



# SECURITIES AND EXCHANGE COMMISSION

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**SEC Registration No.:** 0000105443

**Company Name:** WONG SECURITIES CORPORATION

**Industry Classification:** J66930

**Company Type:** Stock Corporation

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**WONG SECURITIES CORPORATION**

FINANCIAL STATEMENTS  
December 31, 2025 and 2024

and

Report of Independent Auditors

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

**ANNUAL AUDITED FINANCIAL REPORT**

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

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

**IDENTIFICATION OF BROKER OR DEALER**

Name of Broker / Dealer: WONG SECURITIES CORPORATION

Address of Principal Place of Business: 960 Ideal Street Addition Hills  
Mandaluyong City, Metro Manila

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

Name: ANGELIN WONG Tel. No. (02) 8727-6317  
Fax No. \_\_\_\_\_

**IDENTIFICATION OF ACCOUNTANT**

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

Name: MA. ALMA C. SESE Tel. No. 8994-3984  
Fax No. \_\_\_\_\_

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

Certificate Number: 54588

PTR Number : 368867 Date Issued: January 08, 2026



# WONG SECURITIES CORPORATION

Member: Philippine Stock Exchange

960 Ideal Street  
Mandaluyong City  
Metro Manila

Tel No: (02) 8727-6317

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

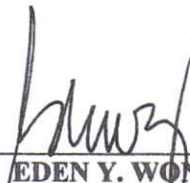
The management of **WONG SECURITIES CORPORATION** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with Philippine Financial Reporting Standards (PFRS)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

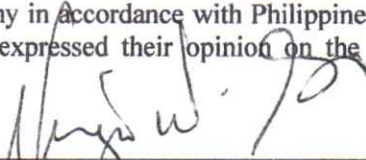
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

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

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

  
\_\_\_\_\_  
**EDEN Y. WONG**  
President

  
\_\_\_\_\_  
**MA. VIRGINIA W. GO**  
Chairman of the Board


  
\_\_\_\_\_  
**ANGELIN WONG**  
Treasurer

Signed this 27th day of March 2026.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the QUEZON CITY Philippines, this MAR 27 2026 affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

DOC# 438  
PAGE# 88  
NAMES BOOK# XX VIII/  
SERIES OF 2026

Ma. Virginia W. Go  
Eden Y. Wong  
Angelin Wong

  
COMPETENT NOTARY PUBLIC DATE AND PLACE ISSUED  
EVIDENCE OF IDENTITY WITH DECEMBER 31, 2026  
ADM MATTER NO 003  
PTR NO. 8394528 / 1/05/2026-Q.C.  
Passport No. P4169774B 12/10/2019 DFA NCR WEST  
Passport No. P1668901B 04/16/2019/DFANCR CENTRAL  
Passport No. P8033694A 07/21/2018 DFA NCR EAST  
Add: 473 Bonifacio Road, Barangay  
San Roque, Murphy, Quezon City



**SUPPLEMENTAL STATEMENT OF  
INDEPENDENT AUDITORS**

**To the Board of Directors and Shareholders  
WONG SECURITIES CORPORATION**  
960 Ideal Street Addition Hills  
Mandaluyong City, Metro Manila

We have audited the financial statements of **WONG SECURITIES CORPORATION** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated March 27, 2026.

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

**PEREZ, SESE, VILLA & CO.**

BY:   
**MA. ALMA C. SESE**  
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 0368867, Issued on January 08, 2026, Manila

SEC Accreditation No.

Partner - 0054588-SEC Group B, Issued on December 01, 2022.

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

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

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

IC Accreditation No.

Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026

valid for three (3) years covering the audit from 2025 to 2027 Financial Statements

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

valid until October 12, 2026

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

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

Manila, Philippines  
March 27, 2026




## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

To the Board of Directors and Shareholders  
**WONG SECURITIES CORPORATION**  
960 Ideal Street Addition Hills  
Mandaluyong City, Metro Manila

We have audited the financial statements of **WONG SECURITIES CORPORATION** (the Company) as at and for the year ended December 31, 2025 in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated March 27, 2026. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules I to VIII, as required by the Securities and Exchange Commission under the Revised Securities Regulation Code Rule 68, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**PEREZ, SESE, VILLA & CO.**

BY:   
**MA. ALMA C. SESE**  
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

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

Manila, Philippines  
March 27, 2026



## REPORT OF INDEPENDENT AUDITORS

**To the Board of Directors and Shareholders**  
**WONG SECURITIES CORPORATION**  
960 Ideal Street Addition Hills  
Mandaluyong City, Metro Manila

### Report on the Audit of the Financial Statements

#### *Opinion*

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

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

#### *Basis for Opinion*

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

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

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

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

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 28 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**PEREZ, SESE, VILLA & CO.**

BY:  MA. ALMA C. SESE  
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

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

Manila, Philippines  
March 27, 2026



**WONG SECURITIES CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
*For the Years Ended December 31, 2025 and 2024*

	<i>Notes</i>	<u>2025</u>	<u>2024</u>
<b>INCOME</b>			
Commission Revenue	4,18	P 614,398	P 207,779
Dividend income	4,5,7	2,312,012	2,369,813
Gain on financial assets at FVTPL, net	4,5,7	175,334	340,183
Unrealized gain (loss) on financial assets at FVTPL	4,5,7	<u>10,728,216</u>	<u>(1,638,497)</u>
Total Income		13,829,960	1,279,278
<b>DIRECT COSTS</b>	4,19	<u>(848,971)</u>	<u>(847,947)</u>
<b>GROSS INCOME</b>		12,980,989	431,331
<b>OPERATING EXPENSES</b>	4,20	<u>(862,831)</u>	<u>(795,116)</u>
<b>GAIN (LOSS) FROM OPERATION</b>		12,118,158	(363,785)
<b>INTEREST INCOME</b>	4,6,21	<u>397,166</u>	<u>417,760</u>
<b>NET INCOME BEFORE INCOME TAX</b>		<u>12,515,324</u>	<u>53,975</u>
<b>INCOME TAX BENEFITS (EXPENSE)</b>	4,5,23		
Current		-	-
Deferred		<u>(2,048,493)</u>	<u>513,933</u>
		<u>(2,048,493)</u>	<u>513,933</u>
<b>NET INCOME FOR THE YEAR</b>		<u>10,466,831</u>	<u>567,908</u>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>P 10,466,831</u>	<u>P 567,908</u>

*(See accompanying Notes to Financial Statements)*

# WONG SECURITIES CORPORATION

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

	<i>Notes</i>	<b>2025</b>	2024
<b>SHARE CAPITAL</b>	<i>4,17</i>		
Balance at beginning of the year		<b>₱ 30,000,000</b>	<b>₱ 30,000,000</b>
Issuance for the year		<u>-</u>	<u>-</u>
Balance at end of the year		<u><b>30,000,000</b></u>	<u><b>30,000,000</b></u>
<b>RETAINED EARNINGS</b>	<i>4,17</i>		
<b>Unappropriated</b>			
Balance at beginning of the year		<b>4,313,270</b>	3,915,734
Net income for the year		<b>10,466,831</b>	567,908
Appropriation for the year per SRC Rule 49.1		<u><b>(3,140,049)</b></u>	<u>(170,372)</u>
Balance at end of the year		<u><b>11,640,052</b></u>	<u><b>4,313,270</b></u>
<b>Appropriated</b>			
Balance at beginning of the year		<b>33,151,493</b>	32,981,121
Appropriation for the year per SRC Rule 49.1		<u><b>3,140,049</b></u>	<u>170,372</u>
Balance at end of the year		<u><b>36,291,542</b></u>	<u><b>33,151,493</b></u>
<b>Total Retained Earnings</b>		<u><b>47,931,594</b></u>	<u><b>37,464,763</b></u>
<b>TOTAL EQUITY</b>		<u><b>₱ 77,931,594</b></u>	<u><b>₱ 67,464,763</b></u>

*(See accompanying Notes to Financial Statements)*

## WONG SECURITIES CORPORATION

### STATEMENTS OF CASH FLOWS

*For the Years Ended December 31, 2025 and 2024*

	<i>Notes</i>	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income before tax		P 12,515,324	P 53,975
<b>Adjustment to reconcile net income to</b>			
<b>Net cash provided by operating activities:</b>			
Depreciation	4,5,11	46,739	45,139
Unrealized (gain)loss on FVTPL	4,5,7	(10,728,216)	1,638,497
Dividend income	4,5,7	(2,312,012)	(2,369,813)
Interest income	4,6,21	(397,166)	(417,760)
<b>Operating loss before changes in working capital</b>		<b>(875,331)</b>	<b>(1,049,962)</b>
<b>Decrease (Increase) in:</b>			
Financial asset at fair value through profit or loss	4,5,7	980,036	(1,396,329)
Receivables from customers	4,5,8	(17,305)	169,422
Receivables from clearing house	4,5,9	9,833	(38,020)
Prepayments and other current assets	4,5,10	(53,137)	(24,434)
<b>Increase (Decrease) in:</b>			
Payable to customers	4,5,14	289,332	102,644
Other payables	4,5,15	(4,700)	(44,293)
Other current liabilities	4,5,16	(4,073)	(42,378)
<b>Cash generated from (used in) operations</b>		<b>324,655</b>	<b>(2,323,350)</b>
Interest received	4,6,21	397,166	417,760
Dividend received	4,5,7	2,312,012	2,369,813
<b>Net cash provided by operating activities</b>		<b>3,033,833</b>	<b>464,223</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	4,5,11	(10,896)	(11,955)
Payment of refundable deposit	4,5,13	(1,025)	(962)
<b>Net cash used in investing activities</b>		<b>(11,921)</b>	<b>(12,917)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>3,021,912</b>	<b>451,306</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>29,082,548</b>	<b>28,631,242</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>P 32,104,460</b>	<b>P 29,082,548</b>

*(See accompanying Notes to Financial Statements)*

**WONG SECURITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 2025 and 2024**

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**NOTE 1 - GENERAL INFORMATION**

**WONG SECURITIES CORPORATION**, (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 0105443 dated June 22, 1982. The Company is established primarily to engage in the business of stock and bond brokers and dealers in securities and in all activities directly or indirectly connected therewith or incidental thereto.

