SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

**The following document has been received:**

**Receiving:** DONNA ENCARNADO
**Receipt Date and Time:** May 15, 2026 09:05:53 PM

## Company Information

**SEC Registration No.:** 2021010004886-00
**Company Name:** WECAP FINANCIAL, INC.
**Industry Classification:** K64923
**Company Type:** Stock Corporation

## Document Information

**Document ID:** OST105152026811388205
**Document Type:** Annual Audited Financial Report
**Document Code:** SEC_Form_52-AR
**Period Covered:** December 31, 2025
**Submission Type:** Annual
**Remarks:** None

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

Gmail

**Wecap Inc <wecapincorporated@gmail.com>**

# SEC eFast Initial Acceptance

**noreply-cifssost@sec.gov.ph** <noreply-cifssost@sec.gov.ph> Fri, May 15, 2026 at 9:05 PM

Dear **WECAP FINANCIAL, INC.**,

Greetings!

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

**SEC Registration No:** 2021010004886-00
**Company Name:** WECAP FINANCIAL, INC.
**Document Code:** SEC_Form_52-AR

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

Thank you.

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

**REMINDER:**
TO ALL FILERS OF REPORTS IN THE e-FAST

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

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

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**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 January 1, 2025 and Ending December 31, 2025.

**Note:**

**For Broker Dealer whose fiscal year ends on December 31, SEC Form 52-AR shall be filed with the Commission depending on the last numerical digit of its registration number as prescribed by the Commission. Broker dealer whose fiscal year ends on a date other than December 31 shall comply with the filing schedule of 110 days after the close of such fiscal year.**

## IDENTIFICATION OF BROKER OR DEALER

Name of Broker Dealer: **WECAP FINANCIAL, INC.**

Address of Principal Place of Business: **G/F Ricogen Building 112 Aguirre, Legazpi Village Makati, Metro Manila 1229**

Email Address: **wecapincorporated@gmail.com**

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

Name: **JOB ADRIAN M. AMBROSIO** Tel. No. **8661-9548**

Fax No. ____________

Paid-up Capital of Registrant: **104,493,802**

## IDENTIFICATION OF ACCOUNTANT

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

Name: **MA. ALMA C. SESE** Tel. No. **8994-3984**

Address: **9th Floor Unit C Marc 2000 Tower, 1973 Taft cor San Andres, Malate, Manila** Fax No. **8554-9073**

Email Address: **almasese@psv-co.com**

Certificate Number: **0054588**

PTR Number: **0368867** Date Issued: **January 8, 2026**

BOA Registration No. **0222** Date Issued: **September 13, 2023**

Type of SEC Accreditation: **Group B** Accreditation No.: **54588-SEC**

Date Accredited: **December 1, 2022** Expiry Date: **December 1, 2027**

**WECAP FINANCIAL, INC.**
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# C O V E R   S H E E T
## for
## AUDITED FINANCIAL STATEMENTS

**SEC Registration Number**

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 | 0 | 2 | 1 | 0 | 1 | 0 | 0 | 0 | 4 | 8 | 8 | 6 | - | 0 | 0 |

**C O M P A N Y   N A M E**

W E C A P   F I N A N C I A L ,   I N C .

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

G / F   R I C O G E N   B U I L D I N G   1 1 2

A G U I R R E ,   L E G A Z P I   V I L L A G E ,

M A K A T I ,   M E T R O   M A N I L A   1 2 2 9

| Form Type | Department requiring the report | Secondary License Type, If Applicable |
|---|---|---|
| A F S | | |

**C O M P A N Y   I N F O R M A T I O N**

| Company's Email Address | Company's Telephone Number | Mobile Number |
|---|---|---|
| wecapincorporated@gmail.com | (02) 8661-9548 | +63 917 1101698 |

| No. of Stockholders | Annual Meeting (Month / Day) | Fiscal Year (Month / Day) |
|---|---|---|
| 6 | First Tuesday of February | December 31 |

**CONTACT PERSON INFORMATION**

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

| Name of Contact Person | Email Address | Telephone Number/s | Mobile Number |
|---|---|---|---|
| JOB ADRIAN M. AMBROSIO | job.ambrosio@wecap.ph | (02) 8661-9548 | +63 918 9043309 |

**CONTACT PERSON's ADDRESS**

4517 Scarlet St., Sun Valley Subd., Parañaque City 1700

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

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

# WECAP FINANCIAL, INC.

**FINANCIAL STATEMENTS**
**December 31, 2025 and 2024**

With Independent Auditors' Report

Gmail **Wecap Financial, Inc. <wecapfinancialinc@gmail.com>**

# [WECAP FINANCIAL INC.]: SUBMISSION OF 2025 AFS ATTACHMENTS DUE TO EAFS SYSTEM UNAVAILABILITY

**Wecap Financial, Inc.** <wecapfinancialinc@gmail.com> Fri, May 15, 2026 at 8:30 PM
To: rdo_47css@bir.gov.ph
Cc: "Jayferson Jacob (Wecap)" <jay.jacob@wecap.ph>

Dear Sir/Madam,

Good day.

We respectfully submit the attached 2025 Audited Financial Statements and related attachments pursuant to the advisory of RDO 47 regarding workaround email submission for taxpayers experiencing issues with the eAFS facility.

Please be informed that we attempted to upload our 2025 AFS attachments through the BIR eAFS system; however, we were unable to proceed due to system unavailability/shutdown encountered during the upload process.

In line with the advisory issued by your office, we are submitting the required attachments through this email for your reference and proper handling.

Taxpayer Details:
RDO: RDO47
TIN: 774-034-151-000
REGISTERED NAME: WECAP FINANCIAL, INC.
TAX TYPE AND ATTACHMENTS:
EAFS774034151AFSTY122025
EAFS774034151ITRTY122025
EAFS774034151TCRTY122025-01
ADDRESS: G/F RICOGEN BUILDING, 112 AGUIRRE ST., LEGAZPI VILLAGE, SAN LORENZO 1229 CITY OF MAKATI NCR, FOURTH DISTRICT PHILIPPINES
CONTACT NUMBER: (02)86619548

We hope for your kind consideration and acknowledgment of this submission.

Thank you very much.
**WECAP FINANCIAL, INC.**

---

**4 attachments**

**BIR EAFS Advisory and Errors encountered.pdf**
690K

**EAFS774034151ITRTY122025.pdf**
2808K

**EAFS774034151TCRTY122025-01.pdf**
7726K

**EAFS774034151AFSTY122025.pdf**
11146K

# TAX ADVISORY

As a workaround solution from the
**Operations Group / Information Systems Group:**
for those who can't submit their FS attachments thru eAFS, kindly send your attachments here:

## rdo_47css@bir.gov.ph

This is **only applicable** for those who can't upload through eAFS. If you can still upload documents through the regular eAFS process, there is **NO NEED** to email attachments to us.

Email submission should be used only as a **backup or workaround** when system issues persist or uploads fail.

Kindly ensure that your email contains complete and correct details, including your **RDO, TIN, tax type**, and **contact information** for proper handling.

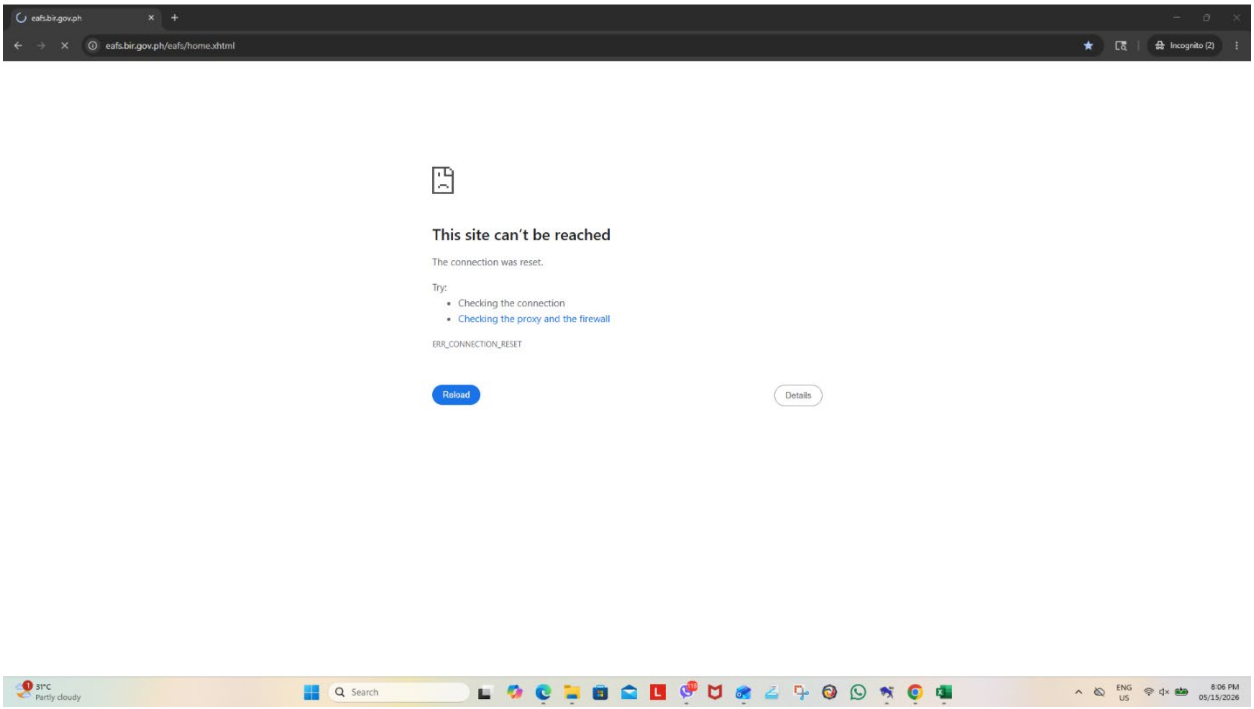
*Please be guided.*

**Thank you!**

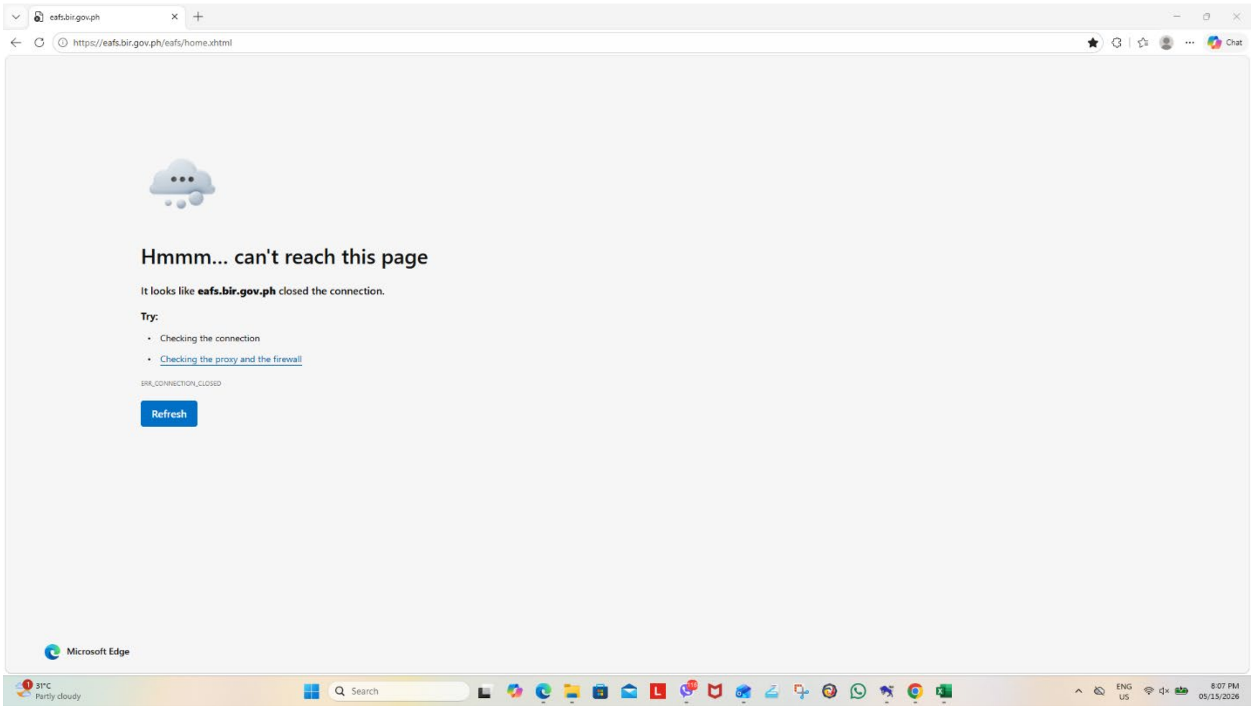

Bureau of Internal Revenue
Revenue Region No. 8A - Makati City
Revenue District Office No. 47- East Makati

