

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

V	C	S	E	C	U	R	I	T	I	E	S	C	O	R	P	O	R	A	T	I	O	N

Principal Office (No./Street/Barangay/City/Town)Province)

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C	E	N	T	E	R	,	2	2	5	W	I	L	S	O	N	S	T	R	E	E	T		
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Form Type

A	A	F	S
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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address <input type="text" value="info@vcsecurities.biz"/>	Company's Telephone Number/s <input type="text" value="8633-9987"/>	Mobile Number <input type="text"/>
No. of Stockholders <input type="text"/>	Annual Meeting <input type="text"/>	Fiscal Year <input type="text" value="January 31"/>

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person <input type="text"/>	Email Address <input type="text"/>	Telephone Number/s <input type="text"/>	Mobile Number <input type="text"/>
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CONTACT PERSON'S ADDRESS

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

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



VC Securities (Inquiries) <info@vcsecurities.biz>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>

Wed, May 20, 2026 at 9:46 AM

To: INFO@vcsecurities.biz

Cc: WEL@vcsecurities.biz

Hi VC SECURITIES CORPORATION,

Valid files

- EAFS009148639RPTTY012026.pdf
- EAFS009148639TCRTY012026-01.pdf
- EAFS009148639ITRTY012026.pdf
- EAFS009148639AFSTY012026.pdf

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Transaction Code: **AFS-0-PRVWYWT30A98E9GLDNTST3NQZ0BJ6KJCC5**Submission Date/Time: **May 20, 2026 09:46 AM**Company TIN: **009-148-639**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 52-AR
ANNUAL AUDITED FINANCIAL REPORT**

Information Required of Brokers and Dealers Pursuant to Rule 52.1.5 of the Securities Regulation Code.

Report for the Period Beginning February 1, 2025 and Ending January 31, 2026

IDENTIFICATION OF BROKER OR DEALER

Name of Broker Dealer: VC SECURITIES CORPORATION

Address of Principal Place of Business: 6F Wilson Corporate Center, 225 Wilson Street,
Greenhills, San Juan City

Email Address: info@vcsecurities.biz

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

Name: Julie L. Ang Tel. No. 8633-9987

Paid-up Capital of Registrant: 110,000,000.00

IDENTIFICATION OF ACCOUNTANT

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

Name: M.A MERCADO & CO. Tel. No. 8894-5783

Address: 2109 Cityland 10 Tower 1, 156 H.V Dela Costa Street,
Co., 6815 Ayala Avenue North, 1226 Makati City,
Philippines Fax No. 8894-4793

Email Address: mercado_cpa@yahoo.com

Certificate Number: 066885

PTR Number: 10783363 Date Issued: January 19, 2026

BOA Registration No.5658/P-001 Date Issued: December 19, 2023

Type of SEC Accreditation: Group B Accreditation No.66885-SEC

Date Accredited: January 25, 2022 Expiry Date:2025

VC SECURITIES CORPORATION
FINANCIAL STATEMENTS
JANUARY 31, 2026



**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE FINANCIAL STATEMENTS**

SECURITIES AND EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village, Brgy. Bel-Air
Makati City

The Management of VC Securities (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the fiscal year ended January 31, 2026 and 2025 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

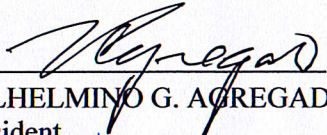
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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


M.A. Mercado & Co. and Teodoro Santamaria and Co., the independent auditors appointed by the stockholders for 2026 and 2025, respectively, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



WILLIAM S. CO
Chairman of the Board



WILHELMINO G. AREGADO
President



VIVIEN CATHERINE L. CO
Treasurer

Signed this 15th day of May, 2026.



MAM & Co.

Assurance • Tax Advisory • Business Process

**Supplemental Written Statement Accompanying
Report of Independent Auditors**

The Board of Directors and Stockholders

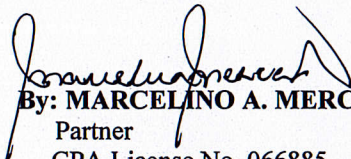
VC Securities Corporation

6th Floor Wilson Corporate Center
225 Wilson Street, Greenhills
San Juan City, Metro Manila

We have audited the financial statements of **VC Securities Corporation** as at and for the fiscal year ended January 31, 2026 on which we have rendered the attached report dated May 15, 2026.

In compliance with Revised SRC Rule 68 we are stating that the above Company has a total number of nine (9) shareholders, seven (7) of which own one hundred (100) or more shares each.

M.A. MERCADO & CO.



By: **MARCELINO A. MERCADO.**

Partner

CPA License No. 066885

Tax Identification No. 102-921-222

P.T.R No. 10783363; Issued on January 19, 2026, Makati City

BOA Accreditation No. 5658/ P-001

Issued on December 19, 2023; Valid until November 20, 2026

SEC Accreditation No. 66885-SEC (GROUP B)

Issued on January 25, 2022;

Valid until 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-006173-001-2025

Issued on March 12, 2025; Valid until March 11, 2028

IC Accreditation No. IC-EA-2025-0070-R (GROUP A)

Issued on January 26, 2026;

Valid until 2027 financial statements of IC covered institution

Firm's BOA/PRC Cert. of Reg. No. 5658

Issued on December 19, 2023; Valid until November 20, 2026

Firm's SEC Accreditation No. 5658-SEC (Group B)

Issued on January 25, 2022

Valid until 2025 financial statements of SEC covered institution

Firm's BIR Accreditation No. 08-006173-000-2024

Issued on March 5, 2024; Valid until March 4, 2027

May 15, 2026

Makati City, Philippines



MAM & Co.

M. A. MERCADO & Co.

Certified Public Accountants
2109 Cityland 10 Tower 1
156 H.V. Dela Costa Street Cor.
6815 Ayala Avenue North
1226 Makati City, Philippines

Phone: +63 (2) 8894-5783

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Fax: +63 (2) 8894-4793

E-mail: mercado_cpa@yahoo.com

Website: mamercado.com

Report of Independent Auditors

The Board of Directors and Stockholders

VC Securities Corporation

6th Floor Wilson Corporate Center

225 Wilson Street, Greenhills

San Juan City, Metro Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **VC Securities Corporation**, which comprise the statement of financial position as at **January 31, 2026** with comparative figures for 2025, and the related statement of comprehensive income, statement of changes in equity, and statement of cash flows for the fiscal years then ended, and a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2026 and 2025, and its financial performance and its cash flows for the fiscal years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

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 Auditor's 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.

Other Matters

The financial statements of the Association as at and for the year ended January 31, 2025, which are presented herein for comparative purposes, were audited by TEODORO SANTAMARIA AND CO. whose report dated May 13, 2025 expressed an unqualified 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, 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

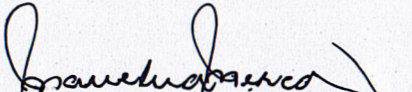
Report on Supplemental Information required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 26 of the Notes to Financial Statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Report on Supplementary Information required by the Securities and Exchange Commission

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in the attached Schedules 1 to 7 is presented for the purpose of filing with the Securities and Exchange Commission as required under the Revised Securities Regulation Code (SRC Rules), and is not a required part of the basic financial statements. Such information is the responsibility of the management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

M.A. MERCADO & CO.


By: **MARCELINO A. MERCADO**
Partner

CPA License No. 066885

Tax Identification No. 102-921-222

P.T.R No. 10783363; Issued on January 19, 2026, Makati City

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Valid until 2025 financial statements of SEC covered institutions

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Issued on January 25, 2022

Valid until 2025 financial statements of SEC covered institution

Firm's BIR Accreditation No. 08-006173-000-2024

Issued on March 5, 2024; Valid until March 4, 2027

May 15, 2026

Makati City, Philippines

VC SECURITIES CORPORATION

STATEMENT OF FINANCIAL POSITION

	Notes	January 31		Market Value of Securities			
		2026	2025	January 31, 2026		January 31, 2025	
				Long	Short	Long	Short
(In Philippine Peso)							
Assets							
Current assets							
Cash and cash equivalents	7	452,673,156	439,251,677				
Trade receivables	8	4,040,140	15,838,142			341,281,476	
Financial assets at fair value through profit or loss	9	213,246,083	155,642,237	213,246,083		155,642,237	
Other current assets	10	38,639,849	7,120,910				
Total current assets		708,599,228	617,852,966				
Non-current assets							
Property and equipment, net	11	2,662,278	4,044,092				
Refundable deposit	12	20,022	20,022				
Deferred tax asset	23	11,900,248	10,216,470				
Total non-current assets		14,582,548	14,280,584				
Total assets		723,181,777	632,133,550				
Securities							
In box, with Philippine Depository and Trust Corp., transfer offices and clearing house					3,253,150,544		2,695,273,188
- forward -							

	Notes	January 31		Market Value of Securities			
		2026	2025	January 31, 2026		January 31, 2025	
				Long	Short	Long	Short
- brought forward -		(In Philippine Peso)					
Liabilities and Equity							
Current liabilities							
Trade payables	13	256,126,096	263,147,247	3,039,904,461		2,198,349,476	
Other current liabilities	14	10,685,428	5,779,115				
Total current liabilities		266,811,524	268,926,363				
Non-current liability							
Loans payable	15,24	178,500,000	98,500,000				
Deposit for future subscription	16	120,000,000	120,000,000				
Total non-current liabilities		298,500,000	218,500,000				
Total liabilities		565,311,524	487,426,363				
Equity							
Share capital	16	110,000,000	110,000,000				
Retained earnings	17						
Unappropriated		42,682,506	30,835,747				
Appropriated		5,187,746	3,871,440				
Total equity		157,870,252	144,707,187				
Total liabilities and equity		723,181,777	632,133,550	3,253,150,544	3,253,150,544	2,695,273,188	2,695,273,188

See accompanying notes to financial statements.

VC SECURITIES CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the years ended January 31	
		2026	2025
(In Philippine Peso)			
Revenues			
Commission income	18	6,236,301	6,213,254
Other revenues	18	1,190,400	5,996,199
Total revenues		7,426,700	12,209,454
Cost of services	19	(2,832,859)	(2,982,180)
Gross income		4,593,842	9,227,273
Operating expenses	21	(9,479,343)	(10,650,194)
Operating loss		(4,885,501)	(1,422,921)
Finance cost	15	(3,523,819)	-
Other income/(losses)	20	21,771,049	6,230,571
Profit before income tax		13,361,728	4,807,650
Income tax (expense)/ benefit	23	(198,663)	2,645,782
Net profit		13,163,065	7,453,432
Other comprehensive income		-	-
Total comprehensive income		13,163,065	7,453,432
Earnings per share	22	0.120	0.068

See accompanying notes to financial statements.

VC SECURITIES CORPORATION

STATEMENT OF CHANGES IN EQUITY

(In Philippine Peso)

	Share capital (Note 16)	Retained earnings		Total
		Unappropriated (Note 17)	Appropriated	
Balances as of January 31, 2024	110,000,000	24,127,658	3,126,097	137,253,755
Total comprehensive income	-	7,453,432	-	7,453,432
Appropriation	-	(745,343)	745,343	-
Balances as of January 31, 2025	110,000,000	30,835,747	3,871,440	144,707,187
Total comprehensive income	-	13,163,065	-	13,163,065
Appropriation	-	(1,316,307)	1,316,307	-
Balances as of January 31, 2026	110,000,000	42,682,506	5,187,746	157,870,252

See accompanying notes to financial statements.

