

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 1 9 9 6 0 9 3 4 0

## COMPANY NAME

U O B - K A Y H I A N S E C U R I T I E S ( P H I L I P P I N E S ) ,  
I N C . ( A W h o l l y - O w n e d S u b s i d i a r y o f U O B -  
K a y H i a n H o l d i n g s L i m i t e d )

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

U n i t 4 B , L e v e l 1 8 , T o w e r 2 , T h e E n t e r p r  
i s e C e n t e r , 6 7 6 6 A y a l a A v e c o r P a s e o d e  
R o x a s , M a k a t i C i t y

Form Type

5 2 - A R

Department requiring the report

M S R D

Secondary License Type, If Applicable

Broker/Dealer in Securities

## COMPANY INFORMATION

Company's Email Address

milasanjose@uobkayhian.com

Company's Telephone Number/s

8887-7973

Mobile Number

09193512480

No. of Stockholders

6

Annual Meeting (Month / Day)

First Friday of May

Fiscal Year (Month / Day)

December 31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Eileen del Rosario

Email Address

eileendelro@uobkayhian.com

Telephone Number/s

8887-7973

Mobile Number

09274579366

## CONTACT PERSON'S ADDRESS

Unit 4B, Level 18, Tower 2, The Enterprise Center, 6766 Ayala Ave cor Paseo de Roxas, Makati City

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

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

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**ANNUAL AUDITED FINANCIAL REPORT**  
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**DECEMBER 31, 2025**

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## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.  
Unit 4B, Level 18, Tower 2  
The Enterprise Center, 6766 Ayala Ave cor  
Paseo de Roxas, Makati City

### *Opinion*

We have audited the financial statements of UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited) (the "Company"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

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

### *Basis for Opinion*

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

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

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

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



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

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



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

**REYES TACANDONG & Co.**

KARL JOSEPH N. MALVAS

Partner

CPA Certificate No. 110926

Tax Identification No. 940-545-217-000

BOA Accreditation No. 4782/P-020; Valid until June 6, 2026

SEC Accreditation No. 110926-SEC Group A

Issued October 4, 2022

Valid for Financial Periods 2021 to 2025

BIR Accreditation No. 08-005144-017-2025

Valid until January 16, 2028

PTR No. 19794027, Issued January 2, 2026, Makati City

March 27, 2026

Makati City, Metro Manila

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)**

**STATEMENTS OF FINANCIAL POSITION**

December 31

	Note	2025			2024		
		Money Balance	Security Valuation		Money Balance	Security Valuation	
			Long	Short		Long	Short
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	7	P146,622,997			P411,654,672		
Financial assets at fair value through profit or loss (FVPL)	8	73,658	P73,658		70,639	P70,639	
Receivables	9	2,091,116	4,159,915,244		6,929,305	1,990,075,674	
Other current assets	10	3,564,525			1,782,378		
<b>Total Current Assets</b>		<b>152,352,296</b>			<b>420,436,994</b>		
<b>Noncurrent Assets</b>							
Financial assets at fair value through other comprehensive income (FVOCI)	11	49,296,000	49,296,000		39,360,000	39,360,000	
Property and equipment	12	2,606,959			4,807,239		
Trading right	13	1,408,000			1,408,000		
Right-of-use (ROU) asset	19	1,830,752			3,661,508		
Other noncurrent assets	14	33,487,215			34,712,609		
<b>Total Noncurrent Assets</b>		<b>88,628,926</b>			<b>83,949,356</b>		
		<b>P240,981,222</b>			<b>P504,386,350</b>		
<b>Securities in box and held by Philippine Depository and Trust Corp.</b>				<b>P4,209,284,902</b>			<b>P2,029,506,313</b>
<b>LIABILITIES AND EQUITY</b>							
<b>Current Liabilities</b>							
Payable to clearing house	15	P1,020,816			P3,504,000		
Lease liability – current portion	19	2,038,855			1,825,138		
Customer deposits	22	85,946,432			343,417,947		
Other current liabilities	16	309,228			1,044,209		
<b>Total Current Liabilities</b>		<b>89,315,331</b>			<b>349,791,294</b>		
<b>Noncurrent Liabilities</b>							
Lease liability – net of current portion	19	–			2,038,856		
Retirement benefits liability	20	4,895,480			4,495,917		
Net deferred tax liabilities	21	10,592,635			4,715,883		
<b>Total Noncurrent Liabilities</b>		<b>15,488,115</b>			<b>11,250,656</b>		
<b>Total Liabilities</b>		<b>104,803,446</b>			<b>361,041,950</b>		
<b>Equity</b>							
Capital stock		81,000,000			81,000,000		
Retained earnings:							
Appropriated	17	4,581,964			4,581,964		
Unappropriated		15,598,801			30,217,425		
Other comprehensive income		34,997,011			27,545,011		
<b>Total Equity</b>		<b>136,177,776</b>			<b>143,344,400</b>		
		<b>P240,981,222</b>	<b>P4,209,284,902</b>	<b>P4,209,284,902</b>	<b>P504,386,350</b>	<b>P2,029,506,313</b>	<b>P2,029,506,313</b>

See accompanying Notes to Financial Statements.

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)**

**STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31	
	Note	2025	2024
<b>REVENUE</b>			
Commissions	22	₱1,404,522	₱3,792,419
Others:			
Management fees	22	3,592,556	3,382,855
Dividend income	8,11	2,401,335	2,400,547
Interest income	7	61,743	204,351
		<b>7,460,156</b>	<b>9,780,172</b>
<b>COST OF SERVICES</b>			
Salaries, wages and employees' benefits		1,415,452	1,358,257
Trading charges and fees		675,922	734,347
		<b>2,091,374</b>	<b>2,092,604</b>
<b>GROSS PROFIT</b>		<b>5,368,782</b>	<b>7,687,568</b>
<b>OPERATING EXPENSES</b>			
Salaries, wages and employees' benefits		6,719,407	6,453,450
Professional fees		3,049,237	2,008,559
Postage, telephone and communications		599,313	2,513,737
Membership dues and fees		413,613	381,797
Provision for retirement costs	20	399,563	515,405
Taxes and licenses		334,249	1,062,111
Insurance		213,416	183,121
Repairs and maintenance		100,582	322,747
Utilities		36,714	36,238
Transportation and travel		9,702	35,680
Other expenses		546,059	969,320
		<b>12,421,855</b>	<b>14,482,165</b>
<b>OTHER CHARGES (GAINS)</b>			
Depreciation and amortization	12	4,068,089	3,931,666
Interest expense on lease liability	19	179,294	280,714
Other loss (gain) - net	18	(136,764)	4,782
		<b>4,110,619</b>	<b>4,217,162</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(11,163,692)</b>	<b>(11,011,759)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>			
Current	21	62,180	101,755
Deferred		3,392,752	(3,316,511)
		<b>3,454,932</b>	<b>(3,214,756)</b>
<b>NET LOSS</b>		<b>(₱14,618,624)</b>	<b>(₱7,797,003)</b>

(Forward)

		Years Ended December 31	
	Note	2025	2024
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Not to be reclassified to profit or loss in subsequent periods:</i>			
Unrealized gains (loss) on financial assets at FVOCI - net of deferred tax	11	₱7,452,000	(₱1,080,000)
Remeasurement loss on retirement benefit liability - net of deferred tax	20	—	(630,989)
		<b>7,452,000</b>	<b>(1,710,989)</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(₱7,166,624)</b>	<b>(₱9,507,992)</b>

*See accompanying Notes to Financial Statements.*

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)**

**STATEMENTS OF CHANGES IN EQUITY**

	Note	Capital Stock	Retained Earnings			Other Comprehensive Income		Total	Total
			Appropriated (see Note 17)	Unappropriated	Total	Cumulative Unrealized Gains on Financial Assets at FVOCI (see Note 11)	Cumulative Remeasurement Loss on Retirement Benefit Liability (see Note 20)		
Balance at December 31, 2024		₱81,000,000	₱4,581,964	₱30,217,425	₱34,799,389	₱28,176,000	(₱630,989)	₱27,545,011	₱143,344,400
Net loss		–	–	(14,618,624)	(14,618,624)	–	–	–	(14,618,624)
Other comprehensive loss -									
Unrealized loss on financial assets									
at FVOCI - net of deferred tax	11	–	–	–	–	7,452,000	–	7,452,000	₱7,452,000
Balance as at December 31, 2025		₱81,000,000	₱4,581,964	₱15,598,801	₱20,180,765	₱35,628,000	(₱630,989)	₱34,997,011	₱136,177,776
Balance as at December 31, 2023		₱81,000,000	₱4,581,964	₱38,014,428	₱42,596,392	₱29,256,000	₱–	₱29,256,000	₱152,852,392
Net loss		–	–	(7,797,003)	(7,797,003)	–	–	–	(7,797,003)
Other comprehensive loss:									
Unrealized loss on financial assets									
at FVOCI - net of deferred tax	11	–	–	–	–	(1,080,000)	–	(1,080,000)	(1,080,000)
Remeasurement loss on retirement		–	–	–	–	–	–	–	–
benefits liability - net of deferred tax	20	–	–	–	–	–	(630,989)	(630,989)	(630,989)
Balance as at December 31, 2024		₱81,000,000	₱4,581,964	₱30,217,425	₱34,799,389	₱28,176,000	(₱630,989)	₱27,545,011	₱143,344,400

See accompanying Notes to Financial Statements.