Bringing In Revenues for Nation-building

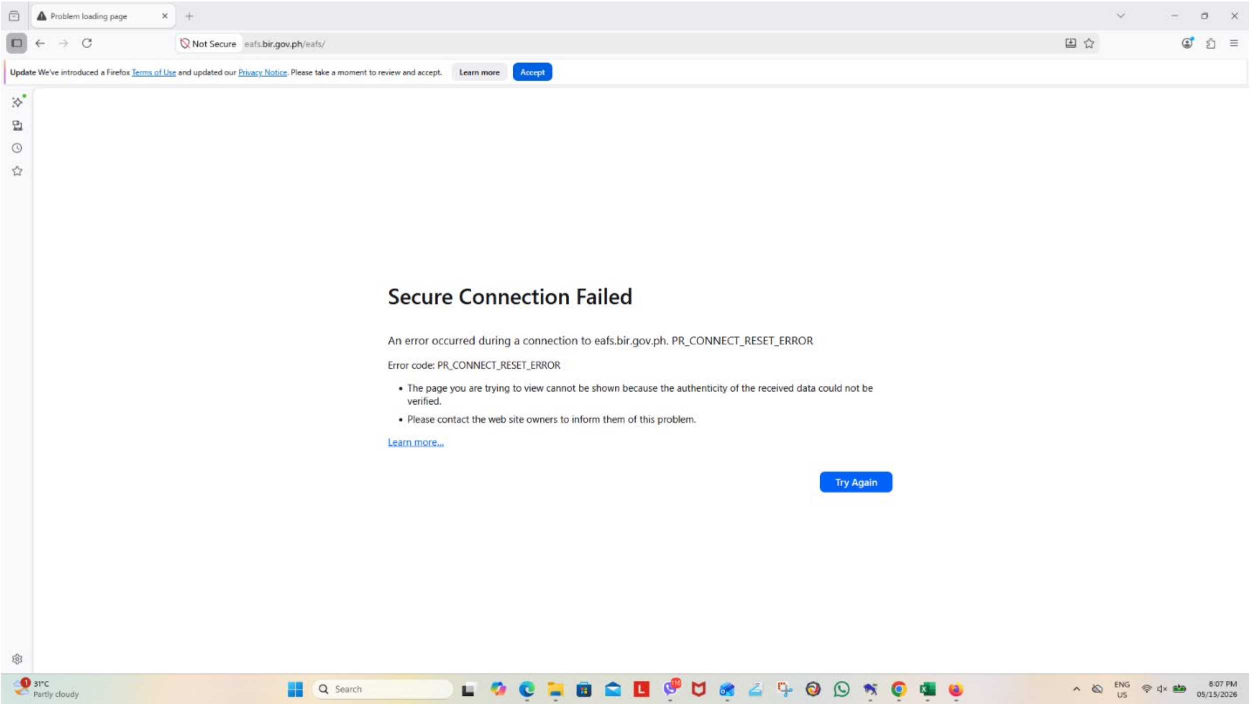
## BIR EAFS Error in Google Chrome




## BIR EAFS Error in Microsoft Edge



## BIR EAFS Error in Mozilla Firefox



**WECAP FINANCIAL, INC.**

FINANCIAL STATEMENTS

and

Report of Independent Auditors
December 31, 2025 and 2024

Wecap
FINANCIAL, INC.

**Office Address:**
G/F Ricogen Building 112 Aguirre,
Legazpi Village, Makati, Metro Manila
1229

**Contact Us:**
Tel No.: (02) 8661-9548
E-mail: info@wecap.ph

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

**RICHARD N. PALOU**
Chairman

**JOB ADRIAN M. AMBROSIO**
President

**JAYFERSON L. JACOB**
Treasurer

Signed this 8th day of April 2026.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the CITY OF MAKATI Philippines, this APR 08 2026, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

| NAMES | COMPETENT EVIDENCE OF IDENTITY | DATE AND PLACE ISSUED |
|---|---|---|
| Richard N. Palou | TIN: 115-322-283-000 | |
| Job Adrian M. Ambrosio | Passport No. P8346088B | 12/01/2021 DFA Manila |
| Jayferson L. Jacob | TIN: 315-460-358-000 | |

DOC NO. 44
PAGE NO. 24
BOOK NO. 9
SERIES OF 2026

ATTY. ADONAI JAN R. ASLARONA
Notary Public
Until December 31, 2026
IBP O.R. No. 591537/01-07-2026/Pampanga
Appointment No. M-030 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0003638
PTR No. 10[illegible]/01-08-2026/Makati City
Unit 1000 Philippine [illegible] Gil Puyat
Avenue Corner, Tindalo Street, Makati City 1208

**Office Address:**
G/F Ricogen Building 112 Aguirre,
Legazpi Village, Makati, Metro Manila
1229

**Contact Us:**
Tel No.: (02) 8661-9548
E-mail: info@wecap.ph

# STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

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

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

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) **WECAP FINANCIAL, INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

BY:
**WECAP FINANCIAL, INC.**

**RICHARD N. PALOU**
Chairman

**JOB ADRIAN M. AMBROSIO**
President

**JAYFERSON L. JACOB**
Treasurer

# REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT TO ACCOMPANY FINANCIAL STATEMENT FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

**To the Board of Directors and Shareholders**
**WECAP FINANCIAL, INC.**
G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

We have audited the financial statements of **WECAP FINANCIAL, INC.** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated April 8, 2026.

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

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

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

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

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 08, 2026, Manila
SEC Accreditation No.
Partner - 0054588-SEC Group B, Issued on December 01, 2022.
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
Firm - 0222-SEC Group B, Issued on December 01, 2022
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
IC Accreditation No.
Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026
valid for three (3) years covering the audit from 2025 to 2027 Financial Statements
BOA/PRC Accreditation No. 0222, Issued on September 13, 2023
valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 8, 2026

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

## SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

**To the Board of Directors and Shareholders**
**WECAP FINANCIAL, INC.**
G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

We have audited the financial statements of **WECAP FINANCIAL, INC.** (the Company) for the year ended December 31, 2025, on which we have rendered our report dated April 8, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has two (2) shareholders owning one hundred (100) or more shares of the Company's capital stock as of December 31, 2025, as disclosed in Note 17 to the Financial Statement.

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

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

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 08, 2026, Manila
SEC Accreditation No.
Partner - 0054588-SEC Group B, Issued on December 01, 2022.
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valid for three (3) years until April 11, 2027

Manila, Philippines
April 8, 2026

**PEREZ, SESE, VILLA & CO.**
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

# INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

**To the Board of Directors and Shareholders**
**WECAP FINANCIAL, INC.**
G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **WECAP FINANCIAL, INC.** (the Company) for the year ended December 31, 2025 in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 8, 2026. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules I-VIII, as required by the Securities and Exchange Commission under the Revised SRC Rule 68, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 08, 2026, Manila
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valid for three (3) years until April 11, 2027

Manila, Philippines
April 8, 2026

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

# REPORT OF INDEPENDENT AUDITORS

**To the Board of Directors and Shareholders**
**WECAP Financial, Inc.**
***(Formerly WECAP INC.)***
G/F Ricogen Building 112 Aguirre, Legazpi Village
Makati, Metro Manila 1229

## Report on the Audit of the Financial Statements

### *Opinion*

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

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

### *Basis for Opinion*

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on Other Legal and Regulatory Requirements

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

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

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

CPA License No. 0054588
Tax Identification No. 212-955-173-000
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valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
IC Accreditation No.
Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026
valid for three (3) years covering the audit from 2025 to 2027 Financial Statements
BOA/PRC Accreditation No. 0222, Issued on September 13, 2023
valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 8, 2026

# WECAP FINANCIAL, INC.

## STATEMENTS OF FINANCIAL POSITION

*December 31, 2025 and 2024*

| | *Notes* | 2025 | Security Position (2025) Long | Security Position (2025) Short | 2024 | Security Position (2024) Long | Security Position (2024) Short |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| **Current Assets** | | | | | | | |
| Cash | *3,4,6* | ₱ **66,296,045** | ₱ | ₱ | ₱ 24,613,207 | ₱ - | ₱ - |
| Receivables from customers | *3,4,7* | **3,521,921** | **70,061,800** | | - | | - |
| Other receivables | *3,4,8* | **66,780,985** | | | 59,120,810 | - | - |
| Prepayments and other current assets | *3,9* | **2,941,258** | | | 2,400,010 | - | - |
| **Total Current Assets** | | **139,540,209** | **70,061,800** | | 86,134,027 | - | - |
| **Non-Current Assets** | | | | | | | |
| Property and equipment, net | *3,4,11* | **4,505,910** | | | 790,592 | - | - |
| Intangible assets | *3,12* | **11,137,500** | | | 10,102,679 | - | - |
| Refundable deposits | *3,4,10* | **499,627** | | | 255,364 | - | - |
| Deferred tax asset | *3,5,24* | **8,045,256** | | | 6,325,909 | - | - |
| **Total Non-Current Assets** | | **24,188,293** | - | | 17,474,544 | - | - |
| **TOTAL ASSETS** | | ₱ **163,728,502** | ₱ **70,061,800** | ₱ | ₱ 103,608,571 | ₱ - | ₱ - |
| **Securities in Vault, Transfer Office and Philippine Depository and Trust Corp.** | | | ₱ | ₱ **725,040,136** | | ₱ | ₱ - |
| **LIABILITIES AND EQUITY** | | | | | | | |
| **Current Liabilities** | | | | | | | |
| Payables to customers | *3,4,13* | ₱ **58,472,607** | ₱ **654,978,336** | ₱ | ₱ - | ₱ - | ₱ - |
| Payable to clearing house | *3,4,14* | **527,918** | | | - | | |
| Other payables | *3,4,15* | **147,690** | - | | 156,074 | - | - |
| Other current liabilities | *3,4,16* | **86,485** | - | | 38,552 | - | - |
| **Total Current Liabilities** | | **59,234,700** - | **654,978,336** - | - | 194,626 | - | - |
| **Total Liabilities** | | **59,234,700** | | | 194,626 | - | - |
| **Equity** | | | | | | | |
| Share capital | *3,17* | **30,000,005** | | | 30,000,005 | - | - |
| Additional paid in capital | *3,17* | **102,401,889** | | | 92,401,889 | - | - |
| Accumulated deficits | *3* | **(27,908,092)** | | | (18,987,949) | - | - |
| **Total Equity** | | **104,493,802** | | | 103,413,945 | - | - |
| **TOTAL LIABILITIES AND EQUITY** | | ₱ **163,728,502** | ₱ **725,040,136** | ₱ **725,040,136** | ₱ 103,608,571 | ₱ - | ₱ - |

*(See accompanying Notes to Financial Statements)*

# WECAP FINANCIAL, INC.

## STATEMENTS OF COMPREHENSIVE INCOME

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

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **REVENUES** | | | |
| Commission | 3,18 | ₱ 1,941,647 | ₱ - |
| Management fee | | - | 669,643 |
| **Total Revenue** | | 1,941,647 | 669,643 |
| **DIRECT COSTS** | 3,19 | (2,386,054) | (1,707,341) |
| **LOSS** | | (444,407) | (1,037,698) |
| **OPERATING EXPENSES** | 3,21 | (10,230,601) | (7,707,317) |
| **LOSS FROM OPERATION** | | (10,675,008) | (8,745,015) |
| **OTHER INCOME (EXPENSES)** | 3,20 | 41,282 | 24,305 |
| **NET LOSS BEFORE INCOME TAX** | | (10,633,726) | (8,720,710) |
| **INCOME TAX EXPENSE (BENEFIT)** | 3,5,24 | 1,713,583 | 3,177,662 |
| **NET LOSS FOR THE YEAR** | | (8,920,143) | (5,543,048) |
| **OTHER COMPREHENSIVE INCOME** | | - | - |
| **TOTAL COMPREHENSIVE LOSS** | | ₱ (8,920,143) | ₱ (5,543,048) |