VC SECURITIES CORPORATION

STATEMENT OF CASH FLOWS

	Notes	For the years ended January 31	
		2026	2025
(In Philippine Peso)			
Cash flows from operating activities			
Profit before income tax		13,361,728	4,807,650
Adjustments for:			
Interest income	7	(9,412,206)	(9,106,101)
Depreciation	11,21	1,442,304	1,439,627
Unrealized (gain)/loss on financial assets at fair value through profit or loss	9, 20	(12,344,820)	2,997,448
Operating (loss)/income before working capital changes		(6,952,993)	138,623
(Increase)/Decrease in -			
Trade receivables	8	11,798,002	(10,543,116)
Financial assets at fair value through profit or loss	9	(45,259,027)	7,914,426
Other current assets	10	(31,518,939)	18,565,344
Refundable deposit	12	-	-
Increase/(Decrease) in -			
Trade payables	13	(7,021,151)	58,572,564
Other current liabilities	14	4,906,313	(854,317)
Cash (absorbed by)/generated from operations		(74,047,796)	73,793,524
Interest received	7	9,412,206	9,106,101
Income tax paid		(1,882,441)	(1,821,220)
Net cash (used in)/provided by operating activities		(66,518,031)	81,078,405
Cash flows from investing activity			
Acquisition of property and equipment	11	(60,491)	(22,226)
Net cash used in investing activity		(60,491)	(22,226)
Cash flow from financing activity			
Proceeds from loan, net	15,24	80,000,000	15,000,000
Net cash provided by financing activity		80,000,000	15,000,000
Net increase in cash and cash equivalents		13,421,478	96,056,179
Cash and cash equivalents, February 1		439,251,677	343,195,498
Cash and cash equivalents, January 31	7	452,673,156	439,251,677

See accompanying notes to financial statements.

VC SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

January 31, 2026 and 2025

(Amounts in Philippine Peso, unless otherwise stated)

1. **Corporate Information**

VC Securities Corporation (The Company) was registered with the Securities and Exchange Commission (SEC) on March 22, 2016 under S.E.C. Reg. No. CS201520287, primarily to engage in the business of broker and/or dealer of securities of any kind and of every description, including shares of mutual funds and exchange traded funds, whether of domestic or foreign origin, as well as interests in such securities, and to engage in all activities that may be useful, directly or indirectly, in connection with such business, and in all other activities related thereto, including online stock brokerage services through innovative internet technology and the purchase, acquisition, sale, exchange or distribution of such securities or interests in securities and otherwise effecting transactions in such securities, the giving of financial advice, the gathering and distribution of financial and investment information and statistics and acting as a financial, commercial or business representative.

The Company is 100% owned by Filipino citizens.

The registered and principal office address of the Company is 6th Floor Wilson Corporate Center, 225 Wilson St., Greenhills, San Juan City, Metro Manila Philippines 1502.

2. **Summary of Material Accounting Policies**

Statement of Compliance

The accompanying financial statements were prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), Interpretation of the Philippine Interpretations Committee (PIC), Standing Interpretation Committee (SIC), and International Financial Reporting Standards Interpretations Committee (IFRSIC) which have been adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) and approved by the Board of Accountancy (BOA) and the SEC.

Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss which are measured at fair value. The preparation of the financial statements in accordance with PFRS requires the use of critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 3.

Functional and Presentation Currency

These financial statements are presented in Philippine Pesos, the Company's functional currency and all values are rounded to the nearest peso, except when otherwise indicated.

Current Versus Non-current Classification

The Company presents assets and liabilities in the statement of financial position on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed within a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within a normal operating cycle;
- It is held primarily for trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Adoption of New and Revised IFRS Accounting Standards

Effective in 2025, the Company adopted the following new and revised PFRS Accounting Standards and Interpretations that are mandatory for the annual reporting period beginning on or after 1 January 2025.

- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*
The Company has adopted the amendments to IAS 21 Lack of Exchangeability for the first time for the annual reporting period commencing 1 January 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would take place at a measurement date and at a spot exchange rate. The adoption of these amendments did not have a material impact on the financial position or performance of the Company as of cut-off date. The amendments were applied prospectively from 1 January 2025. No adjustments to opening retained earnings were required.
- *Amendments to IAS 1 and IFRS 7 – Supplier Finance Arrangements*
Effective 1 January 2025, the Company adopted amendments to IAS 7 and IFRS 7 concerning supplier finance arrangements. These amendments require entities to provide both qualitative and quantitative disclosures about these arrangements. Disclosures have been updated to reflect the impact of these arrangements on liabilities and cash flows.
- *Other Amendments*
Amendments to the SASB standards to enhance international applicability were also adopted effective 1 January 2025 but did not significantly impact the financial statements.

New Accounting Standards Issued But Not Yet Effective

In accordance with IAS 8:30, entities must disclose information about new standards that have been issued but are not yet effective.

- *IFRS 18 Presentation and Disclosures in Financial Statements*

Issued in April 2024, IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with early application permitted. It replaces IAS 1 and introduces new categories for income and expenses (operating, investing, financing) and mandates disclosure of management-defined performance measures. The Company is evaluating the potential impact of IFRS 18 on its financial statement presentation and required disclosures.

- *IFRS 19 Subsidiaries without Public Accountability: Disclosures*
IFRS 19, issued in May 2024 and effective for periods starting on or after 1 January 2027, allows eligible subsidiaries to use reduced disclosure requirements. The Company is assessing whether it qualifies for IFRS 19, which could lead to fewer disclosures in the financial statement notes.
- *Amendments to IAS 21 – Translation to a Hyperinflationary Currency (Effective 1 January 2027)*
The amendments relate to the translation of financial statements from a functional currency not subject to hyperinflation into a reporting currency that is.
- *Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (Effective 1 January 2026)*
These amendments clarify the "solely payments of principal and interest" (SPPI) criterion for financial assets, particularly those with non-recourse features or ESG-linked features.

The Company is in the process of evaluating the impact of these standards and amendments but does not expect them to have a material effect on the financial statements upon adoption.

Material Accounting Policies

Cash and Cash Equivalents

Cash includes cash on hand and with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of changes in value.

Foreign Currency Translation

Transactions in foreign currency are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the functional currency rate of exchange ruling at the reporting date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. All foreign exchange differences are taken to profit or loss, except where it relates to equity securities where gains or losses are recognized directly in other comprehensive income, the gain or loss is then recognized net of the exchange component in other comprehensive income.

Financial Instruments

Date of Recognition

Financial instruments are recognized in the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized on the trade date, which is the date the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The Company has no financial liabilities at FVPL or derivatives for the years ended January 31, 2026 and 2025.

Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described below and in the succeeding pages.

Financial Assets at Amortized Cost

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

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

All financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value. Where the business model is to hold assets to collect contractual cash flows, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash and Cash Equivalents, Trade and Other receivables, Investment securities at amortized cost and certain accounts under Other Assets account in the statement of financial position.

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, and investment securities at amortized cost with original maturities of three months or less from placement date.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the statement of income as part of Interest Income.

Financial Assets at Fair Value Through Profit or Loss

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVPL. Further, irrespective of business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVPL. Also, equity securities are classified as financial assets at FVPL. The Company's financial assets at FVPL include equity securities which are held for trading purposes or designated as at FVPL. Financial assets at FVPL are measured at fair value with gains or losses recognized in profit or loss as part of Trading Gain – net under Other Operating Income in the statements of income. Related

transaction costs are recognized directly as expense in profit or loss. The fair values of these financial assets are determined by reference to active market transactions or using valuation technique when no active market exists. Interest earned on these investments is recorded as Interest Income and dividend income is reported as part of Dividends both under Other Income account in the statements of income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes.

Accordingly, the Company is required to reclassify financial assets:

- (i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- (ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

Effective Interest Rate Method and Interest Income

Interest income is recognized using the effective interest rate (EIR) method for all financial instrument measured at amortized cost and financial instrument designated at FVPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan.

Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive (negative) adjustment to the carrying amount of the asset in the balance sheet with an increase (reduction) in Interest income. The adjustment is subsequently amortized through interest and similar income in the statements of income. The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Impairment of Financial Assets

From January 1, 2018, the Company assesses its expected credit loss (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost and other contingent accounts. No impairment loss is recognized on equity investments. Recognition of credit losses or impairment is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring

expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets. The Company measures loss allowances at an amount equal to lifetime ECL, except for the following financial instruments for which they are measured as 12-month ECL:

- debt securities that are identified to have ‘low credit risk’ at the reporting date; and,
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

For these financial instruments, the allowance for impairment is based on 12-month ECL associated with the probability of default of a financial instrument in the next 12 months (referred to as ‘Stage 1’ financial instruments). Unless there has been a significant increase in credit risk subsequent to the initial recognition of the financial asset, a lifetime ECL (which are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial asset) will be recognized (referred to as ‘Stage 2’ financial instruments). ‘Stage 2’ financial instruments also include those loan accounts and facilities where the credit risk has improved and have been reclassified from ‘Stage 3’. A lifetime ECL shall be recognized for ‘Stage 3’ financial instruments, which include financial instruments that are subsequently credit-impaired, as well as purchased or originated credit impaired (POCI) assets.

Measurement of ECL The key elements used in the calculation of ECL are as follows:

- Probability of Default (PD) – it is an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- Loss Given Default (LGD) – it is an estimate of loss arising in case where a default occurs at a given time (either over the next 12 months or 12-month LGD), or over the remaining lifetime or lifetime LGD). It is based on the difference between the contractual cash flows of a financial instrument due from a counter party and those the Company would expect to receive, including the realization of any collateral. It is presented as a percentage loss per unit of exposure at the time of default.
- Exposure at Default (EAD) – it represents the gross carrying amount of the financial instruments subject to impairment calculation; hence, this is the amount that the Group expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD). In case of a loan commitment, the Company shall include the undrawn balance (up to the current contractual limit) at the time of default should it occur.

The measurement of the ECL reflects:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and,
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company

recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Other Financial Receivables

Other financial receivables include "Trade receivables" which are recorded when due and measured at the original invoice amount then subsequently carried at amortized cost less allowance from any uncollectible amount. The carrying value of insurance receivables is reviewed from impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, the impairment loss is recorded in the Statement of comprehensive income.

Impairment of Financial Assets at Amortized Cost

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in the statements of comprehensive income. The asset together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using 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.

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

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

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

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

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

Other Financial Liabilities

Issued financial instruments or their components, which are not classified as financial liabilities at FVPL are classified as other financial liabilities, where 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 lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

After initial measurement, other 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. The amortization is included as part of interest expense in the statements of comprehensive income. Any effect of restatement of foreign currency-denominated liabilities is recognized in foreign exchange gains/(losses) account in the statements of comprehensive income.

As at January 31, 2026 and 2025, the Company's other financial liabilities include trade payables, payable to non-customers and other current liabilities, except taxes payable, accrued expenses and due to SSS/PHIC and HDMF.

Derecognition of Financial Liabilities

Financial liabilities are derecognized in the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation and any impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Office furniture, fixtures and equipment	2 years
Computer software	2 years
Transportation equipment	4 years
Leasehold improvement	3 years

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to operations as incurred.

Leasehold improvements are amortized over estimated useful life of the improvements or the term of the relate lease, whichever is shorter. When assets are sold, retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss charged to current operations.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting period.

Derecognition of Property and Equipment

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of comprehensive income in the year the item is derecognized. This is not applicable to items that still have useful lives but are currently classified as idle. Depreciation continues for those items until fully depreciated or disposed.

Trading Rights

The demutualization of the Philippine Stock Exchange (PSE) has resulted to the conversion of the “Membership Seat in Exchange” account into two asset accounts in the books of the Company – “Investment in PSE shares” and “Trading Rights” accounts. The cost of the “Membership Seat

in Exchange” account was allocated between the Investment in PSE shares and Exchange Trading Rights based in their relative fair values.