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)**

**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>	
	Note	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		(₱11,163,692)	(₱11,011,759)
Adjustments for:			
Depreciation and amortization	12	4,068,089	3,931,666
Dividend income	8,11	(2,401,335)	(2,400,547)
Provision for retirement costs	20	399,563	515,405
Interest expense on lease liability	19	179,294	280,714
Interest income	7	(61,743)	(204,351)
Unrealized foreign exchange loss (gain)		49,004	(20,571)
Unrealized loss (gain) on financial assets at FVPL	18	(3,019)	30,440
Operating loss before working capital changes		(8,933,839)	(8,879,003)
Decrease (increase) in:			
Receivables		4,838,189	(6,929,305)
Other current assets		(792,000)	250,176
Refundable and various deposits		(36,016)	(53,986)
Increase (decrease) in:			
Customer deposits		(257,471,515)	79,278,044
Payable to clearing house		(2,483,184)	3,504,000
Other current liabilities		(734,981)	803,250
Net cash generated from (used for) operations		(265,613,346)	67,973,176
Dividends received		2,401,335	2,400,547
Interest received		61,743	204,351
Income tax paid		-	(3,247)
Net cash provided by (used in) operating activities		(263,150,268)	70,574,827
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of property and equipment	12	(37,053)	(4,915,675)
Collection of (additions in) other deposits and other investments		209,083	(758,366)
Net cash provided by (used in) investing activities		172,030	(5,674,041)
<b>CASH FLOW FROM A FINANCING ACTIVITY</b>			
Payment of lease liability	19	(2,004,433)	(1,908,984)
<b>EFFECT OF FOREIGN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>			
		(49,004)	20,571
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		(265,031,675)	63,012,373
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
		411,654,672	348,642,299
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		₱146,622,997	₱411,654,672

(Forward)

		<b>Years Ended December 31</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>			
	<b>7</b>		
Cash on hand		<b>₱21,199</b>	₱21,199
Cash in banks		<b>71,514,344</b>	278,924,029
Cash equivalents		<b>75,087,454</b>	132,709,444
		<b>₱146,622,997</b>	<b>₱411,654,672</b>
<b>SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITY</b>			
Recognition of ROU asset and lease liability	<b>19</b>	<b>₱-</b>	<b>₱5,492,264</b>

*See accompanying Notes to Financial Statements.*

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)**

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**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**1. Corporate Information**

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 5, 1996. It commenced its commercial operations on March 12, 1997. The Company is primarily engaged in the stock brokerage business and to carry out everything that may be useful, directly or indirectly, in connection with such business, including but not limited to, the negotiation of purchases and sale and other transactions relative to all kinds of and every description of shares, stocks, voting trust certificates, trust certificates, bonds, debentures, mortgages, trust receipts, notes and other certificates, obligations, contracts, certificates of interest, choses in action, foreign currency and exchange, commercial papers and evidences of indebtedness and securities generally of any person, association, partnership syndicate, governmental body, agency or instrumentality, or other entity, domestic and/or foreign.

The Company is a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited (the "Parent Company"), a company incorporated in Singapore.

The Company's registered office address is located at Unit 4B, Level 18, Tower 2, The Enterprise Center, 6766 Ayala Ave cor Paseo de Roxas, Makati City.

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

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**2. Summary of Material Accounting Policy Information**

The summary of material accounting policy information used in the preparation of the financial statements are summarized below.

**Basis of Preparation and Statement of Compliance**

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

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

**Measurement Bases**

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

The financial statements of the Company have been prepared on a historical cost basis, except for lease liability which are measured at present value of future lease payments, retirement benefit liability which is carried at present value of defined benefit obligation, financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss (FVPL) which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses 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 market 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.

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

Further information about the assumptions made in measuring fair value is included in Note 6 to financial statements.

#### **Adoption of Amendments to PFRS Accounting Standards**

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*, effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

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

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

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

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

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.
  - Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

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

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Deferred effectivity –

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for

annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

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

### **Financial Assets and Liabilities**

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

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

*“Day 1” Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

### **Financial Assets**

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

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

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

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

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

As at December 31, 2025 and 2024, the Company's cash and cash equivalents, receivables, various deposits (presented as part of "Other current assets" and "Other noncurrent assets") are included under this category (see Notes 7, 9, 10 and 14).

*Cash and Cash Equivalents.* Cash includes cash on hand, cash in banks and cash equivalents. Cash equivalents are highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

*Financial Assets at FVOCI.* For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from these equity instruments are recognized in other comprehensive income (OCI) and presented in the equity section of the statements of financial position. These gains or losses are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at December 31, 2025 and 2024, the Company's investment in The Philippine Stock Exchange, Inc. (PSE) shares are classified under this category (see Note 11).

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

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

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

As at December 31, 2025 and 2024, the Company's securities held for trading are classified under this category (see Note 8).

*Reclassification.* The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date). However, a financial asset that has been irrevocably designated at FVOCI may no longer be reclassified to a different category.

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

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

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

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

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

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

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

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

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

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

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

### **Financial Liabilities**

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

*Classification.* The Company classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2025 and 2024, the Company does not have financial liabilities at FVPL.

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

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

As at December 31, 2025 and 2024, the Company's liabilities arising from its payable to clearing house, other current liabilities (excluding statutory payables), customer deposits and lease liability are under this category (see Notes 15, 16, 19 and 22).

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

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

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

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

#### **Offsetting of Financial Assets and Liabilities**

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

#### **Other Current Assets**

Other current assets include input Value-Added Tax (VAT), rental and security deposits, prepayments, and creditable withholding taxes (CWT).

*VAT.* VAT is a sales tax that is levied on consumption on the sale of goods, services or properties, as well as importation in the Philippines. It is an indirect tax, which may be shifted or passed to the buyer, transferee or lessee of goods, properties or services. Revenue, expenses, and assets are generally recognized net of the amount of VAT. The net amount of VAT recoverable to the taxation authority is included as part of "Input VAT" under "Other current asset" account in the statements of financial position.

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments are classified in the statements of financial position as current asset when the cost of the prepayment is expected to be incurred within one year of the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

*CWT.* CWT are amounts withheld from collections of revenue or receivable and are deductible from income tax payable in the same year the revenue was recognized. CWT in excess of income tax payable are carried forward to the succeeding year. These are stated at their face amounts less any impairment in value.

#### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the items can be measured reliably.

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

<u>Asset Type</u>	<u>Number of Years</u>
Leasehold improvement	3 or term of lease whichever is shorter
Office furniture, fixtures and equipment	3 – 10
Computer Equipment	3 – 5

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

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statements of comprehensive income in the period of retirement and disposal.

#### **Trading Right**

Trading right is the result of the conversion plan to preserve the access of stock brokerage to the trading facilities and continue to transact business in PSE. The exchange trading right is an intangible asset that is regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company.

Trading right is initially recognized at the amount allocated from the original cost of the exchange membership seat. Subsequently, it is carried at cost less any allowance for impairment loss. The carrying value of trading right is reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is calculated at the higher of the asset's value in use or its fair value less cost to sell.

#### **Various Deposits**

Various deposits consist of rental and security deposits for the lease agreements, construction bonds for the Company's office and utility deposits. These deposits are carried at amortized cost and expected to be refunded to the Company upon termination of the related contracts/services. Other deposits are classified in the statements of financial position as current asset when the cost of the deposit is expected to be refunded within one year of the Company's normal operating cycle, whichever is longer. Otherwise, other deposits are classified as non-current.

#### **Other Noncurrent Assets**

Other noncurrent assets include cash under garnishment, refundable deposits and other deposits.

*Cash Under Garnishment.* Cash under garnishment pertains to garnished amount by the Bureau of Internal Revenue (BIR) in relation to the tax assessment of the Company. This is carried at its net realizable amount.

*Refundable Deposits.* Refundable deposits pertain to monthly contributions paid by the Company, as a Clearing Member to the CTGF maintained by the Securities Clearing Corporation of the Philippines (SCCP).

#### **Impairment of Non-financial Assets**

The carrying amounts of non-financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. If any such indication exists, and if the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

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

#### **Customer Deposits**

Customer deposits pertain to advances received by the Company for services to be fulfilled within the next twelve (12) months after the reporting period. These deposits are debited to the customer when transfer of control of the trade execution performance obligation occurs or upon trade date.

#### **Equity**

*Capital Stock.* Capital stock is determined using the par value of shares that have been issued.

*Retained Earnings.* Retained earnings include all current and prior period results as disclosed in the statements of changes in equity. Unappropriated retained earnings include all current and prior period result of operations, which is free of any restriction and can be declared as dividends to shareholders. Appropriated retained earnings represent that portion which has been restricted for a particular purpose and, therefore, not available for dividend declaration.

*Other Comprehensive Income.* Other comprehensive income comprise of income and expense that are not recognized in profit or loss in accordance with PFRS Accounting Standards. These include cumulative unrealized gains on financial assets at FVOCI and cumulative remeasurement loss on retirement benefits liability that are not to be reclassified to statements of comprehensive income.

### **Revenue Recognition**

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

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

*Commissions.* Revenue from brokerage transactions consists of commissions. These are recorded on trade date basis as trade transactions occur.

*Management fees.* Management fees is recognized when earned.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

*Dividend Income.* Dividend from investment is recognized when the shareholder's right to receive payment has been established.

*Interest Income.* Interest income is recognized as the interest accrues on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

*Other Income.* Other income is recognized when earned.

### **Cost and Expense Recognition**

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

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

*Operating Expenses.* Operating expenses constitute costs of administering the business and costs incurred to sell and market the services. These are expensed as incurred.

### **Employee Benefits**

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

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

The Company recognizes current service costs and net interest cost in the statements of comprehensive income.

The Company determines the interest cost by applying the discount rate to the defined benefits liability at the beginning of the year, taking into account any changes in the defined benefits liability during the period as a result of benefit payments.

Remeasurements of the retirement benefit liability, which comprise actuarial gains, are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods. Cumulative remeasurement loss are included under "Other comprehensive income" account in the statements of financial position.

The retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefits obligation. The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

#### Leases

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

- the contract involves an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company has the right to direct the use of the asset of either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

*Company as Lessee.* The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

The ROU asset is initially measured at cost, which comprises the initial amount of 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 incentives received.

The ROU asset is subsequently depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term of three (3) years.

In addition, the ROU 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.

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

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

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. It is remeasured when there is a change in future lease payments 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 ROU asset or is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents its ROU assets that do not meet the definition of investment property as a separate line item and a separate line item for its lease liabilities in the statements of financial position.

*Short-term Leases.* The Company applies the short-term lease recognition exemption to its short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

#### **Related Party Transactions**

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

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related parties in an economically comparable market.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Compensation includes all forms of consideration paid, payable or provided by the entity, or on behalf of the entity (for example, by its parent or owner), in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of goods or services provided to the entity.

### **Income Taxes**

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

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

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

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

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

Deferred tax is recognized in statements of comprehensive income except to the extent it relates to a business combination, or items directly recognized to equity or in OCI.

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

### **Foreign Currency Translations**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

Nonmonetary assets and nonmonetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Nonmonetary items in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the statements of comprehensive income, except for differences arising on the translation of financial assets at FVOCI, a financial liability designated as an effective hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognized in OCI.

