170	1,331,933	11,384,041	0.1170	1,331,933
C(CLC)	CHELSEA LOGISTICS HOLDINGS CORP.	1,007,596	0.9500	957,216	1,007,596	0.9500	957,216
CAL	CALATA CORPORATION	-	0.0000	-	-	0.0000	-
CBC	CHINA BANK	1,506,481	57.0000	85,869,417	1,506,481	57.0000	85,869,417
CEB	CEBU AIR, INC.	306,860	32.0000	9,819,520	306,860	32.0000	9,819,520
CEBCP	CEBU AIR INC. PREFERRED	132,785	35.0000	4,647,475	132,785	35.0000	4,647,475
CEI	CROWN EQUITIES, INC.	3,905,000	0.0720	281,160	3,905,000	0.0720	281,160
CEU	CENTRO ESCOLAR UNIVERSITY	1,200	15.7000	18,840	1,200	15.7000	18,840
CHI	CEBU HOLDINGS, INC.	-	0.0000	-	-	0.0000	-
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	6,347,900	1.0900	6,919,211	6,347,900	1.0900	6,919,211
CIC	CONCEPCION INDUSTRIAL CORPORATION	303,080	13.6000	4,121,888	303,080	13.6000	4,121,888
CLI	CEBU LANDMASTERS, INC.	470,980	2.3500	1,106,803	470,980	2.3500	1,106,803
CNPF	CENTURY PACIFIC FOOD, INC.	58,950	39.0000	2,299,050	58,950	39.0000	2,299,050
	CONVERGE INFORMATION AND COMMUNICATION						
CNVRG	TECHNOLOGY SOLUTIONS, INC.	990,900	15.3200	15,180,588	990,900	15.3200	15,180,588
COAL	COAL ASIA HOLDINGS INCORPORATED	5,230,000	0.0280	146,440	5,230,000	0.0280	146,440
COAT	CHEMREZ TECHNOLOGIES, INC.	14,000	5.1000	71,400	14,000	5.1000	71,400
COL	COL FINANCIAL GROUP INC.	-	0.0000	-	-	0.0000	-
COSCO	COSCO CAPITAL, INC.	1,960,112	6.9900	13,701,183	1,960,112	6.9900	13,701,183
CPG	CENTURY PROPERTIES GROUP INC.	43,278,759	0.6900	29,862,344	43,278,759	0.6900	29,862,344
CPM	CENTURY PEAK HOLDINGS CORPORATION	404,000	2.3900	965,560	404,000	2.3900	965,560
CREC	CITICORE RENEWABLE ENERGY CORP.	90,000	4.2800	385,200	90,000	4.2800	385,200
CREIT	CITICORE ENERGY REIT CORPORATION	4,843,000	3.5700	17,289,510	4,843,000	3.5700	17,289,510
CROWN	CROWN ASIA CHEMICALS CORPORATION	229,000	1.6800	384,720	229,000	1.6800	384,720
CTS	CTS GLOBAL EQUITY GROUP, INC.	199,000	0.3600	71,640	199,000	0.3600	71,640
CYBR	CYBER BAY CORPORATION	19,196,000	0.3300	6,334,680	19,196,000	0.3300	6,334,680
DD	DOUBLE DRAGON PROPERTIES CORP	497,838	9.2800	4,619,937	497,838	9.2800	4,619,937
DDMPR	DDMP REIT INC	6,185,830	1.0200	6,309,547	6,185,830	1.0200	6,309,547
DDPR	DOUBLE DRAGON PROPERTIES CORP. - PR	92,860	97.0000	9,007,420	92,860	97.0000	9,007,420
DELM(DMPL)	DEL MONTE PACIFIC LIMITED	27,347	4.7000	128,531	27,347	4.7000	128,531

DFNN	DFNN INC.	2,016,000	0.8000	1,612,800	2,016,000	0.8000	1,612,800
DHI	DOMINION HOLDINGS, INC.	167,365	1.3900	232,637	167,365	1.3900	232,637
DITO	DITO CME HOLDINGS CORP.	2,877,420	0.6800	1,956,646	2,877,420	0.6800	1,956,646