*(See Accompanying Notes to Financial Statements)*

# WECAP FINANCIAL, INC.
## STATEMENTS OF CHANGES IN EQUITY
*For the Years Ended December 31, 2025 and 2024*

| | *Notes* | **2025** | 2024 |
|---|---|---|---|
| **SHARE CAPITAL** | | | |
| Balance at beginning of year | *3,17* | ₱ **30,000,005** | ₱ 30,000,005 |
| Issuance | | **-** | - |
| Balance at end of year | | **30,000,005** | 30,000,005 |
| **ADDITIONAL PAID-IN CAPITAL** | *3,17* | **102,401,889** | 92,401,889 |
| **ACCUMULATED DEFICITS** | *3* | | |
| Balance at the beginning of the year | | **(18,987,949)** | (13,444,901) |
| Net loss for the year | | **(8,920,143)** | (5,543,048) |
| Balance at the end of the year | | **(27,908,092)** | (18,987,949) |
| **EQUITY, net** | | ₱ **104,493,802** | ₱ 103,413,945 |

*(See accompanying Notes to Financial Statements)*

**WECAP FINANCIAL, INC.**
**STATEMENTS OF CASH FLOWS**
*For the Years Ended December 31, 2025 and 2024*

| | *Notes* | 2025 | 2024 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net loss before income tax | | ₱ **(10,633,726)** | ₱ (8,720,710) |
| **Adjustment to reconcile net loss to** | | | |
| **net cash generated from (used in) operating activities:** | | | |
| Depreciation and Amortization | *3,4,11,22* | **990,528** | 238,262 |
| Interest income | *3,4,6,20* | **(28,827)** | (17,100) |
| **Operating loss before changes in working capital** | | **(9,672,025)** | (8,499,548) |
| **Changes in operating assets and liabilities:** | | | |
| **Decrease (increase) in:** | | | |
| Receivables from customers | *3,4,7* | **(3,521,921)** | (53,128,203) |
| Other receivables | *3,4,8* | **(7,660,175)** | - |
| Prepayment and other current assets | *3,9* | **(482,629)** | 64,166,679 |
| **Increase (decrease) in:** | | | |
| Payable to customers | *3,4,13* | **58,472,607** | - |
| Payable to clearing house | *3,4,14* | **527,918** | - |
| Other payables | *3,4,15* | **(8,384)** | 114,507 |
| Other current liabilities | *3,4,16* | **47,933** | (32,857) |
| **Cash generated from operation** | | **37,703,324** | 2,620,578 |
| Income tax paid | *3,5,24* | **(64,383)** | - |
| Interest income received | *3,4,6,20* | **28,827** | 17,100 |
| **Net cash provided by operating activities** | | **37,667,768** | 2,637,678 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisition of software | *3,4,12* | **(1,428,571)** | (1,142,858) |
| Payment of refundable deposit | *3,4,10* | **(244,263)** | - |
| Acquisition of property and equipment | *3,4,11* | **(4,312,096)** | (384,454) |
| **Net cash used in investing activities** | | **(5,984,930)** | (1,527,312) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Deposit for future subscription | *3,25* | - | (2,166,120) |
| Additional paid-in capital | *3,17* | **10,000,000** | 2,401,892 |
| **Net cash provided by financing activities** | | **10,000,000** | 235,772 |
| **NET INCREASE INCREASE IN CASH** | | **41,682,838** | 1,346,138 |
| **CASH AT THE BEGINNING OF THE YEAR** | | **24,613,207** | 23,267,069 |
| **CASH AT THE END OF THE YEAR** | | ₱ **66,296,045** | ₱ 24,613,207 |

*(See accompanying Notes to Financial Statements)*

## NOTE 1 - GENERAL INFORMATION

**WECAP FINANCIAL, INC.** (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 202101000488600 dated January 11, 2021. The Company was established primarily to principally engage in the business of effecting for the account of others, as broker, transactions relative to stock, bonds, debentures, other securities or commercial papers of any person, partnership, association, syndicate, corporation or governmental body, agency or instrumentality, local or international, whether such securities or commercial papers be of domestic of foreign origin or to undertake alone or in conjunction with one or more other person, entities or indicates, the sale, distribution or solicitation of offers for the purchase or sale, of any securities within or without the jurisdiction of the Republic of the Philippines, or to purchase, sell or otherwise, deal in options, rights or warrants relating to stocks, bonds, debentures and other securities or commercial papers, all in accordance with applicable laws. (As Amended and Approved by the Board of Directors/Shareholders on April 22, 2022.)

The Company had its corporate name amended from WECAP INC. to WECAP FINANCIAL, INC., this was approved by the Securities and Exchange Commission on April 28, 2023.

The Company's registered address is located at G/F Ricogen Building 112 Aguirre, Legazpi Village Makati, Metro Manila 1229.

The Company was granted a secondary license by the Securities and Exchange Commission (SEC) to engage as broker/dealer of securities on April 8, 2023.

On August 23, 2024, the Company's application for admission as a Trading Participant with the Philippine Stock Exchange was approved by PSE Board Directors.

### *Approval of the Financial Statement*

The financial statements of the Company for the year ended December 31, 2025 including its comparative figures for the year ended December 31, 2024 were approved and authorized for issue by the Board of Directors (BOD) on April 8, 2026.

### *Status of Operations*

The Company incurred net losses amounting to ₱8.92 million and ₱5.54 million for the years ended December 31, 2025 and 2024, respectively, and has an accumulated deficit of ₱27.90 million as of December 31, 2025. Management assessed, however, that the Company remains a going concern based on its adequate capitalization, positive equity position, compliance with minimum net liquid capital and other regulatory requirements applicable to broker-dealers, and continuing financial support from its shareholders.

The Company formally commenced full brokerage operations during 2025 following the issuance of its broker-dealer license and admission as a Trading Participant of the Philippine Stock Exchange.

Management expects that continued expansion of brokerage activities and customer trading volume will contribute to improved operating results and absorption of fixed operational costs in future periods. Accordingly, the accompanying financial statements were prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the ordinary course of business.

## NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

***Statement of Compliance***

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

***Basis of Preparation and Measurement***

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

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

The financial statements have been prepared on historical cost basis, unless stated otherwise. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

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

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

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

• Note 5 – Significant Accounting Judgments and Estimates
• Note 28 - Fair Value Measurement

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The long and short security-position columns presented in the statement of financial position represent memorandum and control information relating to customer securities transactions and positions maintained by the Company in its capacity as a broker-dealer. These security-position amounts do not represent recognized assets or liabilities of the Company under Philippine Financial Reporting Standards (PFRS), but are presented in compliance with applicable Securities and Exchange Commission (SEC) broker-dealer reportorial requirements. "Securities in Vault, Transfer Office and Philippine Depository and Trust Corp." represent customer securities held by the Company or maintained with the Philippine Depository and Trust Corp. (PDTC), transfer agents, and other custodians in connection with customer trading activities. Receivables from customers and payables to customers pertain to balances arising from securities trading transactions executed on behalf of customers in the ordinary course of broker-dealer operations.

The Company maintains reserve balances and monitors possession or control requirements in accordance with applicable SEC rules and regulations. Management assessed that the reserve account maintained by the Company as of December 31, 2025 remains adequate based on the SEC-prescribed reserve computation and customer protection requirements.

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

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

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

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

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

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

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

*Effective beginning on or after January 1, 2026*

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

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

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

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

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

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

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

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

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

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

  The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.
  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Annual Improvements to PFRS Accounting Standards—Volume 11

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

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

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

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

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

  - Amendments to PFRS 9

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

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

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

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

  - Amendments to PAS 7, *Cost Method*

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

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

*Effective beginning on or after January 1, 2027*

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

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

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

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

- PFRS 19, *Subsidiaries without Public Accountability*

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

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

  The application of the standard is optional for eligible entities.

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

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*
  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

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

*Deferred effectivity*

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

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

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

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

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the company financial statements in the year of adoption, if applicable.

## NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

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

### Financial Assets and Liabilities

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

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

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

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

***Classification***

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

As of December 31, 2025 and 2024, the Company has no financial assets at FVTPL and FVOCI.

### *Financial Assets at Amortized Cost*

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

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

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

As at December 31, 2025 and 2024, the Company's cash, receivables from customers, other receivables and refundable deposits are classified under this category. (Note 6, 7, 8 and 10)

### *Cash*

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

### Receivables

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

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

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

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

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

In measuring expected credit losses, the Company considers:

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

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

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

**Receivables from and Payables to Clearing House**

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

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

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

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

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

***Financial Liabilities at Amortized Cost***

**Financial liabilities**

Classification and presentation

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

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

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

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

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

As at December 31, 2025 and 2024, the Company's payable to customers, payable to clearing house, other payables and deposit for future subscription account are classified under this category. (Note 13, 14, 15 and 16)

### *Trade and Other Payables*

Payables are recognized when the Company becomes a party to the contractual provision that gives rise to the receivable of another entity. Trade and other payables are recognized initially at the transaction price and are subsequently measured at amortized cost. For short-term, non-interest-bearing payables, the carrying amount approximates the amount payable due to the short-term nature of these liabilities. They are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as noncurrent liabilities.

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

### Reclassification

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

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

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

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

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

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

### Impairment of Financial Assets

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

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

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

**Derecognition of Financial Assets and Liabilities**

***Financial Assets***

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

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

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

***Financial Liabilities***

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

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

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

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

**Offsetting of Financial Assets and Liabilities**

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

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

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

• Deliver cash or another financial asset to another entity;

• Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

• Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

**Other Receivables**

Other receivables include advances granted to employees, which are interest-bearing and are generally collectible within one (1) year.

Employee advances are recognized at fair value at the date of grant, which is normally equal to the amount advanced, as the stated interest rate approximates market rate.

Subsequent to initial recognition, employee advances are measured at amortized cost usingv the effective interest method (EIR) in accordance with PFRS 9 Financial Instruments.

Interest income is recognized over the term of the advance based on the effective interest rate.

The advances are repayable over a period of one (1) year and are amortized on a systematic basis over the term of the loan. Where the difference between straight-line amortization and the effective interest method is not material, the Company applies a straight-line method as a practical approximation of the effective interest method.

The Company recognizes an allowance for expected credit losses (ECL) on employee advances using a simplified approach, considering historical default experience and forward-looking information. Given the short-term nature and recoverability through payroll deductions, expected credit losses are generally not material.

Employee advances are presented under "Other Receivables" in the statement of financial position and are classified as current assets.

***Prepayments and Other Current Assets***

Prepayments are expenses paid in cash and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments are recognized when paid and stated at cost less any utilized portion. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in the statements of comprehensive income when incurred.

Other current assets include input value-added tax (VAT) and prepaid income tax. Input VAT is stated at any costless impairment in value. Input VAT is the indirect tax paid by the Company on the local purchase of goods or services from a VAT-registered person. Input VAT is deducted from the output VAT in arriving at the VAT due and payable. When the output tax exceeds the input tax, the difference is recognized as a current liability in the statements of financial position. When the input tax exceeds the output tax, the excess is carried over to the next reporting period and is recognized as an asset presented as Input VAT in the statements of financial position. Allowance for unrecoverable input VAT, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portion of the claims.

Prepaid income tax from Creditable Withholding Taxes (CWTs) CWTs represent amounts withheld from income subject to expanded withholding taxes. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source to the rules on Philippine income taxation.

Prepayments and other current assets that are expected to be realized for not more than 12 months after the end of the reporting period are classified as current assets; otherwise, these are classified as other noncurrent assets.

At each reporting date, prepayments and other current assets are assessed for impairment. If impaired, the carrying amount is reduced to it carrying amount; the impairment loss is recognized immediately in statements of comprehensive income.

Prepayments and other current assets are derecognized when they have no future benefit is expected from it. Any gain or loss on derecognition of prepayment and other assets is recognized in the statements of comprehensive income in the year in which it arises.

**Property and Equipment**

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

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment.

Depreciation, which is computed on a straight-line basis is recognized, so as to allocate the cost of assets less their residual values over their estimated useful lives.