The Company's registered address, which is also its principal place of business is located 960 Ideal Street, Barangay Addition Hills, Mandaluyong City 1550, Philippines.

*Approval of the Financial Statement*

The financial statements of the Company for the year ended December 31, 2025 including its comparative figures for the year ended December 31, 2024 were approved and authorized for issue by the Board of Directors (BOD) on March 27, 2026.

**NOTE 2 - BASIS OF PREPARATION AND PRESENTATION**

*Statement of Compliance*

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

*Basis of Preparation and Measurement*

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

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

The financial statements have been prepared on historical cost basis, unless stated otherwise. Except for financial asset at fair value through profit of loss (FVTPL) which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

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

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

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

- Note 5 - Significant, Accounting Judgement and Estimates
- Note 27 - Fair Value Measurement

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

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

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

### **NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

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

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

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

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

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

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

#### *Effective beginning on or after January 1, 2026*

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

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

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

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

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

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

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

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features

and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

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

- Annual Improvements to PFRS Accounting Standards—Volume 11

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

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

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

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

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

- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

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

- Transaction Price

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

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

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

- Amendments to PAS 7, *Cost Method*

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

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

*Effective beginning on or after January 1, 2027*

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

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

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

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

- PFRS 19, *Subsidiaries without Public Accountability*

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

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

The application of the standard is optional for eligible entities.

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

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

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

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

*Deferred effectivity*

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

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

however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

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

#### NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

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

##### **Financial Assets and Liabilities**

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

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

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

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

##### **Classification**

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

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

*Financial Assets at FVTPL.*

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

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

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

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

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

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

As at December 31, 2023 and 2022, the Company financial assets classified as FVTPL are presented in Note 7.

*Financial Assets at Amortized Cost*

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

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

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

As at December 31, 2025 and 2024, the Company's cash and cash equivalent, receivable from customers, receivable from clearing house and refundable deposits are classified under this category. (Note 6, 8, 9 and 13)

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

### **Receivables**

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

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

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

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

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

In measuring expected credit losses, the Company considers:

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

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

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

### ***Financial 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 payable to customers, payable to clearing house and other payables are classified under this category. (Note 14, and 15)

### **Reclassification**

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

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

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

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

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

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

### **Impairment of Financial Assets**

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

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

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

information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

### **Derecognition of Financial Assets and Liabilities**

#### ***Financial Assets***

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

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

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

#### ***Financial Liabilities***

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

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

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

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

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

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the

recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

#### **Classification of Financial Instrument between Liability and Equity**

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

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

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

#### **Prepayments and Other Current Assets**

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

#### **Property and Equipment**

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

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

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

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

#### **Intangible Assets**

Intangible asset represents trading right. These are initially measured at cost and is presented in the statement of financial position at cost less any accumulated amortization and impairment losses.

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

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

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

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

### **Impairment of Non- Financial Assets**

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

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

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

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

### **Other Current Liabilities**

Other current liabilities include statutory payables and unearned revenues. These are presented in the statement of financial position at undiscounted amounts.

### **Share Capital**

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

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

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

### **Retained Earnings**

Retained earnings include income earned in current and prior periods net of any dividend declaration, effects of changes in accounting policy and prior period adjustments.

### **Appropriated Retained Earnings**

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

### ***Other Comprehensive Income (OCI)***

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

### **Revenue**

#### **Revenue Recognition**

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

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

#### ***Commission***

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

#### ***Other Income***

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

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

#### ***Dividend income***

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

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***Trading Gains or Losses on Financial Assets at FVPL***

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

***Interest income***

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

**Expenses**

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

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

***Operating and administrative expenses***

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

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

**Income Tax**

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

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

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

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

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

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

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

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

### **Employee Benefits**

#### ***Short-term benefits***

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

These are recognized as expense in the period the employees rendered services to the Company.

#### **Retirement Benefits**

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

### **Related Party Transactions**

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

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

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

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### **Foreign Currency Transaction**

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

### **Provisions and contingencies**

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

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

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

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

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

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

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

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the Company restates the opening balances

of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

#### **Subsequent events**

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

#### **NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgements and accounting estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as at the reporting date. While the Branch believes that the assumptions are reasonable and appropriate. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

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

#### **Judgment**

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

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

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

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

#### ***Day 1 Profit Recognition***

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

### *Assessment of Impairment of Nonfinancial Assets*

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

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

### **Estimates**

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

#### *Estimation of Allowance for Credit Losses*

The measurement of the allowance for Credit Losses on financial assets at amortized cost and at FVOCI (debt instruments) is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring Credit Losses is further detailed in Note 25.

#### *Fair value measurement of financial assets at FVTPL*

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

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

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

#### *Estimating useful lives of property and equipment*

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

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

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

***Determination of Realizable Amount of Deferred Tax Assets/Liabilities***

The Company reviews its deferred tax assets/liabilities at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets/liabilities to be utilized. Management assessed that the deferred tax assets/liabilities recognized as at December 31, 2025 and 2024 will be fully utilized/will be due in the coming years. The carrying value of deferred tax assets/liabilities as of those dates is disclosed in Note 23.

**NOTE 6 - CASH AND CASH EQUIVALENTS**

This account consists of:

	2025	2024
Cash equivalents – reserve account	₱ 1,926,475	₱ 1,922,979
Cash equivalents	10,400,000	10,000,000
Cash in banks	19,774,985	17,156,569
Cash on hand	3,000	3,000
	<b>₱ 32,104,460</b>	<b>₱ 29,082,548</b>

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

Interest income recognized in the Statements of Comprehensive Income amounted to ₱397,166 and ₱417,760 in 2025 and 2024, respectively. (Note 21)

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

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

This account consists of:

	2025	2024
Held for trading securities		
Equities in PHISIX	₱ 2,193,400	₱ 2,493,900
Equities outside PHISIX	49,500,985	39,452,305
	<b>₱ 51,694,385</b>	<b>₱ 41,946,205</b>

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

	2025	2024
Balance at beginning of year	P 41,946,205	P 42,188,373
Additions	5,618,443	11,018,603
Disposals	(6,598,479)	(9,622,274)
Fair value adjustments	10,728,216	(1,638,497)
Balance at end of year	<u>P 51,694,385</u>	<u>P 41,946,205</u>

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

Dividend income on financial assets at FVTPL presented in the statements of comprehensive income amounted to P2,312,012 and P2,369,813 in 2025 and 2024, respectively.

The Company recognizes gain on sale of financial assets at FVTPL presented as part of gain on financial assets at FVTPL in the statements of comprehensive income amounting to P175,334 in 2025 and P340,183 in 2024.

The change in fair value of financial assets at fair value through profit or loss recognized and presented as part of unrealized gain (loss) on financial assets at FVTPL in the statements of comprehensive income amounted to a gain of P10,728,216 in 2025 and loss of P1,638,497 in 2024.

#### NOTE 8 - RECEIVABLE FROM CUSTOMERS

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

	2025		2024	
	Money Balance	Security Valuation- Long	Money Balance	Security Valuation- Long
Fully secured accounts:				
More than 250%	P 33,911	P 479,500	P 16,606	P 998,101
Between 200% to 250%	-	-	-	-
Between 150% to 200%	-	-	-	-
Between 100% to 150%	-	-	-	-
Less than 100%	-	-	-	-
	<u>33,911</u>	<u>479,500</u>	<u>16,606</u>	<u>998,101</u>
Partially secured accounts:				
Less than 100%	-	-	-	-
Unsecured accounts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: Allowance for credit losses	-	-	-	-
	<u>P 33,911</u>	<u>P 479,500</u>	<u>P 16,606</u>	<u>P 998,101</u>

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

Allowance for credit losses on trade and other receivables is computed using the formula provided by the SRC Rule No. 52.1.11 which forms part of the Risk-Based Capital Adequacy (RBCA)

Report, (Note 26). No credit loss was recognized in the Company's financial statements in either 2025 or 2024.

**NOTE 9 - RECEIVABLES FROM/ PAYABLES TO CLEARING HOUSE**

The net balance of this account as at December 31, 2025 and 2024 relates to the trading transactions made on the trading floor of the Philippine Stock Exchange for the last two trading days which have not yet been cleared. The outstanding balance were net receivable from clearing house amounting to ₱405,127 and ₱414,960 in 2025 and 2024, respectively.

**NOTE 10 - PREPAYMENTS AND OTHER CURRENT ASSETS**

This account consists of:

	<u>2025</u>	<u>2024</u>
Prepaid expenses	₱ 70,500	₱ 70,500
Prepaid income tax (Note 23)	400,725	336,151
VAT input	1,543	12,980
	<u>₱ 472,768</u>	<u>₱ 419,631</u>

Prepayment represents insurance and taxes & licenses paid in advance which are applicable in the next accounting period.

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

VAT input is value added tax imposed on purchases of goods and services, and these are creditable to Company's VAT liability.

