



SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.: 0000148527

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Industry Classification: J66930

Company Type: Stock Corporation

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Period Covered: December 31, 2025

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

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 1 4 8 5 2 7

COMPANY NAME

ARMSTRONG SECURITIES, INC. (A Subsidiary of Isky Empire Realty Inc.)

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

Unit 4 - B 4th Floor, BDO Towers Paseo (formerly Citibank Center) 8741 Paseo de Roxas Makati City

Form Type

5 2 A R

Department requiring the report

M R D

Secondary License Type, If Applicable

Broker/Dealer

COMPANY INFORMATION

Company's Email Address

asi@armstrongasi.com

Company's Telephone Number

8706-5856

Mobile Number

09176225992

No. of Stockholders

11

Annual Meeting (Month / Day)

Within 30 days after 3rd Tuesday of April

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Gretel D. Orejudos

Email Address

torejudos@armstrongsi.com

Telephone Number

8706-5856

Mobile Number

09176225992

CONTACT PERSON'S ADDRESS

Unit 4-B, 4th Floor, BDO Towers Paseo (formerly Citibank Center) 8741 Paseo de Roxas, Makati City

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

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

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

Sent: Tuesday, May 12, 2026 10:53 AM

To: torejudos@armstrongsi.com <torejudos@armstrongsi.com>

Cc: Melanie Ferrer <ferrer.melanie@bdo.com.ph>

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ARMSTRONG SECURITIES INC.
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2025

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

COVER PAGE

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the SRC.

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

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	Armstrong Securities, Inc.
Address of Principal Place of Business:	Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center) 8741 Paseo de Roxas, Makati City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Gretel D. Orejudos	Tel. No.: 8706-5856 Fax No.: None

IDENTIFICATION OF ACCOUNTANT	
Name of Independent Auditors whose opinion is contained in this report:	
Name: Reyes Tacandong & Co. SEC Accreditation PP201007009	Tel. No.: (02) 8-982-9100 Fax No.: (02) 8-982-9111
Address: BDO Towers Valero 8741 Paseo de Roxas Makati City 1209, Philippines	
PAMELA ANN P. ESCUADRO Partner CPA Certificate No. 128829 Tax Identification No. 216-321-918-000 BOA Accreditation No. 4782/P-013; Valid until June 6, 2026 SEC Accreditation No. 128829-SEC Group A Issued March 23, 2021 Valid for Financial Periods 2020 to 2025 BIR Accreditation No. 08-005144-013-2025 Valid until October 20, 2028 PTR No. 10764016 Issued January 2, 2026, Makati City	

ARMSTRONG SECURITIES, INC.

Unit 4B, 4th Floor BDO Paseo Tower, Paseo de Roxas Salcedo Village Bel-air, City of Makati,
Fourth District, National Capital Region

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

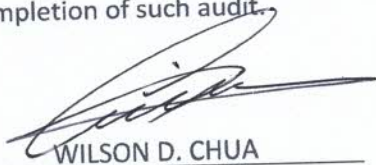
The Management of Armstrong Securities, Inc. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the period ended **January 1, 2025 to December 31, 2025** for, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

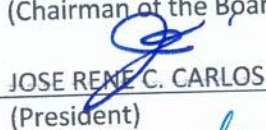
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

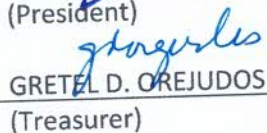
Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



WILSON D. CHUA
(Chairman of the Board)



JOSE RENE C. CARLOS
(President)



GRETEL D. OREJUDOS
(Treasurer)

Signed this 25th day of March, 2026



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Armstrong Securities, Inc.
Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center)
8741 Paseo de Roxas
Makati City

Opinion

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

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

Basis for Opinion

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

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



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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

REYES TACANDONG & Co.

Pamela Ann P. Escudro
PAMELA ANN P. ESCUADRO

Partner

CPA Certificate No. 128829

Tax Identification No. 216-321-918-000

BOA Accreditation No. 4782/P-013; Valid until June 6, 2026

SEC Accreditation No. 128829-SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2025

BIR Accreditation No. 08-005144-013-2025

Valid until October 20, 2028

PTR No. 10764016

Issued January 2, 2026, Makati City

April 6, 2026

Makati City, Metro Manila

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF FINANCIAL POSITION

	Note	December 31					
		2025			2024		
		Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short	
ASSETS							
Current Assets							
Cash and cash equivalents	7	P689,768,946			P334,568,673		
Financial assets at fair value through profit or loss (FVPL)	8	13,646,892	P13,646,892		5,132,970	P5,132,970	
Trade and other receivables	9	446,481	180,261,035		2,667,519		247,610,442
Other current assets	12	3,529,855			3,540,595		
Total Current Assets		707,392,174			345,909,757		
Noncurrent Assets							
Exchange trading right	10	835,000			835,000		
Property and equipment	11	6,237,929			13,891,193		
Net deferred tax assets	17	768,496			372,541		
Refundable deposits	12	516,182			473,029		
Total Noncurrent Assets		8,357,607			15,571,763		
		P715,749,781			P361,481,520		
Securities in Vault, Transfer Office and Philippine Depository and Trust Corporation							
			P12,811,186,469				P27,709,675,973
LIABILITIES AND EQUITY							
Current Liabilities							
Trade payables	13	P539,731,453	12,617,278,542		P174,621,064	27,456,932,561	
Current portion of lease liability	18	1,077,156			767,223		
Other current liabilities	14	819,159			928,649		
Total Current Liabilities		541,627,768			176,316,936		
Noncurrent Liabilities							
Noncurrent portion of lease liability	18	1,155,472			9,103,807		
Retirement liability	15	134,312			134,312		
Total Noncurrent Liabilities		1,289,784			9,238,119		
Total Liabilities		542,917,552			185,555,055		
Equity							
Capital stock	5	150,000,000			150,000,000		
Additional paid-in capital		2,181,385			2,181,385		
Retained earnings:					15,772,881		
Appropriated		16,175,957			7,972,199		
Unappropriated		4,474,887			175,926,465		
Total Equity		172,832,229	P12,811,186,469	P12,811,186,469	P361,481,520	P27,709,675,973	P27,709,675,973
		P715,749,781			P715,749,781		

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31	
		2025	2024
REVENUES			
Commissions		₱4,737,516	₱3,703,389
Interest income	7	9,081,550	24,968,167
Dividend Income	8	292,363	115,679
Trading gain on financial assets at FVPL - net	8	-	1,587,806
Others	18	2,131,657	1,338,553
		16,243,086	31,713,594
COSTS OF SERVICES			
Stock exchange dues and fees		1,425,201	836,001
Salaries and wages		322,051	386,773
		1,747,252	1,222,774
		14,495,834	30,490,820
GROSS INCOME			
OPERATING EXPENSES			
Salaries and wages		5,120,125	5,631,528
Entertainment, amusement, and recreation		566,056	540,479
Communication		486,967	515,228
Transportation		465,708	397,790
Professional fees		370,335	818,165
Taxes and licenses		174,846	683,266
Directors' fees	16	130,000	1,080,000
Software subscription		121,786	121,786
Others		368,115	458,161
		7,803,938	10,246,403
OTHER CHARGES			
Depreciation and amortization	11	2,497,827	2,143,339
Interest expense on lease liability	18	195,851	715,872
Trading loss on financial assets at FVPL - net	8	235,865	-
		2,929,543	2,859,211
		3,762,353	17,385,206
INCOME BEFORE INCOME TAX			
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	17	127,544	105,074
Deferred		(395,955)	(114,362)
		(268,411)	(9,288)
		4,030,764	17,394,494
NET INCOME			
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME		₱4,030,764	₱17,394,494

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31	
		2025	2024
CAPITAL STOCK – ₱100 par value			
Balance at beginning of the year	5	₱150,000,000	₱100,000,000
Issuance		–	50,000,000
Balance at end of year		150,000,000	150,000,000
ADDITIONAL PAID-IN CAPITAL		2,181,385	2,181,385
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year		15,772,881	14,033,432
Transfer from unappropriated retained earnings	5	403,076	1,739,449
Balance at end of year		16,175,957	15,772,881
Unappropriated			
Balance at beginning of year		7,972,199	(7,682,846)
Net income		4,030,764	17,394,494
Cash dividends declared	5	(7,125,000)	–
Transfer to appropriated retained earnings	5	(403,076)	(1,739,449)
Balance at end of year		4,474,887	7,972,199
		20,650,844	23,745,080
		₱172,832,229	₱175,926,465