The Company considered the Trading Rights as an intangible asset having an indefinite useful life, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow to the Company. However, the same is not recognized in the books since the Trading Right is not in the name of the Company. (Note 3)

Impairment of Non-financial Assets

At each reporting date, the Company assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists (or when annual impairment testing for an asset is required), the Company estimates the recoverable amount of the impaired assets. The recoverable amount is the higher of fair value less costs of disposal and value in use.

Value in use is the present value of future cash flows expected to be derived from an asset while fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable and willing parties less cost of disposal. Where the carrying amount of an asset exceeds its recoverable amount, the impaired asset is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is charged to profit or loss in the period when it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged directly to the revaluation increment of the said asset.

For non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the net recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its net recoverable amount.

The reversal can be made only to the extent that the resulting carrying value does not exceed the carrying value that would have been determined, net of depreciation and amortization, had no impairment loss been recognized. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation is adjusted in future years to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Related Party Relationships and Transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence over the party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

Equity

Share capital is determined using the par value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the statements of comprehensive income.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized;

- Commission- Revenue is recognized upon confirmation of trade deals computed on an agreed flat rate for every trade transaction.
- Interest- Revenue is recognized as the interest accrues (taking into account the effective yield on the interest)
- Dividends- Revenue is recognized when the shareholders' right to receive the payment is established.
- Gain on sale of financial assets at FVPL is recognized upon actual derecognition of the financial assets, and the ownership of the financial asset had been transferred to the buyer.
- Other revenue- Other revenue are recognized upon receipt or accrued when there is high probability that the revenue will be collected.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company.

Costs and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease equity, other than those relating to distributions to equity participants. Cost and expense are recognized when the related revenue is earned or when the service is incurred.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses definition of a lease in PFRS 16.

Short-term Leases and Leases of Low-Value Assets

The Company has elected not to recognize right-of-use assets and liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Benefits

The Company is covered under Republic Act (RA) No. 7641, The Philippine Retirement Law, which provides for its qualified employees a defined benefit (DB) minimum guarantee. The DB minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of other employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Income Taxes

Current tax assets or liabilities comprise those claims from, or obligation to, taxation authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statements of comprehensive income.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against deductible temporary differences.

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

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

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

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

Earnings/(Loss) Per Share

Earnings/(Loss) per share is computed by dividing net profit by the weighted average number of shares subscribed and issued and outstanding at the end of the year.

Provisions and Contingencies

Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the financial statements, however, they are disclosed in those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Events After Reporting Period

Events after reporting period that provide additional information about the Company's position at reporting period (adjusting events) are reflected in the financial statements. Post year-end non-adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments and Estimates

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

Judgements

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

Functional Currency

The Company has determined that its functional currency is the Philippine Peso which is the currency of the primary environment in which the Company operates.

Categories of Financial Instruments

The Company classifies a financial instrument, or its component parts, on initial recognition as financial assets, a financial liability or an equity instrument based with the substance of the contractual arrangement and the definitions of financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position. The Company determines the classification at initial recognition and re-evaluates this designation at every financial reporting date. (Please see Note 5).

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 2 – Provisions.

Trading Rights

The Company considers the Trading Rights as an off-balance sheet item since the Trading Rights certificate is in the name of Vivien L. Co, a stockholder of the Company, who allows the Company to use the same without consideration.

Valuation of Financial Instruments

The Company carries certain financial at fair instruments value, which requires the extensive use of accounting estimates and judgment. Significant components of fair value measurement were determined using verifiable objective evidence from observable active markets and other valuation techniques including the use of mathematical models. However, the amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets and liabilities would affect profit and loss and equity.

Management valuation methods and assumptions in determining the fair value of the Company's financial instruments are discussed in Note 5.

Estimates

The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the Company's financial statements. Actual results could differ from those estimates. The following are the relevant estimates performed by Management on its 2026 and 2025 financial statements:

Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

Property and equipment, net of accumulated depreciation, amounted to P2,662,278 in 2026 P4,044,092 in 2025. (Note 11)

Impairment of Receivables

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

No allowance for credit losses is set-up by the Company, as management believes that all accounts are fully collectible, based on the above.

Retirement Liability

No retirement liability has been provided as the Company has less than ten (10) employees and no employee is qualified under the provisions of R.A. No. 7641.

Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at each statement of financial position date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets amounted to P11,900,248 in 2026 and P10,216,470 in 2025. (Please see Note 23)

4. Risk Management Objectives and Policies

The Company's principal financial instruments comprise of advances to officers and trade payables. The Company has also various financial assets such as cash and cash equivalents while its financial liabilities are other current liabilities.

Since the Company is exposed to a variety of risks such as credit risks, liquidity risks, and market risks, the Board of Directors makes it a point to have adequate risk management guiding principles, which will institutionalize a focused approach in addressing its exposure to different business risks.

The Company's risk management policy is addressed as follows:

Credit Risks

Credit risks refer to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due.

It is inherent to the stock brokerage business that potential losses may arise due to the failure of its customer and counterparties to fulfill their trading obligation on settlement date or the possibility that the value of collateral held to secure obligations becoming inadequate due to adverse market conditions.

The Company manages credit risk by setting limits for individual customers and group of customers. The Company monitors credit exposures and continually assesses the credit worthiness of counterparties.

The Company's financial assets which have the maximum credit risk rate exposure are as follows:

	Notes	2026	2025
Cash in bank and cash equivalents	7	452,668,156	439,246,677
Trade receivables	8	4,040,140	15,838,142
Financial assets at FVPL	9	213,246,083	155,642,237
Refundable deposit	12	20,022	20,022
Total		669,974,401	610,747,078

There are no significant concentrations of credit risk within the Company.

The table below shows the credit quality of financial assets as at January 31, 2026 and 2025.

2026	Notes	Neither past due nor impaired		Past due but not impaired	Gross impaired	Total
		High grade	Standard grade			
Current assets:						
Cash in bank and cash equivalents	7	452,668,156	-	-	-	452,668,156
Trade receivable	8	4,040,140	-	-	-	4,040,140
Financial assets at FVPL	9	-	213,246,083	-	-	213,246,083
Non-current asset:						
Refundable deposits	12	-	20,022	-	-	20,022
		456,708,296	213,266,105	-	-	669,974,401

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Notes to Financial Statements

2025	Notes	Neither past due nor impaired		Past due but not impaired	Gross impaired	Total
		High grade	Standard grade			
Current assets:						
Cash in bank and cash equivalents	7	439,246,677	-	-	-	439,246,677
Trade receivable	8	15,838,142	-	-	-	15,838,142
Financial assets at FVPL	9	-	155,642,237	-	-	155,642,237
Non-current asset:						
Refundable deposits	12	-	20,022	-	-	20,022
		455,084,819	155,662,258	-	-	610,747,078

Cash in banks and cash equivalents are limited to reputable banks duly approved by the Board of Directors, hence, high grade. Cash on hand is not included.

High grade receivables consist of receivables from customers, clearing house and non- customers which have a remote likelihood of default.

High grade advances to officers and employees consist of receivable which are subject to salary deductions and have remote likelihood of default.

Standard grade financial assets at FVPL consist of equity securities listed in PSE which has normal reactions to market conditions.

Standard grade refundable deposit consists of receivable from other parties with minimal instances of payment default.

Liquidity Risks

Liquidity risks or funding risks are the risks that the Company will encounter in raising funds to meet its commitments and obligations. Liquidity risks may result from difficulty in collections or inability to generate cash inflows as anticipated. The Company's objective in managing its profile is:

- a. to ensure that adequate funding is available at all times;
- b. to meet commitments as they arise without incurring unnecessary cost;
- c. to be able to access funding when needed at the least possible cost;
- d. to regularly monitor and evaluate its projected cash flow.

The Company's financial liabilities that have contractual maturities as follows:

	Notes	2026			Total
		On demand	1 to 6 months	more than 12 months	
Trade payables	13	256,126,096	-	-	256,126,096
Other current liabilities	14	-	6,535,827	-	6,535,827
Loans payable	15,24	-	-	178,500,000	178,500,000
		256,126,096	6,535,827	178,500,000	441,161,924

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	Notes	2025			Total
		On demand	1 to 6 months	more than 12 months	
Trade payables	13	263,147,247	-	-	263,147,247
Other current liabilities	14	-	5,360,775	-	5,360,775
Loans payable	15,24	-	-	98,500,000	98,500,000
		263,147,247	5,360,775	98,500,000	367,008,022

As at January 31, 2026 and 2025, the Company has financial assets that can be used to manage its liquidity risk consisting of cash and cash equivalents, receivable from customers, clearing house and advances to officers and employees. Liquidity ratio for the years ended 2026 and 2025 are 1.7 and 1.63, respectively. Thus, the Company has low liquidity risk.

Interest Rate Risk

Interest rate risk is the risk to future earnings or equity arising from the movement of interest rates. Changes in interest rates affect (1) the Company's earnings by changing its net interest income and the level of other interest rate-sensitive income and operating expenses; and (2) the underlying economic value of the Company's assets, liabilities and off-statement of financial position instruments by means of reducing the present value of future cash flows (and in some cases, the cash flows themselves). The Company's exposure to changes in market interest rates is only through the cash and cash equivalents account, which is subject to variable interest rates.

Equity Prices Risk

The following table demonstrates sensitivity of the Company's profit before tax and equity to reasonable possible changes in interest rate of +10/-10 basis points of the Company's deposits from various banks on January 31, 2026 and 2025. These changes are considered to be reasonably possible based on observation of current market conditions. All other variables are held constant.

	Change in +10 basis points		Change in -10 basis points	
	Effect on net results	Effect on Equity	Effect on net results	Effect on Equity
Cash and cash equivalents				
2026	452,668	362,135	(452,668)	(362,135)
2025	439,247	351,397	(439,247)	(351,397)

Foreign Currency Risk

The Company has no significant exposure to foreign currency risks as most transactions are denominated in Philippine Peso, its functional currency.

Other Market Price Risk

The Company's management monitors market price risk for its financial assets at FVPL. The management monitors the market price in daily-published quotations and regularly reports the results to the Board of Directors.

The following table demonstrates the sensitivity to reasonably possible changes in market value of financial assets at FVPL, with all variable held constant, of net results and equity.

2026

	Change in	Effect on net results	Effect on Equity	Change in	Effect on net results	Effect on Equity
Financial assets at FVPL	100%	213,246,083	159,934,563	-100%	(213,246,083)	(159,934,563)

2025

	Change in	Effect on net results	Effect on Equity	Change in	Effect on net results	Effect on Equity
Financial assets at FVPL	100%	155,642,237	116,731,677	-100%	(155,642,237)	(116,731,677)

5. Categories and Fair Values of Financial Assets and Liabilities

Comparison of Carrying Amounts and Fair Values

The carrying amounts and fair values and the categories of financial assets and liabilities presented in the statements of financial positions are shown below:

	Notes	2026		2025	
		Carrying values	Fair values	Carrying values	Fair values
Financial assets					
Current assets:					
Cash	7	452,673,156	452,673,156	439,251,677	439,251,677
Receivable from customers	8	-	-	15,838,142	15,838,142
Receivable from clearing house	8	4,040,140	4,040,140	-	-
Financial assets at FVPL	9	213,246,083	213,246,083	155,642,237	155,642,237
Non-current asset:					
Refundable deposit	12	20,022	20,022	20,022	20,022
		669,979,401	669,979,401	610,752,078	610,752,078
Financial liabilities					
Current liabilities					
Trade payables	13	256,126,096	256,126,096	263,147,247	263,147,247
Other current liabilities	14	10,685,428	10,685,428	5,779,115	5,779,115
Non-current liability					
Loans payable	15	178,500,000	178,500,000	98,500,000	98,500,000
		445,311,524	445,311,524	367,426,363	367,426,363

Because of their short-term nature, Management considers the carrying amounts recognized in the statements of financial positions to be reasonable estimates of the fair values of cash and cash equivalents, receivable from clearing house and SCCP, advances to officers and employees, trade payables, and other current liabilities.