**NOTE 11 - PROPERTY AND EQUIPMENT, net**

Details of movement in property and equipment at the beginning and end of December 31, 2025 and 2024, are presented below:

**2025**

	<u>Transportation Equipment</u>	<u>Office Equipment</u>	<u>Furniture and Fixture</u>	<u>Total</u>
<b>Costs</b>				
January 01, 2025	₱ 2,664,821	₱ 1,064,328	₱ 42,592	₱ 3,771,741
Additions	-	10,896	-	10,896
Disposals	-	-	-	-
January 01, 2025	<u>2,664,821</u>	<u>1,075,224</u>	<u>42,592</u>	<u>3,782,637</u>
<b>Accumulated depreciation</b>				
January 01, 2025	2,664,821	945,532	42,592	3,652,945
Depreciation expense	-	46,739	-	46,739
Disposals	-	-	-	-
December 31, 2025	<u>2,664,821</u>	<u>992,271</u>	<u>42,592</u>	<u>3,699,684</u>
<b>Carrying amount</b>				
December 31, 2025	<u>₱ -</u>	<u>₱ 82,953</u>	<u>₱ -</u>	<u>₱ 82,953</u>
Carrying amount				
December 31, 2024	<u>₱ -</u>	<u>₱ 118,796</u>	<u>₱ -</u>	<u>₱ 118,796</u>

2024	Transportation Equipment	Office Equipment	Furniture and Fixture	Total
<b>Costs</b>				
January 01, 2024	₱ 2,664,821	₱ 1,052,373	₱ 42,592	₱ 3,759,786
Additions	-	11,955	-	11,955
Disposals	-	-	-	-
January 01, 2024	2,664,821	1,064,328	42,592	3,771,741
<b>Accumulated depreciation</b>				
January 01, 2024	2,664,821	900,393	42,592	3,607,806
Depreciation expense	-	45,139	-	45,139
Disposals	-	-	-	-
December 31, 2024	2,664,821	945,532	42,592	3,652,945
<b>Carrying amount</b>				
December 31, 2024	₱ -	₱ 118,796	₱ -	₱ 118,796
<b>Carrying amount</b>				
December 31, 2023	₱ -	₱ 151,980	₱ -	₱ 151,980

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

Fully depreciated properties and equipment are retained in the accounts while still in use.

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

None of the Company's property and equipment were held as collateral on loan.

#### NOTE 12 - TRADING RIGHT

This account consists of trading right amounting to ₱198,000 as of December 31, 2025 and 2024. Trading right represents the Company's privilege in trading securities in the PSE floor. In compliance with Section 8, Article III of the Amended By Laws of the Exchange, the Company's trading right (previously the exchange membership seat is pledged at its full value to the PSE to secure the payment of all debts due to the Exchange and to other trading participants of the exchange arising from out of or in connection with the present or future contracts relating to securities and in compliance with Section 7, Article II of the Rules Governing Trading Rights and Trading Participants, to secure the payment of all debts and claims due to the clients of the Company, the Government, the Exchange and other trading participant of the Exchange and to the Securities Clearing Corporation of the Philippines.

The trading right is regarded as having an indefinite useful life when it was acquired because it is expected to generate net cash inflows indefinitely. Because it is regarded as having an indefinite useful life, the trading right would not be amortized but would be tested for impairment annually and whenever there is an indication that it may be impaired.

The carrying amount of trading rights presented as part of Intangible Assets in the Statement of Financial Position amounts to ₱198,000 as at December 31, 2025 and 2024. The last transacted price of the trading right in Philippine Pesos: Seven Million Seven Hundred Thousand Pesos (₱7,700,000) dated September 17, 2025. Considering that the market value is significantly higher than the carrying amount, no impairment loss was recognized for this account.

**NOTE 13 - REFUNDABLE DEPOSITS**

This account consists of:

	<u>2025</u>	<u>2024</u>
Clearing and Trade Guaranty Fund (CTGF)	P 103,034	P 102,009
Refundable deposits- PLDT	5,540	5,540
	<u>P 108,574</u>	<u>P 107,549</u>

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

**NOTE 14 - PAYABLES TO CUSTOMERS**

This account consists of Payable to Customers amounting to P555,924 and P266,592 as at December 31, 2025 and 2024, respectively. This is non-interest bearing and is due within two (2) trading days after the consummates of the transactions.

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

	<u>2025</u>		<u>2024</u>	
	<u>Credit Balance</u>	<u>Security Valuation- Long</u>	<u>Credit Balance</u>	<u>Security Valuation- Long</u>
With money balance	P 555,924	P 32,937,410	P 266,592	P 18,202,544
Without money balance	-	75,558,195	-	95,654,148
	<u>P 555,924</u>	<u>P 108,495,605</u>	<u>P 266,592</u>	<u>P 113,856,692</u>

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

**NOTE 15 - OTHER PAYABLES**

This account consists of:

	<u>2025</u>	<u>2024</u>
Accrued expenses	P 49,700	P 49,500
Dividend payable	13,026	17,926
	<u>P 62,726</u>	<u>P 67,426</u>

Accrued expenses represent accruals of incurred expenses on stock dues and fees and central depository fees which has not been paid as of the reporting period.

Dividend payable pertains to dividends received by the Company on behalf of its clients that has not been claimed as of reporting period.

**NOTE 16 - OTHER CURRENT LIABILITIES**

This account consists of:

	<u>2025</u>	<u>2024</u>
Transaction fee payable	P 111,223	P 112,134
SCCP fee payable	14,452	16,438
Statutory payable	4,230	4,040
Due to BIR	1,826	3,192
	<u>P 131,731</u>	<u>P 135,804</u>

Transaction fee payable pertains to transfer fees incurred for stock transfer which are normally settled within 60-90 days. Also included in this account are payable to clearing house which represents the net amount payable on the sales and purchases of securities made on the trading floor of the Philippines Stock Exchange, Inc.

Clearing house fees payable pertains to transaction fees on selling and buying of stocks.

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

Due to BIR pertains to final taxes, stock transaction taxes, withholding taxes and value added tax that are due for remittance in the succeeding period.

**NOTE 17 - EQUITY**

**Capital Stock**

The Company is authorized to issue Four Hundred Thousand (400,000) ordinary shares with par value of one hundred peso (P 100) per share.

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

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

**2025**

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2024	300,000	P 30,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2025	<u>300,000</u>	<u>P 30,000,000</u>

2024

	Shares	Amount
Outstanding 12/31/2023	300,000	₱ 30,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2024	<u>300,000</u>	<u>₱ 30,000,000</u>

*Minimum Capital Requirement*

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

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

On November 15, 2024, the Company renewed its SEC licenses and the required surety bond coverage for the period January 1, 2025 to December 31, 2025 in the amount of Twelve Million Pesos (₱12,000,000) in compliance with SRC Rule 28.1.

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

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

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

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

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

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

As at December 31, 2025 and 2024, the Company's RBCA ratio of 2.37 and 2.48, respectively, is in compliance with the minimum capital requirement set out by the RBCA framework.

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

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

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

The Company's NLC amount to ₱76,510,452 and ₱66,173,295 as of December 31, 2025 and 2024, respectively, which is more than 5% of the Company's aggregate indebtedness. As of December 31, 2025, and 2024, the Company is in compliant with items B to D as prescribed by Securities and Exchange Commission (SEC).

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

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

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

On August 8, 2024, the SEC approved the amendments to the 2025 implementing rules and regulation of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16 Series of 2004, relatively to the settlement cycle for T+3 to T+2.

### **Retained Earnings**

#### *Appropriation*

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

In compliance with the above circular, the Company appropriated retained earnings amounts to ₱3,140,049 and ₱170,372, in 2025 and 2024, respectively. The Company is in compliance with the SRC Rule 49.1(B).

Total appropriated retained earnings as of December 31, 2025 and 2024, in compliance with the above circular amounted to ₱36,291,542 and ₱33,151,493, respectively.

**NOTE 18 - COMMISSION REVENUE**

The Company earns commission revenue through stocks transaction, this amounts to ₱614,398 in 2025 and ₱207,779 in 2024.

**NOTE 19 - DIRECT COSTS**

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

	2025	2024
Salaries and wages	₱ 624,000	₱ 624,000
Stock exchange dues and fees	178,619	177,245
SSS, PHIC, HDMF contribution	31,260	30,020
Central depository fees	15,092	16,682
	<u>₱ 848,971</u>	<u>₱ 847,947</u>

**NOTE 20 - OPERATING EXPENSES**

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

	2025	2024
Light, water and utilities	₱ 179,968	₱ 170,557
Gasoline	168,778	124,627
Meetings and conference	93,259	146,370
Professional fees	61,518	61,518
Taxes and licenses	59,949	62,164
Office supplies	54,049	2,925
Postage, telephone and communication	48,144	50,697
Depreciation (Note 11)	46,739	45,139
Insurance	40,415	40,673
Transportation and travel	40,102	35,699
Repairs and maintenance	35,152	12,345
Miscellaneous expense	34,758	42,402
	<u>₱ 862,831</u>	<u>₱ 795,116</u>

**NOTE 21 - INTEREST INCOME**

Interest income pertains to income on bank deposits and short term investment. These amount to ₱397,166 and ₱417,760 in 2025 and 2024, respectively. (Note 6)

**NOTE 22 - DEPRECIATION AND EMPLOYEE BENEFITS**

Depreciation, amortization and employee benefits were presented as follows:

2025

	Direct Costs	Operating Expense	Total
Depreciation	₱ -	₱ 46,739	₱ 46,739
Employee benefits	655,260	-	655,260