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P3,762,353	P17,385,206
Adjustments for:			
Interest income	7	(9,081,550)	(24,968,167)
Unrealized loss (gain) on fair value changes financial assets at FVPL	8	2,883,853	(129,691)
Depreciation and amortization	11	2,497,827	2,143,339
Gain on lease modification	18	(1,385,988)	-
Dividend income	8	(292,363)	(115,679)
Interest expense on lease liability	18	195,851	715,872
Reversal of allowance for ECL	9	(17,882)	-
Unrealized foreign exchange gain	18	(6,916)	(18,098)
Operating loss before working capital changes		(1,444,815)	(4,987,218)
Decrease (increase) in:			
Financial assets at FVPL		(11,397,775)	(4,443,077)
Trade and other receivables		2,238,920	283,022
Refundable deposits		(43,153)	(24,348)
Other current assets		10,740	33,624
Increase (decrease) in:			
Trade payables		365,110,389	146,247,395
Other current liabilities		(109,490)	37,927
Net cash generated from operations		354,364,816	137,147,325
Interest received	7	9,081,550	24,968,167
Dividends received	8	292,363	115,679
Income taxes paid		(127,544)	(2,726,382)
Net cash provided by operating activities		363,611,185	159,504,789
CASH FLOW FROM AN INVESTING ACTIVITY			
Acquisition of property and equipment	11	(92,828)	(5,300,062)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	5	(7,125,000)	-
Lease payments	18	(1,200,000)	(1,200,000)
Cash used in financing activities		(8,325,000)	(1,200,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS		355,193,357	153,004,727
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH		6,916	18,098
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		334,568,673	181,545,848
CASH AND CASH EQUIVALENTS AT END OF YEAR		P689,768,946	P334,568,673

See accompanying Notes to Financial Statements.

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

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

1. Corporate Information

Armstrong Securities, Inc. (the Company) is a domestic corporation registered and incorporated on February 16, 1988 with the Philippine Securities and Exchange Commission (SEC). The Company is primarily engaged as a broker/dealer in the business of offering, buying, selling, dealing or trading securities of all kinds for its own account and as a broker in the purchases, sales or other transactions relating to all kind of securities of any person, corporation or entity and the establishment of an online stock brokerage services through internet technology. The Company is a holder of an exchange trading right in the Philippine Stock Exchange, Inc. (PSE).

Isky Empire Realty Inc. (the Parent Company), a real estate company, owns 60% of the Company's shares. MNM Capital OPC and RYM Business Management Corp. both incorporated and domiciled in the Philippines, each holds 20% ownership interest in the Company.

The registered office address of the Company is located at Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City.

Approval of the Financial Statements

The financial statements of the Company as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issue by its BOD on April 6, 2026.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

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

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

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso, except when otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL), lease liability which are measured at the present value of the lease payments and retirement benefit liability which is measured at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability.

Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes to the financial statements:

- Note 6 - Fair Values of Financial Instruments
- Note 8 - Financial Assets at FVPL

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year. There were no amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2025 that materially affect the financial statements of the Company. Additional disclosures were included in the notes to financial statements, as applicable.

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

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

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

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment

of contingent features, and the characteristics of non-recourse loans and contractually linked instruments.

The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.
 - Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments*, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

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

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

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards, except for the adoption of PFRS 18, is not expected to have any material effect on the financial statements of the Company. The adoption of PFRS 18 is not expected to have a material impact on the Company's financial position or financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the statements of comprehensive income and related disclosures.

Financial Instruments

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

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

Financial Assets

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

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

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

As at December 31, 2025 and 2024, the Company designated its investment in equity securities as financial assets at FVPL (see Note 8). As at reporting date, the Company does not have financial assets at 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 impairment, 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 and cash equivalents, trade and other receivables, and refundable deposits are classified under this category (see Notes 7, 9 and 12).

Cash includes cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less and that are subject to insignificant risk of change in value. Cash and cash equivalents are measured at face value.

Refundable deposits pertain to clearing fund contributions made to Securities Clearing Corporation of the Philippines (SCCP) and rental deposits. Clearing fund contributions shall be refunded upon cessation of business and/or termination of membership to the SCCP. Refundable deposit is measured at the amount of cash paid.

Impairment. The Company recognizes an allowance for expected credit loss (ECL) for all financial instruments not measured at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

Trade Receivables. For trade receivables without significant financing component, the Company has applied the simplified approach in measuring ECL.

Simplified approach requires that ECL should always be based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecasted direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Assets at Amortized Cost. For these financial instruments, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL 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.

The Company considers a financial asset in default when contractual payments are 2 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

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

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

There were no reclassifications of financial assets in 2025 and 2024.

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

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

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

Financial Liabilities

Classification. The Company classifies its financial liabilities at initial recognition under the following categories: (a) financial liabilities at amortized cost and (b) financial liabilities at FVPL.

As at reporting date, the Company does not have financial liabilities measured at FVPL.

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

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

As at December 31, 2025 and 2024, the Company’s trade payables, other current liabilities (excluding statutory liabilities) and lease liability are classified under this category (see Notes 13, 14 and 18).

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.

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

Offsetting of Financial Assets and Liabilities

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

Exchange Trading Right

Exchange trading right is an intangible asset with indefinite useful life. Exchange trading right is measured on initial recognition at cost and is subsequently carried at cost less any accumulated impairment losses. Exchange trading right is not amortized but is tested for impairment annually. The assumption that the exchange trading right remains to be an intangible asset with indefinite useful life is reviewed annually to determine whether this continues to be supportable as such. If not, the change in useful life from indefinite to finite is made on a prospective basis. Any impairment losses determined are recognized in profit or loss.

Gains or losses arising from the derecognition of exchange trading right are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss in the period of recognition.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Right-of-use (ROU) asset is an asset that represent a lessee's right to use its office space, during the term of the lease. These are recognized at the commencement date of the lease and are measured at cost less any accumulated amortization and impairment losses and adjusted for any remeasurement of lease liability. The cost of the ROU asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimation of costs to be incurred by the Company in dismantling and removing the underlying asset. Any change in the scope or consideration that was not part of the original terms and conditions of the lease is accounted for as a lease modification.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance, and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

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

ROU asset	Number of Years
	Lease term
Office equipment	5
Furniture and fixtures	5
Leasehold improvements	5 or term of the lease, whichever is shorter
Computer equipment	5

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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any accumulated impairment losses are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Fully-depreciated assets are retained in the accounts until they are no longer in use, and no further depreciation is recorded with respect to those assets.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed at each financial reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the related nonfinancial assets is estimated in order to determine the extent of the impairment losses, if any.

An impairment loss is recognized in profit or loss whenever the carrying amount of nonfinancial assets or its cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of nonfinancial assets is the greater of the asset's fair value less cost of disposal or value in use. 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. Value in use is the present value of future cash flows expected to be derived from an asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

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, had there been no impairment loss recognized. Reversals of impairment are recognized in profit or loss.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. The excess of proceeds from issuance of shares over the par value of capital stock are recognized as additional paid-in capital.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss. Appropriated retained earnings pertain to the restricted portion which is intended for the reserve fund in compliance with the SRC Rule 49.1 (B). Unappropriated retained earnings represent the portion which can be declared as dividends to stockholders.

Revenue Recognition

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

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources, except for its stock brokering transactions where the Company is acting in the capacity of an agent.

Commission Income. Commission is recognized as income on a trade date basis as trade transactions occur. This is computed based on certain rates for every trade transaction.

The following specific recognition criteria must also be met for other revenue outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

Interest Income. Interest income is recognized as interest accrues net of final tax, taking into account the effective yield of the asset.

Dividend Income. Revenue is recognized when the Company's right to receive payment is established.

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

Other Income. Income from other sources is recognized when earning process is complete and the flow of economic benefit is reasonably assured.

Cost and Expense Recognition

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

Cost of Services. Cost of services pertain to costs directly attributable to the revenue generating activities of the Company. It is recognized when the cost to render related services are incurred.