DIZ	DIZON COPPER SILVER MINES, INC.	40,000	5.0000	200,000	40,000	5.0000	200,000
DMC	DMCI HOLDINGS	1,882,300	10.5400	19,839,442	1,882,300	10.5400	19,839,442
DMW	D.M. WENCESLAO & ASSOCIATES, INCORPORATED	7,000	5.0000	35,000	7,000	5.0000	35,000
DNA (ALT)	PHILAB HOLDINGS CORPORATION	-	0.0000	-	-	0.0000	-
DNL	D&L INDUSTRIES, INC.	427,200	3.8500	1,644,720	427,200	3.8500	1,644,720
EAGLE	EAGLE CEMENT CORPORATION	-	0.0000	-	-	0.0000	-
ECP	EASY CALL COMM. PHIL., INC.	-	0.0000	-	-	0.0000	-
ECVC	EAST COST VULCAN CORPORATION	1,177,500	0.2700	317,925	1,177,500	0.2700	317,925
EEL	EEL CORPORATION	81,450	2.8400	231,318	81,450	2.8400	231,318
EEIPA	EEL CORP. PREFERRED SERIES A	-	0.0000	-	-	0.0000	-
EEIPB	EEL CORP. PREFERRED SERIES B	50,000	98.4000	4,920,000	50,000	98.4000	4,920,000
EG	IP E-GAME VENTURES, INC.	285,740,000	0.0094	2,685,956	285,740,000	0.0094	2,685,956
EIBA	EXPORT AND IND. BANK 'B	-	0.0000	-	-	0.0000	-
EIBB	EXPORT AND IND. BANK 'A	-	0.0000	-	-	0.0000	-
EGRN	EVERWOODS	720,000	0.0000	-	720,000	0.0000	-
ELI	EMPIRE EAST LAND	8,394,914	0.1040	873,071	8,394,914	0.1040	873,071
EMI	EMPERADOR INC.	3,000	16.0000	48,000	3,000	16.0000	48,000
ENEX	ENEX ENERGY CORP.	48,406	3.3400	161,676	48,406	3.3400	161,676
EURO	EUROMED	20,000	1.0000	20,000	20,000	1.0000	20,000
EVER	EVER GOTESCO RESOURCES INC.	-	0.0000	-	-	0.0000	-
EW	EASTWEST BANKING CORPORATION	286,195	11.6000	3,319,862	286,195	11.6000	3,319,862
FAF	FIRST ABACUS FINANCIAL	45,000	0.6600	29,700	45,000	0.6600	29,700
FB (PF)	SAN MIGUEL FOOD AND BEVERAGES, INC.	77,140	55.0000	4,242,700	77,140	55.0000	4,242,700
FCG	FIGARO COFFEE GROUP, INC.	610,000	0.5800	353,800	610,000	0.5800	353,800
FDC	FILINVEST DEV. CORP	138,413	4.5500	629,779	138,413	4.5500	629,779
FERRO	FERRONOUX HOLDINGS, INC.	-	0.0000	-	-	0.0000	-
FEU	FAR EASTERN UNIVERSITY	-	0.0000	-	-	0.0000	-
FFI	FILIPINO FUND INC.	3,976	7.5000	29,820	3,976	7.5000	29,820
FGEN	FIRST GEN CORPORATION	353,288	17.7400	6,267,329	353,288	17.7400	6,267,329
FGENG	FIRST GEN CORP. PREF - G	-	0.0000	-	-	0.0000	-
FILRT	FILINVEST REIT CORP.	348,639	3.1000	1,080,781	348,639	3.1000	1,080,781
FLI	FILINVEST LAND, INC.	17,185,413	0.7700	13,232,768	17,185,413	0.7700	13,232,768
FMETF	FIRST METRO PHIL. EQUITY ETF	970	101.0000	97,970	970	101.0000	97,970
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	2,373,165	1.3500	3,203,773	2,373,165	1.3500	3,203,773
FOOD	ALLIANCE SELECT FOODS INTERNATIONAL	214,418	0.3700	79,335	214,418	0.3700	79,335
FPH	FIRST PHIL. HOLDINGS CORP. "A"	33,284	77.0000	2,562,868	33,284	77.0000	2,562,868
FPI	FORUM PACIFIC, INC.	630,000	0.2400	151,200	630,000	0.2400	151,200