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

2024

	Direct Costs	Operating Expense	Total
Depreciation	P -	P 45,139	P 45,139
Employee benefits	654,020	-	654,020

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

**NOTE 23 - INCOME TAXES**

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

	2025	2024
Current tax expense	P -	P -
Deferred tax expense (income) arising from:		
Temporary differences	2,148,274	(294,913)
NOLCO	(99,781)	(219,020)
	2,048,493	(513,933)
Income tax expense (benefits)	P 2,048,493	P (513,933)

Reconciliation between statutory tax and effective tax follows:

	2025	2024
Income tax at statutory rate	P 2,503,064	P 10,795
Tax effect of income subject to final tax	(79,433)	(83,552)
Tax effect of dividend income exempt from income tax	(462,402)	(473,963)
Expiration of MCIT	2,631	32,787
Expiration of NOLCO	84,633	-
Effective income tax	P 2,048,493	P (513,933)

Income tax expense (period income tax) is computed as follows:

	2025	2024
<b>Regular Corporate Income Tax:</b>		
Income before tax	P 12,515,324	P 53,975
Permanent differences:		
Interest income subjected to final tax	(397,166)	(417,760)
Non-taxable dividend income	(2,312,012)	(2,369,813)
Temporary differences:		
Unrealized (gain) loss on FVPL, current year	(10,728,216)	1,638,497
Taxable loss	(922,070)	(1,095,101)
Tax rate	-	20%
	P (184,414)	P (219,020)
<b>Minimum Corporate Income Tax:</b>		
Taxable gross income	P -	P -
Tax rate	2%	2%
	P -	P -

<b>Tax due (Higher of RCIT or MCIT)</b>	<b>P</b>	<b>-</b>	<b>P</b>	<b>-</b>
Less:				
Prior Year's Excess Credit		<b>(336,151)</b>		<b>(324,697)</b>
Creditable withholding tax		<b>(64,574)</b>		<b>(11,454)</b>
1st-3rd Quarters income tax payments		<b>-</b>		<b>-</b>
Prepaid income tax	<b>P</b>	<b>(400,725)</b>	<b>P</b>	<b>(336,151)</b>

**Net Operating Loss Carry Over (NOLCO)**

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

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

<u>Year Incurred</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Balance</u>	<u>Date of Expiration</u>
2025	P 922,070	P -	P -	P 922,070	December 31, 2027
2024	1,095,101	-	-	1,095,101	December 31, 2027
2023	706,052	-	-	706,052	December 31, 2026
2022	423,167	-	(423,167)	-	December 31, 2025
	<u>P3,146,390</u>	<u>P -</u>	<u>P (423,167)</u>	<u>P 2,723,223</u>	

**Minimum Corporate Income Tax (MCIT)**

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

Details of the Company's MCIT are as follows:

<u>Year Incurred</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Balance</u>	<u>Date of Expiration</u>
2022	<u>P 2,631</u>	<u>P -</u>	<u>P (2,631)</u>	<u>P -</u>	December 31, 2025

The movements of the net deferred income tax liabilities are as follows:

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

	Statements of Comprehensive Income					
	Statements of Financial Position		Profit or Loss		Other Comprehensive Income	
	2025	2024	2025	2024	2025	2024
Unrealized (gain) loss on						
FVPL	P (6,962,847)	P (4,817,204)	P (2,145,643)	P 327,700	P -	P -
MCIT	-	2,631	(2,631)	(32,787)	-	-
NOLCO	544,644	444,863	99,781	219,020	-	-
Net deferred tax assets (liabilities)	P (6,418,203)	P (4,369,710)				
Deferred tax expense (income)			P (2,048,493)	P 513,933	P -	P -

## NOTE 24 - RELATED PARTY TRANSACTIONS

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

### 2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Buying	P 7,449,569			
	Selling	9,825,347	(555,711)	(1)	(2)

- (1) Non-interest bearing, payable in cash, T+2  
(2) Secured by equity securities

### 2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Buying	P 11,646,689			
	Selling	8,336,740	(266,592)	(1)	(2)

- (1) Non-interest bearing, payable in cash, T+3  
(2) Secured by equity securities

### Buying and Selling Transaction

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

### Key Management Compensation

Key management compensation paid amounted to P377,000 both in 2025 and 2024.

**NOTE 25 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

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

**Market Risk**

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

**A. Foreign Currency Risk**

All transactions of the Company are denominated in Philippine peso, its functional currency. Thus, the Company has no exposure to foreign currency risk as at December 31, 2025 and 2024.

**B. Price Risk**

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

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

	2025		2024	
Observed Volatility Rates	17.00%	-17.00%	15.00%	-15.00%
Profit before tax	₱ 1,853,604	₱ (1,853,604)	₱ 194,747	₱ (194,747)

The assumed price volatilities used in the sensitivity analysis represent the defined shift used by the Company to manage price risk based on the historical performance of equity securities in the past 12 months.

**C. Interest Rate Risk**

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2025 and 2024, these amounted to ₱32,101,460 and ₱29,079,548, respectively. The Company's exposure to changes in interest rates is not significant.

**Credit Risk**

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

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

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

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

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

**2025**

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	P 33,911	P -	P 33,911	P -	P -
T+2 to T+12 of counterparty	-	-	-	-	-
T+13 to T+30 of counterparty	-	-	-	-	-
Beyond T+30 of counterparty	-	-	-	-	-
	<b>P 33,911</b>	<b>P -</b>	<b>P 33,911</b>	<b>P -</b>	<b>P -</b>

**2024**

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	P 16,606	P -	P 16,606	P -	P -
T+2 to T+12 of counterparty	-	-	-	-	-
T+13 to T+30 of counterparty	-	-	-	-	-
Beyond T+30 of counterparty	-	-	-	-	-
	<b>P 16,606</b>	<b>P -</b>	<b>P 16,606</b>	<b>P -</b>	<b>P -</b>

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

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

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

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

*(a) Cash and cash equivalents*

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

*(b) Receivables from Customers*

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

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

The Company applies the provision of SRC Rules 52.1.11 and Risk Based Capital Adequacy in measuring Credit Losses. In 2023 Section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11 Series of 2024.

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

**Classification**

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

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

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

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

(c) *Receivable from Clearing House*

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

(d) *Refundable deposit*

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

**Liquidity Risk**

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

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

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

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

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

		December 31, 2025				
		Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P	555,924	-	-	-	P 555,924
Other payables		62,726	-	-	-	62,726
	P	<u>618,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>P 618,650</u>
		December 31, 2024				
		Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P	266,592	-	-	-	P 266,592
Other payables		67,426	-	-	-	67,426
	P	<u>334,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>P 334,018</u>

**NOTE 26 - CAPITAL MANAGEMENT**

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

On August 8, 2024, the SEC approved amendments to the 2015 implementation Rules and Regulation of the Securities Regulation Code (the “2015 SRC Rules”) and SEC Memorandum Circular (MC) NO. 16 Series of 2004, relative to the settlement cycle from T+3 to T+2.

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

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

***Risk Based Capital Adequacy Requirement***

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

On August 8, 2024, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the “2015 SRC Rules”) and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

The Company’s RBCA ratio as at years ended December 31, 2025 and 2024 are 237% and 248% respectively.

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

	<u>2025</u>	<u>2024</u>
<b>Net liquid capital</b>		
Equity eligible for net liquid capital	P 77,386,950	P 67,017,271
Ineligible assets	<u>(876,498)</u>	<u>(843,976)</u>
<b>Total</b>	<u>P 76,510,452</u>	<u>P 66,173,295</u>
<b>Risk capital requirements</b>		
Operational risk requirement	P 869,199	P 1,923,419
Position risk requirement	17,873,695	14,431,782
Large exposure risk	<u>13,518,515</u>	<u>10,337,696</u>
<b>Total</b>	<u>P 32,261,409</u>	<u>P 26,692,897</u>
<b>Risk based capital adequacy ratio</b>	<u>237%</u>	<u>248%</u>

***Net Liquid Capital***

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

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

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

	2025	2024
<b>Net liquid capital</b>	<b>₱ 76,510,452</b>	<b>₱ 66,173,295</b>
<b>Less: Required net liquid capital, higher of:</b>		
5% aggregate indebtedness	37,519	23,491
Minimum amount	5,000,000	5,000,000
Required net liquid capital	5,000,000	5,000,000
<b>Net risk-based capital excess</b>	<b>₱ 71,510,452</b>	<b>₱ 60,173,295</b>
<b>Ratio of aggregate indebtedness to net liquid capital</b>	<b>1%</b>	<b>1%</b>

*Total Risk Capital Requirement*

Detail of TRCR follows:

*A. Operational Risk*

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

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

Revenue	2024	2023	2022	Average
Commission revenue	₱ 207,779	₱ 271,836	₱ 477,693	₱ 319,103
Interest income	417,760	299,762	84,029	267,184
Net Recovery from market decline of Marketable Securities Owned	-	2,204,115	-	734,705
Dividend income	2,369,813	2,528,333	2,717,454	2,538,533
Gain on Sale of Marketable Securities	340,183	558,057	561,167	486,469
Gain on Sale of other Assets	-	-	-	-
Other income/revenue	-	-	-	-
Average of the last three year gross income	3,335,535	5,862,103	3,840,343	4,345,994
Operational risk factor				20%
<b>Total operational risk requirement</b>				<b>₱ 869,199</b>

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

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

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

*B. Position/Price Risk*

The Company is exposed to equity security price risk because of investments held and classified in Fair Value through Profit or Loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its

portfolio. Diversification of the portfolio is done in accordance with the limits set by the management.