### **Provisions and Contingencies**

*Provisions.* Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in statements of comprehensive income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

### **Events After the Financial Reporting Date**

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

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## **3. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

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. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

### **Judgments**

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

*Determination Whether an Arrangement Contains a Lease.* The Company assesses whether an arrangement contains a lease based on PFRS 16, as disclosed in Note 2. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The details of the lease agreement are disclosed in Note 19.

*Evaluating Tax Liabilities.* In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

*Classifying Financial Instruments.* The Company exercises judgments in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

The classification of the Company's financial assets and liabilities are set out in Note 4.

### **Estimates and Assumptions**

The key estimates and assumptions used in the financial statements are based upon the Company's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates:

*Fair Value Measurements.* A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that such valuations meet the requirements of PFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Company uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (see Note 6).

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

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

The methods and assumptions used to estimate the fair values for both financial and non-financial assets and liabilities are discussed in Note 6.

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

The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience. The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Company has assessed that there is no need to provide for any allowance for ECL on its receivables as at December 31, 2025 and 2024. The Company is following the T+2 settlement rule. The carrying amounts of receivables are disclosed in Note 9.

*Impairment of Other Financial Assets.* Provisions are made for specific and groups of accounts, where objective evidence of credit loss exists. The Company evaluates these accounts on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the counterparties, the current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience. The amount and timing of the recorded expenses for any period would differ if the Company made different judgments or utilized different methodologies. An increase in the allowance for impairment would increase the recorded costs and expenses and decrease current assets.

No impairment loss on other financial assets was recognized in 2025 and 2024. The carrying amounts of other financial assets are disclosed in Notes 10 and 14.

*Estimated Useful Lives of Property and Equipment.* The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses

for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recorded costs and expenses and decrease non-current assets.

The estimated useful lives of property and equipment disclosed in Note 2 has no changes during the year. The carrying amount of property and equipment is disclosed in Note 12.

*Impairment of Trading Rights with Indefinite Useful Lives.* The Company determines whether trading rights are impaired at least annually. This requires the estimation of value in use of the trading rights. Estimating value in use requires management to make an estimate of the expected future cash flows from the trading rights and to choose a suitable discount rate to calculate the present value of those cash flows.

The Company assessed that its trading rights is not impaired (see Note 13). The carrying amount and market value of trading right is disclosed in Note 13.

*Impairment of Nonfinancial Assets.* PFRS Accounting Standards requires that an impairment review be performed on property and equipment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

The management assessed that there are no indications that the Company's property and equipment and other nonfinancial assets as at December 31, 2025 and 2024 are impaired. The carrying amounts of nonfinancial assets are disclosed in Notes 10, 12 and 14

*Leases - Estimating the Incremental Borrowing Rate -* The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure 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 right-of-use 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 (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Company has applied IBR of 5.9% for the calculation of ROU asset and lease liability. The carrying amounts of ROU asset and lease liability as at December 31, 2025 and 2024 are disclosed in Note 19 to the financial statements.

*Estimating Retirement Benefits Liability.* The determination of the obligation and cost of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 20 to the financial statements and include, among others, discount rates, and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and recognized as part of equity.

Retirement benefits cost in 2025 and 2024 and the carrying amounts of retirement benefits liability as at December 31, 2025 and 2024 are disclosed in Note 20 to the financial statements.

*Assessing the Recognition of Deferred Tax Assets.* The carrying amount of deferred tax assets at each reporting date is reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods.

The Company's recognized and unrecognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 21 to financial statements.

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#### 4. Financial Risk Management Objectives and Policies

The Company is exposed to variety of financial risks arising from its operating and investing activities. The Company's principal financial instruments comprise of cash and cash equivalent, financial assets at FVPL, receivables, deposits, financial asset at FVOCI, payable to clearing house, customer deposits, other current liabilities (excluding statutory payables) and lease liability. The main purpose of these financial instruments is to raise finance for the Company's operations.

##### **Risk Management Structure**

The BOD has overall responsibility for the Company's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The BOD created the risk management committee to closely monitor and evaluate the Company's financial risk in line with the strategies, policies and limits set by the BOD. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Company's financial performance and financial position due to unpredictability of financial market.

Financial risk management by the Company is coordinated with its Parent company, in close cooperation with the local management. The Company policies and guidelines cover credit risk and liquidity risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's results and financial position. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

The main risks arising from the Company's use of financial instruments are summarized as follows:

##### **Credit Risk**

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligation. This includes risk of non-payment by clients of their securities transactions and by related parties of their outstanding account balance.

In the normal course of business, the Company's activities include trade execution for its clients. These activities may expose the Company to risk arising from price volatility which can reduce the client's ability to meet its obligation.

In accordance with the industry practice, client trades are settled generally in two (2) business days after trade date. Should either the client or the counterparty fails to perform, the Company may be required to complete the transaction at prevailing market prices. Receivable from customers/clearing house balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts.

For broker/dealers in securities, credit risk comprises counterparty risk and large exposure risk.

The carrying amounts of financial assets which represent the maximum exposure to credit risk at the financial reporting date are as follows:

	2025			Total
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents*	₱146,601,798	₱–	₱–	₱146,601,798
Receivables	–	2,091,116	–	2,091,116
Refundable deposits	1,695,670	–	–	1,695,670
Rental and security deposits	1,075,447	–	–	1,075,447
	<b>₱149,372,915</b>	<b>₱2,091,116</b>	<b>₱–</b>	<b>₱151,464,031</b>

\*Excluding cash on hand.

	2024			Total
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents*	₱411,633,473	₱–	₱–	₱411,633,473
Receivables	–	6,929,305	–	6,929,305
Refundable deposits	1,659,654	–	–	1,659,654
Other deposits and other investments**	1,284,530	–	–	1,284,530
	<b>₱414,577,657</b>	<b>₱6,929,305</b>	<b>₱–</b>	<b>₱421,506,962</b>

\*Excluding cash on hand.

\*\*Excluding other investments amounting to ₱17,500.

The Company does not have financial guarantees and loan commitments and other credit-related liabilities.

#### Trade Receivables

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

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

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

The SRC requires broker/dealers to maintain a stock record for each cash and margin account of every customer regardless of the frequency of transactions. The stock record is a record of accountability reflecting all securities for which the Company has custodial responsibility or proprietary ownership.

Transactions in the customer accounts cover both money balances and security positions, with the security transaction and related money generally recorded on the settlement date.

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

Collaterals related to receivables from customers pertain to quoted equity securities amounting to ₱4,159,915,244 as at December 31, 2025 and ₱1,990,075,674 as at December 31, 2024 (see Note 9). The fair values of these securities are based on prevailing quoted market prices, which is usually the closing prices, from active markets as at reporting date.

*Other Financial Assets at Amortized Cost*

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

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

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

The following table shows the aging analyses and credit quality of financial assets.

	2025				
	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade			
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents*	₱146,601,798	₱-	₱-	₱-	₱146,601,798
Receivables	2,091,116	-	-	-	2,091,116
Refundable deposits	1,695,670	-	-	-	1,695,670
Rental and security deposits	1,075,447	-	-	-	1,075,447
	<b>₱151,464,031</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱151,464,031</b>

\*Excluding cash on hand.

	2024				
	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade			
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents*	₱411,633,473	₱-	₱-	₱-	₱411,633,473
Receivables	6,929,305	-	-	-	6,929,305
Refundable deposits	1,659,654	-	-	-	1,659,654
Other deposits and other investments	1,284,530	-	-	-	1,284,530
	<b>₱421,506,962</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱421,506,962</b>

\*Excluding cash on hand.

\*\*Excluding other investments amounting to ₱17,500.

The credit quality of the Company's financial assets that are neither past due nor impaired is considered to be of good quality and expected to be collectible without incurring any credit losses.

*Credit quality per class of financial assets*

The Company's bases in grading its financial assets are as follows:

- *High Grade.* These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).
- *Standard Grade.* These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but have been outstanding for a certain period of time.
- *Substandard Grade.* These are receivables that can be collected provided the Company makes persistent effort to collect them.

**Liquidity Risk**

Liquidity risk is the risk from inability to meet obligations when they become due, because of an inability to liquidate assets or obtain adequate funding. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity ratio of 1.71:1 is sufficient to cover current liabilities.

Liquidity risk is managed on the basis of maturity dates of both the financial assets and financial liabilities.

Special reserve requirements for the customer accounts are maintained by the Company with a bank (see Note 7).

*Exposure to Liquidity Risk*

The following table summarizes the maturity profile of the Company's financial assets and liabilities based on the contractual undiscounted payments:

	Note	2025			Total
		On Demand	Less than a year	1 to 5 years	
<b>Assets</b>					
Cash and cash equivalents	7	₱71,535,543	₱75,087,454	₱-	₱146,622,997
Financial assets at FVPL	8	-	73,658	-	73,658
Receivables	9	-	2,091,116	-	2,091,116
Financial asset at FVOCI	11	-	-	49,296,000	49,296,000
Refundable deposits	14	-	-	1,695,670	1,695,670
Rental and security deposits	10	-	1,052,327	23,120	1,075,447
		<b>71,535,543</b>	<b>78,304,555</b>	<b>51,014,790</b>	<b>200,854,888</b>
<b>Liabilities</b>					
Customer deposits	22	-	85,946,432	-	85,946,432
Payable to clearing house	15	-	1,020,816	-	1,020,816
Lease liability	19	-	2,104,655	-	2,104,655
Other current liabilities*	16	-	197,306	-	197,306
		-	89,269,209	-	89,269,209
<b>Net liquidity excess (gap)</b>		<b>₱71,535,543</b>	<b>(₱10,964,654)</b>	<b>₱51,014,790</b>	<b>₱111,585,679</b>

\*Excluding statutory payables.