FRUIT	FRUITAS HOLDINGS, INC.	1,042,000	0.6400	666,880	1,042,000	0.6400	666,880
GEO	GEOGRACE RESOURCES PHILS., INC.	10,632,141	0.0870	924,996	10,632,141	0.0870	924,996
GERI	GLOBAL ESTATE RESORT INC.	2,083,785	0.6900	1,437,812	2,083,785	0.6900	1,437,812
GLO	GLOBE TELECOM, INC.	4,704	1,584.0000	7,451,136	4,704	1,584.0000	7,451,136
GMA7	GMA NETWORK INC	1,052,000	5.4100	5,691,320	1,052,000	5.4100	5,691,320
GMAP	GMA-PDR	203,000	5.2900	1,073,870	203,000	5.2900	1,073,870
GO	GOTESCO LAND, INC.	2,062,921	0.0000	-	2,062,921	0.0000	-
GOB	GOTESCO LAND, INC. "B"	1,000,000	0.0000	-	1,000,000	0.0000	-
GPH	GRAND PLAZA HOTEL CORP.	-	0.0000	-	-	0.0000	-
GREEN	GREENERGY HOLDINGS, INC.	1,217,234	0.1800	219,102	1,217,234	0.1800	219,102
GSMI	GINEBRA SAN MIGUEL INC.,	16,310	295.0000	4,811,450	16,310	295.0000	4,811,450
GTAP	GT CAPITAL HOLDINGS, INC.	51,039	595.0000	30,368,205	51,039	595.0000	30,368,205
HI	HOUSE OF INVESTMENT INC.	-	0.0000	-	-	0.0000	-
HLCM	-	-	0.0000	-	-	0.0000	-
HOME	ALLHOME CORPORATION	34,136,500	0.2370	8,090,351	34,136,500	0.2370	8,090,351
HOUSE	8990 HOLDINGS, INC.	-	0.0000	-	-	0.0000	-
HTI	HAUS TALK, INC.	1,282,000	1.1000	1,410,200	1,282,000	1.1000	1,410,200
HVN	GOLDEN BRIA HOLDINGS, INC.	2,024,220	1,000.0000	2,024,220,000	2,024,220	1,000.0000	2,024,220,000
I	I-REMIT, INC	1,122,704	0.1990	223,418	1,122,704	0.1990	223,418
ICT	INTL. CONTAINER TERMINAL SERV.	10,636	567.0000	6,030,612	10,636	567.0000	6,030,612
IDC	ITALPINAS DEVELOPMENT CORPORATION	2,252,476	0.8700	1,959,654	2,252,476	0.8700	1,959,654
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	177,450	3.4700	615,752	177,450	3.4700	615,752
IMP	IMPERIAL RESOURCES, INC.	11,000	0.7000	7,700	11,000	0.7000	7,700
INFRA	PHILIPPINE INFRADEV HOLDINGS INC.	4,447,000	0.3150	1,400,805	4,447,000	0.3150	1,400,805
ION	IONICS, INC.	1,073,100	1.0200	1,094,562	1,073,100	1.0200	1,094,562
IPM	IPM HOLDINGS, INC	214,268,400	1.5700	336,401,388	214,268,400	1.5700	336,401,388
IPO	I PEOPLE	18,862	6.0000	113,172	18,862	6.0000	113,172
IS	ISLAND INFORMATION & TECHNOLOGY, INC	1,880,000	0.1230	231,240	1,880,000	0.1230	231,240
JAS	JACKSTONES	10,000	1.1200	11,200	10,000	1.1200	11,200
JFC	JOLLIBEE FOODS CORPORATION	225,811	180.0000	40,645,980	225,811	180.0000	40,645,980
JFCPB	JOLLIBEE FOODS CORP PREFERRED B	-	0.0000	-	-	0.0000	-
JGS	JG SUMMIT HOLDINGS, INC.	953,905	23.6500	22,559,853	953,905	23.6500	22,559,853
JOH	JOLLIVILLE HOLDINGS CORP.	4,800	3.0800	14,784	4,800	3.0800	14,784
KEEPR (DAVIN	THE KEEPERS HOLDINGS, INC	1,585,900	2.4800	3,933,032	1,585,900	2.4800	3,933,032