Operating Expenses. Operating expenses constitute costs of administering the business and are recognized as expense when incurred.

Employee Benefits

Short-term Employee Benefits. The Company provides short-term benefits to its employees in the form of basic 13th-month pay, bonuses, employer's share on government contributions and other short-term benefits.

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

Retirement Benefits. The Company accrues retirement liability based on minimum mandated retirement benefits under Republic Act (RA) No. 7641, "The Retirement Pay Law" which requires an employer to pay minimum retirement benefits to employees who retire after reaching the mandatory retirement age of 65 years old or the optional age of 60 years old with at least five years of service to the Company, equivalent to half month salary for every year of service discounted at prevailing interest rate.

The retirement benefit liability is the present value of defined benefit obligation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for retirement benefits based on the minimum requirements of the law using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date. In 2025 and 2024, the Company did not undertake an actuarial valuation as management believes that the existing retirement benefit liability is not significantly different from the last actuarial valuation obtained in 2022 since there is only one employee who reached the mandatory retirement age.

Leases

The Company assesses whether the contracts is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- i. The right to obtain substantially all of the economic benefits from the use of the identified asset;
and
- ii. The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

The Company as a Lessee. At the commencement date, the Company recognizes right-of-use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. At commencement date, the Company measures ROU asset at cost.

The ROU asset is recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU asset is amortized over the shorter of the lease terms of ten (10) years or the useful lives of the underlying assets, whichever is shorter. The ROU asset is included as part of "Property and equipment" account in the statements of financial position.

Lease Liability. At commencement date, the Company measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its Incremental Borrowing Rate (IBR).

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

- i. Fixed payments, including in-substance fixed payments;
- ii. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. Amounts expected to be payable by the lessee under residual value guarantees; and
- iv. The exercise price under a purchase option that the Company is reasonably certain to exercise; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

A lease modification is accounted for as a separate lease when it increases the scope by providing the right to use one or more additional underlying assets and the consideration increases by an amount commensurate with the stand-alone price of those assets.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments. When the lease liabilities are remeasured, the related right-of-use asset is adjusted and any resulting gain or loss is recognized in the statements of comprehensive income.

For income tax reporting purposes, payments under operating lease agreements are treated as deductible expenses in accordance with the terms of the lease agreements.

Income Tax

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

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognized in profit or loss except to the extent of items recognized as OCI or items directly recognized in equity.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carryforward benefits from unused NOLCO and unused excess of MCIT over RCIT can be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered.

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 profits will be available to allow all or part of the deferred tax assets to be utilized.

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

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

Related Party Relationships and Transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties, regardless of whether a price is charged.

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. This includes: (a) individuals who, owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

Contingencies

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

Events after the Reporting Date

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

3. Summary of Significant Judgments, Accounting Estimates, and Assumptions

The preparation of the Company's financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and related notes. The judgments and accounting estimates, and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

The following are the significant judgments, accounting estimates and assumptions by the Company:

Judgments

Classifying the Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or 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. The Company's investments in equity securities are classified as financial assets at FVPL and cash and cash equivalents, trade and other receivables and refundable deposits are classified as financial assets at amortized cost. The Company's financial liabilities at amortized cost include trade payables, other current liabilities (excluding statutory liabilities) and lease liability.

Classifying Leases. The Company has entered into a non-cancellable lease covering its office space. The Company recognizes ROU asset and lease liability measured at the present value of lease payments to be made over the lease term using the Company's IBR.

Determining the IBR on Leases. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

The ROU asset included under "Property and equipment" account and lease liability as at December 31, 2025 and 2024, are disclosed in Notes 11 and 18, respectively.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the following paragraphs:

Estimating ECL. The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company adjusts the historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions. The Company adjusts historical default rates if forecasted economic conditions such as when stock market index is expected to improve which can lead to decreased number of defaults in the stock brokering industry. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

For other financial assets at amortized cost, the Company has applied the general approach and calculated the ECL by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

Reversal of allowance for ECL in 2025 is disclosed in Note 9. No provision for credit losses was recognized in 2024. Allowance for ECL on trade receivables and the carrying amount of trade receivables as at December 31, 2025 and 2024 are disclosed in Note 9.

The carrying amounts of other financial assets at amortized cost which includes cash and cash equivalents, other receivables and refundable deposits are disclosed in Notes 7, 9 and 12.

Estimating the Useful Life and Assessing the Impairment Losses on Exchange Trading Right. Exchange trading right is carried at cost less any impairment losses. Exchange trading right is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The exchange trading right is deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The management's impairment test for the Company's exchange trading right is based on the available market value. The Company does not intend to sell the exchange trading right in the near future.

The Company has assessed that the exchange trading right has indefinite useful life as at December 31, 2025 and 2024. No impairment loss on exchange trading right was recognized in 2025 and 2024. The carrying amount of exchange trading right as at December 31, 2025 and 2024 is disclosed in Note 10.

Determining Retirement Benefit Liability. The Company is not required to accrue for retirement benefits based on the provisions of RA 7641. While not required by law as the Company only has seven employees with less than 5 years of service, the Company opted to accrue retirement benefits on one employee who reached the mandatory age of retirement based on the minimum requirements of RA 7641. The assumptions used are described in Note 15 to the financial statements. There was no retirement benefit expense recognized in 2025 and 2024 as the management assessed that the existing retirement benefit liability is sufficient to cover the estimated future retirement obligations as at December 31, 2025 and 2024 to one employee who reached the mandatory retirement age and there is minimal change in the discount rate.

The Company's retirement benefit liability as at December 31, 2025 and 2024 are disclosed in Note 15.

Estimating Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property and equipment and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. However, it is possible that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There are no changes in the estimated useful lives of property and equipment in 2025 and 2024.

Assessing Impairment of Property and Equipment, Excess Tax Credits and Prepayments. The Company assesses impairment of its property and equipment, excess tax credits and prepayments whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable.

The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized.

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

No impairment loss on property and equipment, excess tax credits and prepayments was recognized in 2025 and 2024.

The carrying amount of property and equipment, excess tax credits and prepayments as at December 31, 2025 and 2024 is disclosed in Notes 11 and 12, respectively.

Recognizing Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and adjusts the balance to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Company's recognized gross deferred tax assets and unrecognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 17.

4. Financial Risk Management Objectives and Policies

Financial Risk Management Objectives

The Company's principal financial instruments consist of cash and cash equivalents and financial assets at FVPL. The Company also has various other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables, other current liabilities (excluding statutory liabilities) and lease liability which arise directly from its operations. Financial assets at FVPL arise from the Company's operating activities.

The main risks arising from the use of financial instruments are credit risk, liquidity risk and equity price risk, which are managed under policies approved and monitored by the BOD.

The BOD has the overall responsibility for the establishment and oversight of the Company's risk management framework. 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 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.

Management is responsible for monitoring compliance with the Company's policies and procedures for risk management and for reviewing the adequacy of these policies in relation to the risks faced by the Company. Management provides considerable attention to the industry regulations imposed by the SEC and the PSE that require the Company's full compliance and ensures conformity to such rules and regulations.

Credit Risk

The Company's exposure to credit risk arises from the failure of a counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of trade and other receivables and other financial assets at amortized cost.

The table below presents the summary of the Company's maximum exposure to credit risk without taking into account any collateral, other credit enhancements or credit risk mitigating features and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired, if any, are separately presented.