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

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

Property and equipment are carried at cost less accumulated depreciation and any impairment losses. The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable taxes, and any directly attributable costs necessary to bring the asset to its working condition and location for its intended use. Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are recognized in profit or loss as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives of property and equipment are reviewed periodically and adjusted prospectively, if appropriate, based on expected pattern of economic benefits from the assets. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Any resulting gain or loss arising from derecognition is recognized in profit or loss in the period the asset is derecognized.

**Intangible Assets**

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

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

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

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

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

**Deferred Tax Assets**

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax losses, and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward benefits can be utilized.

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

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

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

**Refundable Deposits**

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

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

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

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

**Impairment of Non- Financial Assets**

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

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

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

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

**Deposit for Future Stock Subscription**

Deposits for future stock subscription represent amounts received from investors for which no shares have yet been issued as of the reporting date.

The Company recognizes deposits for future stock subscription as part of equity only when all of the following conditions are met:

1. The deposit is non-refundable;
2. The deposit is unconditionally committed by the subscriber; and

3. The Company has obtained, or is in the process of obtaining, the necessary regulatory approvals (e.g., approval from the Securities and Exchange Commission) for the issuance of shares.

If any of the above conditions are not satisfied, the deposit is recognized as a financial liability under "Other payables" or a similar account.

Deposits for future stock subscription are initially measured at the amount of cash or fair value of consideration received.

- When classified as equity, the deposit is not remeasured subsequently.
- Upon approval of the stock subscription and issuance of shares, the deposit is reclassified to:
    - Share capital (for the par value of shares issued); and
    - Additional paid-in capital (for any excess over par value).

If the deposit is classified as a liability, it is subsequently measured at amortized cost, unless it is payable on demand, in which case it is carried at the undiscounted amount.

**Other Current Liabilities**

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

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

**Equity**

***Share Capital***

Share capital is measured at par value for all shares issued. Proceeds and/or fair value of considerations received more than par value are recognized as capital more than par value.

Share capital represents the par value of shares that were issued at the end of the reporting period.

***Additional Paid in Capital***

Additional paid-in capital (APIC) includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from APIC, net of any related income tax benefits. It represents any contribution of stockholders over the par value of the shares.

*Accumulated Deficit*

Accumulated deficits represent accumulated losses incurred by the Company. It includes effect of changes in accounting policy as may be required by the standard's transitional provisions and effect of correction of prior period errors.

**Revenue**

**Revenue Recognition**

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

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

***Commission***

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

***Management fee***

Revenue from management fee is recognized when the related services are performed.

***Other Income***

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

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

***Dividend income***

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

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

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

***Interest income***

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

**Other Comprehensive Income (OCI)**

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

**Expenses**

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

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

***Operating Expenses***

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

***Administrative Expenses***

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

***Finance Costs***

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

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

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

**Income tax**

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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

**Employee Benefit**

***Short-term benefits***

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

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

**Retirement Benefits**

The Company does not have a formal retirement benefit plan. The Company provides retirement benefits to qualified employees in accordance with Republic Act No. 7641 (Retirement Pay Law). The retirement benefit obligation is computed based on the employees' current salary multiplied by their years of service, consistent with the minimum retirement benefit prescribed under the law.

The Company accounts for retirement benefits using the **accrual method**. The cost of providing retirement benefits is recognized as an expense over the period in which employees render the related services. The retirement liability is measured as the present value of the defined benefit obligation at the end of the reporting period.

As of December 31, 2025 and 2024 none of the employees qualified for retirement benefits under RA7641.

Management will reassess the need to obtain an actuarial valuation in the future should the number of employees increase or the retirement benefit obligation become significant.

**Related Party Transactions**

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

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

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

**Leases**

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

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee

- the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the lessee has the right to direct the use of the identified asset throughout the period of use. The lessee assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

***Company as Lessee***

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

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

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

**Foreign Currency Transaction**

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

**Provisions and contingencies**

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

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

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

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

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

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

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

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

**Subsequent events**

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

## NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

The accounting estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.
The following are the significant judgement, accounting estimates and assumptions by the Company:

**Judgment**

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

***Determination of ECL on Financial Assets***

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

As at December 31, 2025 and 2024, Management believes that there are no expected credit losses in relation to their financial assets, accordingly, no loss allowance was recognized for the year. Details about the ECL on the Company's financial assets are disclosed in Note 26.

***Assessment of Impairment of Nonfinancial Assets***

The Company determines whether there are indicators of impairment of the Company's non-financial assets. Indicators of impairment include significant change in usage, decline in the asset's

fair value or underperformance relative to expected historical or projected future results. Determining the fair value requires the determination of future cash flows and future economic benefits expected to be generated from the continued use and ultimate disposition of such assets. It requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could be used by management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows and economic benefits involves significant judgments and estimation.
No impairment loss on nonfinancial assets was recognized in the Company's financial statements in either 2025 or 2024.

**Deferred Tax Asset**

The Company recognizes deferred tax assets for deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) to the extent that future taxable profit will be available against which such deductible temporary differences and carryforward benefits can be utilized. Management assessed that the deferred tax assets recognized as of December 31, 2025 are recoverable based on projected future taxable income expected to be generated from the Company's continuing brokerage operations and planned expansion of its customer base and trading activities. In making this assessment, management considered the Company's adequate capitalization, compliance with regulatory capital requirements, commencement of full brokerage operations during 2025, and expectations of improved operating results as business activities continue to scale. The recoverability of deferred tax assets is reviewed at each reporting date and will be adjusted to the extent that future taxable profit is no longer considered probable.

**Estimates**

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

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

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

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

| Particulars | Useful Lives |
|---|---|
| Furniture, fixtures and equipment | 5 years |
| Transportation equipment | 10 years |

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

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2025 and 2024 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 24.

## NOTE 6 - CASH

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Petty cash fund | ₱ | **15,000** | ₱ | 15,000 |
| Cash in bank | | **10,742,712** | | 24,598,207 |
| Reserve account | | **55,538,333** | | - |
| | ₱ | **66,296,045** | ₱ | 24,613,207 |

Cash in bank generally earns interest at rates based on daily bank deposit rates. Interest income recognized in the Statements of Comprehensive Income amounted to ₱28,827 and ₱17,100 in 2025 and 2024, respectively (Note 20). Cash in bank are unrestricted and available for the Company's operations.

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

## NOTE 7 - RECEIVABLE FROM CUSTOMERS

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

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | | **Money Balance** | | **Security Valuation-Long** | | Money Balance | | Security Valuation-Long |
| Fully secured accounts: | | | | | | | | |
| More than 250% | ₱ | **97,684** | ₱ | **66,643,840** | ₱ | - | ₱ | - |
| Between 200% to 250% | | - | | - | | - | | - |
| Between 150% to 200% | | - | | - | | - | | - |
| Between 100% to 150% | | **3,424,116** | | **3,417,960** | | - | | - |
| Less than 100% | | **318** | | - | | - | | - |
| | ₱ | **3,522,118** | ₱ | **70,061,800** | ₱ | - | ₱ | - |
| Partially secured accounts: | | - | | - | | - | | - |
| Less than 100% | | - | | - | | - | | - |
| Unsecured accounts | | - | | - | | - | | - |
| | ₱ | **3,522,118** | ₱ | **70,061,800** | ₱ | - | ₱ | - |
| Less: Allowance for credit losses | | **(197)** | | - | | | | |
| | ₱ | **3,521,921** | ₱ | **70,061,800** | ₱ | - | ₱ | - |

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

Allowance for credit losses on receivables from customers is computed using the formula provided by the SRC Rule No. 52.1.11 which forms part of the Risk-Based Capital Adequacy (RBCA) Report, (Note 27). No credit losses was recognized both in 2025 and 2024.

## NOTE 8 - OTHER RECEIVABLES

This account consists of:

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Advances to officers and employees | ₱ | **56,780,985** | ₱ | 59,120,810 |
| Others | | **10,000,000** | | - |
| | ₱ | **66,780,985** | ₱ | 59,120,810 |

Advances to officers pertain mainly to unsecured advances granted to officers of the Company, while advances to employees consist primarily of salary loans and HMO-related deductions recoverable from employees.

Other receivables pertain to non-interest-bearing notes receivable which is payable in full on or before February 3, 2026, subject to renewal upon mutual agreement of the parties.

Management assessed that the balances are recoverable and, accordingly, no material expected credit loss allowance was recognized as of December 31, 2025.

All of the Company's receivables have been reviewed for indicators of impairment. Based on management's assessment none of its receivable is impaired.

## NOTE 9 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

| | | **2025** | | 2024 |
|---|---|---|---|---|
| VAT input | **₱** | **2,221,233** | ₱ | 1,896,061 |
| Prepaid expenses | | **661,406** | | 503,949 |
| Prepaid income tax | | **58,619** | | - |
| | **₱** | **2,941,258** | ₱ | 2,400,010 |

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

Prepaid expenses are Company expenses paid in advances such as rental, membership dues and insurance which the Company expects to realize in the succeeding period.

Prepaid income tax consists of accumulated prior year excess tax credit and creditable taxes withheld on income payment. These are applicable as tax credit against the Company's income tax liability.

## NOTE 10 - REFUNDABLE DEPOSITS

This account consists of:

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Rental deposits | **₱** | **270,900** | ₱ | 255,364 |
| CTGF fund | | **228,727** | | - |
| | **₱** | **499,627** | ₱ | 255,364 |

Rental deposits are refundable upon termination of the lease term, subject to any deductions for damages to the leased premises and any unpaid utility charges, if applicable.

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

## NOTE 11 - PROPERTY AND EQUIPMENT, net

The details of this account are shown in the reconciliation presented below.

**2025**

| | Furniture & Fixtures | Transportation Equipment | Total |
|---|---|---|---|
| **Costs** | | | |
| 1-Jan-25 | ₱ 1,244,031 | ₱ - | ₱ 1,244,031 |
| Additions | 394,696 | 3,917,400 | 4,312,096 |
| Disposals | - | - | - |
| 31-Dec-25 | ₱ 1,638,727 | ₱ 3,917,400 | ₱ 5,556,127 |
| **Accumulated depreciation** | | | |
| 1-Jan-25 | ₱ 453,439 | ₱ - | ₱ 453,439 |
| Depreciation expense | 302,973 | 293,805 | 596,778 |
| Disposals | - | - | - |
| 31-Dec-25 | ₱ 756,412 | ₱ 293,805 | ₱ 1,050,217 |
| **Carrying amount** | | | |
| **31-Dec-25** | **₱ 882,315** | **₱ 3,623,595** | **₱ 4,505,910** |
| **Carrying amount** | | | |
| 31-Dec-24 | ₱ 790,592 | ₱ - | ₱ 790,592 |

2024

| | Furniture & Fixtures | Transportation Equipment | Total |
|---|---|---|---|
| **Costs** | | | |
| 1-Jan-24 | ₱ 859,577 | ₱ - | ₱ 859,577 |
| Additions | 384,454 | - | 384,454 |
| Disposals | - | - | - |
| 31-Dec-24 | ₱ 1,244,031 | ₱ - | ₱ 1,244,031 |
| **Accumulated depreciation** | | | |
| 1-Jan-24 | ₱ 255,356 | ₱ - | ₱ 255,356 |
| Depreciation expense | 198,083 | - | 198,083 |
| Disposals | - | - | - |
| 31-Dec-24 | ₱ 453,439 | ₱ - | ₱ 453,439 |
| **Carrying amount** | | | |
| **31-Dec-24** | **₱ 790,592** | **₱ -** | **₱ 790,592** |
| **Carrying amount** | | | |
| 31-Dec-23 | ₱ 604,221 | ₱ - | ₱ 604,221 |

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

None of the property and equipment were used as collateral on loans or any other liabilities.

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

The amount of depreciation is presented in the statements of comprehensive income under the operating expenses (Note 21).

## NOTE 12 - INTANGIBLE ASSETS

This account consists of:

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Trading right | ₱ | **9,000,000** | ₱ | 9,000,000 |
| Computer software | | **2,137,500** | | 1,102,679 |
| | ₱ | **11,137,500** | ₱ | 10,102,679 |

Trading rights represent the Company's privilege in trading securities in the PSE floor. In compliance with Section 8, Article III of the Amended By-Laws of the Exchange, the Company's trading right (previously the exchange membership seat) is pledged at its full value to the PSE to secure the payments of all debts due to the Exchange and to other trading participants of the Exchange arising out of or in connection with the present or future contracts relating to securities and in compliance with Section 7, Article II of the Rules Governing Trading Rights and Trading Participants, to secure the payment of all debts and claims due to the clients of the Company, the Government, the Exchange and the other trading participants of the Exchange and to the Securities Clearing Corporation of the Philippines.