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

**2025**

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	P 2,193,400	25%	P 548,350
Other equities outside the PHISIX	49,500,985	35%	17,325,345
FX Position	-	100%	-
	<b>P 51,694,385</b>		<b>P 17,873,695</b>

**2024**

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	P 2,493,900	25%	P 623,475
Other equities outside the PHISIX	39,452,305	35%	13,808,307
FX Position	-	100%	-
	<b>P 41,946,205</b>		<b>P 14,731,782</b>

*C. Large Exposure Risk*

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

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

*D. Counterparty Risk Exposure*

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

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

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

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

**NOTE 27 - FAIR VALUE MEASUREMENT**

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

		2025			
		Carrying Amount	Fair Value		
Notes	Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets measured at fair value:</b>					
Financial asset at FVTPL	7	P 51,694,385	P 51,694,385	P -	P -
<b>Assets for which fair values are disclosed:</b>					
Cash and cash equivalents	6	32,104,460	-	32,104,460	-
Receivables from customers	8	33,911	-	33,911	-
Receivables from clearing house	9	405,127	-	405,127	-
Refundable deposits	13	108,574	-	108,574	-
		<u>P 84,346,457</u>	<u>P 51,694,385</u>	<u>P 32,652,072</u>	<u>P -</u>
<b>Liabilities for which fair values are disclosed:</b>					
Payable to customers	14	P 555,924	P -	P 555,924	P -
Other payables	15	62,726	-	62,726	-
		<u>P 618,650</u>	<u>P -</u>	<u>P 618,650</u>	<u>P -</u>
		2024			
		Carrying Amount	Fair Value		
Notes	Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets measured at fair value:</b>					
Financial asset at FVTPL	7	P 41,946,205	P 41,946,205	P -	P -
<b>Assets for which fair values are disclosed:</b>					
Cash and cash equivalents	6	29,082,548	-	29,082,548	-
Receivables from customers	8	16,606	-	16,606	-
Receivables from clearing house	9	414,960	-	414,960	-
Refundable deposits	13	107,549	-	107,549	-
		<u>P 71,567,868</u>	<u>P 41,946,205</u>	<u>P 29,621,663</u>	<u>P -</u>
<b>Liabilities for which fair values are disclosed:</b>					
Payable to customers	14	P 266,592	P -	P 266,592	P -
Other payables	15	67,426	-	67,426	-
		<u>P 334,018</u>	<u>P -</u>	<u>P 334,018</u>	<u>P -</u>

*Offsetting of Financial Assets and Financial Liabilities*

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

	Gross amounts recognized in the statements of financial position		Net amount presented in statement of financial position
	Financial assets	Financial Liabilities	
December 31, 2025			
Receivable from clearing house	<u>P 443,227</u>	<u>P 38,100</u>	<u>P 405,127</u>
December 31, 2024			
Receivable from clearing house	<u>P 434,000</u>	<u>P 19,040</u>	<u>P 414,960</u>

**NOTE 28 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE**

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

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

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

**Revenue Regulation 15-2010**

*a) Output VAT*

In 2025, the Company reported output VAT as follows:

	Tax Base	Output VAT
Taxable Sales (Commission Revenue)	<u>P 789,732</u>	<u>P 94,768</u>

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

*b) Input VAT*

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

	Purchases	Input VAT
Balance, beginning of year		<u>P 12,980</u>
Domestic purchases	<u>P 694,428</u>	<u>83,331</u>
Application against VAT payable		<u>(94,768)</u>
Balance, end of the year		<u>P 1,543</u>

*c) Taxes and Licenses*

The details of Taxes and Licenses reported under operating expense (Note 20) in the Statements of Comprehensive Income pertains to business permit and licenses amounting to P59,949 for the year ending December 31, 2025

*d) Withholding Taxes*

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

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	Amount
Withholding tax at source (expanded)	P 61,802
Withholding tax on compensation	14,700
	<u>P 76,502</u>

*e) Tax Assessments and Cases*

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

*f) Related Party Transaction*

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

**SCHEDULE I**

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

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

**SCHEDULE II**

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

<b>Assets</b>	<b>85,644,822</b>
<b>Liabilities</b>	<b>7,713,228</b>
<b>Equity as per books</b>	<b>77,931,594</b>
<b>Adjustments to Equity per books</b>	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / ( Loss ) in proprietary accounts	
Deferred Income Tax	(544,644)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
<b>Total Adjustments to Equity per books</b>	<b>(544,644)</b>
<b>Equity Eligible For Net Liquid Capital</b>	<b>77,386,950</b>
<b>Contingencies and Guarantees</b>	
Deduct: Contingent Liability	
Guarantees or indemnities	
<b>Ineligible Assets</b>	
a. Trading Right and all Other Intangible Assets (net)	198,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	82,953
d. Prepayment from client for Early Settlement of Account	-
f. All Other Current Assets	70,500
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	14,203
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	510,842
<b>Total ineligible assets</b>	<b>876,498</b>
<b>Net Liquid Capital (NLC)</b>	<b>76,510,452</b>
<b>Less:</b>	
Operational Risk Requirement	869,199
Position Risk Requirement	17,873,695
Counterparty Risk	
Large Exposure Risk	
LERR to a single client	
LERR to a single debt	
LERR to a single issuer and group of companies	13,518,515
<b>Total Risk Capital Requirement ( TRCR )</b>	<b>32,261,409</b>
<b>Net RBCA Margin (NLC-TRCR)</b>	<b>44,249,043</b>
<b>Liabilities</b>	<b>7,713,228</b>
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	6,962,847
<b>Total adjustments to AI</b>	<b>(6,962,847)</b>
<b>Aggregate Indebtedness</b>	<b>750,381</b>
<b>5% of Aggregate Indebtedness</b>	<b>37,519</b>
<b>Required Net Liquid Capital (&gt; of 5% of AI or P5M)</b>	<b>5,000,000</b>
<b>Net Risk-based Capital Excess / ( Deficiency )</b>	<b>71,510,452</b>
<b>Ratio of AI to Net Liquid Capital</b>	<b>1%</b>
<b>RBCA Ratio (NLC / TRCR)</b>	<b>237%</b>

**WONG SECURITIES CORPORATION**  
**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS**  
**UNDER APPENDIX F OF SRC RULE 49.2.1**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

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

Market Valuation .....	P	-nil-
Numer of items .....	P	-nil-

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

Market Valuation .....	P	-nil-
Numer of items .....	P	-nil-

SCHEDULE IV

**WONG SECURITIES CORPORATION**  
**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**  
**UNDER SRC RULE 49.2**  
**DECEMBER 31, 2025**

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts.	6,717	
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.	38,100	
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old,		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		33,572
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		
12. Failed to deliver customers' securities not older than 30 calendar days.		32,120
13. Others:		
<b>Total</b>	<b>44,817</b>	<b>65,692</b>
<b>Net Credit (Debit)</b>	<b>(20,875)</b>	
<b>Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)</b>	<b>-</b>	

**WONG SECURITIES CORPORATION  
REPORT DESCRIBING MATERIAL INADEQUACIES FOUND TO EXIST  
OR FOUND TO HAVE EXISTED SINCE THE PREVIOUS AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

**WONG SECURITIES CORPORATION  
REPORT OF MONTHLY SECURITIES COUNT CONDUCTED PURUSANT TO  
SRC RULE 52.1-10, AS AMENDED  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

# WONG SECURITIES CORPORATION

Member: Philippine Stock Exchange

960 Ideal Street  
Mandaluyong City  
Metro Manila

Tel No: (02) 8727-6317

## OATH

REPUBLIC OF THE PHILIPPINES)  
MANILA CITY QUEZON CITY S.S.


I, Angelin Wong, Corporate Secretary and Treasurer of the WONG SECURITIES CORPORATION do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2025 are true and correct to the best of my knowledge and belief.



ANGELIN WONG  
Corporate Secretary/Treasurer

SUBSCRIBED AND SWORN to before me, a Notary Public, this MAR 27 2026 day of \_\_\_\_\_, affiant exhibiting to me her Passport No. P8033694A issued at DFA NCR EAST on July 21, 2018 and date expired on July 20, 2028.