Fair Value Measurements Hierarchy

The table below presents the hierarchy of fair value measurements used by the Company:

	Level 1	Level 2	Level 3	Total
January 31, 2026				
Financial asset at FVPL	213,246,083	-	-	213,246,083
	213,246,083	-	-	213,246,083
	Level 1	Level 2	Level 3	Total
January 31, 2025				
Financial asset at FVPL	155,642,237	-	-	155,642,237
	155,642,237	-	-	155,642,237

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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: inputs for the asset or liability that are not based on observable market data (unobservable input)

As at January 31, 2026, there were no transfer of financial instruments between levels 1, 2 and 3.

6. Capital Management Objectives, Policies and Procedures

The Company's objective when managing capital is to maintain its ability to continue as a going concern entity and to maintain optimal capital structure so as to maximize shareholder value. In order to achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company's strategy is to maintain a gearing ratio not exceeding 75%. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2026	2025
Net debt	112,638,369	48,174,685
Net equity	157,870,252	144,707,187
Total capital	270,508,621	192,881,872
Gearing ratio	41.64%	24.98%

The Company manages its capital structure and makes adjustments to it as changes in economic conditions arise.

Externally Imposed Capital Requirements

On December 30, 2003, the SEC passed the Amended Implementing Rules and Regulations (IRR) of the SRC effective February 28, 2004. Significant changes include, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows:

- (a) to allow a net capital of P2,500,000 or 2.5% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities,
- (b) to allow the SEC to set a different net capital requirement for those authorized to use the risk-based capital adequacy model, and
- (c) to require unimpaired paid-up capital of P100,000,000 for broker dealers' firms and will participate in a registered clearing agency; P10,000,000 plus a surety bond for existing broker dealers not engaged in market making transactions; and P2,500,000 for broker dealing only in proprietary shares and not holding securities.

Minimum Capital Requirement

On May 28, 2009, the Securities and Exchange Commission ("SEC") approved Memorandum Circular No. 2009-0316 or Rules Governing Trading Rights and Trading Participants, Art. III, Sec. 8(c). The guidelines states that "Trading Participants shall have a minimum unimpaired paid-up capital, as defined by the Securities and Exchange Commission of, Twenty Million Pesos (P20,000,000) effective December 31, 2009; Provided further, that effective December 31, 2010 and onwards, the minimum unimpaired paid-up capital shall be Thirty Million Pesos (P30,000,000)."

On April 15, 2010, PSE issued Memorandum Circular No.2010-0158 or Deferment of the Rule on Minimum Unimpaired Paid-up Capital for Trading Participants previously set to take effect on December 31, 2010.

On October 22, 2010, SEC approved Memorandum Circular No. 2010-0494 or Deferment on the Minimum Unimpaired Paid-up Capital for Trading Participants (TPs). The Memo states that "TPs with Unimpaired Paid-up Capital ("UPC") falling below Thirty Million pesos (P30,000,000) shall post surety bond amounting Ten Million (P10,000,000) for the period covering 1 January 2011 to 31 December 2011 until securities held and controlled by the TPs shall be recorded under the name of the individual clients in the books of the Transfer Agent." The deferral granted by the Commission is effective only for the period January 2011 until December 31, 2011. However, on November 8, 2010, the Commission has adopted SEC Resolution No. 489, series of 2010 stating the effectivity of the deferment from 01 January 2011 until 30 November 2011. Hence, all TPs must have complied with the Thirty Million UPC requirement by December 2011.

The Company is in compliance with all the capital requirements imposed by the PSE, SEC and with other applicable rules of the SRC for the minimum capital requirements for the years ended January 31, 2026 and 2025.

Risk-based Capital Adequacy Rule

On November 11, 2004, the SEC approved Memorandum Circular No. 16, which provides the guidelines on the adoption in the Philippines of the Risk Based Capital Adequacy (RBCA) Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following: (a) position or market risk, (b) credit risks such as counter party, settlement, large exposure, and margin financing risks, and (c) operational risk. Among others, the RBCA rules provide for specific guidelines on the treatment of new subordinated loan agreements and investment in PSE shares. The Circular provides for a transition period from net capital to RBCA until November 30, 2005. During the transition period, the broker dealer is required to comply with the continuing reportorial requirements if the SRC and its IRR, including the RBCA rules.

Starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the RBCA rules. The first filing of the RBCA report, postposition, shall reflect the computed RBCA ratio as of December 31, 2005.

The Company, once registered as a broker in securities, is subject to the stringent rules of the SEC and other regulatory agencies with respect to the maintenance of specific levels of RBCA ratios.

RBCA is a ratio that compares the broker or dealer's total measured risk to its liquid capital. As a rule, the company must maintain an RBCA ratio of at least 120% and a net liquid capital (NLC) of at least P5.0 million or five percent (5%) of its aggregate indebtedness, whichever is higher. Also, the aggregate indebtedness (AI) of every stockbroker should not exceed two thousand percent (2,000%) of its NLC. In the event that the minimum RBCA ratio of 120% or the minimum NLC is breached, the company shall immediately cease doing business as a broker and shall notify the PSE and SEC. Total risk capital requirement amounted to P88,823,376 in 2026 and P72,278,758 in 2025.

As at January 31, 2026 and 2025, the Company is in compliance with the RBCA ratios, Net Liquid Capital (NLC), Total Risk Capital Requirement, and Ratio of AI to NLC, and other ratios required under the RBCA rule.

The RBCA ratio of the Company as of January 31, 2026 and 2025 is as follows:

	2026	2025
Equity eligible for net liquid capital	145,970,004	134,490,717
Less: Ineligible assets	3,436,723	6,697,069
Total	142,533,281	127,793,648
Position risks	58,586,977	40,630,101
Operational risks	6,908,629	7,632,406
Large exposure risks	23,327,770	24,016,251
Total Risk Capital Requirement	88,823,376	72,278,758
AI	565,311,524	487,426,363
5% of AI	28,265,576	24,371,318
Required NLC	5,000,000	5,000,000
Net Risk-Based Capital Excess	114,267,705	103,422,330
Ratio of AI to NLC	397%	381%
RBCA Ratio	160%	177%

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

Ineligible asset

This pertains to fixed assets and assets which cannot be readily converted into cash.

Operational risk requirement

The amount required to cover a level of operational risk which is the exposure associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate or failed internal processes, people and systems which include, among others, risk of fraud, operational or settlement failure and storage of liquid resources, or from external events.

Position risk requirement

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

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.

Aggregate indebtedness

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

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	2026	2025
Cash on hand	5,000	5,000
Cash in banks	248,517,077	248,767,983
Cash in bank - reserve bank account	71,308,838	62,837,264
Cash equivalents- short-term cash investment	132,842,240	127,641,430
Total	452,673,156	439,251,677

Cash in banks earn interest based on daily bank deposit rates ranging from 0.25% to 0.50% in 2026 and 2025. Cash equivalents pertain to short term cash investments that are made up of varying periods of up to three months depending on the Company's immediate cash requirements and earn interest with rates ranging from 3.15% to 4.19% in 2026 and 2025 per annum. Cash and cash equivalents earned interest amounting to P9,412,206 in 2026 and P9,106,101 in 2025. (Note 20)

Cash in bank includes Special Reserve Bank Account created and maintained for the exclusive benefit of customers as prescribed under SRC Rule 49.2 (Customer Protection Reserves and Custody of Assets) and mentioned in Part I (Rule 49.C) of this rule. The Company is in compliance with this rule by having special reserve bank accounts comprise of cash in bank-reserve bank account aggregate amounting to P71,308,838 in 2026 and P62,837,264 in 2025.

8. Trade Receivables

This account consists of:

	2026	2025
Receivable from customers	-	15,838,142
Less: Allowance for credit losses	-	-
Receivable from customers, net	-	15,838,142
Due from clearing house	4,040,140	-
Total	4,040,140	15,838,142

All receivables from customers do not bear any interest and are due after two days from the time of transaction, except for those on which allowance for credit losses has already been provided. No receivable is denominated in foreign currency in 2026 and 2025.

Due from Clearing House arises when total selling transactions within the last two days of the year exceeds total buying transactions (i.e. shares of stock purchased by the customers). The account pertains to the Company's receivable from Securities Clearing Corporation of the Philippines (SCCP).

The security values of the debit balance of customers' account follow:

Ratio of Market value of securities to Debit Balance	2026		2025	
	Debit Balance	Market Value of Securities	Debit Balance	Market Value of Securities
Fully secured accounts:				
250% or more	-	-	-	-
200% to 250%	-	-	-	-
150% to 200%	-	-	-	-
100% to 150%	-	-	-	-
	-	-	-	-
Partly secured accounts:				
Less than 100%	-	-	-	-
Unsecured	-	-	-	-
	-	-	-	-
Receivables from non- customers				
Fully secured accounts:				
250% or more	-	-	15,838,142	341,281,476
	-	-	15,838,142	341,281,476
Partly secured accounts:				
Less than 100%	-	-	-	-
Due from customer	-	-	-	-
Due from clearing house	4,040,140	-	-	-
Total	4,040,140	-	15,838,142	341,281,476

Receivables from Clearing House amounted to P4,040,140 in 2026 and nil in 2025.

9. **Financial Assets at Fair Value through Profit or Loss**

The movement of financial assets at FVPL follows:

	Note	2026	2025
Balance, beginning		155,642,237	166,554,110
Purchases		334,391,442	246,877,649
Sales		(289,132,415)	(254,792,075)
Changes in fair values	20	12,344,820	(2,997,448)
Balance, ending		213,246,083	155,642,237

Financial assets at FVPL represent the Company's investment in equity securities being traded at the Philippine Stock Exchange and is carried at fair value. Fair values are based on the quoted market price at the PSE as at January 31, 2026 and 2025 or on the last trading day of each year.

Sale of financial assets at FVPL resulted to a loss of P11,621,266 in 2026 and P7,772,684 in 2025. (Note 18)

Reconciliation of the carrying amount of financial assets at FVPL follows:

	2026	2025
Cost	216,760,711	171,501,683
Fair value adjustment	(3,514,627)	(15,859,447)
Fair value, January 31	213,246,083	155,642,237

10. Other Current Assets

This account consists of the following:

	2026	2025
Dealers account fund	38,025,645	6,604,815
Creditable withholding tax	465,041	251,432
Other prepayments	-	127,422
Prepaid taxes and licences	134,456	110,896
Other receivables	11,610	16,179
Advances to supplier	3,097	10,166
Total	38,639,849	7,120,910

Dealers account fund is a fund set aside for dealers account.

Other receivables pertain to purchase of stock rights to be refunded.