As of December 31, 2024, The Company had obtained approval from the Philippine Stock Exchange as a trading participant through a Board Resolution dated August 23, 2024. However, the Company had not yet commenced its trading operations as of year-end. The Company formally began its trading operations on the Philippine Stock Exchange on February 14, 2025.

The last transacted price of the trading right in Philippine Pesos: Seven Million Seven Hundred Thousand Pesos (₱7,700,000) dated September 17, 2025. Considering that the market value is significantly lower than the carrying amount, no impairment loss was recognized for this account.

Computer software represents the Company's acquired accounting system used in its operations. This will be amortized over its estimated useful life of five (5) years, commencing in 2025.

Trading right represents the Company's privilege to access and utilize the trading facilities of the Philippine Stock Exchange (PSE) in connection with its broker-dealer operations. Management assessed that the trading right has an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Company. Accordingly, the trading right is not amortized but is tested annually for impairment or whenever there is an indication that the asset may be impaired. As of December 31, 2025, management assessed that there is no indication of impairment on the trading right based on the Company's continuing operations, regulatory standing, and ability to utilize the trading right in its brokerage activities.

## NOTE 13 - PAYABLE TO CUSTOMERS

The accounts pertain to the Company's payable to customers amounting to ₱58,472,607 and ₱nil as at December 31, 2025 and 2024, respectively. This is non-interest bearing and is normally settled within two (2) trading days after the consummation of transactions.

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

| | **2025** | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | | **Credit Balance** | | **Security Valuation-Long** | | Credit Balance | | Security Valuation-Long |
| With money balance | ₱ | **58,472,607** | ₱ | **114,985,091** | ₱ | - | ₱ | - |

| | | | | |
|---|---|---|---|---|
| Without money balance | - | 539,993,245 | - | - |
| | ₱ 58,472,607 | ₱ 654,978,336 | ₱ - | ₱ - |

## NOTE 14 - PAYABLE TO CLEARING HOUSE

The net balance of this account as at December 31, 2025 and 2024 relates to the trading transactions made for the last two trading days which have not yet been cleared. The outstanding balance were net and payable to clearing house amounting to ₱527,918 and ₱nil in 2025 and 2024, respectively.

## NOTE 15 - OTHER PAYABLES

This account consists of:

| | 2025 | 2024 |
|---|---|---|
| Accrued expenses | ₱ 72,636 | ₱ 156,074 |
| Payable to non-customer | 63,593 | |
| PDTC and SCCP payable | 11,461 | - |
| | ₱ 147,690 | ₱ 156,074 |

Accrued expense represents service fees, professional fees and communication expense that have been incurred but not yet paid as of the reporting dates.

PDTC and SCCP payable pertain to transaction fees of buying and selling of stocks.

## NOTE 16 - OTHER CURRENT LIABILITIES

This account consists of:

| | 2025 | 2024 |
|---|---|---|
| Withholding tax payable | ₱ 43,822 | ₱ 38,552 |
| Statutory payable | 42,663 | - |
| | ₱ 86,485 | ₱ 38,552 |

Withholding tax payable pertains to taxes withheld from income payment for suppliers of goods and services which will be remitted in the subsequent period.

Statutory payables represent employee's contribution for SSS, Philhealth and Pag-ibig that will be remitted in the subsequent period.

## NOTE 17 - EQUITY

The Company is authorized to issue one hundred million (100,000,000) ordinary shares with a par value of one peso (₱1) per share.

On April 28, 2022, the Board of Directors approved the issuance of twenty million three (20,000,003) common shares with par value of one peso (₱1) per share amounting to twenty million and three pesos (₱20,000,003) which was fully paid through the application of advances previously recorded as a deposit for future stock subscription. The excess ₱69,999,997 over the par value was recognizes as paid in capital. The Issuance was subsequently approved by the Securities Exchange Commission in March 2023. In addition, on December 28, 2023 two (2) common shares were subscribed by new shareholders at par value of ₱1.00 per share. These shares were fully paid upon subscription.

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

| | Shares | | Amount |
|---|---|---|---|
| Outstanding 12/31/2024 | 30,000,0005 | ₱ | 30,000,005 |
| Issuance | - | | - |
| Reacquisition | - | | - |
| **Outstanding 12/31/2025** | **30,000,005** | **₱** | **30,000,005** |

**Additional Paid in Capital**

The Company's additional paid-in capital amounts to ₱102,401,889 and ₱92,401,889 as of December 31, 2025 and 2024, respectively.

*Minimum Capital Requirement*

In a meeting held on October 21, 2010, the SEC issued Resolution No. 489 and 492 granting the deferment of the ₱30,000,000 unimpaired paid-in capital requirement of Trading Participants effective January 1, 2011 until November 30, 2011 provided that Trading Participants with Unimpaired Paid-up Capital falling below ₱30,000,000 shall post a surety bond of ₱10,000,000 on top of the surety bond of ₱12,000,000 in compliance with SRC Rule 28.1 for the same period until securities held and controlled by the Trading Participant shall be recorded under the name of the individual clients in the books of the Transfer Agent or in the sub-account with the Philippine Depository and Trust Corporation at the option of the client. Compliance with the requirement is a condition for the renewal of the Broker Dealer license for the period covering January 1, 2011 to December 31, 2014.

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

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

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

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

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

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

A. RBCA ratio of greater than or equal to 1.1;

As at December 31, 2025 and 2024, the Company's RBCA ratio of 51.28 and 397.85, respectively, is in compliance with the minimum capital requirement set out by the RBCA framework.

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

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

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

The Company's Net Liquid Capital (NLC) amounted to ₱10,583,265 and ₱24,418,581 as of December 31, 2025 and 2024, respectively, which is more than 5% of the Company's aggregate indebtedness. As of December 31, 2025 and 2024, the Company is in compliant with items A to D as prescribed by Securities and Exchange Commission (SEC).

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

a. Trading participants should have a minimum unimpaired paid-up capital (defined as the trading participant's total paid up capital less any deficiency in the retained earnings account) of ₱20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid up capital shall be ₱30,000,000; and

b. Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due to the trading participant, the government, PSE and to other trading participants of the PSE and to the Securities Clearing Corporation of the Philippines.

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

## NOTE 18 - COMMISSION REVENUE

Commission revenue pertains primarily to brokerage commissions earned from the execution of customer securities trading transactions through the Philippine Stock Exchange (PSE) and this amounts to ₱1,941,647 in 2025 and ₱nil in 2024.

## NOTE 19 - DIRECT COSTS

Details of direct costs are as follows:

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Salaries and wages | ₱ | **2,148,096** | ₱ | 1,556,274 |
| SSS/HDMF/PHIC expense | | **237,958** | | 151,067 |
| | ₱ | **2,386,054** | ₱ | 1,707,341 |

Direct costs pertain to expenses directly attributable to the Company's brokerage operations and servicing activities.

These primarily consist of salaries and wages of operational personnel, including related employee benefits and mandatory government contributions such as Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and Home Development Mutual Fund (HDMF) contributions directly related to operations.

Expenses that are administrative, corporate, and non-operational in nature are presented separately under operating expenses.

## NOTE 20 - OTHER INCOME (EXPENSE)

Details of other income (expense) are as follows:

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Interest Income (Note 6) | ₱ | **28,827** | ₱ | 17,100 |
| Unrealized gain/loss on foreign exchange | | **1,655** | | 7,205 |
| Miscellaneous income | | **10,800** | | - |
| | ₱ | **41,282** | ₱ | 24,305 |

## NOTE 21 - OPERATING EXPENSES

Details of operating expenses are as follows.

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Salaries and wages (Note 22) | ₱ | **1,561,322** | ₱ | 1,560,000 |
| Entertainment, amusement and recreation | | **1,486,914** | | 671,708 |
| Rent (Note 29) | | **1,031,384** | | 939,952 |
| Meetings and conferences | | **1,016,820** | | 542,457 |
| Professional fees | | **957,778** | | 1,052,122 |
| Membership fees and dues | | **630,014** | | 543,171 |
| Depreciation (Note 22) | | **596,778** | | 198,083 |
| Office supplies | | **507,286** | | 315,610 |
| Amortization – Intangible assets | | **393,750** | | 40,179 |
| Postage, telephone and communication | | **361,836** | | 138,835 |
| Stock exchange dues | | **329,093** | | 253,000 |
| Gasoline | | **258,095** | | 161,167 |
| Transportation and travel | | **208,850** | | 177,867 |
| Insurance | | **198,602** | | 162,754 |
| Repair and maintenance | | **113,035** | | 179,328 |
| SSS/HDMF/PHIC expense (Note 22) | | **79,810** | | 100,095 |
| Utilities | | **75,844** | | 66,278 |
| Taxes and licenses | | **52,247** | | 52,966 |
| Fines and penalties | | **50,000** | | 1,631 |
| Bank charges | | **48,670** | | 44,084 |
| Directors fee | | **22,222** | | 27,778 |
| Central depositary fees | | **20,429** | | - |
| Training and seminars | | **9,375** | | 21,945 |
| Miscellaneous | | **220,447** | | 456,307 |
| | ₱ | **10,230,601** | ₱ | 7,707,317 |

## NOTE 22 - DEPRECIATION AND EMPLOYEE BENEFITS

Depreciation and employee benefits were presented as follows.

**2025**

| | Direct Costs | Operating Expense | Total |
|---|---|---|---|
| **Depreciation (Note 11)** | ₱ - | ₱ 596,778 | ₱ 596,778 |
| **Employee benefits** | 2,386,054 | 1,641,132 | 4,027,186 |

2024

| | Direct Costs | Operating Expense | Total |
|---|---|---|---|
| Depreciation (Note 11) | ₱ - | ₱ 198,083 | ₱ 198,083 |
| Employee benefits | 1,707,341 | 1,660,095 | 3,367,436 |

## NOTE 23 - EMPLOYEE'S COMPENSATION AND OTHER BENEFITS

***Salaries and Employee Benefits Expense***

Details of salaries and employee benefits are presented below (Note 19).

| | 2025 | 2024 |
|---|---|---|
| Short-term employee benefits | ₱ 4,027,186 | ₱ 3,367,436 |
| Post-employment defined benefit | - | - |
| | ₱ 4,027,186 | ₱ 3,367,436 |

## NOTE 24 - INCOME TAXES

Income tax expense (benefits) for the years ended December 31, 2025 and 2024 consists of:

| | 2025 | 2024 |
|---|---|---|
| Current | ₱ 5,765 | ₱ - |
| Deferred | (1,719,347) | (3,177,662) |
| Total | ₱ (1,713,582) | ₱ (3,177,662) |

A reconciliation of statutory income tax with the effective income tax follows:

| | 2025 | 2024 |
|---|---|---|
| Income tax at statutory rate | ₱ (2,658,431) | ₱ (2,180,178) |
| Final tax paid | 5,765 | - |
| Tax effect of income subject to final tax | (7,207) | (4,275) |
| Tax effect of disallowed expenses | 366,874 | - |
| Tax effect of non-deductible fines and penalties | 12,500 | 408 |
| Tax effect of unrealized gains/loss on forex | (414) | (1,801) |
| Tax effect of reversal of unrealized gains/loss on forex | 1,801 | (991,816) |
| Tax effect of expired NOLCO | 565,530 | - |
| Effective income tax | ₱ (1,713,582) | ₱ (3,177,662) |

A reconciliation of Income before tax reported in the statements of comprehensive income and taxable income follows:

| | 2025 | 2024 |
|---|---|---|
| **Regular Corporate Income Tax:** | | |
| Net loss before tax | ₱ **(10,633,726)** | ₱ (8,720,711) |
| Permanent Differences: | | |
| Interest income subject to final tax | **(28,827)** | (17,100) |
| Non-deductible expenses | **1,467,497** | - |
| Non-deductible penalties | **50,000** | 1,631 |
| Temporary Differences: | | |
| Reversal of unrealized foreign exchange gain | **7,205** | (3,967,267) |
| Unrealized foreign exchange gain/loss | **(1,655)** | (7,205) |
| Taxable income (loss) | **(9,139,506)** | (12,710,652) |
| Tax rate | **25%** | 25% |
| Current tax expense | ₱ **(2,284,877)** | ₱ (3,177,662) |

Current income tax net of prepayments is presented below:

| | | |
|---|---|---|
| Income tax due | ₱ - | ₱ - |
| Prior year tax credits | - | - |
| Creditable withholding taxes | **(58,619)** | - |
| Prepaid income tax (Note 9) | ₱ **(58,619)** | ₱ - |

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

| | Statement of Financial Position | | Statement of Comprehensive Income | | | |
|---|---|---|---|---|---|---|
| | | | Profit or Loss | | Other Comprehensive Income | |
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| Deferred tax asset - NOLCO | ₱ (8,045,256) | ₱ (6,325,909) | ₱ (1,719,347) | ₱ (3,177,662) | ₱ - | ₱ - |
| | (8,045,256) | (6,325,909) | (1,719,347) | (3,177,662) | - | - |
| Net deferred tax asset | ₱ (8,045,256) | ₱ (6,325,909) | | | | |
| Deferred tax expense (income) | | | ₱ (1,719,347) | ₱ (3,177,662) | | |

The Company recognized deferred tax assets arising from deductible temporary differences and net operating loss carryover (NOLCO), based on management's assessment that sufficient future taxable income will be available to allow recovery of these deferred tax assets within the periods prescribed by applicable tax regulations. Management's assessment considered projected future taxable income from continuing brokerage operations, expected growth in trading-related activities, compliance with regulatory capital requirements, and the Company's continuing business expansion initiatives. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the deferred tax assets to be utilized.