Credit Quality Analysis of Financial Assets at Amortized Cost

	2025			Total
	12-Month ECL	Lifetime ECL – Not Credit Impaired	Lifetime ECL – Credit-Impaired	
Financial assets at amortized cost:				
Cash in banks and cash equivalents	P689,758,946	P–	P–	P689,758,946
Trade and other receivables	–	446,481	–	446,481
Refundable deposits	516,182	–	–	516,182
	P690,275,128	P446,481	P–	P690,721,609

	2024			Total
	12-Month ECL	Lifetime ECL – Not Credit Impaired	Lifetime ECL – Credit-Impaired	
Financial assets at amortized cost:				
Cash in banks and cash equivalents	P334,558,673	P–	P–	P334,558,673
Trade and other receivables	–	2,667,519	17,882	2,685,401
Refundable deposits	473,029	–	–	473,029
	P335,031,702	P2,667,519	P17,882	P337,717,103

The Company limits its exposure to credit risk by depositing its cash with highly reputable and pre-approved financial institutions. In addition, customers are initially assessed for creditworthiness based on their profile (i.e., financial capacity, reputation, collateral). The Company mitigates its credit risk by transacting with recognized and creditworthy counterparties. The Company also monitors receivable balances regularly. In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

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

Trade Receivables. The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and number of days outstanding. The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment (i.e. PSE index). At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of the Company's trade receivables from customers as at December 31 is as follows:

Days from Transaction Date of Counterparty	2025		
	Amount	Collateral (net of haircut)	Counterparty Exposure
1 - 2 days	₱401,681	₱117,506,423	₱-

Days from Transaction Date of Counterparty	2024		
	Amount	Collateral (net of haircut)	Counterparty Exposure
1 - 2 days	₱2,685,401	₱160,947,158	₱-

Counterparty exposure is computed based on the rules provided by SRC 52.1.11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

SRC requires broker/dealers to maintain a stock record for each cash and margin account of every customer regardless of the frequency of transactions. The stock record is a record of accountability reflecting all securities for which the Company has custodial responsibility or proprietary ownership. Transactions in the customer accounts cover both money balances and security positions, with the security transaction and related money generally recorded on the settlement date.

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

As at December 31, 2025 and 2024, trade receivables from customers amounting to ₱0.4 million and ₱2.7 million are secured by collateral comprising of equity securities of listed companies with a total market value of ₱180.3 million and ₱247.6 million, respectively (see Note 9).

Other Financial Assets at Amortized Cost. The Company measures ECL on other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the counterparties.

The Company has assessed that the ECL on other financial assets at amortized cost, which pertains to cash and cash equivalents, other receivables and refundable deposits, is insignificant because the transactions with respect to these financial assets were entered into by the Company with reputable banks and companies with good credit standing and low risk of defaults. Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2025 and 2024.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Company's objectives in effectively managing its liquidity are: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The Company monitors its cash flows, particularly the receivables from customers' collections and the funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in the bank.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31.

	2025							Total
	On demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year		
Trade payables	P-	P539,731,453	P-	P-	P-	P-	P-	P539,731,453
Other current liabilities*	562,193	-	-	-	-	-	-	562,193
Lease liability**	-	100,000	200,000	300,000	600,000	1,200,000	-	2,400,000
	P562,193	P539,831,453	P200,000	P300,000	P600,000	P1,200,000	P-	P542,693,646

*Excluding statutory liabilities amounting to P256,966 as at December 31, 2025.

**Including future interest payments amounting to P167,372 for the year ended December 31, 2025.

	2024							Total
	On demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year		
Trade payables	P-	P174,621,064	P-	P-	P-	P-	P-	P174,621,064
Other current liabilities*	439,570	167,809	-	-	-	-	-	607,379
Lease liability**	-	120,000	240,000	360,000	720,000	11,657,604	-	13,097,604
	P439,570	P174,908,873	P240,000	P360,000	P720,000	P11,657,604	P-	P188,326,047

*Excluding statutory liabilities amounting to P321,270 as at December 31, 2024.

**Including future interest payments amounting to P3.2 million for the year ended December 31, 2024.

Equity Price Risk

Equity price risk is the risk that the fair values of quoted equity securities would decrease as the result of the adverse changes in the quoted equity prices as affected by both rational and irrational market forces. The equity price risk exposure of the Company arises mainly from its financial assets at FVPL.

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

The table below sets forth the impact of changes in PSEi in the Company's unrealized gain or loss on fair value changes of its financial assets at FVPL in 2025 and 2024.

Changes in PSEi	2025		2024	
	16.68%	(16.68%)	15.34%	(15.34%)
Changes in trading income at equity portfolio under:				
Transportation services	₱820,295	(₱820,295)	₱-	₱-
Banks	368,459	(368,459)	430,073	(430,073)
Property	296,700	(296,700)	113,446	(113,446)
Casinos and gaming	296,211	(296,211)	12,389	(12,389)
Holding firms	222,690	(222,690)	-	-
Food, beverage and tobacco	208,389	(208,389)	53,323	(53,323)
Retail	79,219	(79,219)	-	-
Electricity, energy, power and water	55,501	(55,501)	116,822	(116,822)
Mining	16,535	(16,535)	-	-
Small, medium and emerging board	5,683	(5,683)	-	-
	₱2,369,682	(₱2,369,682)	₱726,053	(₱726,053)

The sensitivity rate used for reporting equity price risk represents management's assessment of the reasonably possible change in equity pricing per PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by its specific beta for their valuation at the reporting date. The adjusted beta is the forecasted measure of the volatility of security or a portfolio in comparison to the market as a whole.

5. 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 net capital requirements imposed by the PSE and the SEC.

The Company, being a broker/dealer in securities, is regulated by PSE and SEC and subject to the following capital requirements in accordance with the SRC.

In compliance with SRC Rule 28 of the 2015 *Implementing Rules and Regulations of SRC*, trading participants are required to have an unimpaired paid-up capital of ₱100.0 million for those who will be participating in a registered clearing agency. However, other broker/dealer not meeting the ₱100.0 million capitalization and not seeking authorization to engage in market making transaction shall maintain a ₱30.0 million unimpaired paid-up capital and file surety bond not less than ₱10.0 million for brokers and not less than ₱2.0 million for dealer.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱152.2 million as at December 31, 2025 and 2024 is in compliance with the foregoing capital requirements.

Capital Stock

The details of the Company's common shares with a par value of ₱100.0 a share are as follows:

	2025		2024	
	Number of Shares	Amount	Number of Shares	Amount
Authorized Capital Stock				
Balance at beginning of year	1,500,000	₱150,000,000	1,000,000	₱100,000,000
Increase	-	-	500,000	50,000,000
Balance at end of year	1,500,000	₱150,000,000	1,500,000	₱150,000,000
Issued and Outstanding				
Balance at beginning of year	1,500,000	₱150,000,000	1,000,000	₱100,000,000
Issuance	-	-	500,000	50,000,000
Balance at end of year	1,500,000	₱150,000,000	1,500,000	₱150,000,000

On July 4, 2023, the BOD approved the increase in authorized capital stock of the Company from ₱100.0 million, divided into 1,000,000 common shares at ₱100.0 par value a share, to ₱150.0 million, divided into 1,500,000 common shares at the same par value.

On September 2023, the Company received ₱50.0 million from its existing stockholders as subscription to the increase in authorized capital stock. The increase in authorized capital stock was approved by the SEC in January 2024. Deposit for future stock subscription presented under noncurrent liabilities section of the statement of financial position as at December 31, 2023, amounting to ₱50.0 million was reclassified to capital stock in 2024 upon issuance of the shares.

Dividend Declaration

On July 10, 2025, the BOD approved the declaration of cash dividends amounting to ₱7.1 million or ₱4.75 a share, for all shares issued and outstanding as at July 10, 2025 which was paid on July 18, 2025.

Reserve Fund

The Company shall annually appropriate a certain minimum percentage of its audited net income and transfer the same to "Appropriated retained earnings" account. Minimum appropriation of 30%, 20%, and 10% of net income for brokers and dealers with unimpaired paid-up capital of between ₱10.0 million to ₱30.0 million, between ₱30.0 million to ₱50.0 million, and more than ₱50.0 million, respectively, are prescribed by SRC Rule 49.1 (B). Appropriation for reserve fund amounted to ₱0.4 million and ₱1.7 million in 2025 and 2024, respectively.

Net Liquid Capital (NLC)

The Company is required, at all times, to have and maintain an NLC of at least ₱5.0 million or 5% of its Aggregate Indebtedness (AI), whichever is higher.

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

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

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

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

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

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

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

	2025	2024
NLC:		
Equity eligible for NLC	₱169,057,608	₱175,424,233
Less ineligible assets	11,018,966	18,739,817
	₱158,038,642	156,684,416
Required NLC:		
Higher of:		
5% of AI	27,145,878	9,277,753
Minimum amount	5,000,000	5,000,000
	27,145,878	9,277,753
Net risk-based capital excess	₱130,892,764	₱147,406,663

Ratio of AI to NLC

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

The Company's ratio of AI to NLC is 344% and 118% as at December 31, 2025 and 2024, respectively.