KEP	KEPPEL PHILS. PROPERTIES, INC.	90,441	2.2000	198,970	90,441	2.2000	198,970
KPPI	KEPWEALTH PROPERTY PHILS., INC.	53,000	1.1900	63,070	53,000	1.1900	63,070
LAND	CITY & LAND DEVELOPERS, INC.	111,025	0.5300	58,843	111,025	0.5300	58,843
LBC	LBC EXPRESS HOLDINGS, INC.	-	0.0000	-	-	0.0000	-
LC	LEPANTO CONSOLIDATED MNG.CO. "A"	49,632,383	0.1850	9,181,991	49,632,383	0.1850	9,181,991
LCB	LEPANTO CONSOLIDATED MNG.CO. "B"	12,473,369	0.1870	2,332,520	12,473,369	0.1870	2,332,520
LFM	LIBERTY FLOUR MILL	377	33.8000	12,743	377	33.8000	12,743
LMG	LMG CHEMICALS CORP.	-	0.0000	-	-	0.0000	-
LODE (LIHC)	LODESTAR INVESTMENT HOLDINGS CORP.	33,724,000	0.3500	11,803,400	33,724,000	0.3500	11,803,400
LOTO	PACIFIC ON LINE SYSTEMS CORPORATION	27,000	1.7000	45,900	27,000	1.7000	45,900
LPC	LFM PROPERTIES CORP.	62,582	0.0410	2,566	62,582	0.0410	2,566
LPZ	LOPEZ HOLDINGS CORPORATION	2,913,967	3.7200	10,839,957	2,913,967	3.7200	10,839,957
LR	LEISURE & RESORT CORPORATION	-	0.0000	-	-	0.0000	-
LSC	LORENZO SHIPPING	170,000	0.6100	103,700	170,000	0.6100	103,700
LTG	LT GROUP INC	1,412,300	14.7800	20,873,794	1,412,300	14.7800	20,873,794
MA	MANILA MINING CORPORATION "A"	1,273,705,277	0.0073	9,298,049	1,273,705,277	0.0073	9,298,049
MAB	MANILA MINING CORPORATION "B"	199,609,890	0.0072	1,437,191	199,609,890	0.0072	1,437,191
MAC	MACROASIA CORP.	630,500	4.3400	2,736,370	630,500	4.3400	2,736,370
MACCAY	MACAY HOLDINGS INC.	-	0.0000	-	-	0.0000	-
MAH	METRO ALLIANCE HOLDINGS	20,000	0.3700	7,400	20,000	0.3700	7,400

MAHB	METRO ALLIANCE HOLDINGS'B	200,000	0.6900	138,000	200,000	0.6900	138,000
MAR3		-	0.0000	-	-	0.0000	-
MARC	MARCVENTURES HOLDINGS, INC.	3,709,739	0.7000	2,596,817	3,709,739	0.7000	2,596,817
MAXS	MAX'S GROUP,INC	187,900	2.4500	460,355	187,900	2.4500	460,355
MB	MANILA BULLETIN PUBLISHING CORP.	133,122	0.1640	21,832	133,122	0.1640	21,832
MBT	METROPOLITAN BANK & TRUST CO.	603,813	68.5000	41,361,191	603,813	68.5000	41,361,191
MED	MEDCO HOLDINGS	780,000	0.0900	70,200	780,000	0.0900	70,200
MEDIC	MEDILINES DISTRIBUTORS INC.	1,190,000	0.2600	309,400	1,190,000	0.2600	309,400
MEG	MEGAWORLD PROPERTIES & HOLDINGS INC	25,274,421	2.0800	52,570,796	25,274,421	2.0800	52,570,796
MER	MANILA ELECTRIC COMPANY	98,539	574.0000	56,561,386	98,539	574.0000	56,561,386
MFC	MANULIFE FINANCIAL CORP.	350	1,880.0000	658,000	350	1,880.0000	658,000
MG	MILLENNIUM GLOBAL HOLDINGS, INC	5,189,000	0.0600	311,340	5,189,000	0.0600	311,340
MGH	METRO GLOBAL HOLDINGS CORPORATION	30,000	0.0000	-	30,000	0.0000	-
MHC	MABUHAY HOLDINGS CORPORATION	190,000	0.1150	21,850	190,000	0.1150	21,850