11. Property and Equipment, net

Property and equipment are summarized as follows:

	Computer software	Office furniture and fixtures	Office equipments	Leasehold improvements	Transportation equipments	Total
Cost						
January 31, 2024	642,115	475,187	1,855,863	913,005	6,688,924	10,597,318
Acquisition	-	7,589	-	14,636	-	22,226
January 31, 2025	642,115	482,776	1,855,863	927,640	6,688,924	10,619,544
Acquisition	-	51,339	9,151	-	-	60,491
January 31, 2026	642,115	534,115	1,865,014	927,640	6,688,924	10,657,810
Accumulated depreciation						
January 31, 2024	609,973	375,503	1,514,974	416,607	2,196,541	5,113,598
Depreciation	12,679	29,587	93,579	132,904	1,170,879	1,439,627
January 31, 2025	622,652	405,090	1,608,553	549,511	3,367,420	6,553,225
Depreciation	12,857	31,202	94,462	132,904	1,170,879	1,442,304
January 31, 2026	635,509	436,292	1,703,016	682,415	4,538,300	7,995,529
Net book value						
January 31, 2026	6,606	97,824	161,998	245,226	2,150,625	2,662,278
January 31, 2025	19,463	77,686	247,309	378,130	3,321,504	4,044,092

12. Refundable Deposit

Refundable deposit pertains to the utility deposit to MERALCO and PT&T amounting to P20,022 both in 2026 and 2025.

13. Trade Payables

Trade payables account includes payable to customers, payable to clearing house, payable to non-customers and central depository fees payable as follows:

	2026	2025
Due to customers	64,429,439	40,640,499
Due to non-customers	191,696,658	194,837,957
Due to clearing house	-	27,668,792
	256,126,096	263,147,247

Trade payables are usually due within 2 days and 31 days from transaction date and do not bear any interest.

Due to clearing house pertains to the Company's payable to Securities Clearing Corporation of the Philippines (SCCP). "Due to clearing house" arises when total buying transactions, i.e. shares of stock purchased by the customers exceed total selling transactions within the last two trading days of the year.

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

Ratio of market value of securities to debit balance	2026		2025	
	Credit balances	Market value of securities	Credit balances	Market value of securities
Free	64,429,439	3,039,904,461	40,640,499	482,190,745
Without money balances				
Due to clearing house	-	-	27,668,792	-
Due non-customers	191,696,658	-	194,837,957	1,716,158,731
Net	256,126,096	3,039,904,461	263,147,247	2,198,349,476

Trade payables are usually due within 2 days and 31 days from transaction date and do not bear interest.

14. Other Current Liabilities

	2026	2025
Accounts payable	6,535,827	5,360,775
Accrued expenses	3,861,975	325,821
Due to BIR	209,537	47,775
Clearing House Payable	66,666	21,645
STT payable	-	8,867
SSS, Philhealth and HDMF payable	5,110	7,920
Payable to non-customer (Others)	6,313	6,313
	10,685,428	5,779,115

Accounts payables pertain to obligation for the purchase of computer software, leasehold improvement, office equipment and payable to Meralco.

Accrued expenses pertains to salaries, 13th month pay of the employees and professional fees.

Due to BIR pertains to expanded withholding taxes payable to BIR.

15. Loans Payable

Loans payable is broken down as follows:

	2026	2025
Non- current	178,500,000	98,500,000
	178,500,000	98,500,000

Movement of this account is as follows:

	2026	2025
Beginning balance	98,500,000	83,500,000
Payments	-	(50,000,000)
Availments	80,000,000	65,000,000
	178,500,000	98,500,000

Loans payable were availed from a stockholder at an arms-length transaction. The term of the loan is 10 years with effective interest based on the Bangko Sentral ng Pilipinas (BSP) lending rate plus 150 basis point per annum.

For Year One (1) the interest payable has been waived. For Year Two (2) and succeeding years thereafter, interest is payable on the unpaid principal at the rate to be determined every January 1 of every year based on the BSP Lending Rate plus 150 basis point, paid annually.

The interest for the period of February 1, 2024 to January 31, 2025 has been waived.

Finance cost accrued amounted to P3,523,819 in 2026 and nil in 2025.

16. Share Capital

The details of the Company's capital stock are shown below, thus:

	2025	2024
Authorized - Par value, P1 per share:		
110,000,000 shares	<u>P110,000,000</u>	
Subscribed - 110,000,000	110,000,000	110,000,000
	110,000,000	110,000,000

The subscribed and fully paid shares of the Company are owned by nine (9) shareholders and seven (7) shareholders each own 100 or more shares.

On May 23, 2023, the Stockholders and Board of Directors of the Company held a meeting to increase the authorized capital from P110,000,000 consisting of 110,000,000 shares at par value

of P1 to P300,000,000 consisting of 300,000,000 shares at par value of P1. As of January 31, 2026, the Company has yet to file with the SEC its application for increase in authorized capital stock. Therefore, the deposit for future subscription amounting to P120,000,000 paid in cash was lodged under the liability account.

17. Retained Earnings

Appropriation

In compliance with SRC Rule 49.1 (B) Reserve Fund, the Company is required annually to appropriate a certain minimum percentage of its audited profit after tax and transfer the same to the appropriated retained earnings account. Appropriation shall be 30%, 20%, 10% of profit after tax for broker dealers with unimpaired paid-up capital between P10,000,000 to 30,000,000, between P30,000,000 to 50,000,000 and above P50,000,000, respectively.

Appropriation amounted to P1,316,307 in 2026 and P745,343 in 2025. The Company is in compliance with SRC Rule 49.1(B). Moreover, the entire balance of appropriated retained earnings pertains solely to compliance with the said regulatory requirement.

18. Other Revenues

This is composed of:

	Note	2026	2025
Dividends		12,802,916	13,762,746
Loss on sale of financial assets at FVPL	9	(11,621,266)	(7,772,684)
Other income		8,750	6,138
Total		1,190,400	5,996,199

Commission income amounted to P6,236,301 in 2026 and P6,213,254 in 2025.

19. Cost of Services

The breakdown of cost of services follows:

	2026	2025
PCD, SIPF and CTGF Fees	1,423,679	1,466,472
Commission expense	547,864	598,452
Personnel cost	461,350	410,478
Other incentives	289,000	360,000
PSE Fees	110,966	136,778
Honorarium	-	10,000
Total	2,832,859	2,982,180

Personnel cost consists of the following:

	2026	2025
Salaries and wages	401,869	357,131
13th month pay	31,732	28,272
SSS, Med. & ECC Expenses	20,560	18,295
Philhealth Contributions	4,789	4,479
Pag-ibig contribution (HDMF)	2,400	2,300
Total	461,350	410,478

20. Other Income/(Loss)

Other income/(loss) is composed of:

	Notes	2026	2025
Interest income	7	9,412,206	9,106,101
Unrealized foreign exchange gain		14,023	121,917
Unrealized gain/(loss) on financial asset at FVPL	9	12,344,820	(2,997,448)
Total		21,771,049	6,230,571

21. Operating Expenses

This account is composed of the following:

	Notes	2026	2025
Directors fees	24	1,628,567	1,248,070
Personnel cost		1,494,908	1,726,375
Depreciation	11	1,442,304	1,439,627
Rent		1,108,091	1,084,494
Taxes and licences	26	924,362	143,789
Dues and subscription		755,148	2,021,279
Professional fees	24	649,248	867,552
Representation and entertainment		312,226	377,234
Light and water		295,103	284,611
Repairs and maintenance		235,100	239,189
Gas and oil		173,743	169,042
Office supplies		139,513	31,119
Communication		88,692	86,124
Insurance		52,540	38,092
Audit		40,980	45,000
Transportation and travel		28,981	31,683
Meetings and conferences		17,063	47,059
Sponsorship/ Donation		8,000	420,000
Publicity and promotions		7,069	77,761
Bank charges		808	2,438
Medical benefits		563	
ISO certification expense		-	53,000
Training and seminars		-	10,125
Miscellaneous		76,333	206,531
		9,479,343	10,650,194

Personnel cost consists of the following:

	2026	2025
Salaries and wages	1,261,160	1,465,724
13th month pay	99,644	119,190
SSS, Med. & ECC Expenses	79,210	94,243
Philhealth Contributions	17,883	23,874
Other benefits	28,411	14,145
Pag-ibig contribution (HDMF)	8,600	9,200
Total	1,494,908	1,726,375

22. Earnings Per Share

	2026	2025
Net income	13,163,065	7,453,432
Weighted average number of shares issued and outstanding	110,000,000	110,000,000
Earnings per share	0.120	0.068

23. Income Taxes

Income Tax (Expense)/ Benefit

Income tax benefit consists of the following:

	2026	2025
Current:		
Regular income tax	-	-
Final tax on interest income	(1,882,441)	(1,821,220)
Deferred:		
Unrealized loss/(gain) on fair value of FA at FVPL	(3,086,205)	749,362
NOLCO	4,769,983	3,717,641
Income tax (expense)/ benefit	(198,663)	2,645,782

A reconciliation of income tax between profit before income tax computed at the applicable statutory rates and income tax expense as reported in the statements of comprehensive income is as follows:

	2026	2025
Tax on (profit)/ loss before income tax	(3,340,432)	(1,201,912)
Tax effect on:		
Non-taxable income	6,333,594	3,471,165
Non-deductible expense	(576,230)	(78,775)
Adjustment for income subject to lower tax rates	470,610	455,305
Adjustment on DTA	(3,086,205)	-
Income tax (expense)/ benefit	(198,663)	2,645,782

Validity of NOLCO follows:

Year Incurred	Validity	Amount	Applied this year	Applied previous year	Expired	Balance	Deferred tax assets
2026	2029	19,079,932	-	-	-	19,079,932	4,769,983
2025	2028	14,870,565	-	-	-	14,870,565	3,717,641
2024	2027	10,058,409	-	-	-	10,058,409	2,514,602
		24,928,973	-	-	-	44,008,905	11,002,226

As provided by BIR Revenue Regulations No. 25-2020 (Section 4) dated September 30, 2020, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five (5) consecutive taxable years immediately following the year of such loss.

Under the National Internal Revenue Code (NIRC) of 1997, the income tax liability of Corporations shall be the higher between Regular Corporate Income Tax (RCIT) and the Minimum Corporate Income Tax (MCIT). MCIT is computed at 1% of the modified gross income. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years.

Validity of MCIT follows:

Year Incurred	Validity	Amount	Applied this year	Applied previous year	Expired	Balance
2024	2027	19,365	-	-	-	19,365
		19,365	-	-	-	19,365

Deferred Tax Assets

Deferred tax assets consist of:

2026			
	Balance at the beginning of year	Charged to income/ applied	Balance at the end of year
Deferred tax asset:			
DTA - NOLCO	6,232,243	4,769,983	11,002,226
DTA - MCIT	19,365	-	19,365
Fair value adjustments of financial assets at FVPL	3,964,862	(3,086,205)	878,657
Total deferred tax asset	10,216,470	1,683,778	11,900,248
2025			
	Balance at the beginning of year	Charged to income/ applied	Balance at the end of year
Deferred tax asset:			
DTA - NOLCO	2,514,602	3,717,641	6,232,243
DTA - MCIT	19,365	-	19,365
Fair value adjustments of financial assets at FVPL	3,215,500	749,362	3,964,862
Total deferred tax asset	5,749,467	4,467,003	10,216,470

24. Related Party Transactions

The Company's related party transactions involved the shareholders and the Company's key management personnel.

Following are the Company's related party transactions:

Loans payable

Loans payable amounted to P178,500,000 in 2026 and P98,500,000 in 2025. These were availed in July 2021 and January 2022 from a stockholder of the Company. The loan is covered by a loan agreement with a term of ten (10) years and interest rate based on BSP Lending Rate plus 150 basis points annually. Other terms of the loan agreement are detailed in Note 15.

Key Management Personnel Compensation

Key management personnel include the President, Vice President and Treasurer.

	2026	2025
Director's fees	1,628,567	1,248,070
Professional fees	649,248	867,552
	2,277,815	2,115,622

25. Approval of Financial Statements

The accompanying financial statements for the year ended January 31, 2026 was authorized for issuance by the Board of Directors on May 15, 2026.