NOLCO, arises from the taxable loss that can be charged against income of the next three taxable years except for NOLCO incurred for the year 2020 and 2021. Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.
Summary of NOLCO is as follows:

*Details of NOLCO that can be carried over as deduction from gross income for the next three (3) consecutive taxable years follows:*

| Year Incurred | Date of Expiration | Amount | Applied | Expired | Balance (NOLCO) |
|---|---|---|---|---|---|
| 2025 | 2028 | ₱ 9,139,506 | ₱ - | ₱ - | ₱ 9,139,506 |
| 2024 | 2027 | 12,710,652 | - | - | 12,710,652 |
| 2023 | 2026 | 9,610,941 | - | - | 9,610,941 |
| 2022 | 2025 | 2,262,120 | - | (2,262,120) | - |
| | | ₱ 33,723,219 | ₱ - | ₱(2,262,120) | ₱ 31,461,099 |

*Details of NOLCO that can be carried over as deduction from gross income for the next five (5) consecutive taxable years in reference to RR 25-2020 follows:*

| Year Incurred | Date of Expiration | Amount | Applied | Expired | Balance (NOLCO) |
|---|---|---|---|---|---|
| 2021 | 2026 | ₱ 719,929 | - | - | ₱ 719,929 |
| | | ₱ 719,929 | ₱ - | ₱ - | ₱ 719,929 |

The Company is exempted from the imposition of Minimum Corporate Income Tax (MCIT) in reference with Tax Reform Act of 1997 and Sec 27 (e) of NIRC which allows exemption for newly organized entities for a period of three years from the date of registration for the imposition of MCIT.

## NOTE 25 - RELATED PARTY TRANSACTIONS

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

2024

| Nature of Relationship | Nature of Transaction | Amount (current transaction) | Outstanding balance | Terms | Conditions |
|---|---|---|---|---|---|
| Shareholders | Deposit for future subscription | ₱(2,166,120) | ₱ - | (1) | (2) |
| | Advances | ₱ - | ₱ - | | |

*1)No collateral, non-interest bearing, payable in cash and no repayment terms*
*2)Unsecured*

*Deposit for future stock subscription*

The Company received from its shareholders the amount of ₱2,166,120 as deposit for stock subscription. The amount was applied in full to the shareholders subscription in 2024.

*Key Management Compensation*

The compensation of key management given by the Company as management fee amounted to ₱2,927,758 and ₱2,908,752 in December 31, 2025 and 2024, respectively.

## NOTE 26 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

***Market Risk***

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

*A. Foreign Currency Risk*

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

*B. Interest Rate Risk*

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2025 and December 31, 2024, these amounted to ₱66,281,045 and ₱24,598,208, respectively. The Company's exposure to changes in interest rates is not significant.

***Credit Risk***

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

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

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

The Company's receivable from customers related to unsecured and partially secured account is actively monitored to avoid significant concentrations of credit risk. A substantial portion of the

Company's receivable from customers is secured by shares of stocks listed and traded in the PSE and lodged with Philippine Depository and Trust Corporation (PDTC) under the account of the Company.

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

**2025 (Based on the New RBCA Template)**

| | Balance | Collateral (net of haircut) | Counterparty exposure (after collateral) | Allowance for credit losses | Net exposure |
|---|---|---|---|---|---|
| T to T+1 of counterparty | ₱ 2,340,930 | ₱ - | ₱ 2,340,930 | ₱ - | ₱ - |
| T+2 to T+12 of counterparty | 1,180,252 | - | 1,180,251 | - | - |
| T+13 to T+30 of counterparty | 486 | - | 486 | - | |
| Beyond T+30 of counterparty | 450 | - | 450 | - | - |
| | ₱ 3,522,118 | ₱ - | ₱ 3,522,118 | ₱ - | ₱ - |

2024

| | Balance | Collateral (net of haircut) | Counterparty exposure (after collateral) | Allowance for credit losses | Net exposure |
|---|---|---|---|---|---|
| T to T+2 of counterparty | ₱ - | ₱ - | ₱ - | ₱ - | ₱ - |
| T+3 to T+13 of counterparty | - | - | - | - | - |
| Beyond T+13 of counterparty | - | - | - | - | - |
| | ₱ - | ₱ - | ₱ - | ₱ - | ₱ - |

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

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

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

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

*(a) Cash*

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution.

*(b) Receivables from Customers*

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

The allowance for expected credit losses on receivables from customers was computed based on the applicable SEC-prescribed methodology under SRC Rule 52.1.11, considering the classification of accounts, collateral/security coverage, and prescribed credit loss rates.

As of December 31, 2025, the receivable accounts were substantially secured by customer long positions, resulting in only minimal under secured balances subject to credit loss provisioning.

Management assessed that the resulting allowance for expected credit losses remains adequate as of the reporting date.

The Company applies the provision of SRC Rules 52.1.11 and Risk Based Capital Adequacy in measuring Credit Losses.

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

| Classification |
|---|
| T+0 to T+2 |
| T+3 to T+13 |
| T+14 to T+30 |
| T+31 up |

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

| Classification | Provision | Base |
|---|---|---|
| T+0 to T+0 to T+2 | 0 | Total Rcccivablcs (TR) |
| T+3 to T+3 to T+13 | 2% | TR |
| T+14 to T+14 to T+30 | 50% | TR less collateral (net of haircut) |
| T+31 up | 100% | TR less collateral (net of haircut) |

**For Year 2023 (after issuance of SEC Memorandum Circular No. 11, Series of 2023)**

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

| Classification |
|---|
| T+0 to T+1 |
| T+2 to T+12 |
| T+13 to T+30 |
| T+31 up |

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

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

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

*(c) Advances to officers and employees*

The loss allowance is determined using the general approach. The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured. These are paid through salary deduction.

*(d) Refundable Deposits*

The loss allowance is determined using the general approach. The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured. The counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

***Liquidity Risk***

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

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

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

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

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

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | **Within 1 year** | **1 to 2 years** | **3 to 5 years** | **More than 5 years** | **Total** |
| **Payable to customers** | **₱ 58,472,607** | **₱ -** | **₱ -** | **₱ -** | **₱ 58,472,607** |
| **Other payables** | **147,690** | **-** | **-** | **-** | **147,690** |
| | **₱ 58,620,297** | **₱ -** | **₱ -** | **₱ -** | **₱ 58,620,297** |

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Within 1 year | 1 to 2 years | 3 to 5 years | More than 5 years | Total |
| Payable to customers | ₱ - | ₱ - | ₱ - | ₱ - | ₱ - |
| Other payables | 156,074 | - | - | - | 156,074 |
| | ₱ 156,074 | ₱ - | ₱ - | ₱ - | ₱ 156,074 |

## NOTE 27 - CAPITAL MANAGEMENT

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

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

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

***Risk Based Capital Adequacy Requirement***

Based on SEC Memorandum Circular No. 16, the Company is required an RBCA ratio of greater than or equal to 1.1. The RBCA ratio is computed by dividing Company's Net Liquid Capital (NLC) to its Total Risk Capital Requirement (TRCR). TRCR is the sum of: a) Operational Risk Requirement (ORR); b) Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and c) Position or Market Risk Requirement.

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

The Company's RBCA ratio as at year ended December 31, 2025 and 2024 is 5126% and 39785%, respectively.

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

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **Net liquid capital** | | | | |
| Equity eligible for net liquid capital | ₱ | **96,448,546** | ₱ | 97,088,036 |
| Less: Ineligible assets | | **85,865,281** | | 72,669,454 |
| **Total** | | **10,583,265** | | 24,418,582 |
| **Risk capital requirements** | | | | |
| Operational risk requirement | ₱ | **106,020** | ₱ | 61,377 |
| Position risk requirement | | **5,340** | | - |
| Counterparty risk | | **95,113** | | - |
| Large exposure risk | | - | | - |
| **Total** | ₱ | **206,473** | ₱ | 61,377 |
| **Risk based capital adequacy ratio** | | **5126%** | | 39785% |

*Net Liquid Capital*

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

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

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

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **Net liquid capital** | **₱** | **10,583,265** | ₱ | 24,418,582 |
| **Less: Required net liquid capital, higher of:** | | | | |
| 5% aggregate indebtedness | | **2,961,735** | | 9,731 |
| Minimum amount | | **5,000,000** | | 5,000,000 |
| Required net liquid capital | | **5,000,000** | | 5,000,000 |
| **Net risk based capital excess** | **₱** | **5,583,265** | ₱ | 19,418,581 |
| **Ratio of aggregate indebtedness to net liquid capital** | | **560%** | | 1% |

*Total Risk Capital Requirement*

Detail of TRCR follows:

*A. Operational Risk*

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

The Operational Risk Requirement is calculated based on its 2025 and 2024 data. In 2021 and 2022, the company operated as a Holding Company while awaiting its Broker Dealer in Securities license from SEC.

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

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

| **Revenue** | | 2024 | | 2023 | | 2022 | | Average |
|---|---|---|---|---|---|---|---|---|
| Commission revenue | ₱ | - | ₱ | - | ₱ | - | ₱ | - |
| Interest income | | 17,100 | | 10,695 | | - | | 9,265 |
| Net Recovery from market decline of Marketable Securities Owned | | - | | - | | - | | - |
| Rental income | | - | | - | | - | | - |
| Dividend income | | - | | - | | - | | - |
| Gain on Sale of Marketable Securities | | - | | - | | - | | - |
| Gain on Sale of other Assets | | - | | - | | - | | - |
| Other income/revenue | | 669,643 | | 892,857 | | - | | 520,833 |
| Average of the last three year gross income | | 686,743 | | 903,552 | | - | | 530,098 |
| Operational risk factor | | | | | | | | 20% |
| **Total operational risk requirement** | | | | | | | **₱** | **106,020** |

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

The Company maintains sufficient qualifying capital and net liquid capital to adequately cover the operational risk requirement prescribed under the applicable SEC Risk-Based Capital Adequacy (RBCA) framework.

Operational risk remains inherent in the Company's brokerage operations; however, management believes that the Company's capital position as of December 31, 2025 remains adequate to support its operational and regulatory requirements.

*A. Position/Price Risk*

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

The Company has no position/price risk exposure as of reporting date.

*B. Large Exposure Risk*

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

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

*C. Counterparty Risk Exposure*

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

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

The Company has no counter party exposure as of reporting date.

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

## NOTE 28 - FAIR VALUE MEASUREMENT

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market condition regardless of whether the price is directly observable or estimated using another valuation technique.