Doc. No. 436  
Page No. 82  
Book No. XXVIII  
Series of 2026

ATTY. TRIZAL  E. VALMORES  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2026  
ADM. MAIL REG. NO. 003  
PTR NO. 800100010/06/2026-Q.C.  
LPR NO. INV 15113/12-31-2025-Q.C.  
Reg. No. 28400  
MCLE NO. VII-2026-000 / 05-07-2024  
Add: 473 Boni Serrano Road, Barangay  
San Roque, Murphy, Quezon City

**WONG SECURITIES CORPORATION**  
**STOCK POSITION PER LOCATION REPORT**  
 As of December 31, 2025

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIA AMALGAMATED HOLDINGS	110,000	-	-	-	110,000	-	-	-	-	-	-	-
ABA	ABACORE CAPITAL HOLDINGS INC	13,200	3,432	-	-	13,200	3,432	-	-	-	-	-	-
ABS	ABS-CBN BROADCASTING	28,700	120,827	-	-	28,700	120,827	-	-	-	-	-	-
AC	AYALA CORPORATION	1,634	764,712	1,600	748,800	3,234	1,513,512	-	-	-	-	-	-
ACEN	AC ENERGY	1,630,000	4,433,600	50,000	136,000	1,680,000	4,569,600	-	-	-	-	-	-
ACR	ALSONS CONS. RES	100,000	47,000	-	-	100,000	47,000	-	-	-	-	-	-
AEB	ABOITIZ EQUITY VENTURE	240	6,720	-	-	240	6,720	-	-	-	-	-	-
AGI	ALLIANCE GLOBAL, INC.	15,000	122,850	-	-	15,000	122,850	-	-	-	-	-	-
ALCO	ARTHALAND CORPORATION	20,500	8,610	-	-	20,500	8,610	-	-	-	-	-	-
ALI	AYALA LAND, INC	160,136	3,595,053	28,000	628,600	188,136	4,223,653	-	-	-	-	-	-
ALLDY	ALLDAY MARI'S INC	5,650,000	175,150	-	-	5,650,000	175,150	-	-	-	-	-	-
AP	ABOITIZ POWER CORPORATION	42,000	1,848,000	-	-	42,000	1,848,000	-	-	-	-	-	-
APC	APC GROUP	200,000	21,200	-	-	200,000	21,200	-	-	-	-	-	-
APL	APOLLO GLOBAL-CAP	88,096,200	440,481	3,000,000	15,000	91,096,200	455,481	-	-	-	-	-	-
APO	ANGLO PHIL. HOLDINGS CORP.	10,100	7,070	-	-	10,100	7,070	-	-	-	-	-	-
APVI	ALTUS PROPERTY	20	168	-	-	20	168	-	-	-	-	-	-
ARA	ABRA MINING CORP.	135,000,000	-	-	-	135,000,000	-	-	-	-	-	-	-
ARA	ARANETA PROPERTIES	75,360	30,144	-	-	75,360	30,144	-	-	-	-	-	-
AREIT	AREIT INC	25,000	1,087,500	-	-	25,000	1,087,500	-	-	-	-	-	-
AT	ATLAS MINING CORP.-A	121,700	733,851	300,000	148,500	121,700	733,851	-	-	-	-	-	-
ATN	ATN HOLDINGS	340,000	168,300	-	-	340,000	168,300	-	-	-	-	-	-
AUB	ASIA UNITED BANK	117,474	4,604,981	-	-	117,474	4,604,981	-	-	-	-	-	-
AXLM	AXELUM RES.	320,000	755,200	-	-	320,000	755,200	-	-	-	-	-	-
BC	BENGUET CORPORATION 'A'	20,000	100,000	-	-	20,000	100,000	-	-	-	-	-	-
BDO	BANCO DE ORO	13,360	1,825,176	-	-	13,360	1,825,176	-	-	-	-	-	-
BEL	BELLE CORPORATION	248,300	327,756	-	-	248,300	327,756	-	-	-	-	-	-
BHI	BOULEVARD HOLDINGS INC.	20,050,000	781,950	-	-	20,050,000	781,950	-	-	-	-	-	-
BLOOM	BLOOMBERY RESORTS CORP.	540,000	1,371,600	-	-	540,000	1,371,600	-	-	-	-	-	-
BPH	BANK OF THE PHIL. ISLANDS	60,193	6,988,407	70,000	177,800	130,193	7,166,207	-	-	-	-	-	-
BRN	A. BROWN COMPANY, INC	40,536	37,698	-	-	40,536	37,698	-	-	-	-	-	-
BSC	BASIC CONSOLIDATED ENERGY CORP	1,872,750	219,112	-	-	1,872,750	219,112	-	-	-	-	-	-
C	CHELSEA LOGISTIC	1,056,300	1,003,485	-	-	1,056,300	1,003,485	-	-	-	-	-	-
CEB	CEBU AIR, INC	6,400	204,800	-	-	6,400	204,800	-	-	-	-	-	-
CEI	CROWN EQUITIES INC.	176,000	12,672	-	-	176,000	12,672	-	-	-	-	-	-
CHP	CEMEX HOLDING	405,122	441,583	-	-	405,122	441,583	-	-	-	-	-	-
CNVRG	CONVERGE INFORMATION	30,000	459,600	-	-	30,000	459,600	-	-	-	-	-	-
COAL	COAL ASIA HOLDINGS	1,500,000	-	-	-	1,500,000	-	-	-	-	-	-	-
COSCO	COSCO CAPITAL	2,656,200	2,656,200	-	-	2,656,200	2,656,200	-	-	-	-	-	-
CPG	CENTURY PROPERTIES	300,000	207,000	-	-	300,000	207,000	-	-	-	-	-	-
CPM	CENTURY PEAK METALS HLDGS CORP	250,000	597,500	-	-	250,000	597,500	-	-	-	-	-	-
CREIT	CITICORE ENERGY REIT CORP.	400,000	1,428,000	-	-	400,000	1,428,000	-	-	-	-	-	-
CYBR	CYBER BAY CORP	350,000	-	-	-	350,000	-	-	-	-	-	-	-
DD	DOUBLE DRAGON PROP CORP	96,000	890,880	-	-	96,000	890,880	-	-	-	-	-	-
DDMPR	DDMPR REIT INC.	2,988,600	2,988,600	-	-	2,988,600	2,988,600	-	-	-	-	-	-
DDTO	DDTO CME HOLDING	2,034,560	2,034,560	-	-	2,034,560	2,034,560	-	-	-	-	-	-
DIZ	DIZON COPPER SILVER MINES	10,000	10,000	-	-	10,000	10,000	-	-	-	-	-	-
ECV	EAS'CALL COMIM PHIL.	13,000	33,800	-	-	13,000	33,800	-	-	-	-	-	-
ECVC	EAST COAST VULCAN CORP.	401,100	108,297	-	-	401,100	108,297	-	-	-	-	-	-
EEL	EEL CORP.	6,000	17,040	-	-	6,000	17,040	-	-	-	-	-	-
EEIPB	EEL PREF. SERIES -B	48,000	4,723,200	-	-	48,000	4,723,200	-	-	-	-	-	-
EG	IP E-GAME VENTURES INC.	1,000,000	-	-	-	1,000,000	-	-	-	-	-	-	-
EGRN	EVERWOODS GREEN RESOURCES AND HOLDI	60,000	-	-	-	60,000	-	-	-	-	-	-	-
EBIA	EXPORT & INDUSTRY BANK, INC	500,000	-	-	-	500,000	-	-	-	-	-	-	-
ELI	EMPIRE EAST LAND	140,804	14,644	-	-	140,804	14,644	-	-	-	-	-	-
EURO	EURO MED LAB	20,000	20,000	-	-	20,000	20,000	-	-	-	-	-	-
EW	EAST WEST BANKING CORP.	39,240	455,184	-	-	39,240	455,184	-	-	-	-	-	-
FFI	FILIPINO FUND, INC.	9,465	1,262	-	-	9,465	1,262	-	-	-	-	-	-
FGEN	FIRST GEN CORPORATION	15,000	266,100	-	-	15,000	266,100	-	-	-	-	-	-
FIP	F&J HOLDINGS	70,000	182,000	-	-	70,000	182,000	-	-	-	-	-	-
FJI	FILINVEST LAND INC.	60,552	46,625	-	-	60,552	46,625	-	-	-	-	-	-
FNI	FERRONICKEL HOLDINGS INC	169,834	229,276	-	-	169,834	229,276	-	-	-	-	-	-