	Note	2024			Total
		On Demand	Less than a year	1 to 5 years	
<b>Assets</b>					
Cash and cash equivalents	7	₱278,945,228	₱132,709,444	₱—	₱411,654,672
Financial assets at FVPL	8	—	70,639	—	70,639
Receivables	9	—	6,929,305	—	6,929,305
Financial asset at FVOCI	11	—	—	39,360,000	39,360,000
Refundable deposits	14	—	—	1,659,654	1,659,654
Other deposits and other investments*	14	—	—	1,284,530	1,284,530
		278,945,228	139,709,388	42,304,184	460,958,800
<b>Liabilities</b>					
Customer deposits	22	—	343,417,947	—	343,417,947
Payable to clearing house	15	—	3,504,000	—	3,504,000
Lease liability	19	—	2,004,433	2,104,655	4,109,088
Other current liabilities**	16	—	775,070	—	775,070
		—	349,701,450	2,104,655	351,806,105
<b>Net liquidity excess (gap)</b>		<b>₱278,945,228</b>	<b>(₱209,992,062)</b>	<b>₱40,199,529</b>	<b>₱109,152,695</b>

\*Excluding other investments amounting to ₱17,500.

\*\*Excluding statutory payables.

### **Market Risk**

The Company is exposed to market risks, primarily relating to equity price risk, interest rate risk and foreign currency risk. Management actively monitors this exposure as follows:

*Equity Price Risk.* Equity price risk is the risk that the fair values of quoted equity securities would decrease as the result of the adverse changes in the quoted equity prices is affected by both rational and irrational market forces. The Company is exposed to equity price risk with investment in equity securities of listed companies classified as financial assets at FVPL and financial asset at FVOCI.

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

The table below sets forth the impact of changes in PSEi in the Company's unrealized gain or loss on its financial assets at FVPL and FVOCI:

	2025		2024	
Changes in PSEi	16.68%	(16.68%)	15.34%	(15.34%)
Effect on profit or loss	₱9,215	(₱9,215)	₱8,147	(₱8,147)
Effect on OCI	₱3,059,491	(₱3,059,491)	₱3,596,606	(₱3,596,606)

The sensitivity rates used for reporting equity price risk represent management's assessment of the reasonably possible change in equity pricing per PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by its specific beta for their valuation at the reporting date.

*Foreign Currency Risk.* Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Information on the Company's foreign currency denominated monetary asset and its Philippine peso equivalent are as follows:

	2025		2024	
	US Dollar	PHP Equivalent	US Dollar	PHP Equivalent
<b>Financials Asset at Amortized Cost</b>				
Cash and cash equivalents	\$1,266,944	₱74,483,619	\$8,197	₱475,758
Nontrade receivables – related party	17,762	1,044,254	58,285	3,382,855
	<b>\$1,284,706</b>	<b>₱75,527,873</b>	<b>\$66,482</b>	<b>₱3,858,613</b>

Exchange rate used is ₱58.79 per 1USD in 2025 and ₱58.04 per 1USD in 2024.

Net foreign exchange gain in 2025 and 2024 is disclosed in Note 18.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, on the Company's income before tax (due to changes in the fair value of financial asset and liabilities). There is no other impact on the Company's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate	Effect on loss before tax
December 31, 2025	+5.61%	(₱4,237,114)
	-5.61%	4,237,114
December 31, 2024	+3.38%	(₱130,421)
	-3.38%	130,421

*Interest Rate Risk.* Interest rate risk refers to risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is not exposed to any significant interest rate risk as its instruments are non-interest sensitive, except for the bank deposits and cash equivalents which are mainly short-term in nature and at market interest rates.

## 5. Capital Risk Management Objectives and Policies

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern; to maintain a strong credit rating and quality ratios; to ensure compliance with PSE and SEC regulations; and to provide returns and benefits to its shareholders.

The BOD is responsible for managing the Company's capital structure and makes the necessary adjustments to address the risks and adopt to changes in economic conditions and regulatory requirements.

There were no changes made in the objectives, policies and processes in 2025 and 2024.

### Required Capitalization for Broker/Dealers

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

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱81,000,000 as at December 31, 2025 and 2024. The Company's surety bond amounted to ₱12,000,000 as at December 31, 2025 and 2024.

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

**Reserve Fund**

The Company shall annually appropriate 10% of its audited income after tax and transfer the same to "Appropriated retained earnings" in compliance with SRC Rule 49.1 (B). No appropriation was made in 2025 and 2024 due to net loss position of the Company.

The accumulated amount of appropriated retained earnings amounted to ₱4.6 million as at December 31, 2025 and 2024 for reserve fund.

**Net Liquid Capital (NLC)**

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

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

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

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

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

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

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

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

Details are as follows:

	2025	2024
NLC:		
Equity eligible for NLC	₱134,889,630	₱138,659,114
Less: Ineligible assets	94,348,225	92,731,678
	<b>40,541,405</b>	45,927,436
Required NLC:		
Higher of:		
5% of AI	4,646,133	17,582,498
Minimum amount	5,000,000	5,000,000
	<b>5,000,000</b>	17,582,498
Net risk-based capital excess	<b>₱35,541,405</b>	₱28,344,938

#### **Ratio of AI to NLC**

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

The Company's AI over NLC ratio is 229% as at December 31, 2025 and 766% as at December 31, 2024.

As at December 31, 2025 and 2024, the Company is in compliance with the required ratio of AI to NLC.

#### **RBCA Requirement/Ratio**

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

The TRCR is the sum of:

- a. Operational risk requirement (ORR);
- b. Credit risk requirement which includes requirements for counterparty risk, settlement risk, large exposure risk, and margin lending/financing risk; and
- c. Position or market risk requirement.

Management also ensures that all required reserves and ratios are met. These requirements are being monitored on a daily basis.

The risk-based capital adequacy ratios as at December 31, 2025 and 2024 are as follows:

	2025	2024
NLC	₱40,541,405	₱45,927,436
Total risk capital requirement (TRCR)	8,718,577	2,838,159
Total aggregate indebtedness (AI)	92,922,665	351,649,950
RBCA	465%	1,618%

NLC and TRCR are computed based on the existing provision of SRC. NLC consists of total equity adjusted for allowance for market decline, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription with no SEC application, minority interest, if any, contingencies and guarantees, and the total ineligible assets.

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

**Ratio of Core Equity to Operational Risk Requirement (ORR)**

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

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

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

	2025	2024
Paid-up capital stock	₱81,000,000	₱81,000,000
Beginning retained earnings	34,799,389	42,596,392
Core equity	115,799,389	123,596,392
Divided by ORR	2,688,056	2,774,446
Ratio of core equity to ORR	4,308%	4,455%

**6. Fair Value Measurement**

*Classification and fair value of financial instruments are as follows:*

The following table sets forth the carrying amounts and estimated fair values of the Company's financial assets and financial liabilities:

Financial Assets	Note	2025	2024
at FVPL	8	₱73,658	₱70,639
at FVOCI	11	49,296,000	39,360,000
at amortized cost:			
Cash and cash equivalents	7	146,622,997	411,654,672
Receivables	9	2,091,116	6,929,305
Refundable deposits	14	1,695,670	1,659,654
Deposits*	10,14	1,075,447	1,284,530
		<b>₱200,854,888</b>	<b>₱460,958,800</b>
<b>Financial Liabilities</b>			
At amortized cost:			
Customer deposits	22	₱85,946,432	₱343,417,947
Other current liabilities**	16	197,306	775,070
		<b>₱86,143,738</b>	<b>₱344,193,017</b>

\*Includes rental deposits, security deposits and other deposits

\*\*Excluding statutory payables.

The fair value of financial assets at FVPL and FVOCI is determined by reference to their quoted market price at the financial reporting date.

The carrying amounts of financial assets and liabilities at amortized cost approximate their fair values due to the relatively short-term maturities of the financial statements.

*Financial instruments measured at fair value*

The table below analyzes financial instruments carried at fair value by valuation method.

	Fair value measurements as at December 31, 2025 using		
	Level 1	Level 2	Level 3
<i>Financial assets</i>			
Financial assets at FVPL	₱73,658	₱-	₱-
Financial asset at FVOCI	49,296,000	-	-
<b>Total</b>	<b>₱49,369,658</b>	<b>₱-</b>	<b>₱-</b>

	Fair value measurements as at December 31, 2024 using		
	Level 1	Level 2	Level 3
<i>Financial assets</i>			
Financial assets at FVPL	₱70,639	₱-	₱-
Financial asset at FVOCI	39,360,000	-	-
<b>Total</b>	<b>₱39,430,639</b>	<b>₱-</b>	<b>₱-</b>

## 7. Cash and Cash Equivalents

This account consists of the following:

	2025	2024
Cash on hand	₱21,199	₱21,199
Cash in banks	71,514,344	278,924,029
Cash equivalents	75,087,454	132,709,444
	<b>₱146,622,997</b>	<b>₱411,654,672</b>

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

Cash equivalents pertain to placements in time deposit that have maturity of less than 90 days with interest rate of 0.125% to 3.80% in 2025 and 0.125% to 3.10% in 2024.

Interest income earned from these placements and regular bank savings accounts amounted to ₱61,743 in 2025 and ₱204,351 in 2024.

Cash and cash equivalents as at December 31, 2025 and 2024 include amounts received as advance payments from customers who are mainly related parties amounting to ₱85.9 million and ₱343.4 million as at December 31, 2025 and 2024, respectively, to be applied on the succeeding future trading purchase transactions. The Company maintains sufficient liquidity to satisfy all obligations related to these advance payments when they become due for application.

In compliance with Securities Regulation Code Rule (SRC) 49.2-1 covering customer protection reserve and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers. The Company's reserve requirement is determined on a weekly basis based on the SEC prescribed computations. The Company's special reserve bank account included in cash in banks amounted to ₱30.0 million as at December 31, 2025 and 2024. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

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#### 8. Financial Assets at FVPL

The Company's financial assets at FVPL pertain to securities held for trading amounting to ₱73,658 as at December 31, 2025 and ₱70,639 as at December 31, 2024. The net increase and decrease in fair value in 2025 and 2024, respectively, is disclosed in Note 18.

These assets are held for trading and are stated at their fair market values determined directly by reference to the prescribed price quotations in an active market.

Dividend income recognized amounted to ₱1,335 in 2025 and ₱547 in 2024.

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#### 9. Receivables

This account consists of the following:

	Note	2025	2024
Receivables from customers	22	₱1,022,112	₱3,508,450
Nontrade receivables - related party	22	1,044,254	3,382,855
Others		24,750	38,000
		<b>₱2,091,116</b>	<b>₱6,929,305</b>

Receivables from customers as at December 31, 2025 and 2024 are due within two (2) business days from the transaction date. These receivables are fully secured as at December 31, 2025 and 2024.