MJC	MANILA JOCKEY CLUB, INC.	92,387	1.2700	117,331	92,387	1.2700	117,331
MJIC	MJCI INVESTMENTS INC.	7,000	1.0000	7,000	7,000	1.0000	7,000
MM	MERRYMART CONSUMER CORP.	2,028,000	0.4000	811,200	2,028,000	0.4000	811,200
MONDE	MONDE NISSIN CORP	1,850,500	5.8000	10,732,900	1,850,500	5.8000	10,732,900
MPI	METROPACIFIC INVESTMENT CORP.	-	0.0000	-	-	0.0000	-
MRC	MRC ALLIED INDUSTRIES INC.	392,300	0.8700	341,301	392,300	0.8700	341,301
MREIT	MREIT INC	548,000	14.0000	7,672,000	548,000	14.0000	7,672,000
MRSGL	METRO RETAIL STORES GROUP, INC.	310,036	1.1500	356,541	310,036	1.1500	356,541
MVC	MABUHAY VINYL CORP	36,000	5.1900	186,840	36,000	5.1900	186,840
MWC	MANILA WATER COMPANY	1,584,800	40.3000	63,867,440	1,584,800	40.3000	63,867,440
MWIDE	MEGAWIDE CONSTRUCTION CORP.	1,283,095	2.9900	3,836,454	1,283,095	2.9900	3,836,454
MWP2A	MEGAWIDE CONSTRUCTION CORP SERIES 2A	-	0.0000	-	-	0.0000	-
MWP2B	MEGAWIDE CONSTRUCTION CORP SERIES 2B	-	0.0000	-	-	0.0000	-
MWP4	MEGAWIDE CONSTRUCTION CORP	-	0.0000	-	-	0.0000	-
MWP5	MEGAWIDE CONSTRUCTION CORP	13,000	103.0000	1,339,000	13,000	103.0000	1,339,000
MYNLD	MAYNILAD	895,300	16.9000	15,130,570	895,300	16.9000	15,130,570
NI	NIHAO MINERAL RESOURCES	1,278,300	0.3150	402,665	1,278,300	0.3150	402,665
NIKL	NICKEL ASIA CORPORATION	13,288,470	3.8900	51,692,148	13,288,470	3.8900	51,692,148
NOW	NOW CORPORATION	3,077,200	0.6800	2,092,496	3,077,200	0.6800	2,092,496
NRCP	NATIONAL REINSURANCE CORP	14,155,000	0.7700	10,899,350	14,155,000	0.7700	10,899,350
NXGEN (ASIA)	NEXT GENESIS CORPORATION	255,000	0.0000	-	255,000	0.0000	-
OGP	OCEANGOLD (PHILIPPINES), INC.	14,900	32.2000	479,780	14,900	32.2000	479,780
OM	OMICO CORPORATION	21,104,996	0.1010	2,131,605	21,104,996	0.1010	2,131,605
OPM	ORIENTAL PET.&MINERAL CORP. "A"	671,568,630	0.0120	8,058,824	671,568,630	0.0120	8,058,824
OPMB	ORIENTAL PET.&MINERAL CORP. "B"	79,923,803	0.0120	959,086	79,923,803	0.0120	959,086
ORE	ORIENTAL PENINSULA RESOURCES GROUP,	6,437,700	0.3700	2,381,949	6,437,700	0.3700	2,381,949
OV	THE PHILODRILL CORP. "A"	728,562,944	0.0089	6,484,210	728,562,944	0.0089	6,484,210
PA	PACIFICA HLDINGS, INC.	73,500	0.9500	69,825	73,500	0.9500	69,825
PAL	PAL HOLDINGS, INC.	56,270	3.8000	213,826	56,270	3.8000	213,826
PAX	PAXYS, INC.	269,400	2.6100	703,134	269,400	2.6100	703,134
PBB	PHILIPPINE BUSINESS BANK A SAVINGS	436,339	7.7000	3,359,810	436,339	7.7000	3,359,810
PBC	PHIL. BANK OF COMMUNICATION	100	16.7000	1,670	100	16.7000	1,670
PCOR	PETRON CORPORATION	11,811,484	2.4800	29,292,480	11,811,484	2.4800	29,292,480
PCP	PICOP RESOURCES	-	0.0000	-	-	0.0000	-