WONG SECURITIES CORPORATION  
STOCK POSITION PER LOCATION REPORT  
As of December 31, 2025

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
FOOD	ALLIANCE SELECT FOODS INTL. INC.	42,839	42,839	-	-	-	-	-	-	-	-	-	-
FPH	FIRST PHILIPPINE HOLDINGS	418,803	418,803	-	-	115,781	42,839	-	-	-	-	-	-
FPI	FORUM PACIFIC INC.	5,439	5,439	-	-	5,439	5,439	-	-	-	-	-	-
GEO	GEOGRACE RES.	950,000	228,000	-	-	950,000	228,000	-	-	-	-	-	-
GERI	GLOBAL ESTATES RESORTS, INC.	750,000	65,250	-	-	750,000	65,250	-	-	-	-	-	-
GMA7	GMA 7 NETWORKS INC.	71,700	49,473	-	-	71,700	49,473	-	-	-	-	-	-
GOB	GOTESCO LAND INC. B	28,000	151,480	-	-	28,000	151,480	-	-	-	-	-	-
GTCAP	GT CAPITAL HOLDINGS	768	456,960	733	-	733	-	-	-	-	-	-	-
HLCM	HOLCIM PHILS.	10,000	-	-	-	10,000	-	-	-	-	-	-	-
HOME	ALLHOME	120,000	28,440	-	-	120,000	28,440	-	-	-	-	-	-
I	I-REMIT, INC.	22,687	-	-	-	22,687	-	-	-	-	-	-	-
ICT	INTL. CONTAINER	72	40,824	1,000	567,000	-	-	-	-	-	-	-	-
IMP	IMPERIAL RESOURCES	20,000	14,000	-	-	20,000	14,000	-	-	-	-	-	-
INFRA	PHIL. INFRADEV. HOLDINGS	210,000	66,150	-	-	210,000	66,150	-	-	-	-	-	-
IPM	IPM CORPORATION	18,000	28,260	-	-	18,000	28,260	-	-	-	-	-	-
IPO	IPEOPLE, INC.	198,462	1,190,772	-	-	198,462	1,190,772	-	-	-	-	-	-
IS	ISLAND INFORMATION & TECHNOLOGY	100,000	12,300	-	-	100,000	12,300	-	-	-	-	-	-
JFC	JOLLIBEE FOODS	4,500	810,000	-	-	4,500	810,000	-	-	-	-	-	-
JGS	JG SUMMIT HOLDING	2,210	52,267	-	-	2,210	52,267	-	-	-	-	-	-
KEPR	KEEPERS HOLDING INC	131,000	324,880	-	-	131,000	324,880	-	-	-	-	-	-
KPPI	KEPWEALTH	2,000	2,380	-	-	2,000	2,380	-	-	-	-	-	-
LC	LEPANTO MINING - A	3,089,343	571,528	-	-	3,089,343	571,528	-	-	-	-	-	-
LCB	LEPANTO MINING - B	361,625	67,624	-	-	361,625	67,624	-	-	-	-	-	-
LPZ	LOPEZ HOLDINGS CORP.	205,720	765,278	-	-	205,720	765,278	-	-	-	-	-	-
LSC	LORENZO SHIPPING CORP	100,000	61,000	-	-	100,000	61,000	-	-	-	-	-	-
MA	MANILA MINING - A	13,540,000	98,842	-	-	13,540,000	98,842	-	-	-	-	-	-
MAB	MANILA MINING - B	10,820,000	77,904	-	-	10,820,000	77,904	-	-	-	-	-	-
MACAY	MACAY HOLDINGS	10,890	76,121	-	-	10,890	76,121	-	-	-	-	-	-
MAH	METRO ALLIANCE HOLDINGS	30,000	11,100	-	-	30,000	11,100	-	-	-	-	-	-
MAHB	METRO ALLIANCE HOLDINGS B	20,000	13,800	-	-	20,000	13,800	-	-	-	-	-	-
MAXS	MAXS GROUP	265,000	649,250	-	-	265,000	649,250	-	-	-	-	-	-
MB	MANILA BULLETIN	100,003	16,400	-	-	100,003	16,400	-	-	-	-	-	-
MBT	METRO BANK	17,030	1,166,555	-	-	17,030	1,166,555	-	-	-	-	-	-
MEDIC	MEDILINES DISTRIBUTOR INC	1,370,000	356,200	-	-	1,370,000	356,200	-	-	-	-	-	-
MEG	MEGAWORLD PROP.	705,000	1,466,400	-	-	705,000	1,466,400	-	-	-	-	-	-
MER	MANILA ELECTRIC COMPANY	750	430,500	-	-	750	430,500	-	-	-	-	-	-
MG	MILLENIUM GLOBAL	215,000	12,900	-	-	215,000	12,900	-	-	-	-	-	-
MJC	MANILA JOCKEY	180,000	-	-	-	180,000	-	-	-	-	-	-	-
MM	MERRYMAIT	15,000	6,000	-	-	15,000	6,000	-	-	-	-	-	-
MONDE	MONDE MISSIN CORP.	230,000	1,334,000	-	-	230,000	1,334,000	-	-	-	-	-	-
MRC	MRC ALLIED CORP	30,000	26,100	-	-	30,000	26,100	-	-	-	-	-	-
MREIT	MREIT INC.	70,000	980,000	-	-	70,000	980,000	-	-	-	-	-	-
MRSOI	METRO RETAIL STORE	92,000	105,800	-	-	92,000	105,800	-	-	-	-	-	-
MWIDE	MEGAWIDE CONSTRUCTION CO.	185,000	553,150	-	-	185,000	553,150	-	-	-	-	-	-
MWPTB	MEGAWIDE PREFERRED	32,780	32,780	-	-	32,780	32,780	-	-	-	-	-	-
MYNILD	MYNILAD	20,000	338,000	-	-	20,000	338,000	-	-	-	-	-	-
NI	NIHAO MINERAL RESOURCES	70,000	22,050	-	-	70,000	22,050	-	-	-	-	-	-
NIKL	NICKEL ASIA CORP.	385,500	1,499,595	-	-	385,500	1,499,595	-	-	-	-	-	-
NOW	NOW CORPORATION	182,000	123,760	-	-	182,000	123,760	-	-	-	-	-	-
NRPC	NATIONAL REINSURANCE CORP.	15,000	11,550	-	-	15,000	11,550	-	-	-	-	-	-
NXGEN	NEXTGEN	26,050	46,550	20,500	-	46,550	-	-	-	-	-	-	-
OM	OMICO CORPORATION	10,000	1,010	-	-	10,000	1,010	-	-	-	-	-	-
OPM	ORIENTAL PETROLEUM - A	189,895,522	2,278,746	-	-	189,895,522	2,278,746	-	-	-	-	-	-
OPMB	ORIENTAL PETROLEUM - B	111,989,375	1,343,873	7,837,406	94,049	119,826,781	1,437,921	-	-	-	-	-	-
ORE	ORIENTAL RESOURCE	30,000	11,100	-	-	30,000	11,100	-	-	-	-	-	-
OV	PHILODRILL CORPORATION	99,859,558	888,750	27,165,500	241,773	127,025,058	1,130,523	-	-	-	-	-	-
PA	PACIFICA INC.	4,500	4,275	-	-	4,500	4,275	-	-	-	-	-	-
PAL	PAL HOLDINGS, INC.	-	-	-	-	-	-	-	-	-	-	-	-
PBB	PHIL BUSINESS BANK	117,000	900,900	24,000	184,800	141,000	1,085,700	-	-	-	-	-	-
PCOR	PETRON CORPORATION	601,208	1,490,996	-	-	601,208	1,490,996	-	-	-	-	-	-
PCP	PICOP RES	250,000	-	-	-	250,000	-	-	-	-	-	-	-

**WONG SECURITIES CORPORATION**  
**STOCK POSITION PER LOCATION REPORT**  
 As of December 31, 2025

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PERC	PETROENERGY RES.	454,513	1,590,796	-	-	-	-	454,513	-	-	-	-	-
PGOLD	PUREGOLD PRICE CLUB	22,000	836,000	-	-	-	-	22,000	-	-	-	-	-
PHAA	PREMIERE HORIZONS ALLIANCE	1,341,000	317,817	-	-	1,341,000	-	1,341,000	-	-	-	-	-
PHR	PH RESORTS	464,000	61,712	-	-	464,000	-	464,000	-	-	-	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	10,379	168,140	-	-	10,379	-	10,379	-	-	-	-	-
PNB	PHIL. NAT. BANK	8,953	487,043	-	-	8,953	-	8,953	-	-	-	-	-
PNX4	PHOENIX PREF 4	7,500	-	-	-	7,500	-	7,500	-	-	-	-	-
PRF4E	PETRONEX PREF 4E	2,000	2,000,000	-	-	2,000	-	2,000,000	-	-	-	-	-
PSB	P. S. BANK	1,120	60,480	-	-	1,120	-	60,480	-	-	-	-	-
PSE	PHIL. STOCK EXCHANGE, INC.	-	-	220,890	45,370,806	-	-	-	24,648,000	-	-	-	-
PTT	PHIL. TEL. & T-GRAPH CO.	187,000	-	-	-	187,000	-	-	-	-	-	-	-
PX	PHILEX MINING CORP.	564,368	-	-	-	564,368	-	-	-	-	-	-	-
PXP	PHILEX PETROLEUM CORPORATION	367,995	5,587,243	300,000	2,970,000	864,368	-	8,557,243	-	-	-	-	-
RCB	RIZAL COMM'L. BANKING CORP.	30,185	875,828	70,000	166,600	437,995	-	1,042,428	-	-	-	-	-
RCR	RL COMM'L. REIT INC.	40,000	783,301	5,000	129,750	35,185	-	913,051	-	-	-	-	-
RFM	RFM CORPORATION	21,500	320,800	-	-	40,000	-	320,800	-	-	-	-	-
RLC	ROBINSON LAND CORP.	2,880	102,125	-	-	21,500	-	21,500	-	-	-	-	-
RLT	PHIL. REALTY	210,000	46,541	-	-	210,000	-	46,541	-	-	-	-	-
ROCK	ROCKWELL LAND CORPORATION	844	22,890	-	-	210,000	-	22,890	-	-	-	-	-
RPC	REYNOLDS PHIL. CORP.	204,839	1,561	-	-	844	-	1,561	-	-	-	-	-
SCC	SEMIBARA MINING	19,000	556,750	355,696	-	560,535	-	-	-	-	-	-	-
SECB	SECURITY BANK	17,500	1,148,875	4,000	113,000	23,000	-	649,750	-	-	-	-	-
SFI	SWIFT FOODS INC.	610,124	28,676	-	-	17,500	-	1,148,875	-	-	-	-	-
SGP	SWIFT FOODS INC. PREFERRED	70	118	-	-	70	-	118	-	-	-	-	-
SHUPH	SYNERGY GRID & DEVELOPMENT	57,200	496,800	-	-	30,000	-	496,800	-	-	-	-	-
SHNG	PILIPINAS SHELL	107,581	397,089	-	-	57,300	-	397,089	-	-	-	-	-
SLF	SHANG PROPERTIES PHILS., INC.	215	380,837	-	-	107,581	-	380,837	-	-	-	-	-
SMC	SUN LIFE FINANCIAL	3,137	739,600	-	-	215	-	739,600	-	-	-	-	-
SMC20	SAAN MIGUEL CORP. - A	54,000	257,234	-	-	3,137	-	257,234	-	-	-	-	-
SMC2U	SANCIPRESO	70,700	4,374,000	-	-	54,000	-	4,374,000	-	-	-	-	-
SMFJ	SM PRIME HOLDING	45,100	5,373,200	-	-	70,700	-	5,373,200	-	-	-	-	-
SOC	SOCRESOURCES INC.	50,000	1,026,025	-	-	45,100	-	1,026,025	-	-	-	-	-
SPM	SEAFRONT RESOURCES CORP.	5,770	9,100	-	-	50,000	-	9,100	-	-	-	-	-
SPNEC	SP NEW ENERGY CORP.	1,090,000	1,275,300	-	-	5,770	-	13,617	-	-	-	-	-
SSI	SSI GROUP, INC.	-	-	-	-	1,090,000	-	1,275,300	-	-	-	-	-
STR	STARMALL INC.	15,000	18,750	-	-	15,000	-	18,750	-	-	-	-	-
STN	STENIEL MANUFACTURING CORP.	42,625	92,923	-	-	43,500	-	94,830	-	-	-	-	-
SUN	SUNTRUST HOME	408,000	310,080	875	1,908	408,000	-	310,080	-	-	-	-	-
T	TKC STEEL CORPORATION	50,000	22,000	-	-	50,000	-	22,000	-	-	-	-	-
TBGI	TRANS. PACIFIC BROADBAND	150,000	19,950	-	-	150,000	-	19,950	-	-	-	-	-
TECH	CIRTEK HOLDINGS	5,000	3,150	-	-	5,000	-	3,150	-	-	-	-	-
TEL	PLDT COMMON	618	778,680	-	-	618	-	778,680	-	-	-	-	-
TFBI	TOP FRONTIER INV	3,034	185,074	-	-	3,034	-	185,074	-	-	-	-	-
UBP	UNION BANK	45	1,197	-	-	45	-	1,197	-	-	-	-	-
UNI	UNION RESOURCES	240,000	-	-	-	240,000	-	-	-	-	-	-	-
UP	UNIVERSAL RIGHTS FIELD PROPERTY	5,625,000	-	-	-	5,625,000	-	-	-	-	-	-	-
UPM	UNITED PARAGON MINING	29,750,050	172,550	-	-	29,750,050	-	172,550	-	-	-	-	-
UW	UNIWIDE HOLDINGS CORP.	210,000	-	300,000	-	510,000	-	-	-	-	-	-	-
V	VANTAGE EQUITIES, INC.	2,891,874	2,573,768	-	-	2,891,874	-	2,573,768	-	-	-	-	-
VITA	VITARICH CORPORATION	1,500	795	-	-	1,500	-	795	-	-	-	-	-
VLL	VISTA LAND & LIFESCAPES, INC.	2,550	2,652	-	-	2,550	-	2,652	-	-	-	-	-
VREIT	VISTA REIT INC.	200,000	274,000	-	-	200,000	-	274,000	-	-	-	-	-
VMC	VICTORIA MILLING	20,952	36,247	-	-	20,952	-	36,247	-	-	-	-	-
WIN	WELLEX INDUSTRIES	120,000	31,200	-	-	120,000	-	31,200	-	-	-	-	-
WLCON	WILCON DEPOT	10,000	69,600	-	-	10,000	-	69,600	-	-	-	-	-
WPI	WATERFRONT PHIL. INC.	27,500	11,138	-	-	27,500	-	11,138	-	-	-	-	-
X	XURPAS INC.	715,000	177,320	-	-	715,000	-	177,320	-	-	-	-	-
ZHI	ZEUS HOLDINGS INC.	320,000	21,440	-	-	320,000	-	21,440	-	-	-	-	-
Total		753,153,011	108,978,105	39,755,200	51,694,385	792,788,311	120,000	24,648,000					