26. Supplementary Information under Revenue Regulations

Revenue Regulations No. 15-2010

Revenue Regulation 15-2010 issued by the Bureau of Internal Revenue, requires, in addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may heretofore be adopted, the Notes to Financial Statements to include information on taxes, duties and license fees paid or accrued during the taxable year, as follows:

Value Added Taxes (VAT)

	2026	2025
Income subject to VAT	6,245,050	6,219,408
Tax rate	12%	12%
Output VAT for the year	749,406	746,329
Beginning balance	39,985	19,838
Goods other than for resale or manufacture	321,382	74,213
Services booked under cost of goods sold	121,947	396,056
Applied input tax during the year	483,314	490,107
VAT paid during the year	283,880	450,121
Balance, end Output VAT/(Input VAT)	199,434	39,985

VC SECURITIES CORPORATION
Notes to Financial Statements

Withholding taxes

	2026	2025
Tax withheld by the company on:		
Compensation	1,196	18,188
Expanded	311,723	262,624
	312,919	280,812

Taxes and licenses

	Date	O.R Number	2026	2025
Municipal taxes and licenses	various	various	98,974	99,131
SEC license fee and others	various	various	107,070	40,000
Documentary stamp tax	various	various	712,500	75
BIR registration fee	various	various	-	-
Others	various	various	5,819	4,583
			924,362	143,789

As of the year ended January 31, 2026, the Company has no pending tax assessment and litigation.

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VC SECURITIES CORPORATION

**STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
JANUARY 31, 2026**

There are no subordinated liabilities to claims of general creditors and no changes presented as required under Rule 52.1-5 of the Securities Regulation Code.

Schedule 1

VC SECURITIES CORPORATION
RISK-BASED CAPITAL ADEQUACY WORKSHEET
January 31, 2026

Assets	723,181,777
Liabilities	565,311,524
Equity as per books	157,870,252
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(11,900,248)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(11,900,248)
Equity Eligible For Net Liquid Capital	145,970,004
Contingencies and Guarantees	
Deduct: <u>Contingent Liability</u>	
<u>Guarantees or indemnities</u>	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	2,662,278
d. All Other Current Assets	614,204
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	160,241
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	
Total ineligible assets	3,436,723
Net Liquid Capital (NLC)	142,533,281
Less:	
Operational Risk Req't (Schedule ORR-1)	6,908,629
Position Risk Req't (Schedule PRR-1)	58,586,977
Counterparty Risk (Schedule CRR-1 and detailed schedules)	
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	23,327,770
Total Risk Capital Requirement (TRCR)	88,823,376
Net RBCA Margin (NLC-TRCR)	53,709,905
Liabilities	565,311,524
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	
Total adjustments to AI	
Aggregate Indebtedness	565,311,524
5% of Aggregate Indebtedness	28,265,576
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess / (Deficiency)	114,267,705
Ratio of AI to Net Liquid Capital	397%
RBCA Ratio (NLC / TRCR)	160%

VC SECURITIES CORPORATION

**INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS UNDER SRC RULE 49.2 ANNEX 49.2-A
JANUARY 31, 2026**

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

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

Market Valuation	N/A
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Number of items	N/A
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VC SECURITIES CORPORATION

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER ANNEX G OF SRC RULE 49.2 ANNEX 49.2-B
JANUARY 31, 2026**

	CREDITS	DEBITS
Free-credit balances and other credit peso balances in customers' security account	64,429,439	
Credit balance in non-customer	-	
Dividend due to customers	-	-
Due to/from clearing house		-
Debit balances in non-customers cash or margin accounts excluding unsecured accounts doubtful collection	-	
Clearing accounts with net credit balances attributable to customer's transaction	3,678,214	-
TOTALS	68,107,653	-
Excess of credit balances over debit balances		68,107,653
Required Reserve		68,107,653
"Special Reserved Bank Account"	71,308,838	71,308,838

Schedule 4

VC SECURITIES CORPORATION

**A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO
EXIST OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE
PREVIOUS AUDIT
JANUARY 31, 2026**

During the current year audit, no material inadequacies were found to exist or found to have existed since the date of inception.

VC SECURITIES CORPORATION

**RESULTS OF MONTHLY SECURITIES COUNT CONDUCTED PURSUANT TO
SRC RULE 52.1-10, AS AMENDED, AS OF THE DATE OF THE STATEMENTS
OF FINANCIAL CONDITION IN THE ANNUAL AUDITED FINANCIAL
STATEMENTS REPORT
JANUARY 31, 2026**

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

VC SECURITIES, INC
SECURITIES POSITION REPORT
As of January 31, 2026

Market Price	PSE	CODE	CUSTOMERS ACCOUNT		DEALER'S/INVESTMENT		WITH CLEARING		IN BOX		TRANSFER OFFICE		IN PCD	
			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
0.3200	0.3200	ABA	815,700.00	261,024.00	-	-	-	-	-	-	-	-	815,700.00	261,024.00
4.1000	4.1000	ABS	56,000.00	229,600.00	-	-	-	-	-	-	-	-	56,000.00	229,600.00
506.0000	506.0000	AC	32,152.00	16,268,912.00	500	253,000.00	-	-	-	-	-	-	32,652.00	16,521,912.00
2.6500	2.6500	ACEN	3,468,594.00	9,191,774.10	100,000.00	265,000.00	-	-	-	-	-	-	3,568,594.00	9,456,774.10
1011.0000	1,011.0000	ACENA	500.00	505,500.00	-	-	-	-	-	-	-	-	500.00	505,500.00
1060.0000	1,060.0000	ACENB	600.00	636,000.00	-	-	-	-	-	-	-	-	600.00	636,000.00
2494.0000	2,494.0000	ACPAR	1,670.00	4,164,980.00	-	-	-	-	-	-	-	-	1,670.00	4,164,980.00
2002.0000	2,002.0000	ACPB4	1,000.00	2,002,000.00	-	-	-	-	-	-	-	-	1,000.00	2,002,000.00
31.8000	31.8000	AEV	1,204,820.00	38,313,276.00	800.00	25,440.00	-	-	-	-	-	-	1,205,620.00	38,338,716.00
7.4400	7.4400	AGI	360,100.00	2,679,144.00	-	-	-	-	-	-	-	-	360,100.00	2,679,144.00
490.0000	490.0000	ALCPD	500.00	245,000.00	-	-	-	-	-	-	-	-	500.00	245,000.00
505.0000	505.0000	ALCPF	1,000.00	505,000.00	-	-	-	-	-	-	-	-	1,000.00	505,000.00
21.2500	21.2500	ALI	1,073,900.00	22,820,375.00	-	-	-	-	-	-	-	-	1,073,900.00	22,820,375.00
0.0500	0.0500	ALLDY	3,264,000.00	163,200.00	-	-	-	-	-	-	-	-	3,264,000.00	163,200.00
1.3400	1.3400	ALLHC	13,870,374.00	18,586,301.16	113,000.00	151,420.00	-	-	-	-	-	-	13,983,374.00	18,737,721.16
0.8200	0.8200	ALTER	320,000.00	262,400.00	-	-	-	-	-	-	-	-	320,000.00	262,400.00
14.5000	14.5000	ANS	11,137.00	161,486.50	-	-	-	-	-	-	-	-	11,137.00	161,486.50
43.0000	43.0000	AP	4,000.00	172,000.00	-	-	-	-	-	-	-	-	4,000.00	172,000.00
0.1070	0.1070	APC	600,000.00	64,200.00	-	-	-	-	-	-	-	-	600,000.00	64,200.00
0.0056	0.0056	APL	1,510,000.00	8,456.00	-	-	-	-	-	-	-	-	1,510,000.00	8,456.00
8.5000	8.5000	APVI	21,200.00	180,200.00	-	-	-	-	-	-	-	-	21,200.00	180,200.00
43.3500	43.3500	AREIT	28,500.00	1,235,475.00	-	-	-	-	-	-	-	-	28,500.00	1,235,475.00
0.8400	0.8400	ASLAG	738,000.00	619,920.00	-	-	-	-	-	-	-	-	738,000.00	619,920.00
10.4000	10.4000	AT	197,124.00	2,050,089.60	-	-	-	-	-	-	-	-	197,124.00	2,050,089.60
0.4900	0.4900	ATN	150,000.00	73,500.00	-	-	-	-	-	-	-	-	150,000.00	73,500.00
42.2000	42.2000	AUB	31,500.00	1,329,300.00	-	-	-	-	-	-	-	-	31,500.00	1,329,300.00
2.0600	2.0600	AXLM	3,200.00	6,592.00	-	-	-	-	-	-	-	-	3,200.00	6,592.00
135.0000	135.0000	BDO	34,076.00	4,600,260.00	3,009.00	406,215.00	-	-	-	-	-	-	37,085.00	5,006,475.00
1.3800	1.3800	BEL	343,000.00	473,340.00	-	-	-	-	-	-	-	-	343,000.00	473,340.00
0.0360	0.0360	BHI	370,000.00	13,320.00	-	-	-	-	-	-	-	-	370,000.00	13,320.00
2.8600	2.8600	BLOO	14,725,300.00	42,114,358.00	2,520,000	7,207,200.00	-	-	-	-	-	-	17,245,300.00	49,321,558.00
9.0800	9.0800	BNCO	26,000.00	236,080.00	-	-	-	-	-	-	-	-	26,000.00	236,080.00
124.0000	124.0000	BPI	3,927.00	486,948.00	-	-	-	-	-	-	-	-	3,927.00	486,948.00
99.5000	99.5000	BRNP	500.00	49,750.00	-	-	-	-	-	-	-	-	500.00	49,750.00
0.1310	0.1310	BSC	6,210,000.00	813,510.00	-	-	-	-	-	-	-	-	6,210,000.00	813,510.00
0.9000	0.9000	C	340,000.00	306,000.00	-	-	-	-	-	-	-	-	340,000.00	306,000.00
64.0000	64.0000	CBC	21,000.00	1,344,000.00	16,000.00	1,024,000.00	-	-	-	-	-	-	37,000.00	2,368,000.00
32.5500	32.5500	CEB	20,500.00	667,275.00	-	-	-	-	-	-	-	-	20,500.00	667,275.00
0.0760	0.0760	CEI	1,650,000.00	125,400.00	-	-	-	-	-	-	-	-	1,650,000.00	125,400.00
16.8000	16.8000	CEU	28,720.00	482,496.00	-	-	-	-	-	-	-	-	28,720.00	482,496.00
1.0800	1.0800	CHP	8,348,000.00	9,015,840.00	3,812,000.00	4,116,960.00	-	-	-	-	-	-	12,160,000.00	13,132,800.00
1070.0000	1,070.0000	CLIA2	150.00	160,500.00	-	-	-	-	-	-	-	-	150.00	160,500.00
15.5000	15.5000	CNVR	3,582,100.00	55,522,550.00	13,000.00	201,500.00	-	-	-	-	-	-	3,595,100.00	55,724,050.00
7.3000	7.3000	COSCO	12,732,889.00	92,950,089.70	-	-	-	-	-	-	-	-	12,732,889.00	92,950,089.70
0.7700	0.7700	CPG	803,378.00	618,601.06	-	-	-	-	-	-	-	-	803,378.00	618,601.06
4.5500	4.5500	CREC	21,000.00	95,550.00	-	-	-	-	-	-	-	-	21,000.00	95,550.00
3.4500	3.4500	CREIT	279,000.00	962,550.00	-	-	-	-	-	-	-	-	279,000.00	962,550.00
0.3300	0.3300	CYBR	600,000.00	198,000.00	-	-	-	-	-	-	-	-	600,000.00	198,000.00