Collaterals related to receivables from customers pertain to quoted equity securities amounting to ₱4,159,915,244 and ₱1,990,075,674 in 2025 and 2024, respectively. The fair values of these securities are based on prevailing quoted market prices, which is usually the closing prices, from active markets as at reporting date.

Nontrade receivables pertain to management fees charged by the Company to its related party for the services provided.

## 10. Other Current Assets

This account consists of the following:

	2025	2024
Input VAT	P1,964,407	P1,273,662
Rental and security deposits	1,052,327	-
Prepayments	400,315	299,060
CWT	147,476	209,656
	<b>P3,564,525</b>	<b>P1,782,378</b>

Rental deposits will be applied to the last three (3) months of the lease while security deposits are refundable upon the expiration of the lease in 2026.

Prepayments pertain to payments for SEC license fee, accident, life and fire insurance and healthcare benefits of its employees. These are charged to expense over the coverage period or term of the related agreement, generally within one (1) year from the date of payment

## 11. Financial Assets at FVOCI

Financial assets at FVOCI represents the Company's investment in PSE shares.

In compliance with the guidelines issued by the SEC and the PSE in 2004, the Company has allocated the cost of Exchange Membership of P3,200,000 between the PSE shares and the trading right as follows: (a) 56% as the value of the 50,000 PSE shares; and (b) 44% as the value of the trading right (see Note 13).

The Market value of the PSE share as at December 31 follows:

	2025	2024
PSE shares, at cost	P1,792,000	P1,792,000
Accumulated unrealized gain	47,504,000	37,568,000
	<b>P49,296,000</b>	<b>P39,360,000</b>

Movements in the account are as follows:

	2025	2024
Balance at beginning of year	P39,360,000	P40,800,000
Change in fair value of financial assets at FVOCI	9,936,000	(1,440,000)
Balance at end of year	<b>P49,296,000</b>	<b>P39,360,000</b>

The movements of the net unrealized gain on financial assets at FVOCI as presented in the statements of financial position are as follows:

	2025	2024
Balance at beginning of year	₱28,176,000	₱29,256,000
Change in fair value of financial assets at FVOCI	9,936,000	(1,440,000)
Deferred tax on change in fair value	(2,484,000)	360,000
	7,452,000	(1,080,000)
Balance at end of year	₱35,628,000	₱28,176,000

Dividend income received from this investment amounted to ₱2.4 million in 2025 and 2024.

## 12. Property and Equipment

The composition of and movements in this account are as follows:

	2025				Total
	Leasehold Improvements	Office Furniture, Fixtures and Equipment	Computer Equipment		
<b>Cost</b>					
Balances at beginning of year	₱5,584,802	₱1,711,068	₱3,302,789		₱10,598,659
Additions	-	-	37,053		37,053
Balances at end of year	5,584,802	1,711,068	3,339,842		10,635,712
<b>Accumulated Depreciation</b>					
Balances at beginning of year	1,861,600	631,808	3,298,012		5,791,420
Depreciation	1,863,664	358,941	14,728		2,237,333
Balances at end of year	3,725,264	990,749	3,312,740		8,028,753
<b>Carrying Amounts</b>	₱1,859,538	₱720,319	₱27,102		₱2,606,959

  

	2024				Total
	Leasehold Improvements	Office Furniture, Fixtures and Equipment	Computer Equipment	Construction in Progress	
<b>Cost</b>					
Balances at beginning of year	₱-	₱716,119	₱3,302,789	₱1,664,076	₱5,682,984
Additions	3,920,726	994,949	-	-	4,915,675
Reclassification	1,664,076	-	-	(1,664,076)	-
Balances at end of year	5,584,802	1,711,068	3,302,789	-	10,598,659
<b>Accumulated Depreciation</b>					
Balances at beginning of year	-	398,323	3,292,187	-	3,690,510
Depreciation	1,861,600	233,485	5,825	-	2,100,910
Balances at end of year	1,861,600	631,808	3,298,012	-	5,791,420
<b>Carrying Amounts</b>	₱3,723,202	₱1,079,260	₱4,777	₱-	₱4,807,239

The cost of fully depreciated assets still in use amounted to ₱3.8 million and ₱3.6 million as at December 31, 2025 and 2024, respectively.

Depreciation and amortization are recognized from the following:

	Note	2025	2024
Property and equipment		<b>₱2,237,333</b>	₱2,100,910
ROU asset	19	<b>1,830,756</b>	1,830,756
		<b>₱4,068,089</b>	₱3,931,666

### 13. Trading Right

Under the PSE rules, exchange trading right is pledged at its full value to the PSE to secure the payment of all debts to other members of the PSE arising out of or in connection with the present or future members' contracts. The carrying value of the Company's trading right amounted to ₱1.4 million as at December 31, 2025 and 2024 (see Note 11).

The market value of the trading right is ₱7.7 million based on the most recent sale approved by the PSE Board of Directors.

### 14. Other Noncurrent Assets

The account consists of the following:

	2025	2024
Cash under garnishment	<b>₱31,750,925</b>	₱31,750,925
Refundable deposits	<b>1,695,670</b>	1,659,654
Other deposits and other investments	<b>40,620</b>	1,302,030
	<b>₱33,487,215</b>	₱34,712,609

Cash under garnishment pertains to the garnished amount by the BIR in 2022 in relation to the deficiency tax assessment for the year 2017.

On December 29, 2023, the Company filed a Petition for Refund of the garnished amount before the Court of Tax Appeals (CTA), docketed as CTA Case No. 11370. The case has since proceeded to trial, with the Company presenting its witness and its commissioned Independent Certified Public Accountant (ICPA) representative in open court on March 20, 2025 (see Note 23).

As at report date, proceedings before the CTA are still ongoing. The Company expects a favorable outcome on its petition for refund.

No provision for impairment loss was provided in 2025 and 2024.

Refundable deposits pertain to the monthly contributions of the Company, as a Clearing Member, to the Clearing Trade Guarantee Fund (CTGF) maintained by the Securities Clearing Corporation of the Philippines (SCCP). The monthly contribution is equivalent to 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag. The deposit is refundable upon the cessation of the business and/or termination of the membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

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#### 15. Payable to Clearing House and Customers

Payable to clearing house amounting to ₱1.0 million as at December 31, 2025 and ₱3.5 million as at December 31, 2024 is due after two (2) business days from the transaction date. Accordingly, balances as at December 31, 2025 and 2024 were fully paid on January 2, 2026 and January 3, 2025, respectively.

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#### 16. Other Current Liabilities

The account consists of the following:

	2025	2024
Accrued expenses	₱197,306	₱775,070
Statutory payables	111,922	269,139
	<b>₱309,228</b>	<b>₱1,044,209</b>

Accrued expenses consist mainly of accrual for contractors' fees, professional fees and stock transaction fees that are normally settled within the next financial year.

Statutory payables pertain to liabilities for withholding taxes and SSS/PHIC/Pag-IBIG and stock transaction tax that are normally settled within the following month.

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#### 17. Appropriation of Retained Earnings and Special Bank Reserve

In accordance with Rule 49.1 (B) of the SEC Memorandum Circular No. 16, Series of 2004, Adoption of the Risk-Based Capital Adequacy Requirement/Ratio for Broker dealers, every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to the appropriated retained earnings account in accordance with the schedule set in the said Rule. The amount appropriated shall not be available for payment of dividends. Where in any financial year, the broker dealer's paid-up capital is impaired, the broker dealer is required to transfer from the appropriated retained earnings account to the capital account an amount equivalent to the impairment. Such amount so transferred out shall not be available for payment of dividend.

On November 10, 2006, Memo for Brokers No. 377-2006, Position paper of the Market Regulation Department (MRD) of the SEC relative to the Interpretation and Implementation of RBCA Rules, was issued. MRD position on rule 49.1 (B) states that the appropriation is meant to force the poorly capitalized broker-dealers to gradually increase their capital by retaining their earnings in the business, until they reach the minimum level of ₱100.0 million in unimpaired paid-up capital prescribed by SEC for the new broker-dealers or any other amount that the Commission may determine.

When retained earnings is in deficit, all current and future earnings (and not just a percentage) should be used to wipe out the deficit, before any available surplus is used to determine the minimum size of the dividends/reserve.

The Company has appropriated retained earnings amounting to ₱4.6 million as at December 31, 2025 and 2024 intended for the reserve fund in compliance with SEC Memorandum Circular No. 16, series of 2004.

The Company has no additional appropriation in 2025 and 2024 due to its net loss position in both years.

### 18. Other Loss (Gain) - Net

This account is composed of the following:

	2025	2024
Net foreign exchange gain	(P130,608)	(P20,571)
Unrealized loss (gain) on financial assets at FVPL	(3,019)	30,440
Others	(3,137)	(5,087)
	<b>(P136,764)</b>	<b>P4,782</b>

### 19. Leases

In October 2023, the Company entered into a lease agreement with a third-party lessor for the lease its office space for three (3) years, from January 1, 2024 to December 31, 2026. The Company paid P526,164 as advance rent, which will be applied on the last three (3) months of the lease term. In addition, the Company paid a security deposit related to the lease amounting to P526,164.

The total deposits related to the lease amounting to P1.1 million are presented as part of "Other deposits and other investments" in the "Other noncurrent assets" account in the statements of financial position as at December 31, 2024, and presented as "Rental and security deposits" under "Other current assets" account in the statements of financial position as at December 31, 2025, as the lease expires on December 31, 2026.

Set out below are the carrying amount of ROU asset and the movement as at December 31, 2025 and 2024.

	Note	2025	2024
Balance at beginning of year		P3,661,508	P-
Recognition of ROU assets		-	5,492,264
Amortization	12	(1,830,756)	(1,830,756)
Balance at end of year		<b>P1,830,752</b>	<b>P3,661,508</b>

Set out below are the carrying amount of lease liability and the movement as at December 31, 2025 and 2024:

	2025	2024
Balance at beginning of year	P3,863,994	P-
Recognition of lease liability	-	5,492,264
Accretion of interest	179,294	280,714
Payments	(2,004,433)	(1,908,984)
Balance at end of year	<b>P2,038,855</b>	<b>P3,863,994</b>

The current and noncurrent portion of the lease liability are as follows:

	2025	2024
Current	₱2,038,855	₱1,825,138
Noncurrent	–	2,038,856
	<b>₱2,038,855</b>	<b>₱3,863,994</b>

The amounts recognized in profit or loss are as follows:

	2025	2024
Depreciation of ROU assets	₱1,830,756	₱1,830,756
Interest expense on lease liability	179,294	280,714
	<b>₱2,010,050</b>	<b>₱2,111,470</b>

The total cash flows for leases amounted to ₱2.0 million in 2025 and ₱1.9 million in 2024.