PERC	PETROENERGY RESOURCES CORPORATION.	1,496,083	3.5000	5,236,291	1,496,083	3.5000	5,236,291
PGOLD	PUREGOLD PRICE CLUB,INC.	4,200	38.0000	159,600	4,200	38.0000	159,600
PHA	PREMIERE HORIZON ALLIANCE CORPORATI	3,726,000	0.2370	883,062	3,726,000	0.2370	883,062
PHC	PHILCOMSAT	544,600	1.8400	1,002,064	544,600	1.8400	1,002,064
PHES	PHIL. ESTATE CORP	770,000	0.2800	215,600	770,000	0.2800	215,600
PHR (H2O)	PH RESORTS GROUP HOLDINGS, INC.	505,000	0.1330	67,165	505,000	0.1330	67,165
PIZZA	SHAKY'S PIZZA ASIA VENTURES, INC.	56,300	6.8000	382,840	56,300	6.8000	382,840
PLC	PREMIUM LEISURE CORP.	-	0.0000	-	-	0.0000	-
PLUS	DIGIPLUS INTERACTIVE CORP.	1,547,492	16.2000	25,069,370	1,547,492	16.2000	25,069,370
PMPC	PANASONIC MANUFACTURING PHILS. CORP	100	10.8000	1,080	100	10.8000	1,080
PMT	PRIMETOWN PROPERTIES	146,100	0.0000	-	146,100	0.0000	-
PNB	PHILIPPINE NATIONAL BANK	1,590,718	54.4000	86,535,059	1,590,718	54.4000	86,535,059
PNC	PHILIPPINE NATIONAL CONST. CORP.	1,056,580	0.0000	-	1,056,580	0.0000	-
PNX	PHOENIX PETROLEUM PHILS., INC.	210,570	4.1700	878,077	210,570	4.1700	878,077
PNX3B	PHOENIX PETROLEUM PHILS., INC.	-	0.0000	-	-	0.0000	-
PPC	PRYCE PROPERTIES CORPORATION	3,100	13.2000	40,920	3,100	13.2000	40,920
PPI	PHILTOWN PROPERTIES,INC.	-	0.0000	-	-	0.0000	-
PRC	PHIL. RACING CLUB	30,148	6.6000	198,977	30,148	6.6000	198,977
PRF4E	PETRON CORPORATION PREFERRED SERIES 4e	200	1,000.0000	200,000	200	1,000.0000	200,000
PRIM	PRIME MEDIA HOLDINGS, INC.	84,368	1.3000	109,678	84,368	1.3000	109,678
PRMX	PRIMEX CORPORATION	5,000	1.2800	6,400	5,000	1.2800	6,400
PSB	PHILIPPINE SAVINGS BANK	8,717	54.0000	470,718	8,717	54.0000	470,718
PSE	PHILIPPINE STOCK EXCHANGE	159,220	205.4000	32,703,788	159,220	205.4000	32,703,788
PTT	PHIL. TELEGRAPH & TELEPHONE CORP-A	2,048,480	0.0000	-	2,048,480	0.0000	-
PX	PHILEX MINING CORP.	9,302,273	9.9000	92,092,503	9,302,273	9.9000	92,092,503
PXP	PXP ENERGY CORPORATION	697,758	2.3800	1,660,664	697,758	2.3800	1,660,664
RCB	RIZAL COMMERCIAL BANKING CORP. "A"	321,065	25.9500	8,331,637	321,065	25.9500	8,331,637
RCI	ROXAS AND COMPANY, INC.	953,000	2.6800	2,554,040	953,000	2.6800	2,554,040
RCR	RL COMMERCIAL REIT INC.	2,169,200	8.0200	17,396,984	2,169,200	8.0200	17,396,984
REDC	REPOWER ENERGY DEVELOPMENT CORP.	60,000	6.3500	381,000	60,000	6.3500	381,000
RFM	RFM CORPORATION	99,572	4.7500	472,967	99,572	4.7500	472,967
RLC	ROBINSON LAND CORPORATION	126,696	16.1600	2,047,407	126,696	16.1600	2,047,407
RLT	PHIL. REALTY & HOLDINGS CORP.	2,625,344	0.1090	286,162	2,625,344	0.1090	286,162
ROCK	ROCKWELL LAND	514,411	1.8500	951,660	514,411	1.8500	951,660