10.1000	10.1000	DD	23,300.00	235,330.00		-	-	-	-	-	-	-	23,300.00	235,330.00
1.0700	1.0700	DDMP	4,155,000.00	4,445,850.00		-	-	-	-	-	-	-	4,155,000.00	4,445,850.00
4.4000	4.4000	DELM	311,400.00	1,370,160.00		-	-	-	-	-	-	-	311,400.00	1,370,160.00
0.7500	0.7500	DFNN	10,000.00	7,500.00		-	-	-	-	-	-	-	10,000.00	7,500.00
0.6800	0.6800	DITO	3,971,800.00	2,700,824.00		-	-	-	-	-	-	-	3,971,800.00	2,700,824.00
10.8000	10.8000	DMC	41,075,250.00	443,612,700.00	5,100,100.00	55,081,080.00	-	-	-	-	-	-	46,175,350.00	498,693,780.00
5.0000	5.0000	DMW	110,100.00	550,500.00		-	-	-	-	-	-	-	110,100.00	550,500.00
5.9500	5.9500	DNA	180,000.00	1,071,000.00		-	-	-	-	-	-	-	180,000.00	1,071,000.00
4.0000	4.0000	DNL	3,724,100.00	14,896,400.00	748,500.00	2,994,000.00	-	-	-	-	-	-	4,472,600.00	17,890,400.00
0.9500	0.9500	DWC	18,000.00	17,100.00	8,000.00	7,600.00	-	-	-	-	-	-	26,000.00	24,700.00
0.3350	0.3350	ECVC	120,000.00	40,200.00		-	-	-	-	-	-	-	120,000.00	40,200.00
2.4900	2.4900	EEL	573,900.00	1,429,011.00		-	-	-	-	-	-	-	573,900.00	1,429,011.00
97.9500	97.9500	EEIPB	5,000.00	489,750.00		-	-	-	-	-	-	-	5,000.00	489,750.00
0.1090	0.1090	ELI	15,134.00	1,649.61		-	-	-	-	-	-	-	15,134.00	1,649.61
0.5900	0.5900	FCG	3,000,000.00	1,770,000.00		-	-	-	-	-	-	-	3,000,000.00	1,770,000.00
1010.0000	1,010.0000	FDCPA	3,250.00	3,282,500.00		-	-	-	-	-	-	-	3,250.00	3,282,500.00
1002.0000	1,002.0000	FDCPB	50.00	50,100.00		-	-	-	-	-	-	-	50.00	50,100.00
18.8000	18.8000	FGEN	40,600.00	763,280.00		-	-	-	-	-	-	-	40,600.00	763,280.00
2.9500	2.9500	FILRT	1,252,400.00	3,694,580.00		-	-	-	-	-	-	-	1,252,400.00	3,694,580.00
0.8200	0.8200	FLI	300,000.00	246,000.00	100,000.00	82,000.00	-	-	-	-	-	-	400,000.00	328,000.00
1.9900	1.9900	FNI	156,739,000.00	311,910,610.00	1,764,000.00	3,510,360.00	-	-	-	-	-	-	158,503,000.00	315,420,970.00
0.6600	0.6600	FRUIT	6,000.00	3,960.00		-	-	-	-	-	-	-	6,000.00	3,960.00
0.1090	0.1090	GEO	600,000.00	65,400.00		-	-	-	-	-	-	-	600,000.00	65,400.00
0.7600	0.7600	GERI	459,500.00	349,220.00		-	-	-	-	-	-	-	459,500.00	349,220.00
1571.0000	1,571.0000	GLO	26,690.00	41,929,990.00	11,620.00	18,255,020.00	-	-	-	-	-	-	38,310.00	60,185,010.00
5.9400	5.9400	GMA7	181,300.00	1,076,922.00	46,500.00	276,210.00	-	-	-	-	-	-	227,800.00	1,353,132.00
0.1840	0.1840	GREEN	330,700.00	60,848.80		-	-	-	-	-	-	-	330,700.00	60,848.80
670.0000	670.0000	GTCAP	1,485.00	994,950.00		-	-	-	-	-	-	-	1,485.00	994,950.00
4.6000	4.6000	HI	24,000.00	110,400.00		-	-	-	-	-	-	-	24,000.00	110,400.00
0.3250	0.3250	HOME	45,700.00	14,852.50		-	-	-	-	-	-	-	45,700.00	14,852.50
1.0200	1.0200	HTI	56,000.00	57,120.00		-	-	-	-	-	-	-	56,000.00	57,120.00
642.0000	642.0000	ICT	220.00	141,240.00		-	-	-	-	-	-	-	220.00	141,240.00
0.8700	0.8700	IDC	185,774.00	161,623.38		-	-	-	-	-	-	-	185,774.00	161,623.38
3.5500	3.5500	IMI	12,387,950.00	43,977,222.50	360,000.00	1,278,000.00	-	-	-	-	-	-	12,747,950.00	45,255,222.50
1.0500	1.0500	IMP	3,000.00	3,150.00		-	-	-	-	-	-	-	3,000.00	3,150.00
0.3300	0.3300	INFRA	100,000.00	33,000.00		-	-	-	-	-	-	-	100,000.00	33,000.00
1.0700	1.0700	ION	100,000.00	107,000.00		-	-	-	-	-	-	-	100,000.00	107,000.00
1.6100	1.6100	IPM	61,000.00	98,210.00		-	-	-	-	-	-	-	61,000.00	98,210.00
7.0400	7.0400	IPO	417,600.00	2,939,904.00		-	-	-	-	-	-	-	417,600.00	2,939,904.00
205.0000	205.0000	JFC	564,688.00	115,761,040.00		-	-	-	-	-	-	-	564,688.00	115,761,040.00
990.0000	990.0000	JFCPB	5,600.00	5,544,000.00		-	-	-	-	-	-	-	5,600.00	5,544,000.00
27.8000	27.8000	JGS	5,190,000.00	144,282,000.00	441,400.00	12,270,920.00	-	-	-	-	-	-	5,631,400.00	156,552,920.00
2.2900	2.2900	KEEPR	18,400.00	42,136.00		-	-	-	-	-	-	-	18,400.00	42,136.00
1.2900	1.2900	KPPI	113,000.00	145,770.00		-	-	-	-	-	-	-	113,000.00	145,770.00
0.5100	0.5100	LAND	628,000.00	320,280.00		-	-	-	-	-	-	-	628,000.00	320,280.00
8.2600	8.2600	LBC	1,000.00	8,260.00		-	-	-	-	-	-	-	1,000.00	8,260.00
0.2100	0.2100	LC	1,636,362.00	343,636.02		-	-	-	-	-	-	-	1,636,362.00	343,636.02
3.6400	3.6400	LPZ	20,000.00	72,800.00	20,000.00	72,800.00	-	-	-	-	-	-	40,000.00	145,600.00
15.9600	15.9600	LTG	1,434,100.00	22,888,236.00		-	-	-	-	-	-	-	1,434,100.00	22,888,236.00
0.0080	0.0080	MA	20,000,000.00	160,000.00		-	-	-	-	-	-	-	20,000,000.00	160,000.00
0.0080	0.0080	MAB	10,000,000.00	80,000.00		-	-	-	-	-	-	-	10,000,000.00	80,000.00
4.9400	4.9400	MAC	45,000.00	222,300.00		-	-	-	-	-	-	-	45,000.00	222,300.00
0.0000	0.0000	MACA	261,360.00	-		-	-	-	-	-	-	-	261,360.00	-
2.3300	2.3300	MAXS	100.00	233.00		-	-	-	-	-	-	-	100.00	233.00
73.0000	73.0000	MBT	716,133.00	52,277,709.00	245,020.00	17,886,460.00	-	-	-	-	-	-	961,153.00	70,164,169.00
0.2450	0.2450	MEDIC	915,000.00	224,175.00		-	-	-	-	-	-	-	915,000.00	224,175.00
2.2000	2.2000	MEG	886,000.00	1,949,200.00		-	-	-	-	-	-	-	886,000.00	1,949,200.00