RBCA Requirement/Ratio

The RBCA requirement/ratio refers to the minimum level of capital to be maintained by firms which are licensed or securing a broker/dealer license, taking into consideration the firm size, complexity, and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting, and margin financing risks. The RBCA ratio should be greater than or equal to 1.1 or 110%.

The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR. The TRCR, in accordance with SRC Rule 49.1, 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.

	2025	2024
NLC	₱158,038,642	₱156,684,416
TRCR:		
Operational risk	2,735,554	2,351,483
Position risk	3,534,638	1,317,090
Total risk capital requirement	6,270,192	3,668,573
RBCA ratio	25.20 : 1	42.7 : 1

As at December 31, 2025 and 2024, the Company is not exposed to credit risk requirements defined under SRC Rule 49.1.

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

Ratio of Core Equity to ORR

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

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

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

	2025	2024
Capital stock	₱150,000,000	₱150,000,000
Additional paid in capital	2,181,385	2,181,385
Beginning retained earnings	23,745,080	6,350,586
Core equity	175,926,465	158,531,971
ORR	2,735,554	2,351,483
Ratio of Core Equity to ORR	64.3 : 1	67.4 : 1

As at December 31, 2025 and 2024, the Company is compliant with required ratio of core equity to ORR.

6. Fair Values of Financial Instruments

The following table presents the carrying amount and fair value of the Company's financial assets measured at fair value and the corresponding fair value hierarchy:

	2025		2024	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents	₱689,768,946	₱689,768,946	₱334,568,673	₱334,568,673
Trade and other receivables	446,481	446,481	2,667,519	2,667,519
Refundable deposits	516,182	516,182	473,029	473,029
Financial assets at FVPL	13,646,892	13,646,892	5,132,970	5,132,970
	₱704,378,501	₱704,378,501	₱342,842,191	₱342,842,191
Financial Liabilities				
Financial liabilities at amortized cost:				
Trade payables	₱539,731,453	₱539,731,453	₱174,621,064	₱174,621,064
Other current liabilities*	562,193	562,193	607,379	607,379
Lease liability	2,232,628	3,597,336	9,871,030	10,295,375
	₱542,526,274	₱543,890,982	₱185,099,473	₱185,523,818

*Excluding statutory liabilities amounting to ₱290,854 and ₱321,270 as at December 31, 2025 and 2024, respectively.

Cash and Cash Equivalents, Trade and Other Receivables, Trade Payables and Other Current Liabilities (excluding statutory liabilities). The carrying amounts of these instruments approximate fair values due to their short-term maturities.

Refundable Deposits. The carrying amount of refundable deposits approximates fair value. The management believes that the effect of discounting the future receipts from this financial instrument using the prevailing market rates is not significant.

Investment in Financial Assets at FVPL. The Company's investment in equity securities classified as financial assets at FVPL are carried at fair values based on sources classified as Level 1 category. The fair values of equity securities are based on prevailing quoted market prices, or bidding dealer price quotations from active markets as at reporting date.

Lease Liability. The fair value is estimated at the present value of future cash flows and is determined based on Level 2 in which input is based on discounted present value of remaining cash flows using the prevailing market rate of interest rate ranging from 4.69% to 6.41% and 5.74% to 6.14% as at December 31, 2025 and 2024, respectively.

In 2025 and 2024, there were no transfers between Level 1, Level 2, and Level 3 fair value measurements.

7. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱10,000	₱10,000
Cash in banks	279,758,946	86,558,673
Cash equivalents	410,000,000	248,000,000
	₱689,768,946	₱334,568,673

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

Cash equivalents are made for varying maturity periods of up to 30 days, depending on the immediate cash requirements of the Company. Cash equivalents earn interest ranging from 2.75% to 5.00% and 3.50% to 5.50% in 2025 and 2024, respectively.

Interest income earned amounted to ₱9.1 million and ₱25.0 million in 2025 and 2024, respectively. Interest income earned in 2024 includes custodianship fee in the form of interest income amounting to ₱16.6 million, arising from cash received from a customer for the purpose of acquiring shares of stock through the Company (see Note 18).

In compliance with SRC Rule 49.2.4 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱646.6 million and ₱258.1 million as at December 31, 2025 and 2024, respectively.

The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

8. Financial Assets at FVPL

This account represents equity securities held by the Company for trading purposes.

Movement of this account follows:

	2025	2024
Balance at beginning of year	P5,132,970	P560,202
Additions	566,356,977	255,222,954
Disposal	(554,959,202)	(250,779,877)
Unrealized gain (loss) on fair value changes	(2,883,853)	129,691
Balance at end of year	P13,646,892	P5,132,970

Movements in cumulative unrealized loss on fair value are as follows:

	2025	2024
Balance at beginning of year	(P122,272)	(P251,963)
Unrealized gain (loss) on fair value changes	(2,883,853)	129,691
Balance at end of year	(P3,006,125)	(P122,272)

Details of trading gain (loss) on financial assets at FVPL - net are as follows:

	2025	2024
Realized gain on sale	P2,647,988	P1,458,115
Unrealized gain (loss) on fair value changes	(2,883,853)	129,691
	(P235,865)	P1,587,806

Dividend income earned amounted to P292,363 and P115,679 in 2025 and 2024, respectively.

The fair value measurement of investment in equity securities classified as financial assets at FVPL, which is based on prevailing quoted market prices or bidding dealer price quotations from active markets as at reporting date, is classified under the Level 1 category. There has been no transfer between levels of fair value hierarchy as at December 31, 2025 and 2024.

9. Trade and Other Receivables

This account consists of:

	2025	2024
Trade receivables from customers	P401,681	P2,685,401
Advances to officers and employees	44,800	-
	446,481	2,685,401
Less allowance for ECL	-	(17,882)
	P446,481	P2,667,519

Movement in allowance for credit losses are as follows:

	2025	2024
Balance at beginning of year	P17,882	P17,882
Reversal of allowance for ECL	(17,882)	-
	P-	P17,882

Reversal of allowance is presented as "Others" under "Revenues" line item in the statements of comprehensive income.

Trade receivables from customers consist of amounts due within two (2) business days from the transaction date as follows:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Cash and fully secured accounts - More than 250%	P401,681	P180,261,035	P2,685,401	P247,610,442

Security valuation represents the fair value of the securities owned by the customers, which are in the custody of the Company and are located either in the vault or the Philippine Dealing and Trust Corporation. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

10. Exchange Trading Right

This account pertains to the trading right acquired by the Company as a result of the PSE conversion plan to preserve the Company's access to the trading facilities and continue to transact business in the PSE.

The carrying amount of exchange trading right is P0.8 million as at December 31, 2025 and 2024. As at December 31, 2025 and 2024, the latest transacted price of the exchange trading right, as provided by the PSE is P7.7 million and P8.0 million, respectively. Accordingly, no impairment loss on the exchange trading right was recognized in 2025 and 2024.

11. Property and Equipment

The balances and movements of this account are as follows:

	2025					Total
	ROU Asset (see Note 18)	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computer Software	
Cost						
Balances at beginning of year	₱10,804,519	₱717,300	₱444,570	₱5,569,415	₱698,661	₱18,234,465
Additions	-	92,828	-	-	-	92,828
Lease modification	(7,567,742)	-	-	-	-	(7,567,742)
Disposal	-	(64,821)	-	-	-	(64,821)
Balances at end of year	3,236,777	745,307	444,570	5,569,415	698,661	10,694,730
Accumulated Depreciation and Amortization						
Balances at beginning of year	2,319,477	286,231	197,666	841,237	698,661	4,343,272
Depreciation and amortization	1,078,925	218,082	86,937	1,113,883	-	2,497,827
Lease modification	(2,319,477)	-	-	-	-	(2,319,477)
Disposal	-	(64,821)	-	-	-	(64,821)
Balances at end of year	1,078,925	439,492	284,603	1,955,120	698,661	4,456,801
Carrying Amounts	₱2,157,852	₱305,815	₱159,967	₱3,614,295	₱-	₱6,237,929

	2024					Total
	ROU Asset (see Note 18)	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computer Software	
Cost						
Balances at beginning of year	₱10,804,519	₱675,135	₱444,570	₱311,518	₱698,661	₱12,934,403
Additions	-	42,165	-	5,257,897	-	5,300,062
Balances at end of year	10,804,519	717,300	444,570	5,569,415	698,661	18,234,465
Accumulated Depreciation and Amortization						
Balances at beginning of year	1,224,633	160,506	109,685	77,880	627,229	2,199,933
Depreciation and amortization	1,094,844	125,725	87,981	763,357	71,432	2,143,339
Balances at end of year	2,319,477	286,231	197,666	841,237	698,661	4,343,272
Carrying Amounts	₱8,485,042	₱431,069	₱246,904	₱4,728,178	₱-	₱13,891,193

As at December 31, 2025 and 2024, the cost of fully-depreciated property and equipment still being used in operations amounted to ₱0.7 million.