Future minimum rental payments under existing non-cancellable lease agreement are as follows:

	2025	2024
Within one (1) year	₱2,104,655	₱2,004,433
After one (1) year but not more than five (5) years	–	2,104,655
	<b>₱2,104,655</b>	<b>₱4,109,088</b>

## 20. Retirement Liability

The Company has an unfunded and non-contributory defined benefit plan covering all of its qualified employees. The benefits to be received by the employees under the defined benefit retirement plan shall not be less than the minimum mandated benefit under Republic Act (RA) No. 7641, *The Retirement Pay Law*. The latest actuarial valuation was as at December 31, 2024. The Company did not obtain an actuarial valuation as at December 31, 2025 because the Company believes that the difference between the retirement liability as determined by an actuarial valuation and retirement liability recorded is not significant.

The present value of the retirement benefits liability, and the related current service cost, were measured using the projected unit credit method.

The changes in the present value of the retirement benefits liability are as follows:

	2025	2024
Balance at beginning of year	₱4,495,917	₱3,139,193
Interest expense	271,980	190,549
Current service cost	127,583	324,856
Remeasurement loss (gain) from:		
Change in financial assumptions	–	950,585
Experience adjustments	–	(109,266)
Balance at end of year	<b>₱4,895,480</b>	<b>₱4,495,917</b>

The balances and movements of retirement benefits liability recognized in the statements of financial position are as follows:

	2025	2024
Balance at beginning of year	₱4,495,917	₱3,139,193
Retirement benefits cost recognized in profit or loss	399,563	515,405
Remeasurement loss recognized in OCI	-	841,319
<b>Balance at end of year</b>	<b>₱4,895,480</b>	<b>₱4,495,917</b>

The cumulative remeasurement loss recognized in other comprehensive income as at December 31 is as follows:

	2025		
	Cumulative Remeasurement Loss	Deferred Tax	Net
Balance at beginning and end of year	₱841,319	(₱210,330)	₱630,989

  

	2024		
	Cumulative Remeasurement Loss	Deferred Tax	Net
Balance at beginning of year	₱-	₱-	₱-
Remeasurement loss	841,319	(210,330)	630,989
<b>Balance at end of year</b>	<b>₱841,319</b>	<b>(₱210,330)</b>	<b>₱630,989</b>

The assumptions used to determine retirement benefits are as follows:

	2025	2024
Discount rate	6.07%	6.07%
Salary increase rate	5.00%	5.00%

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

	Change in Assumption	Effect on Retirement Benefits Liability	
		2025	2024
Discount rate	+100 bps	(₱96,773)	(₱88,838)
	-100 bps	106,797	98,068
Salary increase rate	+100 bps	106,870	98,137
	-100 bps	(98,594)	(90,522)

The maturity analysis of the undiscounted retirement benefits liability is as follows:

	2025	2024
Less than 1 year	₱4,782,447	₱4,566,658
1 year but not more than 5 years	583,702	526,044
<b>Total</b>	<b>₱5,366,149</b>	<b>₱5,092,702</b>

The average duration of the retirement benefits liability is 1.1 years and 2.1 years as at December 31, 2025 and 2024, respectively.

## 21. Income Taxes

The Company's provision for income tax pertains to MCIT in 2025 and 2024.

The provision for (benefit from) income tax consists of:

	2025	2024
Current	₱62,180	₱101,755
Deferred	3,392,752	(3,316,511)
	<b>₱3,454,932</b>	<b>(₱3,214,756)</b>

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

	2025	2024
Deferred tax assets:		
Retirement benefit liability	₱1,223,869	₱1,123,979
Effect of PFRS Accounting Standards 16, Leases	52,026	50,622
Unrealized foreign exchange loss	12,251	-
NOLCO	-	3,305,107
Excess of MCIT over RCIT	-	205,578
	<b>1,288,146</b>	<b>4,685,286</b>
Deferred tax liabilities:		
Unrealized gain on financial asset at FVOCI	11,876,000	9,392,000
Unrealized gain on financial assets at FVPL	4,781	4,026
Unrealized foreign exchange gain	-	5,143
	<b>11,880,781</b>	<b>9,401,169</b>
Net deferred tax liabilities	<b>(₱10,592,635)</b>	<b>(₱4,715,883)</b>

The Company's unrecognized deferred tax assets as at December 31, 2025, pertain to NOLCO and MCIT amounting to ₱6,464,595 and ₱267,758, respectively. The management believes that there may be no sufficient taxable income against which the tax benefits of NOLCO and MCIT may be applied.

The carryforward benefits of NOLCO as at December 31, 2025 and 2024 which can be claimed against future taxable income are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiry Year
2025	₱-	₱12,390,532	₱-	₱-	₱12,390,532	2028
2024	12,134,465	-	-	-	12,134,465	2027
2023	1,085,962	-	-	-	1,085,962	2026
	<b>₱13,220,427</b>	<b>₱12,390,532</b>	<b>₱-</b>	<b>₱-</b>	<b>₱25,610,959</b>	

The carryforward benefits of excess MCIT over RCIT as at December 31, 2025 and 2024 which can be claimed against income tax payable are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiry Year
2025	₱–	₱62,180	₱–	₱–	₱62,180	2028
2024	101,755	–	–	–	101,755	2027
2023	103,823	–	–	–	103,823	2026
	<b>₱205,578</b>	<b>₱62,180</b>	<b>₱–</b>	<b>₱–</b>	<b>₱267,758</b>	

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

	2025	2024
Income tax benefit at statutory tax rate	<b>(₱2,790,923)</b>	(₱2,752,940)
Change in unrecognized deferred tax asset	<b>6,670,498</b>	–
Increase (decrease) in income tax resulting from:		
Dividend income	<b>(600,334)</b>	(600,137)
Nondeductible expenses	<b>191,127</b>	189,409
Interest income subjected to a final tax	<b>(15,436)</b>	(51,088)
<b>Income tax expense (benefit from) at effective tax rate</b>	<b>₱3,454,932</b>	<b>(₱3,214,756)</b>

Total expenses amounting to ₱507,379 and ₱9,702, presented as part of other expenses and transportation and travel expenses, respectively, in the statements of comprehensive income for 2025, were not claimed as deductions from taxable income. In 2024, expenses amounting to ₱757,636, presented as part of taxes and licenses, were likewise not claimed as deductions from taxable income.

The income tax rates used in determining RCIT is 25% in 2025 and 2024, while the income tax rates used in determining MCIT are 2.0% in 2025 and 2024.

## 22. Related Party Transactions

In the ordinary course of its business, the Company receives buy and sell orders from UOB Kay Hian (Hong Kong) Limited, UOB Kay Hian Malaysia and UOB Kay Hian Private Limited, fellow subsidiaries. The primary function of the Company is to act as a channel of its fellow subsidiaries, for those who are willing to buy shares of stocks.

Details of significant related party transactions are as follows:

Related parties	Nature of Relationship	Nature of Operation	Country of Incorporation
UOB Kay Hian Private Limited	Fellow Subsidiary	Securities brokers	Singapore Hong Kong, People's Republic of China
UOB Kay Hian (Hong Kong) Limited	Fellow Subsidiary	Securities brokers	Malaysia
UOB Kay Hian Malaysia	Fellow Subsidiary	Securities brokers	Philippines
United Overseas Bank Philippines	Affiliate	Banking	N/A
Key management personnel	Management	N/A	N/A

a. *The Company's transactions and balances with its related parties are as follows:*

	Note	At January 1, 2025	Additions	Settlements	At December 31, 2025
<b>Receivable from Customers</b>					
UOB Kay Hian Private Limited		₱3,178,031	₱579,288,192	₱581,444,111	₱1,022,112
UOB Kay Hian (Hong Kong) Limited		330,419	362,095,025	362,425,444	–
	9	₱3,508,450	₱941,383,217	₱943,869,555	₱1,022,112
<b>Nontrade Receivables</b>					
UOB Kay Hian Private Limited	9	₱3,382,855	3,592,556	5,931,157	₱1,044,254
<b>Payable to customers</b>					
UOB Kay Hian Private Limited		₱–	₱408,449,873	₱408,449,873	₱–
UOB Kay Hian (Hong Kong) Limited		–	28,465,538	28,465,538	–
		₱–	₱436,915,411	₱436,915,411	₱–
<b>Customer Deposits</b>					
UOB Kay Hian Private Limited		₱321,467,991	₱356,959,371	₱598,510,591	₱79,916,771
UOB Kay Hian (Hong Kong) Limited		21,949,956	143,470,747	159,391,042	6,029,661
		₱343,417,947	₱500,430,118	₱757,901,633	₱85,946,432
<b>Commission Income</b>					
UOB Kay Hian Private Limited		₱–	₱1,014,240	₱1,014,240	₱–
UOB Kay Hian (Hong Kong) Limited		–	390,282	390,282	–
		₱–	₱1,404,522	₱1,404,522	₱–
	Note	At January 1, 2024	Additions	Settlements	At December 31, 2024
<b>Receivable from customers</b>					
UOB Kay Hian Private Limited		₱–	₱713,596,496	₱710,418,465	₱3,178,031
UOB Kay Hian (Hong Kong) Limited		–	301,669,861	301,339,442	330,419
	9	₱–	₱1,015,266,357	₱1,011,757,907	₱3,508,450
<b>Nontrade receivables</b>					
UOB Kay Hian Private Limited	9	₱–	3,382,855	–	₱3,382,855
<b>Payable to customers</b>					
UOB Kay Hian Private Limited		₱–	₱2,001,994,363	₱2,001,994,363	₱–
UOB Kay Hian (Hong Kong) Limited		–	19,874,826	19,874,826	–
United Overseas Bank Philippines		–	6,511,720	6,511,720	–
		₱–	₱2,028,380,909	₱2,028,380,909	₱–
<b>Customer deposits</b>					
UOB Kay Hian Private Limited		₱236,933,884	₱2,135,899,702	₱2,051,365,595	₱321,467,991
UOB Kay Hian (Hong Kong) Limited		27,099,206	28,648,108	33,797,358	21,949,956
UOB Kay Hian Malaysia		106,813	–	106,813	–
		₱264,139,903	₱2,164,547,810	₱2,085,269,766	₱343,417,947

(Forward)

	At January 1, 2024	Additions	Settlements	At December 31, 2024
<b>Commission income</b>				
UOB Kay Hian Private Limited	P-	P3,305,850	P3,305,850	P-
UOB Kay Hian (Hong Kong) Limited	-	420,251	420,251	-
United Overseas Bank Philippines	-	66,318	66,318	-
	P-	P3,792,419	P3,792,419	P-

Transactions between related parties are accounted for at terms similar to those offered to non-related entities in an economically comparable market.