590.0000	590.0000	MER	3,270.00	1,929,300.00			-	-	-	-	-	-	3,270.00	1,929,300.00
2040.0000	2,040.0000	MFC	1,382.00	2,819,280.00			-	-	-	-	-	-	1,382.00	2,819,280.00
0.4200	0.4200	MM	17,500.00	7,350.00			-	-	-	-	-	-	17,500.00	7,350.00
5.7000	5.7000	MOND	2,990,000.00	17,043,000.00			-	-	-	-	-	-	2,990,000.00	17,043,000.00
0.8300	0.8300	MRC	161,400.00	133,962.00			-	-	-	-	-	-	161,400.00	133,962.00
13.5600	13.5600	MREIT	119,300.00	1,617,708.00			-	-	-	-	-	-	119,300.00	1,617,708.00
40.6000	40.6000	MWC	200.00	8,120.00			-	-	-	-	-	-	200.00	8,120.00
3.2100	3.2100	MWID	385,000.00	1,235,850.00			-	-	-	-	-	-	385,000.00	1,235,850.00
100.5000	100.5000	MWP5	24,000.00	2,412,000.00			-	-	-	-	-	-	24,000.00	2,412,000.00
103.5000	103.5000	MWP6	2,600.00	269,100.00			-	-	-	-	-	-	2,600.00	269,100.00
102.4000	102.4000	MWP7	2,500.00	256,000.00			-	-	-	-	-	-	2,500.00	256,000.00
102.5000	102.5000	MWP7	7,500.00	768,750.00			-	-	-	-	-	-	7,500.00	768,750.00
18.1000	18.1000	MYNL	8,042,400.00	145,567,440.00	710,000.00	12,851,000.00	-	-	-	-	-	-	8,752,400.00	158,418,440.00
5.3900	5.3900	NIKL	31,340,820.00	168,927,019.80	2,224,800.00	11,991,672.00	-	-	-	-	-	-	33,565,620.00	180,918,691.80
0.7900	0.7900	NRCP	50,000.00	39,500.00			-	-	-	-	-	-	50,000.00	39,500.00
36.7500	36.7500	OGP	2,300.00	84,525.00			-	-	-	-	-	-	2,300.00	84,525.00
0.0120	0.0120	OPM	128,405.00	1,540.86			-	-	-	-	-	-	128,405.00	1,540.86
0.0120	0.0120	OPMB	5,924.00	71.09			-	-	-	-	-	-	5,924.00	71.09
0.5000	0.5000	ORE	50,000.00	25,000.00			-	-	-	-	-	-	50,000.00	25,000.00
0.0090	0.0090	OV	26,700,000.00	240,300.00			-	-	-	-	-	-	26,700,000.00	240,300.00
3.8000	3.8000	PAL	3,616.00	13,740.80			-	-	-	-	-	-	3,616.00	13,740.80
16.2800	16.2800	PBC	222,800.00	3,627,184.00			-	-	-	-	-	-	222,800.00	3,627,184.00
2.7000	2.7000	PCOR	180,100.00	486,270.00			-	-	-	-	-	-	180,100.00	486,270.00
3.3000	3.3000	PERC	132,100.00	435,930.00			-	-	-	-	-	-	132,100.00	435,930.00
35.8000	35.8000	PGOLD	7,100.00	254,180.00			-	-	-	-	-	-	7,100.00	254,180.00
0.2160	0.2160	PHA	3,682,000.00	795,312.00			-	-	-	-	-	-	3,682,000.00	795,312.00
15.0600	15.0600	PHN	1,000.00	15,060.00			-	-	-	-	-	-	1,000.00	15,060.00
0.1360	0.1360	PHR	19,398,000.00	2,638,128.00	1,692,000.00	230,112.00	-	-	-	-	-	-	21,090,000.00	2,868,240.00
13.1200	13.1200	PLUS	11,456,120.00	150,304,294.40	20.00	262.40	-	-	-	-	-	-	11,456,140.00	150,304,556.80
64.0000	64.0000	PNB	5,090.00	325,760.00			-	-	-	-	-	-	5,090.00	325,760.00
24.9500	24.9500	PNX3B	2,000.00	49,900.00			-	-	-	-	-	-	2,000.00	49,900.00
1.2700	1.2700	PREIT	5,000.00	6,350.00			-	-	-	-	-	-	5,000.00	6,350.00
1000.0000	1,000.0000	PRF3B	250.00	250,000.00			-	-	-	-	-	-	250.00	250,000.00
999.0000	999.0000	PRF4D	200.00	199,800.00			-	-	-	-	-	-	200.00	199,800.00
1040.0000	1,040.0000	PRF4E	380.00	395,200.00			-	-	-	-	-	-	380.00	395,200.00
1.0800	1.0800	PRIM	39,000.00	42,120.00			-	-	-	-	-	-	39,000.00	42,120.00
205.0000	205.0000	PSE	31,788.00	6,516,540.00			-	-	-	-	-	-	31,788.00	6,516,540.00
11.6000	11.6000	PX	2,116,829.00	24,555,216.40	80,000.00	928,000.00	-	-	-	-	-	-	2,196,829.00	25,483,216.40
3.3000	3.3000	PXP	73,891.00	243,840.30			-	-	-	-	-	-	73,891.00	243,840.30
25.2000	25.2000	RCB	5,100.00	128,520.00			-	-	-	-	-	-	5,100.00	128,520.00
7.2200	7.2200	RCR	1,972,000.00	14,237,840.00	1,300,000.00	9,386,000.00	-	-	-	-	-	-	3,272,000.00	23,623,840.00
5.2300	5.2300	RFM	43,000.00	224,890.00			-	-	-	-	-	-	43,000.00	224,890.00
18.1000	18.1000	RLC	277,300.00	5,019,130.00			-	-	-	-	-	-	277,300.00	5,019,130.00
0.1010	0.1010	RLT	100,000.00	10,100.00			-	-	-	-	-	-	100,000.00	10,100.00
1.9200	1.9200	ROCK	617,313.00	1,185,240.96			-	-	-	-	-	-	617,313.00	1,185,240.96
1.4500	1.4500	ROX	26,000.00	37,700.00	26,000.00	37,700.00	-	-	-	-	-	-	52,000.00	75,400.00
36.9500	36.9500	RRHI	440.00	16,258.00			-	-	-	-	-	-	440.00	16,258.00
31.8000	31.8000	SCC	21,380,300.00	679,893,540.00	1,218,100.00	38,735,580.00	-	-	-	-	-	-	22,598,400.00	718,629,120.00
65.0500	65.0500	SECB	881,330.00	57,330,516.50			-	-	-	-	-	-	881,330.00	57,330,516.50
34.5000	34.5000	SEVN	157,800.00	5,444,100.00			-	-	-	-	-	-	157,800.00	5,444,100.00
0.0520	0.0520	SFI	4,977.00	258.80			-	-	-	-	-	-	4,977.00	258.80
19.2000	19.2000	SGP	174,700.00	3,354,240.00	140,000.00	2,688,000.00	-	-	-	-	-	-	314,700.00	6,042,240.00
12.5000	12.5000	SHLPH	1,447,740.00	18,096,750.00			-	-	-	-	-	-	1,447,740.00	18,096,750.00
3.7600	3.7600	SHNG	148,000.00	556,480.00			-	-	-	-	-	-	148,000.00	556,480.00
700.0000	700.0000	SM	2,170.00	1,519,000.00			-	-	-	-	-	-	2,170.00	1,519,000.00
80.1000	80.1000	SMC	237,593.00	19,031,199.30			-	-	-	-	-	-	237,593.00	19,031,199.30
74.6500	74.6500	SMC2I	20,000.00	1,493,000.00			-	-	-	-	-	-	20,000.00	1,493,000.00

79.0000	79.0000	SMC2L	9,500.00	750,500.00		-	-	-	-	-	-	-	9,500.00	750,500.00
79.3000	79.3000	SMC2N	16,800.00	1,332,240.00		-	-	-	-	-	-	-	16,800.00	1,332,240.00
76.1000	76.1000	SMC2S	5,300.00	403,330.00		-	-	-	-	-	-	-	5,300.00	403,330.00
79.9500	79.9500	SMC2U	500.00	39,975.00		-	-	-	-	-	-	-	500.00	39,975.00
21.6000	21.6000	SMPH	400,700.00	8,655,120.00		-	-	-	-	-	-	-	400,700.00	8,655,120.00
10.3000	10.3000	SPC	989,900.00	10,195,970.00		-	-	-	-	-	-	-	989,900.00	10,195,970.00
1.2900	1.2900	SPNEC	13,839,000.00	17,852,310.00	2,200,000.00	2,838,000.00		-	-	-	-	-	16,039,000.00	20,690,310.00
1.2200	1.2200	STR	60,000.00	73,200.00		-	-	-	-	-	-	-	60,000.00	73,200.00
0.7900	0.7900	SUN	1,758,700.00	1,389,373.00		-	-	-	-	-	-	-	1,758,700.00	1,389,373.00
0.3100	0.3100	T	100,000.00	31,000.00		-	-	-	-	-	-	-	100,000.00	31,000.00
0.1300	0.1300	TBGI	385,000.00	50,050.00		-	-	-	-	-	-	-	385,000.00	50,050.00
0.0400	0.0400	TCB2A	637,700.00	25,508.00	5,000.00	11,772.00		-	-	-	-	-	642,700.00	37,280.00
0.4400	0.4400	TCB2B	25,400.00	11,176.00		-	-	-	-	-	-	-	25,400.00	11,176.00
12.2800	12.2800	TCB2C	37,700.00	462,956.00		-	-	-	-	-	-	-	37,700.00	462,956.00
8.0300	8.0300	TCB2D	8,000.00	64,240.00		-	-	-	-	-	-	-	8,000.00	64,240.00
0.6800	0.6800	TECH	19,800.00	13,464.00		-	-	-	-	-	-	-	19,800.00	13,464.00
1340.0000	1,340.0000	TEL	50,688.00	67,921,920.00	435.00	582,900.00		-	-	-	-	-	51,123.00	68,504,820.00
60.5000	60.5000	TFHI	12,535.00	758,367.50		-	-	-	-	-	-	-	12,535.00	758,367.50
1.5600	1.5600	TOP	160,000.00	249,600.00		-	-	-	-	-	-	-	160,000.00	249,600.00
0.5900	0.5900	TUGS	1,011,800.00	596,962.00		-	-	-	-	-	-	-	1,011,800.00	596,962.00
25.8500	25.8500	UBP	432,039.00	11,168,208.15	294,000.00	7,599,900.00		-	-	-	-	-	726,039.00	18,768,108.15
0.0046	0.0046	UPM	163,500,000.00	752,100.00		-	-	-	-	-	-	-	163,500,000.00	752,100.00
71.0000	71.0000	URC	101,570.00	7,211,470.00		-	-	-	-	-	-	-	101,570.00	7,211,470.00
0.5400	0.5400	VITA	280,000.00	151,200.00		-	-	-	-	-	-	-	280,000.00	151,200.00
2.1200	2.1200	VMC	5,000.00	10,600.00		-	-	-	-	-	-	-	5,000.00	10,600.00
1.4800	1.4800	VREIT	120,000.00	177,600.00		-	-	-	-	-	-	-	120,000.00	177,600.00
9.6900	9.6900	WEB	83,500.00	809,115.00		-	-	-	-	-	-	-	83,500.00	809,115.00
6.6800	6.6800	WLCO	495,700	3,311,276.00		-	-	-	-	-	-	-	495,700.00	3,311,276.00
0.4300	0.4300	WPI	100,600	43,258.00		-	-	-	-	-	-	-	100,600.00	43,258.00
0.2490	0.2490	x	10,000	2,490.00		-	-	-	-	-	-	-	10,000.00	2,490.00
3.0200	3.0200	xg	66,000	199,320.00		-	-	-	-	-	-	-	66,000.00	199,320.00
0.0640	0.0640	ZHI	1,050,000	67,200.00		-	-	-	-	-	-	-	1,050,000.00	67,200.00
			671,616,017.00	3,039,904,460.79	25,313,804.00	213,246,083.40							696,929,821.00	3,253,150,544.19

VC SECURITIES CORPORATION

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
Under Revised SRCRule 68**

		<u>2026</u>		<u>2025</u>	
Liquidity Ratios					
1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{708,599,228}{266,811,524}$	2.66	$\frac{617,852,966}{268,926,363}$	2.30
2. Liquidity Ratio	$\frac{\text{Liquid Assets}}{\text{Current Liabilities}}$	$\frac{452,673,156}{266,811,524}$	1.70	$\frac{439,251,677}{268,926,363}$	1.63
3. Working Capital to Total Asset	$\frac{\text{Working Capital}}{\text{Total Assets}}$	$\frac{441,787,704}{723,181,777}$	0.61	$\frac{348,926,603}{632,133,550}$	0.55
4. Debt to Total Assets Ratio	$\frac{\text{Total Debt}}{\text{Total Assets}}$	$\frac{565,311,524}{723,181,777}$	0.78	$\frac{487,426,363}{632,133,550}$	0.77
Capital Structure Analysis					
5. Debt-to-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$	$\frac{565,311,524}{157,870,252}$	3.58	$\frac{487,426,363}{144,707,187}$	3.37
6. Asset-to-Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	$\frac{723,181,777}{157,870,252}$	4.58	$\frac{632,133,550}{144,707,187}$	4.37
7. Gearing Ratio	$\frac{\text{Net Debt}}{\text{Total Capital}}$	$\frac{112,638,369}{270,508,621}$	0.42	$\frac{48,174,685}{192,881,872}$	0.25
8. Interest Coverage Ratio	$\frac{\text{EBIT}}{\text{Interest expense}}$	$\frac{13,361,728}{-}$	N/A	$\frac{4,807,650}{-}$	N/A
Profitability Ratio					
9. Gross Profit Margin	$\frac{\text{Gross Profit}}{\text{Commission Revenue}}$	$\frac{4,593,842}{6,236,301}$	0.74	$\frac{9,227,273}{6,213,254}$	1.49
10. (Loss)/Profit Margin	$\frac{\text{Net Income}}{\text{Commission Revenue}}$	$\frac{13,163,065}{6,236,301}$	2.11	$\frac{7,453,432}{6,213,254}$	1.20
11. Return on Assets (ROA)	$\frac{\text{Net Income}}{\text{Average Assets}}$	$\frac{13,163,065}{677,657,663}$	0.02	$\frac{7,453,432}{592,047,710}$	0.01
12. Return on Equity (ROE)	$\frac{\text{Net Income}}{\text{Average Equity}}$	$\frac{13,163,065}{151,288,720}$	0.09	$\frac{7,453,432}{140,980,472}$	0.05

VC SECURITIES CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR

FEE-RELATED INFORMATION

January 31, 2026 and 2025

(Per SEC Memorandum Circular No.18, series of 2024)

	2026	2025
Total Audit Fees (Section 2.1a)	42,000.00	42,000.00
Non-audit service fees:		
Other assurance services		
Tax services		
All other services	-	-
Total Non-audit Fees (Section 2.1b)	-	-
Total Audit and Non-audit Fees	42,000.00	42,000.00

Audit and non-audit fees of other related entities

	2025	2024
Audit Fees		-
Non-audit service fees:		
Other assurance services		
Tax services		
All other services		
Total Audit and Non-audit Fees of other related entities	-	-