12. Other Assets

This account consists of:

	2025	2024
Current:		
Excess tax credits	₱3,476,580	₱3,490,171
Prepayments	53,275	50,424
	3,529,855	3,540,595
Noncurrent -		
Refundable deposits	516,182	473,029
	₱4,046,037	₱4,013,624

Excess tax credits include excess income tax payments and creditable withholding tax (CWT) amounting to ₱3.4 million and ₱0.1 million, respectively, as at December 31, 2025.

Refundable deposits pertain to clearing fund contributions made to Securities Clearing Corporation of the Philippines (SCCP) and rental deposits.

The Company, as a Clearing Member, is required to pay monthly contributions for specific amounts applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

Under the amended SCCP Rule 5.2, the contributions to the CTGF, which is recognized as refundable deposit by the Company, shall be refunded as trade-related assets to the Company upon cessation of business and/or termination of membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

13. Trade Payables

This account consists of payables to:

	2025	2024
Customers	P538,985,698	P172,552,523
Clearing house	745,755	2,068,541
	P539,731,453	P174,621,064

Trade payables to customers which are noninterest-bearing and due within two (2) business days consist of the following:

	2025		2024	
	Money Balances	Security Valuation - Long	Money Balances	Security Valuation - Long
With money balance	P538,985,698	P2,234,868,245	P172,552,523	P3,451,501,207
Without money balance	-	10,382,410,297	-	24,005,431,354
	P538,985,698	P12,617,278,542	P172,552,523	P27,456,932,561

Payables to clearing house are due after two business days from the transaction date. Accordingly, balances as at December 31, 2025 and 2024 were fully settled in January 2026 and 2025, respectively.

Payables to customers include payables to related parties amounting to P1.1 million and P1.2 million as at December 31, 2025 and 2024, respectively (see Note 16).

14. Other Current Liabilities

This account consists of:

	2025	2024
Accounts payable	₱437,388	₱439,570
Statutory liabilities	256,966	321,270
Others	124,805	167,809
	₱819,159	₱928,649

Accounts payable are noninterest-bearing and generally settled within one year.

Statutory liabilities are payable to government agencies, including mandatory employee benefits which are settled throughout the subsequent month.

Others which mainly pertain to accruals of professional fees are noninterest-bearing and are usually settled within the subsequent month.

15. Retirement Benefits

The Company accrues retirement liability based on minimum mandated retirement benefits under Republic Act (RA) No. 7641, "The Retirement Pay Law".

There was no retirement benefit expense recognized in 2025 and 2024 as the management assessed that the existing retirement benefit liability is sufficient to cover the estimated future retirement obligations as at December 31, 2025 and 2024 to one employee who reached the mandatory retirement age and there is minimal change in the discount rate.

Present value of the retirement liability as at December 31, 2025 and 2024 amounted to ₱134,312.

The discount rate and future salary increase rate used principal assumptions used to determine retirement benefits are as follows:

	2025	2024
Discount rates	6.18%	7.17%
Future salary increase rate	5.00%	5.00%

Below shows the sensitivity analysis which has been determined based on reasonably possible changes of each significant assumption on the present value of retirement liability as at December 31, 2025:

	Change in Assumption	Impact	Present Value of Retirement Liability
Discount rate	+1.0%	(P3,475)	P130,837
	-1.0%	4,315	138,627
Salary increase rate	+1.0%	4,363	138,675
	-1.0%	(3,569)	130,743

The plan exposes the Company to actuarial risk such as interest rate risk, longevity risk, and salary risk.

Interest Risks. The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

Longevity and Salary Risks. The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

The weighted average duration of the present value of retirement liability is 13 years in 2025.

16. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as at and for the years ended December 31, 2025 and 2024 as follows:

Relationship	Nature of Transaction	Year	Transactions during the Year	Trade Payables	Commission Income
Individual stockholders	Trading of securities	2025	P578,829,552	P1,083,478	P1,443,545
		2024	54,037,131	1,193,191	135,218
Directors	Directors' fee	2025	130,000	-	-
		2024	1,080,000	-	-
		2025		P1,083,478	P1,443,545
		2024		P1,193,191	P135,218

Compensation of Key Management Personnel

Compensation of key management personnel of the Company under "Salaries and wages" amounted to P3.2 million in 2025 and 2024.

17. Income Taxes

The Company's provision for current tax represents MCIT in 2025 and 2024 amounting to ₱127,544 and ₱105,074, respectively.

The income tax rate used in preparing the financial statements is 25% RCIT and 2% MCIT in 2025 and 2024.

The provision for (benefit from) income tax as reported in the statements of comprehensive income is composed of the following:

	2025	2024
Current tax	₱127,544	₱105,074
Movement in deferred tax	(395,955)	(114,362)
	(₱268,411)	(₱9,288)

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

	2025	2024
Deferred tax assets:		
Lease liability	₱558,157	₱2,467,758
Cumulative unrealized fair value loss of securities at FVPL	751,531	30,568
	1,309,688	2,498,326
Deferred tax liabilities:		
Right of use asset	(539,463)	(2,121,261)
Unrealized foreign exchange gain	(1,729)	(4,524)
	(541,192)	(2,125,785)
	₱768,496	₱372,541

The components of unrecognized deferred tax assets are as follows:

	2025	2024
NOLCO	₱3,998,812	₱4,251,789
Excess of MCIT over RCIT	288,126	163,744
Allowance for ECL	-	4,471
	₱4,286,938	₱4,420,004

The Company did not recognize deferred tax assets because the management has assessed that it is not probable that sufficient taxable profit will be available against which the deferred tax assets from NOLCO, excess MCIT over RCIT and allowance for ECL can be utilized.

Details of NOLCO that can be claimed as deductions against future taxable income are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Available Until
2025	₱-	₱3,560,808	₱-	₱3,560,808	2028
2024	7,017,850	-	-	7,017,850	2027
2023	5,416,590	-	-	5,416,590	2026
2022	4,572,717	-	4,572,717	-	2025
	₱17,007,157	₱3,560,808	₱4,572,717	₱15,995,248	

The carryforward benefits of excess MCIT over RCIT which can be claimed against RCIT due are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of year	Available Until
2025	₱-	₱127,544	₱-	₱127,544	2028
2024	105,074	-	-	105,074	2027
2023	55,508	-	-	55,508	2026
2022	3,162	-	3,162	-	2025
	₱163,744	₱127,544	₱3,162	₱288,126	

The reconciliation between the provision for (benefit from) income tax based on statutory income tax rate to income tax benefit as shown in the statements of comprehensive income is as follows:

	2025	2024
Provision for income tax at statutory rate	₱940,588	₱4,346,302
Movement in unrecognized deferred tax assets	(133,066)	1,859,535
Income tax effects of:		
Interest income already subjected to final tax	(2,270,388)	(6,242,042)
Expired NOLCO	1,143,179	-
Nondeductible expense	121,205	55,837
Dividend income exempted from tax	(73,091)	(28,920)
Expired MCIT	3,162	-
	(₱268,411)	(₱9,288)

18. Commitments and Agreements

Lease Commitments - The Company as Lessee

The Company has a lease agreement covering its office space. The lease is for a period of 10 years commencing on October 1, 2022 until September 20, 2032, renewable based on mutual agreement of both parties.