RPC	REYNOLDS PHILS.	-	0.0000	-	-	0.0000	-
RRHI	ROBINSONS RETAIL HOLDINGS,INC.	2,900	33.0500	95,845	2,900	33.0500	95,845
SBS	SBS PHILIPPINES CORPORATION	172,039	3.8900	669,232	172,039	3.8900	669,232
SCC	SEMIRARA MINING AND POWER CORP.	575,250	28.2500	16,250,813	575,250	28.2500	16,250,813
SECB	SECURITY BANK CORP.	64,953	65.6500	4,264,164	64,953	65.6500	4,264,164
SECB1	SECURITY BANK PREFERRED	913	0.0000	-	913	0.0000	-
SEVN	PHILIPPINE SEVEN CORP.	2,555	37.0000	94,535	2,555	37.0000	94,535
SFI	SWIFT FOODS, INC.	2,797,158	0.0470	131,466	2,797,158	0.0470	131,466
SFIP	SFI PREFERRED	4,661	1.5500	7,225	4,661	1.5500	7,225
SGI	SOLID GROUP INC.	161,000	1.2700	204,470	161,000	1.2700	204,470
SGP	SYNERGY GRID & DEV'T PHILS., INC	1,706,900	16.5600	28,266,264	1,706,900	16.5600	28,266,264
SHLPH	PILIPINAS SHELL PETROLEUM CORP.	11,469,600	6.9300	79,484,328	11,469,600	6.9300	79,484,328
SHNG	SHANG PROPERTIES, INC.	49,094	3.5400	173,793	49,094	3.5400	173,793

SLF	SUN LIFE FINANCIAL INC.	4,496	3,440,000	15,466,240	4,496	3,440,000	15,466,240
SM	SM INVESTMENT CORP.	9,596	699,500	6,712,402	9,596	699,500	6,712,402
SMC	SAN MIGUEL CORPORATION "A"	560,777	82,000	45,983,714	560,777	82,000	45,983,714
SMC2F	SAN MIGUEL CORP. SERIES 2F - PREF.	-	0.0000	-	-	0.0000	-
SMC2H	SAN MIGUEL CORP. SERIES 2H - PREF.	-	0.0000	-	-	0.0000	-
SMC2I	SAN MIGUEL CORP. SERIES 2I - PREF.	45,400	74,500	3,382,300	45,400	74,500	3,382,300
SMC2J	SAN MIGUEL CORP. SERIES 2J - PREF.	-	0.0000	-	-	0.0000	-
SMC2L	SAN MIGUEL CORP. SERIES 2L - PREF.	24,000	77,650	1,863,600	24,000	77,650	1,863,600
SMC2N	SAN MIGUEL CORP. SERIES 2N - PREF.	43,000	80,500	3,461,500	43,000	80,500	3,461,500
SMC2O	SAN MIGUEL CORP. SERIES 2O - PREF.	20,000	81,000	1,620,000	20,000	81,000	1,620,000
SMC2R	SMC PREF 2R	10,000	77,500	775,000	10,000	77,500	775,000
SMC2S	SMC PREF 2S	16,000	77,800	1,244,800	16,000	77,800	1,244,800
SMC2U	SMC PREF 2U	140,000	76,000	10,640,000	140,000	76,000	10,640,000
SMPH	SM PRIME HOLDINGS, INC.	4,344,091	22,750	98,828,070	4,344,091	22,750	98,828,070
SOC	SOCRESOURCES, INC.	7,791,000	0.1820	1,417,962	7,791,000	0.1820	1,417,962
SPC	SALCOM POWER CORP.	137,400	9,740	1,338,276	137,400	9,740	1,338,276
SPM	SEAFRONT RESOURCES CORP. "A"	349,254	2,360	824,239	349,254	2,360	824,239
SPNEC	SOLAR PHILIPPINES NUEVA ECJA CORP.	17,717,096	1.1700	20,729,002	17,717,096	1.1700	20,729,002
SSI	SSI GROUP, INC.	1,348,200	2,630	3,545,766	1,348,200	2,630	3,545,766
SSP (PSPC)	SFA SEMICON PHILIPPINES CORPORATION	-	0.0000	-	-	0.0000	-
STI	STI EDUCATION SYSTEMS HOLDINGS, INC	1,198,000	1,410	1,689,180	1,198,000	1,410	1,689,180