Receivable from customers arise mainly from trading transactions which are due within two (2) business days from the transaction date and settled in cash or through application of customer deposits. These receivables are non-interest bearing and fully secured. There were no allowance nor provision for expected credit loss provided in 2025 and 2024.

Payable to customers arise mainly from trading transactions which are due within two (2) business days from the transaction date and settled in cash. These payables are non-interest bearing.

The customer deposits from the related parties pertain to advance payments received to be applied on the succeeding trading purchases transactions.

Commission income pertains to trading transactions executed for related parties. These are recorded on trade date basis as trade transactions occur.

*b. Management fees*

Management fees represent charges under an agreement between the Company and UOB Kay Hian Private Limited, a related party. Under this agreement, the Company provides services including business strategy and knowledge for wealth management business development. The management fees are denominated, billed and settled in USD. The transactions and outstanding balances of management fees with related parties amounted to P3,592,556 and P1,044,254 for the year ended and as at December 31, 2025, respectively. For the year ended and as at December 31, 2024, the transactions and outstanding balances of management fees with related parties both amounted to P3,382,855. This nontrade receivable is non-interest bearing, unsecured and settled in cash within 30 days upon billing.

*c. Key management compensation*

The Company paid salaries and other benefits to key management personnel amounting to P3,792,383 and P2,910,862 in 2025 and 2024, respectively.

**Revenue Regulation (RR) No. 34-2020**

Under RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, the Company is required to file and submit BIR Form No. 1709, together with its Annual Income Tax Return.



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

The Stockholders and the Board of Directors  
UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.  
Unit 4B, Level 18, Tower 2  
The Enterprise Center, 6766 Ayala Ave cor  
Paseo de Roxas, Makati City

We have audited the accompanying financial statements of UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited) (the "Company") as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 27, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares as at December 31, 2025 and 2024.

**REYES TACANDONG & Co.**

KARL JOSEPH N. MALVAS

Partner

CPA Certificate No. 110926

Tax Identification No. 940-545-217-000

BOA Accreditation No. 4782/P-020; Valid until June 6, 2026

SEC Accreditation No. 110926-SEC Group A

Issued October 4, 2022

Valid for Financial Periods 2021 to 2025

BIR Accreditation No. 08-005144-017-2025

Valid until January 16, 2028

PTR No. 10764027

Issued January 2, 2026, Makati City

March 27, 2026

Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS  
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.  
Unit 4B, Level 18, Tower 2  
The Enterprise Center, 6766 Ayala Ave cor  
Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited) (the "Company") as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 27, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Company's management. These supplementary schedules include the following:

Schedule I	Statement of Changes in Liabilities Subordinated to Claims of General Creditors
Schedule II	Computation of Risk-Based Capital Adequacy Requirement Pursuant to SEC Memorandum Circular No. 16
Schedule III	Information Relating to the Possession or Control Requirements Under SRC Rule 49.2
Schedule IV	Computation for Determination of Reserve Requirements Under SRC Rule 49.2
Schedule V	A Report Describing Any Material Inadequacies Found to Exist or Found to have Existed Since the Date of the Previous Audit
Schedule VI	Results of Year-end Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended



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

**REYES TACANDONG & Co.**

**KARL JOSEPH N. MALVAS**

Partner

CPA Certificate No. 110926

Tax Identification No. 940-545-217-000

BOA Accreditation No. 4782/P-020; Valid until June 6, 2026

SEC Accreditation No. 110926-SEC Group A

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March 27, 2026

Makati City, Metro Manila

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**

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**STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2025**

The Company has no subordinated liability.

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**

**COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO  
SEC MEMORANDUM CIRCULAR NO. 16  
DECEMBER 31, 2025**

Assets		P240,981,222
Liabilities		104,803,446
Equity as per books		136,177,776
Adjustments to Equity per books		
Add (Deduct):		
Allowance for market decline		
Subordinated Liability		
Unrealized Gain / (Loss) in proprietary accounts		
Deferred Income Tax		(1,288,146)
Revaluation Reserves		
Deposit for Future Stock Subscription (No application with SEC)		
Minority Interest		
Total Adjustments to Equity per books		(1,288,146)
Equity Eligible For Net Liquid Capital (NLC)		134,889,630
Contingencies and Guarantees		
Deduct: Contingent Liability		
Guarantees or indemnities		
Ineligible Assets		
a. Trading Right and all Other Intangible Assets (net)		1,408,000
b. Intercompany Receivables		2,066,366
c. Fixed Assets, net of accumulated and excluding those used as collateral		2,606,959
d. All Other Current Assets		3,652,933
e. Securities Not Readily Marketable		
f. Negative Exposure (SCCP)		
g. Notes Receivable (non-trade related)		
h. Interest and Dividends Receivables outstanding for more than 30 days		
i. Ineligible Insurance claims		
j. Ineligible Deposits		
k. Short Security Differences		
l. Long Security Differences not resolved prior to sale		
m. Other Assets including Equity Investment in PSE		84,613,967
Total ineligible assets		94,348,225
NLC		40,541,405
Less:		
Operating Risk Requirement		2,688,056
Position Risk Requirement		6,030,521
Counterparty Risk		
Large Exposure Risk		
LERR to a single client		
LERR to a single debt		
LERR to a single issuer and group of companies		
Total Risk Capital Requirement (TRCR)		8,718,577
Net RBCA Margin (NLC-TRCR)		31,822,828
Liabilities		104,803,446
Add: Deposit for Future Stock Subscription (No application with SEC)		
Less: Exclusions from Aggregate Indebtedness		
Subordinated Liability		
Loans and secured securities		
Loans secured by fixed assets		
Others		11,880,781
Aggregate Indebtedness (AI)		92,922,665
5% of Aggregate Indebtedness (AI)		4,646,133
Required NLC (> of 5% of AI or P5M)		5,000,000
Net Risk-based Capital Excess		P35,541,405
Ratio of AI to Net Liquid Capital		229%
RBCA Ratio (NLC/TRCR)		465%

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**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**INFORMATION RELATING TO THE POSSESSION OR**  
**CONTROL REQUIREMENTS UNDER SRC RULE 49.2**  
**DECEMBER 31, 2025**

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

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

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

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

**SCHEDULE IV**

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**COMPUTATION FOR DETERMINATION OF**  
**RESERVE REQUIREMENTS UNDER SRC RULE 49.2**  
**DECEMBER 31, 2025**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	P-	P-
2. Monies borrowed collateralized by securities carried for the account of customers.	-	-
3. Monies payable against customers' securities loaned.	-	-
4. Customers' securities failed to receive.	1,020,816	-
5. Credit balances in firm accounts which are attributable to principal sales to customer.	-	-
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	-	-
7. Market value of the short security count differences over 30 calendar days old.	-	-
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	-	-
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	-	-
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.	-	1,011,891
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.	-	-
12. Failed to deliver customers' securities not older than 30 calendar days.	-	-
13. Others due from clearing house	-	-
<b>Total</b>	<b>P1,020,816</b>	<b>P1,011,891</b>
<b>Net Credit</b>	<b>P8,925</b>	
<b>Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)</b>	<b>P8,925</b>	

**SCHEDULE V**

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**

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**A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST  
OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT  
DECEMBER 31, 2025**

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

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**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**RESULTS OF YEAR-END SECURITIES COUNT**  
**CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED**  
**DECEMBER 31, 2025**

There is no discrepancy in the results of the securities count conducted. Refer to pages 61-62 for the results of monthly securities count conducted for the year ended December 31, 2025.