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

**2025**

| | | | 2025 | | |
|---|---|---|---|---|---|
| | | | Fair Value | | |
| | **Notes** | **Carrying Amount** | **Quoted prices in active markets (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs (Level 3)** |
| **Assets measured at fair value:** | | | | | |
| **Assets for which fair values are disclosed:** | | | | | |
| Cash | **3,4,6** | **₱ 66,296,045** | **-** | **₱ 66,296,045** | **-** |
| Receivable from customers | **3,4,7** | **3,521,921** | **-** | **3,521,921** | **-** |
| Other receivables | **3,4,8** | **66,780,985** | | **66,780,985** | |
| Refundable deposit | **3,4,10** | **499,627** | **-** | **499,627** | **-** |
| | | **₱ 137,098,578** | **₱ -** | **₱ 137,098,578** | **₱ -** |
| **Liabilities for which fair values are disclosed:** | | | | | |
| Payables to customers | **3,4,13** | **₱ 58,472,607** | **₱ -** | **₱ 58,472,607** | **₱ -** |
| Payable to clearing house | **3,4,14** | **527,918** | **-** | **527,918** | **-** |
| Other payables | **3,4,15** | **147,690** | **-** | **147,690** | **-** |
| | | **₱ 59,148,215** | **₱** | **₱ 59,148,215** | **₱ -** |

| | | | 2024 | | |
|---|---|---|---|---|---|
| | | | Fair Value | | |
| | Notes | Carrying Amount | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| Assets for which fair values are disclosed: | | | | | |
| Cash | 3,4,6 | ₱ 24,613,208 | - | ₱ 24,613,208 | - |
| Other receivables | 3,4,8 | 59,120,810 | - | 59,120,810 | - |
| Refundable deposit | 3,4,10 | 255,364 | - | 255,364 | - |
| | | ₱ 83,989,382 | ₱ - | ₱ 83,989,382 | ₱ - |
| **Liabilities for which fair values are disclosed:** | | | | | |
| Payables to customers | 3,4,13 | ₱ - | ₱ | ₱ - | ₱ - |
| Other payables | 3,4,15 | 156,074 | | 156,074 | |
| | | ₱ 156,074 | ₱ | ₱ 156,074 | ₱ - |

## NOTE 29 - LEASE

The Company rents its office space under operating leases. The lease is for a period of two years and counting, with monthly fixed rental of ₱66,000 and an escalation rate of 7% per annum.

The contract was for a period of one (1) year from December 1, 2023 to November 30, 2024 with monthly fixed rental of ₱77,862 and an escalation rate of 10% per annum.

The contract was subsequently renewed for a period of one (1) year from December 1, 2024 to November 30, 2025 with monthly fixed rental of ₱85,450 and an escalation rate of 10% per annum.

The contract was further renewed for a period of one (1) year from December 1, 2025 to November 30, 2026 with monthly fixed rental of ₱91,432 and an escalation rate of 10% per annum.

Lease payments under operating leases recognized as expense amounted to ₱1,031,384 and ₱939,952 in December 31, 2025 and 2024, respectively. (Note 21).

At year end, the Company has outstanding commitment under operating leases that fall due as follows:

| | | Amount |
|---|---|---|
| Not later than one year | ₱ | 1,097,172 |
| Later that one year but not later than five years | | - |
| Later than five years | | - |

## NOTE 30 - SUBSEQUENT EVENT

The Company formally began its trading operations on the Philippine Stock Exchange on February 14, 2025.

## NOTE 31 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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

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

*(a) Output VAT*

In 2025, the Company declared output VAT as follows:

| | | Tax Base | | Output VAT |
|---|---|---|---|---|
| Taxable Sales | ₱ | 1,992,504 | ₱ | 239,100 |

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

*(b) Input VAT*

The movements in input VAT in 2025 are summarized below.

| | | Amount |
|---|---|---|
| Balance at beginning of year | ₱ | 1,896,061 |

| | | |
|---|---|---|
| Domestic purchase | | 469,225 |
| Others | | 95,047 |
| Applied against output VAT | | (239,100) |
| | ₱ | 2,221,233 |

*(c) Taxes and Licenses*

The details of Taxes and Licenses account is broken down as follows:

| | | Amount |
|---|---|---|
| Business permits | ₱ | 15,857 |
| Registration fee – SEC | | 36,390 |
| | ₱ | 52,247 |

The amount of taxes and licenses for the year ended December 31, 2025 is presented as part of operating expense account in the statements of comprehensive income (Note 21).

*(d) Withholding Taxes*

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

| | | Amount |
|---|---|---|
| Compensation and employee benefits | ₱ | 234,185 |
| Expanded | | 144,721 |
| | ₱ | 378,906 |

*(e) Tax Assessments and Cases*

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

*(f) Related Party Transaction*

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

**SCHEDULE I**

**WECAP FINANCIAL, INC.**
**STATEMENT OF CHANGES IN LIABILITIES**
**SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

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

# WECAP FINANCIAL, INC.
## RISK BASED-CAPITAL ADEQUACY WORKSHEET PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16, AS AMENDED, THROUGH SEC MEMORANDUM CIRCULAR NO. 11, SERIES OF 2023
## December 31, 2025

| | |
|---|---|
| **Assets** | **163,728,502** |
| **Liabilities** | **59,234,700** |
| **Equity as per books** | **104,493,802** |
| | |
| **Adjustments to Equity per books** | |
| Add (Deduct): | |
| Allowance for market decline | |
| Subordinated Liabilities | |
| Unrealized Gain / ( Loss ) in proprietary accounts | |
| Deferred Income Tax | **(8,045,256)** |
| Revaluation Reserves | |
| Deposit for Future Stock Subscription (No application with SEC) | |
| Minority Interest | |
| **Total Adjustments to Equity per books** | **(8,045,256)** |
| | |
| **Equity Eligible For Net Liquid Capital** | **96,448,546** |
| | |
| **Contingencies and Guarantees** | |
| Deduct: Contingent Liability | |
| Guarantees or indemnities | |
| | |
| **Ineligible Assets** | |
| a. Trading Right and all Other Intangible Assets (net) | 11,137,500 |
| b. Intercompany Receivables | |
| c. Fixed Assets, net of accumulated and excluding those used as collateral | 4,505,910 |
| d. Prepayment from Client for Early Settlement of Account | |
| e. All Other Current Assets | 57,442,391 |
| f. Securities Not Readily Marketable | |
| g. Negative Exposure (SCCP) | - |
| h. Notes Receivable (non-trade related) | 10,000,000 |
| i. Interest and Dividends Receivables outstanding for more than 30 days | |
| j. Ineligible Insurance claims | |
| k. Ineligible Deposits | |
| l. Short Security Differences | |
| m. Long Security Differences not resolved prior to sale | |
| n. Other Assets including Equity Investment in PSE | 2,779,480 |
| Total ineligible assets | **85,865,281** |
| | |
| **Net Liquid Capital (NLC)** | **10,583,265** |
| **Less:** | |
| Operational Risk Reqt (Schedule ORR-1) | **106,020** |
| Position Risk Reqt (Schedule PRR-1) | **5,340** |
| Counterparty Risk (Schedule CRR-1 and detailed schedules) | **95,113** |
| **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) | |
| | |
| **Total Risk Capital Requirement ( TRCR )** | **206,473** |
| | |
| **Net RBCA Margin (NLC-TRCR)** | **10,376,792** |
| **Liabilities** | **59,234,700** |
| **Add: Deposit for Future Stock Subscription (No application with SEC)** | |
| Less: Exclusions from Aggregate Indebtedness | |
| Subordinated Liabilites | |
| Loans secured by securities | |
| Loans secured by fixed assets | |
| Others | - |
| **Total adjustments to AI** | - |
| **Aggregate Indebtedness** | **59,234,700** |
| **5% of Aggregate Indebtedness** | **2,961,735** |
| **Required Net Liquid Capital (> of 5% of AI or P5M)** | **5,000,000** |
| **Net Risk-based Capital Excess / ( Deficiency )** | **5,583,265** |
| **Ratio of AI to Net Liquid Capital** | **560%** |
| **RBCA Ratio (NLC / TRCR)** | **5126%** |

**SCHEDULE III**

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

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

| | | |
|---|---|---|
| Market Valuation | ............................................. | ₱ nil |
| Numer of items | ............................................. | ₱ nil |

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

| | | |
|---|---|---|
| Market Valuation | ............................................. | ₱ nil |
| Numer of items | ............................................. | ₱ nil |

**SCHEDULE IV**

**WECAP FINANCIAL, INC.**
**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**
**UNDER SRC RULE 49.2**
**DECEMBER 31, 2025**

| Particulars | Credits | Debits |
|---|---|---|
| 1. Free credit balances and other credit balance in customers' security accounts. | 74,136,439.13 | |
| 2. Monies borrowed collateralized by securities carried for the account of customers. | | |
| 3. Monies payable against customers' securities loaned. | | |
| 4. Costumers' securities failed to receive. | 1,112,887.00 | |
| 5. Credit balances in firm accounts which are attributable to principal sales to customer. | | |
| 6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old, | | |
| 7. Market value of the short security count differences over 30 calendar days old. | | |
| 8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days. | | |
| 9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days. | | |
| 10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection. | | 48,030,447.73 |
| 11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver. | | |
| 12. Failed to deliver customers' securities not older than 30 calendar days. | | - |
| 13. Others: | | |
| Total | 75,249,326.13 | 48,030,447.73 |
| Net Credit (Debit) | 27,218,878.40 | |
| Required Reserve (100% of net credit if making a weekly computation and 105% if monthly) | 27,218,878.40 | |

**WECAP FINANCIAL, INC.**
**REPORT DESCRIBING MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED SINCE THE PREVIOUS AUDIT**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

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

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

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

Office Address:
G/F Ricogen Building 112 Aguirre,
Legazpi Village, Makati, Metro Manila
1229

Contact Us:
Tel No.: (02) 8661-9548
E-mail: info@wecap.ph

# WECAP FINANCIAL, INC.

## OATH

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

I, Jayferson L. Jacob, Chief of Accountant of **WECAP FINANCIAL, INC.** do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2025 are true and correct to the best of my knowledge and belief.

**JAYFERSON L. JACOB**
Chief Accountant

APR 0 8 2026

SUBSCRIBED AND SWORN to before me, a Notary Public, this ___ day of _______, affiant exhibiting to me his TIN: 315-460-358-000.

Doc. No. 316
Page No. 65
Book No. 3
Series of 2026

ATTY. CAESAR LEOCADIO P. ACEBEDO
Notary Public City of Manila
Appt No 2025-171 (2025-2026)
Roll of Attorney's No 73849
IBP No 579495
PTR No 10764907 1-05-2026
23 L Garcia St Bo Puso Punta Sta. Ana. Manila
MCLE Compliance No VIII-0025115; 03/27/2025