STN	STENIEL MANUFACTURING, CORP.	427,497	2,180	931,943	427,497	2,180	931,943
STR	STARMALLS	72,100	1,250	90,125	72,100	1,250	90,125
SUN	SUNTRUST DEVELOPMENT CORP.	444,501	0,760	337,821	444,501	0,760	337,821
SWM	SANITARY WARES MFG.	-	0.0000	-	-	0.0000	-
T	TKC METALS CORPORATION	1,122,000	0,440	493,680	1,122,000	0,440	493,680
TBGI	TRANSPACIFIC BROADBAND GROUP INTL.	126,000	0,133	16,758	126,000	0,133	16,758
TCB2D	CIRTEK HOLDINGS PHILIPPINES CORP. PFD. D	-	0.0000	-	-	0.0000	-
TECH	CIRTEK HOLDINGS PHILIPPINES CORP.	663,720	0,630	418,144	663,720	0,630	418,144
TECHW	CIRTEK HOLDINGS PHILIPPINES CORP	-	0.0000	-	-	0.0000	-
TEL	PLDT INC.	25,105	1,260,000	31,632,300	25,105	1,260,000	31,632,300
TFHI	TOP FRONTIER HOLDINGS, INC.	49,164	61,000	2,999,004	49,164	61,000	2,999,004
TOP	TOP LINE	458,000	1,600	732,800	458,000	1,600	732,800
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	330,000	0,590	194,700	330,000	0,590	194,700
UBP	UNION BANK OF THE PHILIPPINES	862,675	26,600	22,947,155	862,675	26,600	22,947,155
UNI	UNIOIL&GAS DEVELOPMENT CO., INC	-	0.0000	-	-	0.0000	-
UP	UNIVERSAL RIGHTFIELD PROP.	-	0.0000	-	-	0.0000	-
UPM	UNITED PARAGON MINING CORPORATION	177,903,750	0,005	1,031,842	177,903,750	0,005	1,031,842
UPSON	UPSON INTERNATIONAL CORPORATION	-	0.0000	-	-	0.0000	-
URC	UNIVERSAL ROBINA CORPORATION	631,580	67,300	42,505,334	631,580	67,300	42,505,334
UW	UNIWIWIDE HOLDINGS INC.	-	0.0000	-	-	0.0000	-
V	IVANTAGE CORPORATION	1,476,500	0,890	1,314,085	1,476,500	0,890	1,314,085
VITA	VITARICH CORPORATION	1,007,500	0,530	533,975	1,007,500	0,530	533,975
VLL	VISTA LAND & LIFESCAPES, INC	94,590,425	1,040	98,374,042	94,590,425	1,040	98,374,042
VMC	VICTORIAS MILLING COMPANY, INC.	499,252	1,730	863,706	499,252	1,730	863,706
VREIT	VISTAREIT, INC.	-	0.0000	-	-	0.0000	-
VUL	VULCAN IND. & MINING CORPORATION	-	0.0000	-	-	0.0000	-
VVT	VIVANT CORPORATION	725	19,440	14,094	725	19,440	14,094
WEB	PHILWEB CORPORATION	1,613,200	6,200	10,001,840	1,613,200	6,200	10,001,840
WIN	WELLEX INDUSTRIES, INCORPORATED	1,632,000	0,260	424,320	1,632,000	0,260	424,320
WLCON	WILCON DEPOT, INC.	175,700	6,960	1,222,872	175,700	6,960	1,222,872
WPI	WATERFRONT PHILIPPINES, INC.	2,132,700	0,405	863,744	2,132,700	0,405	863,744
X	XURPAS INC.	5,939,000	0,248	1,472,872	5,939,000	0,248	1,472,872
XG	NEXGEN ENERGY CORPORATION	-	0.0000	-	-	0.0000	-
ZHI	ZHEUS HOLDINGS, INC.	13,550,000	0,067	907,850	13,550,000	0,067	907,850
<b>Per collateral valuation</b>		<b>8,693,535,364</b>		<b>4,548,396,092</b>	<b>8,693,535,364</b>		<b>4,548,396,092</b>