SCHEDULE VII

**WONG SECURITIES CORPORATION**  
**SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE**  
**AMENDED SRC RULE 68**  
**FINANCIAL SOUNDNESS INDICATORS**  
For The Year Ended December 31, 2025 and 2024

*Current / Liquidity Ratio*

	<u>2025</u>	<u>2024</u>
Total current assets	P 84,710,651	P 71,879,950
Total current liabilities	<u>750,381</u>	<u>469,822</u>
Current ratio	<u><u>112.89:1</u></u>	<u><u>152.994:1</u></u>

*Quick Ratio*

	<u>2025</u>	<u>2024</u>
Total liquid asset	P 84,237,883	P 71,460,319
Total current liabilities	<u>750,381</u>	<u>469,822</u>
Liquidity ratio	<u><u>112.26:1</u></u>	<u><u>152.101:1</u></u>

*Working Capital to Total Asset*

	<u>2025</u>	<u>2024</u>
Working capital	P 83,960,270	P 71,410,128
Total liabilities	<u>7,168,584</u>	<u>4,839,532</u>
Working capital ratio	<u><u>11.712:1</u></u>	<u><u>14.756:1</u></u>

*Solvency Ratio*

	<u>2025</u>	<u>2024</u>
Total assets	P 85,100,178	P 72,304,295
Total liabilities	<u>7,168,584</u>	<u>4,839,532</u>
Solvency ratio	<u><u>11.871:1</u></u>	<u><u>14.94:1</u></u>

*Debt-to-equity Ratio*

	<u>2025</u>	<u>2024</u>
Total liabilities	P 7,168,584	P 4,839,532
Total equity	<u>77,931,594</u>	<u>67,464,763</u>
Debt-to-equity ratio	<u><u>0.092:1</u></u>	<u><u>0.072:1</u></u>

SCHEDULE VII

**WONG SECURITIES CORPORATION**  
**SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE**  
**AMENDED SRC RULE 68**  
**FINANCIAL SOUNDNESS INDICATORS**  
For The Year Ended December 31, 2025 and 2024

*Asset-to-equity Ratio*

	2025	2024
Total assets	<b>P 85,100,178</b>	<b>P 72,304,295</b>
Total equity	<b>77,931,594</b>	<b>67,464,763</b>
Asset to equity ratio	<b>1.092:1</b>	<b>1.072:1</b>

*Interest Rate Coverage Ratio*

	2025	2024
Pre-tax profit (loss) before interest	<b>P 12,515,324</b>	<b>P 53,975</b>
Interest expense	-	-
Interest rate ratio	N/A	N/A

*Profitability Ratio*

	2025	2024
Net profit (loss) after tax	<b>P 10,466,831</b>	<b>P 567,908</b>
Total equity	<b>77,931,594</b>	<b>67,464,763</b>
	<b>0.134:1</b>	<b>0.008:1</b>

*a.) Return on asset ratio*

	2025	2024
Net income (loss) after tax	<b>P 10,466,831</b>	<b>P 567,908</b>
Average assets	<b>78,702,237</b>	<b>72,269,321</b>
	<b>0.133:1</b>	<b>0.008:1</b>

*b.) Return on equity ratio*

	2025	2024
Net profit (loss) after tax	<b>P 10,466,831</b>	<b>P 567,908</b>
Average equity	<b>77,931,594</b>	<b>67,180,809</b>
	<b>0.134:1</b>	<b>0.008:1</b>

**SCHEDULE VII**

**WONG SECURITIES CORPORATION  
 SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE  
 AMENDED SRC RULE 68  
 FINANCIAL SOUNDNESS INDICATORS  
 For The Year Ended December 31, 2025 and 2024**

*c.) Gross Profit Margin Ratio*

	<b>2025</b>	<b>2024</b>
Net profit (loss) before tax	<b>₱ 12,515,324</b>	<b>₱ 53,975</b>
Gross profit (loss)	<b>12,980,989</b>	<b>431,331</b>
	<b>0.964:1</b>	<b>0.125:1</b>

*d.) Profit margin*

	<b>2025</b>	<b>2024</b>
Net profit (loss) after tax	<b>₱ 10,466,831</b>	<b>₱ 567,908</b>
Revenue	<b>13,829,960</b>	<b>1,279,278</b>
	<b>0.757:1</b>	<b>0.444:1</b>

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

**WONG SECURITIES CORPORATION**  
**960 Ideal Street Addition Hills Mandaluyong City, Metro Manila**

<b>Unappropriated Retained Earnings, beginning of reporting period</b>		<b>₱ 4,313,270</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
• Reversal of Retained Earnings Appropriation/s	-	
• Effect of restatements or prior-period adjustments	-	
• Others	-	-
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<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
• Dividends declaration during the reporting period	-	
• Retained Earnings appropriated during the reporting period	3,140,049	
• Effect of restatements or prior-period adjustments	-	
• Others	-	3,140,049
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<b>Unappropriated Retained Earnings, as adjusted</b>		<b>7,453,319</b>
<b>Add/Less: Net Income (Loss) for the current year</b>		<b>10,466,831</b>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
• Equity in net income of associate/joint venture, net of dividends declared	-	
• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	10,728,216	
• Unrealized fair value gain of Investment Property	-	
• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-	
• Sub-total	-	10,728,216
<hr/>		
<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Realized fair value gain of Investment Property	-	
• Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-	
• Sub-total	-	-
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**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION**  
**For the Reporting Period Ended December 31, 2025**

**WONG SECURITIES CORPORATION**  
**960 Ideal Street Addition Hills Mandaluyong City, Metro Manila**

<b>Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)</b>	
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
• Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
• Reversal of previously recorded fair value gain of Investment Property	-
•	
• Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS	-
• Sub-total	<u>-</u>
<b>Adjusted Net Income (Loss)</b>	<u>(261,385)</u>
<b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>	
• Depreciation on revaluation increment (after tax)	-
• Sub-total	<u>-</u>
<b>Add/Less: Category E: Adjustments related to relief granted by SEC and BSP</b>	
• Amortization of the effect of reporting relief	-
• Total amount of reporting relief granted during the year	-
• Others	-
• Sub-total	<u>-</u>
<b>Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution</b>	
• Net movement of treasury shares (except for reacquisition of redeemable shares)	-
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
• Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
• Others	-
• Sub-total	<u>-</u>
<b>TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION</b>	<u><u>(261,385)</u></u>