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**

**RESULTS OF MONTHLY SECURITIES COUNT  
CONDUCTED PURSUANT TO SEC RULE 52.1-10  
DECEMBER 31, 2025**

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
BRN	A. BROWN COMPANY INC	300,000	₱279,000	300,000	₱279,000	--	--
AEV	Aboitiz Equity Ventures, Inc.	463,500	12,978,000	463,500	12,978,000	--	--
AGI	Alliance Global Group Inc	644,300	5,276,817	644,300	5,276,817	--	--
ANI	Agrinurture Inc.	16,126,900	8,708,526	16,126,900	8,708,526	--	--
AP	Aboitiz Power Corp.	18,900	831,600	18,900	831,600	--	--
APC	APC Group, Inc.	70,000	7,420	70,000	7,420	--	--
APX	Apex Mining	1,000,000	12,440,000	1,000,000	12,440,000	--	--
APVI	Altus Property Ventures, Inc.	304	2,554	304	2,554	--	--
ATI	Asian Terminals, Inc.	3,008,400	103,789,800	3,008,400	103,789,800	--	--
AUB	Asia United Bank Corp	20,000	784,000	20,000	784,000	--	--
ATNB	ATN Holdings Inc B	52,286,000	25,881,570	52,286,000	25,881,570	--	--
AC	Ayala Corporation	232,890	108,992,520	232,890	108,992,520	--	--
ALI	Ayala Land	127,399	2,860,108	127,399	2,860,108	--	--
ALLHC	Ayala Land Logistics Holding Corp.	100,000	130,000	100,000	130,000	--	--
BDO	Banco de Oro Unibank, Inc.	4,700	632,620	4,700	632,620	--	--
BEL	Belle Corporation	249,333	329,120	249,333	329,120	--	--
BLOOM	Bloomerry Resorts Corp.	359,300	912,622	359,300	912,622	--	--
CEB	Cebu Air, Inc.	10,000	320,000	10,000	320,000	--	--
CEI	Crown Equities, Inc.	25,718,000	1,851,696	25,718,000	1,851,696	--	--
CHP	Cemex Holdings (Phils)	10,000	10,900	10,000	10,900	--	--
CBC	China Banking Corporation	92,785	5,288,745	92,785	5,288,745	--	--
COL	COL Financial Group, Inc.	547,500	777,450	547,500	777,450	--	--
CIC	Concepcion Industrial Corp	1,664,440	22,636,384	1,664,440	22,636,384	--	--
CNVRG	Converge Information and Communications Technology	1,400,000	21,448,000	1,400,000	21,448,000	--	--
COSCO	Cosco Capital Inc	281,000	1,964,190	281,000	1,964,190	--	--
DMC	DMCI Holdings	7,091,000	74,739,140	7,091,000	74,739,140	--	--
DITO	DITO CME Holdings Corp	4,160,000	2,828,800	4,160,000	2,828,800	--	--
EW	East West Banking Corp	135,900	1,576,440	135,900	1,576,440	--	--
ECP	EasyCall Comm Phils	26,725	83,917	26,725	83,917	--	--
FCG	FIGARO COFFEE GROUP, INC.	200,000	116,000	200,000	116,000	--	--
FPH	First Phil Holdings Corp	442,850	34,099,450	442,850	34,099,450	--	--
GTCAP	GT Capital Holdings, Inc.	1,200	714,000	1,200	714,000	--	--
GEO	Geograce Resources Phils Inc	7,490,000	651,630	7,490,000	651,630	--	--
GSMI	Ginebra San Miguel	1,196,990	353,112,050	1,196,990	353,112,050	--	--
GERI	Global-Estate Resorts, Inc	95,565	65,940	95,565	65,940	--	--
FNI	Global Ferronickel Holdings Inc	24,583,398	33,187,587	24,583,398	33,187,587	--	--
GLO	Globe Telecoms Inc.	5,904	9,351,936	5,904	9,351,936	--	--
GMAP	GMA Holdings, Inc (PDR)	900,000	4,761,000	900,000	4,761,000	--	--
HI	House of Investment	386,050	1,775,830	386,050	1,775,830	--	--
JGS	JG Summit	15,015,311	355,112,105	15,015,311	355,112,105	--	--
JFC	Jollibee Foods Corporation	7,550	1,359,000	7,550	1,359,000	--	--
KEEPR	Keepers Holdings Inc	70,966,000	175,995,680	70,966,000	175,995,680	--	--
KEP	Keppel Phils Properties, Inc	167,246	367,941	167,246	367,941	--	--
LCB	Lepanto Cons Mng Co "B"	2,137	400	2,137	400	--	--
LTG	LT Group, Inc	151,000	2,231,780	151,000	2,231,780	--	--
MHC	Mabuhay Holdings Corp	985,000	112,290	985,000	112,290	--	--
MVC	Mabuhay Vinyl Corporation	71,000	368,490	71,000	368,490	--	--
MAC	Macro Asia Corp	352,000	1,527,680	352,000	1,527,680	--	--
MEG	Megaworld Corporation	90,574	188,394	90,574	188,394	--	--
MBT	Metrobank & Trust Com	140,963	9,655,966	140,963	9,655,966	--	--
MGH	Metro Global Holdings Corp (former Fil Estate)	390,000	390,000	390,000	390,000	--	--
MONDE	Monde Nissin Corporation	45,441,790	263,562,382	45,441,790	263,562,382	--	--
MRC	MRC Allied Industries	2,000	1,740	2,000	1,740	--	--

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
NXGEN	NextGenesis Corporation	1,719,400	₱12,035,800	1,719,400	₱12,035,800	—	—
NIKL	Nickel Asia Corporation	108,000	420,120	108,000	420,120	—	—
OGP	OCEANAGOL (PHILS) INC	750,000	24,150,000	750,000	24,150,000	—	—
PAL	PAL Holdings, Inc.	464,231,605	1,764,080,099	464,231,605	1,764,080,099	—	—
PIP	Pepsi-Cola Products Phils Inc	650,000	1,105,000	650,000	1,105,000	—	—
DNA	Philab Holdings	9,970,000	28,514,200	9,970,000	28,514,200	—	—
PBB	Philippine Business Bank	138,300	1,064,910	138,300	1,064,910	—	—
TEL	Phil Long Distance Corp	25,800	32,508,000	25,800	32,508,000	—	—
PLUS	DIGIPLUS INTERACTIVE CORP	2,276,400	36,877,680	2,276,400	36,877,680	—	—
PNB	Phil National Bank	56,500	3,073,600	56,500	3,073,600	—	—
PRC	Phil Racing Club	152,100	1,003,860	152,100	1,003,860	—	—
PSB	Phil Savings Bank	62,423	3,370,842	62,423	3,370,842	—	—
SEVN	Phil. Seven Corporation	16,400	606,800	16,400	606,800	—	—
PSE	Phil Stock Exchange	485,150	99,649,810	485,150	99,649,810	—	—
PX	Philex Mining Corp B	2,532,000	25,066,800	2,532,000	25,066,800	—	—
PXP	PXP Energy Corporation	7,808	18,583	7,808	18,583	—	—
WEB	Philweb Corporation	26,455,700	164,025,340	26,455,700	164,025,340	—	—
PCP	Picop resources Inc	13,707,080	2,809,951	13,707,080	2,809,951	—	—
RFM	RFM Corporation	115,000	546,250	115,000	546,250	—	—
RLC	Robinsons Land Corp	1,522,570	24,604,730	1,522,570	24,604,730	—	—
RRHI	Robinsons Retail Holdings Inc	205,000	6,775,250	205,000	6,775,250	—	—
ROCK	Rockwell Land Corp	475,000	878,750	475,000	878,750	—	—
SSI	SSI Group Inc	18,880,000	49,654,400	18,880,000	49,654,400	—	—
SMC	San Miguel Corp B	1,134	92,988	1,134	92,988	—	—
FB	San Miguel Food & Beverage	989,400	54,417,000	989,400	54,417,000	—	—
SECB	Security Bank "B"	5,112	335,603	5,112	335,603	—	—
SCC	Semirara Mining Corporation	23,400	661,050	23,400	661,050	—	—
PIZZA	Shakeys Pizza Asia Ventures, Inc.	5,197,500	35,343,000	5,197,500	35,343,000	—	—
SHNG	Shang Properties, Inc.	27,374,871	96,907,043	27,374,871	96,907,043	—	—
SHLPH	Pilipinas Shell Petroleum Corp	8,132,000	56,354,760	8,132,000	56,354,760	—	—
SM	SM Investment Corp	1,450	1,014,275	1,450	1,014,275	—	—
SMPH	SM Prime Holdings Inc	122,000	2,775,500	122,000	2,775,500	—	—
SGI	Solid Group Inc	1,300	1,651	1,300	1,651	—	—
STI	STI Education Systems Holdings, Inc	960,000	1,353,600	960,000	1,353,600	—	—
TFHI	Top Frontier Investment Hldgs Inc	112	6,832	112	6,832	—	—
TBGI	TransPacific Broadbank Group	10,500,000	1,396,500	10,500,000	1,396,500	—	—
UBP	Union Bank of the Phils	176,441	4,693,330	176,441	4,693,330	—	—
URC	Universal Robina Corp	37,000	2,490,100	37,000	2,490,100	—	—
VMC	Victorias Milling Company, Inc.	80,000	163,200	80,000	163,200	—	—
WPI	Waterfront Philippines Inc	3,330,000	1,365,300	3,330,000	1,365,300	—	—
PHA	Premiere Horizon Alliance Corp (old name: Premiere Ent. Prod changed 11 Jan 2012)	5,000	1,185	5,000	1,185	—	—
		<b>₱886,712,760</b>	<b>₱4,209,284,902</b>	<b>₱886,712,760</b>	<b>₱4,209,284,902</b>	<b>₱-</b>	<b>₱-</b>

**SCHEDULE VII**

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**

**SUPPLEMENTARY SCHEDULE OF  
EXTERNAL AUDITOR FEE RELATED INFORMATION  
DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>Total Audit Fees</b>	<b>₱200,000</b>	<b>₱200,000</b>
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-Audit Fees</b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-Audit Fees</b>	<b>₱200,000</b>	<b>₱200,000</b>

**UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.**  
**SUPPLEMENTARY SCHEDULE OF**  
**FINANCIAL SOUNDNESS INDICATORS UNDER REVISED SRC RULE 68**  
**DECEMBER 31, 2025**

	2025	2024
<b>Current/Liquidity Ratio</b>	<b>1.71</b>	<b>1.20</b>
Current assets	P152,352,296	P420,436,994
Current liabilities	89,315,331	349,791,294
<b>Acid Test Ratio</b>	<b>1.67</b>	<b>1.20</b>
Quick assets	P148,787,771	P418,654,616
Current liabilities	89,315,331	349,791,294
<b>Solvency Ratio</b>	<b>(0.10)</b>	<b>(0.01)</b>
Net loss	(P14,618,624)	(P7,797,003)
Add: Depreciation	4,068,089	3,931,666
Net loss before depreciation	(10,550,535)	(3,865,337)
Total liabilities	104,803,446	361,041,950
<b>Debt-to-Equity Ratio</b>	<b>0.77</b>	<b>2.52</b>
Total liabilities	P104,803,446	P361,041,950
Total equity	136,177,776	143,344,400
<b>Asset-to-Equity Ratio</b>	<b>1.77</b>	<b>3.52</b>
Total assets	P240,981,222	P504,386,350
Total equity	136,177,776	143,344,400
<b>Interest Rate Coverage Ratio</b>	<b>(63.26)</b>	<b>(40.23)</b>
Pretax income before interest	(P11,342,986)	(P11,292,473)
Interest expense	179,294	280,714
<b>Return on Equity</b>	<b>(0.10)</b>	<b>(0.05)</b>
Net loss	(P14,618,624)	(P7,797,003)
Average equity	139,761,088	148,098,396
<b>Return on Assets</b>	<b>(0.04)</b>	<b>(0.02)</b>
Net loss	(P14,618,624)	(P7,797,003)
Average assets	372,683,786	466,680,761
<b>Gross Margin</b>	<b>0.72</b>	<b>0.79</b>
Gross profit	P5,368,782	P7,687,568
Revenue	7,460,156	9,780,172
<b>Net Profit Margin</b>	<b>(1.96)</b>	<b>(0.80)</b>
Net loss	(P14,618,624)	(P7,797,003)
Total revenue	7,460,156	9,780,172