On January 1, 2025, the Company and the lessor agreed to shorten the original lease term from 10 years to 5 years expiring on December 31, 2027. Gain on lease modification amounted to ₱1.4 million in 2025, and is presented as part of "Others" under "Revenues" line item in the statements of comprehensive income.

Composition of other income in the statements of comprehensive income follows:

	2025	2024
Gain on lease modification	₱1,385,988	₱-
Income from the escrow agreement	738,753	1,320,455
Unrealized foreign exchange gain	6,916	18,098
	₱2,131,657	₱1,338,553

Movements in ROU asset are as follows:

	Note	2025	2024
Cost			
Balance at beginning of year		₱10,804,519	₱10,804,519
Lease modification		(7,567,742)	—
Balance at end of year		3,236,777	₱10,804,519
Accumulated Depreciation			
Balance at beginning of year		2,319,477	1,224,633
Lease modification		(2,319,477)	—
Depreciation	11	1,078,925	1,094,844
Balance at end of year		1,078,925	2,319,477
Carrying amount	11	₱2,157,852	₱8,485,042

The Company's liability arising from financing activities pertains to its lease liability. Movements in lease liability are as follows:

	2025	2024
Balance at beginning of year	₱9,871,030	₱10,355,158
Lease modification	(6,634,253)	—
Lease payments	(1,200,000)	(1,200,000)
Accretion of interest	195,851	715,872
Balance at end of year	2,232,628	9,871,030
Current portion	(1,077,156)	(767,223)
Noncurrent portion	₱1,155,472	₱9,103,807

The amounts recognized in profit or loss are as follows:

	Note	2025	2024
Gain on lease modification		(₱1,385,988)	₱—
Depreciation of ROU asset	11	1,078,925	1,094,844
Interest expense on lease liability		195,851	715,872
		(₱111,212)	₱1,810,716

Future minimum lease payments under this lease agreement as at December 31, 2025 and 2024 are as follows:

	2025	2024
Within one year	₱1,200,000	₱1,440,000
After one year but not more than five years	1,200,000	8,255,293
More than five years	—	3,402,311
	₱2,400,000	₱13,097,604

Escrow Agreement

In 2023, the Company entered into an escrow agreement with a third party to hold certain shares of stock for a certain period. Income from the escrow agreement amounting to ₱0.7 million and ₱1.3 million in 2025 and 2024, respectively, is presented as part of “Other income” account in the statements of comprehensive income.

In 2024, the Company received cash from a customer for the purpose of acquiring shares of stock through the Company. Custodianship fee earned, in the form of interest income, for holding the cash amounted ₱16.6 million (see Note 7).

19. Supplementary Information Required under Revenue Regulations No. 15-2010 of the BIR

The information for 2025 required by the above regulation is presented below.

Output VAT

Output VAT declared by the Company for the year ended December 31, 2025 and the revenues subject to output VAT amounted to ₱0.7 million and ₱5.9 million, respectively.

Input VAT

The movements in input VAT claimed by the Company against its output VAT for the year ended December 31, 2025 are as follows:

Balance at beginning of year	₱-
Current year's domestic purchases/payments for:	
Domestic purchases of services	60,815
Domestic purchases of goods other than capital goods	69,869
<u>Total available input VAT</u>	<u>130,684</u>
<u>Applied against output VAT</u>	<u>(130,684)</u>
<u>Balance at end of year</u>	<u>₱-</u>

All Other Local and National Taxes

The Company's local and national taxes for the year ended December 31, 2025 consist of:

License and permit fees	₱121,566
Documentary stamp tax	14,471
Others	38,809
	<u>₱174,846</u>

The above local and national taxes are classified under "Taxes and licenses" account in the statement of comprehensive income.

Withholding Taxes

Withholding taxes paid by the Company for the year ended December 31, 2025 consist of:

	Paid	Accrued	Total
Withholding taxes on compensation	₱545,358	₱67,420	₱612,778
Expanded withholding taxes	159,033	16,588	175,621
	<u>₱704,391</u>	<u>₱84,008</u>	<u>₱788,399</u>

Tax Assessments and Cases

The Company has no outstanding tax assessments and cases as at and for the year ended December 31, 2025.



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

The Stockholders and the Board of Directors
Armstrong Securities, Inc.
Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center)
8741 Paseo de Roxas
Makati City

We have audited the accompanying financial statements of Armstrong Securities, Inc. (the Company), a subsidiary of Isky Empire Realty Inc., as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated April 6, 2026.

In compliance with the Revised Securities Regulation Code Rule No. 68, we are stating that the Company has three (3) stockholders owning 100 or more shares each as of December 31, 2025.

REYES TACANDONG & Co.


PAMELA ANN P. ESCUADRO

Partner

CPA Certificate No. 128829

Tax Identification No. 216-321-918-000

BOA Accreditation No. 4782/P-013; Valid until June 6, 2026

SEC Accreditation No. 128829-SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2025

BIR Accreditation No. 08-005144-013-2025

Valid until October 20, 2028

PTR No. 10764016

Issued January 2, 2026, Makati City

April 6, 2026

Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Armstrong Securities, Inc.
Unit 4-B 4th Floor, BDO Towers Paseo (formerly Citibank Center)
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the basic financial statements of Armstrong Securities, Inc. (the Company), a subsidiary of Isky Empire Realty Inc., as at and for the years ended December 31, 2025 and 2024 and have issued our opinion thereon dated April 6, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk-Based Capital Adequacy Worksheet Pursuant to SEC Memorandum Circular No. 16;
- Information Relating to the Possession or Control Requirements under Annex F of SRC Rule 49.2;
- Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2;
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit; and
- Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended;
- Supplementary Schedule of Financial Soundness Indicators Pursuant to Revised SRC Rule 68;
- External Auditor Fee-Related Information.

The supplementary schedules are presented for purposes of complying with the Securities Regulation Code Rule 52.1.5, and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.

Pamela Ann P. Escudro
PAMELA ANN P. ESCUADRO

Partner

CPA Certificate No. 128829

Tax Identification No. 216-321-918-000

BOA Accreditation No. 4782/P-013; Valid until June 6, 2026

SEC Accreditation No. 128829-SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2025

BIR Accreditation No. 08-005144-013-2025

Valid until October 20, 2028

PTR No. 10764016

Issued January 2, 2026, Makati City

April 6, 2026

Makati City, Metro Manila

SCHEDULE I

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

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

The Company has no liabilities subordinated to claims of general creditors.

SCHEDULE II

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

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

Assets	P715,746,930
Liabilities	542,914,701
Equity as per books	172,832,229
Adjustments to equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated liabilities	-
Unrealized (gain) loss in proprietary accounts	(3,006,125)
Deferred income tax	(768,496)
Revaluation reserves	-
Deposit for future stock subscription (no application with SEC)	-
Minority interest	-
Total adjustments to equity per books	(3,774,621)
Equity eligible for net liquid capital	169,057,608
Contingencies and Guarantees	
Deduct:	
Contingent Liability	-
Guarantees or indemnities	-
Ineligible Assets	835,000
a. Trading right and all other intangible assets – net	-
b. Intercompany receivables	6,237,929
c. Fixed assets, net of accumulated and excluding those used as collateral	3,597,855
d. All other current assets	-
e. Securities not readily marketable	-
f. Negative exposure (SCCP)	-
g. Notes receivable (non-trade related)	-
h. Interest and dividends receivables outstanding for more than 30 days	-
i. Ineligible insurance claims	416,182
j. Ineligible deposits	-
k. Short security differences	-
l. Long security differences not resolved prior to sale	-
m. Other assets including equity investment in PSE	11,086,966
Total ineligible assets	158,038,642
Net Liquid Capital (NLC)	
Less:	2,735,554
Operating risk requirement	-
Credit risk requirement	3,534,638
Position risk requirement	-
Counterparty risk	-
Large exposure risk	-
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	-
Total Risk Capital Requirement (TRCR)	6,270,192
Net RBCA Margin (NLC-TRCR)	151,768,450
Liabilities	542,917,552
Add: Deposit for Future Stock Subscription	-
Less: Exclusions from Aggregate Indebtedness	-
Subordinated Liabilities	-
Loans and secured securities	-
Loans secured by fixed assets	-
Others	-
Total adjustments to AI	542,917,552
Aggregate Indebtedness	27,145,878
5% of Aggregate Indebtedness	27,145,878
Required Net Liquid Capital (> of 5% of AI or PSM)	130,892,764
Net Risk-based Capital Excess (Deficiency)	344%
Ratio of AI to Net Liquid Capital	2520%
RBCA Ratio (NLC/TRCR)	