**WECAP FINANCIAL, INC.**
**STOCK POSITION PER LOCATION REPORT**
**As of December 31, 2025**

| STOCK CODE | NAME OF STOCKS | CUSTOMER'S ACCOUNT | | DEALER'S ACCOUNT | | PHIL. CENTRAL DEPOSITORY | | IN VAULT | | TRANSFER OFFICE | | IN TRANSIT | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | Market Value | No. of Shares | Market Value | No. of Shares | Market Value | No. of Shares | Market Value | No. of Shares | Market Value | No. of Shares | Market Value |
| AAA | ASIA AMALGAMATED HOLDINGS | 101,000 | - | | - | 101,000 | - | - | - | - | - | - | - |
| ABA | ABACORE CAPITAL HOLDINGS, INC. | 10,156,773 | 2,640,760 | | - | 10,156,773 | 2,640,760 | - | - | - | - | - | - |
| ABG | ASIABEST GROUP INTERNATIONAL, INC. | 7,962,300 | 149,531,994 | | - | 7,962,300 | 149,531,994 | - | - | - | - | - | - |
| ABS | ABS-CBN CORPORATION | 50,000 | 210,500 | | - | 50,000 | 210,500 | - | - | - | - | - | - |
| AC | AYALA CORPORATION | 40 | 18,720 | | - | 40 | 18,720 | - | - | - | - | - | - |
| ALI | AYALA LAND INC. | 380,000 | 8,531,000 | | - | 380,000 | 8,531,000 | - | - | - | - | - | - |
| APX | APEX MINING CO., INC. | 108,346 | 1,347,824 | | - | 108,346 | 1,347,824 | - | - | - | - | - | - |
| AREIT | AREIT, INC. | 350 | 15,225 | | - | 350 | 15,225 | - | - | - | - | - | - |
| ATI | ASIAN TERMINALS, INC. | 169,633 | 5,852,339 | | - | 169,633 | 5,852,339 | - | - | - | - | - | - |
| AUB | ASIA UNITED BANK CORPORATION | 61,100 | 2,395,120 | | - | 61,100 | 2,395,120 | - | - | - | - | - | - |
| BC | BENGUET CORP. | 53,746,000 | 268,730,000 | | - | 53,746,000 | 268,730,000 | - | - | - | - | - | - |
| BCB | BENGUET CORP. - B | 37,960,000 | 183,346,800 | | - | 37,960,000 | 183,346,800 | - | - | - | - | - | - |
| BDO | BDO UNIBANK, INC. | 12,350 | 1,662,310 | | - | 12,350 | 1,662,310 | - | - | - | - | - | - |
| BLOOM | BLOOMBERRY RESORTS CORPORATION | 3,625,000 | 9,207,500 | | - | 3,625,000 | 9,207,500 | - | - | - | - | - | - |
| C | CHELSEA LOGISTICS INFRASTRUCTURE | 40,000 | 38,000 | | - | 40,000 | 38,000 | - | - | - | - | - | - |
| CREIT | CITICORE ENERGY REIT CORP. | 1,880,833 | 6,714,574 | | - | 1,880,833 | 6,714,574 | - | - | - | - | - | - |
| DD | DOUBLEDRAGON CORPORATION | 1,000 | 9,280 | | - | 1,000 | 9,280 | - | - | - | - | - | - |
| DDMPR | DDMP REIT, INC. | 1,000 | 1,020 | | - | 1,000 | 1,020 | - | - | - | - | - | - |
| EW | EAST WEST BANKING CORP. | 7,638 | 88,601 | | - | 7,638 | 88,601 | - | - | - | - | - | - |
| FERRO | FERRONOUX HOLDINGS, INC. | 695,400 | 3,477,000 | | - | 695,400 | 3,477,000 | - | - | - | - | - | - |
| GSMI | GINEBRA SAN MIGUEL INC. | 57,600 | 16,992,000 | | - | 57,600 | 16,992,000 | - | - | - | - | - | - |
| GTCAP | GT CAPITAL HOLDINGS, INC. | 20 | 11,900 | | - | 20 | 11,900 | - | - | - | - | - | - |
| GTPPB | GT CAPITAL HOLDINGS INC. PERP. B | 100 | 100,000 | | - | 100 | 100,000 | - | - | - | - | - | - |
| ICT | INTL CONT TERMINAL SERV INC | 9,850 | 5,584,950 | | - | 9,850 | 5,584,950 | - | - | - | - | - | - |
| JFC | JOLLIBEE FOODS CORPORATION | 243,070 | 43,752,600 | | - | 243,070 | 43,752,600 | - | - | - | - | - | - |
| LOTO | PACIFIC ONLINE SYSTEMS CORPORATION | 50,000 | 85,000 | | - | 50,000 | 85,000 | - | - | - | - | - | - |
| MBT | METROPOLITAN BANK TRUST COMPANY | 100 | 6,850 | | - | 100 | 6,850 | - | - | - | - | - | - |
| MER | MANILA ELECTRIC CO. | 15,341 | 8,805,734 | | - | 15,341 | 8,805,734 | - | - | - | - | - | - |
| MJC | MANILA JOCKEY CLUB, INC. | 2,983,704 | - | | - | 2,983,704 | - | - | - | - | - | - | - |
| MPI | METRO PACIFIC INV. CORP. | 4 | - | | - | 4 | - | - | - | - | - | - | - |
| NI | NIHAO MINERALS INTERNATIONAL INC. | 619,000 | 194,985 | | - | 619,000 | 194,985 | - | - | - | - | - | - |
| NIKL | NICKEL ASIA CORPORATION | 1,000 | 3,890 | | - | 1,000 | 3,890 | - | - | - | - | - | - |
| OPM | ORIENTAL PETROLEUM | 221,011 | 2,652 | | - | 221,011 | 2,652 | - | - | - | - | - | - |
| OPMB | ORIENTAL PETROLEUM - B | 33,662 | 404 | | - | 33,662 | 404 | - | - | - | - | - | - |
| PCOR | PETRON CORPPORATION | 1,876 | 4,652 | | - | 1,876 | 4,652 | - | - | - | - | - | - |
| PLUS | DIGIPLUS INTERACTIVE CORP. | 11,100 | 179,820 | | - | 11,100 | 179,820 | - | - | - | - | - | - |
| PNB | PHIL. NATIONAL BANK | 26,800 | 1,457,920 | | - | 26,800 | 1,457,920 | - | - | - | - | - | - |
| PRF3B | PETRO CORP. PREF. SERIES 3B | 1,000 | 1,005,000 | | - | 1,000 | 1,005,000 | - | - | - | - | - | - |
| PRIM | PRIME MEDIA HOLDINGS, INC. | 100,000 | 130,000 | | - | 100,000 | 130,000 | - | - | - | - | - | - |
| RCR | RL COMMERCIAL REIT, INC. | 1,000 | 8,020 | | - | 1,000 | 8,020 | - | - | - | - | - | - |
| ROCK | ROCKWELL LAND CORPORATION | 2,693 | 4,982 | | - | 2,693 | 4,982 | - | - | - | - | - | - |
| SMC | SAN MIGUEL CORPORATION | 100 | 8,200 | | - | 100 | 8,200 | - | - | - | - | - | - |
| STI | STI EDUCATION SYSTEMS HLDGS., INC. | 1,105,000 | 1,558,050 | | - | 1,105,000 | 1,558,050 | - | - | - | - | - | - |
| TEL | PLDT, INC. | 750 | 945,000 | | - | 750 | 945,000 | - | - | - | - | - | - |
| WLCON | WILCON DEPOT, INC. | 1,000 | 6,960 | | - | 1,000 | 6,960 | - | - | - | - | - | - |
| X | XURPAS, INC. | 1,500,000 | 372,000 | | - | 1,500,000 | 372,000 | - | - | - | - | - | - |
| **Total** | | **123,944,544** | **725,040,136** | - | - | **123,944,544** | **725,040,136** | - | - | - | - | - | - |

**SCHEDULE VII**

# WECAP FINANCIAL, INC.
## SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68
## FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025 and 2024

***Current Ratio***

| | 2025 | 2024 |
|---|---|---|
| Total current assets | ₱ 139,540,209 | ₱ 86,134,027 |
| Total current liabilities | 59,234,700 | 194,626 |
| Current ratio | 2.356:1 | 442.562:1 |

***Quick Ratio***

| | 2025 | 2024 |
|---|---|---|
| Total liquid asset | ₱ 138,820,184 | ₱ 85,630,077 |
| Total current liabilities | 59,234,700 | 194,626 |
| Quick ratio | 2.344:1 | 439.972:1 |

***Working Capital to Total Asset***

| | 2025 | 2024 |
|---|---|---|
| Working capital | ₱ 80,305,509 | ₱ 85,939,401 |
| Total Asset | 163,728,502 | 103,608,571 |
| Working capital ratio | 0.49:1 | 0.829:1 |

***Solvency Ratio***

| | 2025 | 2024 |
|---|---|---|
| Total Asset | ₱ 163,728,502 | ₱ 103,608,571 |
| Total liabilities | 59,234,700 | 194,626 |
| Solvency ratio | 2.764:1 | 532.347:1 |

***Debt-to-equity Ratio***

| | 2025 | 2024 |
|---|---|---|
| Total liabilities | ₱ 59,234,700 | ₱ 194,626 |
| Total equity | 104,493,802 | 103,413,944 |
| Debt-to-equity ratio | 0.567:1 | 0.002:1 |

# WECAP FINANCIAL, INC.
## SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68
## FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025 and 2024

***Asset-to-equity Ratio***

| | 2025 | 2024 |
|---|---|---|
| Total assets | ₱ 163,728,502 | ₱ 103,608,571 |
| Total equity | 104,493,802 | 103,413,944 |
| Asset to equity ratio | 1.567:1 | 1.002:1 |

***Interest Rate Coverage Ratio***

| | 2025 | 2024 |
|---|---|---|
| Pre-tax profit before interest | ₱ (10,633,726) | ₱ (8,720,711) |
| Interest expense | N/A | N/A |
| Interest rate ratio | N/A | N/A |

***Profitability Ratios***

| | 2025 | 2024 |
|---|---|---|
| Net income after tax | ₱ (8,920,143) | ₱ (5,543,049) |
| Total Equity | 104,493,802 | 103,413,944 |
| | -0.085:1 | -0.054:1 |

*a.) Return on asset ratio*

| | 2025 | 2024 |
|---|---|---|
| Net income after tax | ₱ (8,920,143) | ₱ (5,543,049) |
| Average assets | 133,668,537 | 106,221,384 |
| | -0.067:1 | -0.052:1 |

*b.) Return on equity ratio*

| | 2025 | 2024 |
|---|---|---|
| Net income after tax | ₱ (8,920,143) | ₱ (5,543,049) |
| Average equity | 103,953,873 | 104,984,523 |
| | -0.086:1 | -0.053:1 |

# WECAP FINANCIAL, INC.
## SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68
## FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025 and 2024

*c.) Gross Profit Margin*

| | 2025 | 2024 |
|---|---|---|
| Net profit after tax | **₱ (8,920,143)** | ₱ (8,720,711) |
| Gross profit (loss) | **(444,407)** | (1,037,698) |
| | **20.072:1** | 8.404:1 |

*d.) Net Profit Margin*

| | 2025 | 2024 |
|---|---|---|
| Net profit after tax | **₱ (8,920,143)** | ₱ (8,720,711) |
| Revenue | **1,941,647** | 669,643 |
| | **-4.594:1** | -13.023:1 |

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

**WECAP FINANCIAL, INC.**

| | | |
|---|---|---|
| **Unappropriated Retained Earnings, beginning of reporting period** | | **(₱18,987,949)** |
| **Add: Category A: Items that are directly credited to Unappropriated Retained Earnings** | | |
| • Reversal of Retained Earnings Appropriation/s | - | |
| • Effect of restatements or prior-period adjustments | - | |
| • Others | - | - |
| **Less: Category B: Items that are directly debited to Unappropriated Retained Earnings** | | |
| • Dividends declaration during the reporting period | - | |
| • Retained Earnings appropriated during the reporting period | - | |
| • Effect of restatements or prior-period adjustments | - | |
| • Others | - | - |
| **Unappropriated Retained Earnings, as asjusted** | | **(18,987,949)** |
| **Add/Less: Net Income (Loss) for the current year** | | **(8,920,143)** |
| **Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)** | | |
| • Equity in net income of associate/joint venture, net of dividends declared | - | |
| • Unrealized foreign exchange gain, except those attributable to cash and cash equivalents | - | |
| • Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | |
| • Unrealized fair value gain of Investment Property | - | |
| • Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS | - | |
| • Sub-total | | - |
| **Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)** | | |
| • Realized foreign exchange gain, except those attributable to cash and cash equivalents | - | |
| • Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | |
| • Realized fair value gain of Investment Property | - | |
| • Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS | - | |
| • Sub-total | | - |

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

**WECAP FINANCIAL, INC.**

| | | |
|---|---|---|
| **Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)** | | |
| • Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents | - | |
| • Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | |
| • Reversal of previously recorded fair value gain of Investment Property | - | |
| • Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS | - | |
| • Sub-total | | - |
| **Adjusted Net Income (Loss)** | | **(8,920,143)** |
| **Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)** | | |
| • Depreciation on revaluation increment (after tax) | - | |
| • Sub-total | | - |
| **Add/Less: Category E: Adjustments related to relief granted by SEC and BSP** | | |
| • Amortization of the effect of reporting relief | - | |
| • Total amount of reporting relief granted during the year | - | |
| • Others | - | |
| • Sub-total | | - |
| **Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution** | | |
| • Net movement of treasury shares (except for reacquisition of redeemable shares) | - | |
| • Net movement of deferred tax asset not considered in the reconciling items under the previous categories | - | |
| • Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable | - | |
| • Adjustment due to deviation from PFRS/GAAP - gain (loss) | | |
| • Others | - | |
| • Sub-total | | - |
| **TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION** | | **(27,908,092)** |