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

**INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER ANNEX F OF SRC RULE 49.2
DECEMBER 31, 2025**

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

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

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

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

SCHEDULE IV

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

**COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2
DECEMBER 31, 2025**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	P539,503,626	
2. Monies borrowed collateralized by securities carried for the account of customers.	Nil	
3. Monies payable against customers' securities loaned.	Nil	
4. Customers' securities failed to receive.	572,005	
5. Credit balances in firm accounts which are attributable to principal sales to customer.	Nil	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	Nil	
7. Market value of the short security count differences over 30 calendar days old.	Nil	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	Nil	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	Nil	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		P397,664
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		Nil
12. Failed to deliver customers' securities not older than 30 calendar days.		Nil
13. Others due from clearing house		Nil
Total	P540,075,631	P397,664
Net Credit (Debit)	P539,677,967	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	P539,677,967	

SCHEDULE V

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

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

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

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED
DECEMBER 31, 2025

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

CODE	NAME	Per Records		Per Count		Unallocated Differences	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIA AMALGAMATED HOLDINGS	50,000	0	50,000	0	-	0
AB	ATOK-BIG WEDGE MNG. CO., INC. "A"	50	103	50	103	-	-
ABA	ABACORE CAPITAL HLDGS INC	1,778,920	462,519	1,778,920	462,519	-	-
ABG	ASIABEST GROUP INTERNATIONAL INC.	95,100	1,785,978	95,100	1,785,978	-	-
ABS	ABS-CBN BROADCASTING CORP.	143,200	602,872	143,200	602,872	-	-
AC	AYALA CORPORATION	1,608	752,544	1,608	752,544	-	-
ACE	ACESITE (PHILS) HOTEL CORPORATION	2,463,218	2,955,862	2,463,218	2,955,862	-	-
ACEN	ACEN CORPORATION	3,964,525	10,783,508	3,964,525	10,783,508	-	-
ACR	ALSON CONSOLIDATED RESOURCES	56,000	26,320	56,000	26,320	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	17,920	501,760	17,920	501,760	-	-
AGI	ALLIANCE GLOBAL INC.	30,000	245,700	30,000	245,700	-	-
ALCO	ARTHALAND CORPORATION	21,750	9,135	21,750	9,135	-	-
ALHI	ANCHOR LAND HOLDINGS INC	1,000	3,870	1,000	3,870	-	-
ALI	AYALA LAND, INC.	1,005,298	22,568,940	1,005,298	22,568,940	-	-
ALLHC	AYALALOGISTICS HOLDINGS CORP	92,000	119,600	92,000	119,600	-	-
ANI	AGRINURTURE INC	38,500	20,790	38,500	20,790	-	-
ANS	A. SORIANO CORPORATION "A"	18,184	261,850	18,184	261,850	-	-
AP	ABOITIZ POWER CORPORATION	10,000	440,000	10,000	440,000	-	-
APC	APC GROUP, INC.	1,050,000	111,300	1,050,000	111,300	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	169,400	847	169,400	847	-	-
APO	ANGLO PHIL. HOLDINGS CORP.	368,965	258,276	368,965	258,276	-	-
APVI	ALTUS PROPERTY VENTURES INC.	5	42	5	42	-	-
APX	APEX MINING CO., INC. "A"	88,299	1,098,440	88,299	1,098,440	-	-
ARA	ARANETA PROPERTIES, INC.	21,678	8,671	21,678	8,671	-	-
AREIT	AREIT, INC.	33,300	1,448,550	33,300	1,448,550	-	-
AT	ATLAS CONS. MINING DEV. "A"	30,038	181,129	30,038	181,129	-	-
ATI	ASIAN TERMINALS, INC.	6,600	227,700	6,600	227,700	-	-
AUB	ASIA UNITED BANK	6,700	262,640	6,700	262,640	-	-
BC	BENGUET CORP. "A"	25,524,605	127,623,025	25,524,605	127,623,025	-	-
BCB	BENGUET CORP. "B"	5,037,854	24,332,835	5,037,854	24,332,835	-	-
BDO	BANCO DE ORO UNIVERSAL BANK	164,103	22,088,264	164,103	22,088,264	-	-
BEL	BELLE CORPORATION	72,240	95,357	72,240	95,357	-	-
BKR	BRIGHT KINDLE RESOURCES INVT INC	239,805,500	155,873,575	239,805,500	155,873,575	-	-
BLOOM	BLOOMBERRY RESORTS CORP	3,597,800	9,138,412	3,597,800	9,138,412	-	-
BPI	BANK OF PHIL. ISLANDS	108,281	12,571,424	108,281	12,571,424	-	-
BRN	A BROWN COMPANY, INC.	215,100	200,043	215,100	200,043	-	-
BSC	BASIC ENERGY CORPORATION	14,443	1,690	14,443	1,690	-	-
CBC	CHINA BANK CORPORATION	87,497	4,987,329	87,497	4,987,329	-	-
CEB	CEBU AIR INC.	30,000	960,000	30,000	960,000	-	-
CEI	CROWN EQUITIES, INC.	1,733,600	124,819	1,733,600	124,819	-	-
CNPF	CENTURY PACIFIC FOOD, INC.	1,500	58,500	1,500	58,500	-	-
CNVRG	CONVERGE ICT SOLUTIONS INC	5,000	76,600	5,000	76,600	-	-
COAL	COAL ASIA HOLDINGS INC.	5,000,000	140,000	5,000,000	140,000	-	-
COSCO	COSCO CAPITAL, INC.	1,000	6,990	1,000	6,990	-	-
CREC	CITICORE RENEWABLE ENERGY CORP.	1,202,000	5,144,560	1,202,000	5,144,560	-	-
CREIT	CITICORE ENERGY REIT CORP.	38,000	135,660	38,000	135,660	-	-
CYBR	CYBER BAY CORPORATION	501,560	165,515	501,560	165,515	-	-
DDPR	DOUBLE DRAGON PREF	10,000	970,000	10,000	970,000	-	-
DFNN	DFNN INC.	15,288,900	12,231,120	15,288,900	12,231,120	-	-
DITO	DITO CME HOLDINGS CORP	13,131,442,500	8,929,380,900	13,131,442,500	8,929,380,900	-	-
DIZ	DIZON COPPER-SILVER MINES	4,766	23,830	4,766	23,830	-	-
DMC	DMCI HOLDINGS, INC.	60,000	632,400	60,000	632,400	-	-
DNL	D & L INDUSTRIES, INC.	500,000	1,925,000	500,000	1,925,000	-	-
EEL	EEL CORPORATION	117,306,000	333,149,040	117,306,000	333,149,040	-	-
EGRN	EVERWOODS GREEN RESOURCES AND HOLDI	150,000	-	150,000	-	-	-
EIBA	EXPORT & INDUSTRY BANK A	2,000,000	-	2,000,000	-	-	-
ELI	EMPIRE EAST LAND INC.	561,544	58,401	561,544	58,401	-	-
ENEX	ENEX ENERGY CORP	830	2,772	830	2,772	-	-
EW	EAST WEST BANKING CORP	200	2,320	200	2,320	-	-
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	2,000	110,000	2,000	110,000	-	-
FERRO	FERRONOUX HOLDINGS, INC.	229,012,974	1,145,064,870	229,012,974	1,145,064,870	-	-
FFI	FILIPINO FUND, INC	3,976	29,820	3,976	29,820	-	-
FGEN	FIRST GEN CORPORATION	5,000	88,700	5,000	88,700	-	-
FLI	FIL-INVEST LAND, INC.	4,276	3,293	4,276	3,293	-	-
FPH	FIRST PHIL. HOLDINGS	16,232	1,249,864	16,232	1,249,864	-	-
FPI	FORUM PACIFIC, INC.	10,000	2,400	10,000	2,400	-	-
FSTE-PR	FIRST E-BANK CORP.-PREF.	121,210	-	121,210	-	-	-

CODE	NAME	Per Records		Per Count		Unallocated Differences	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
GEO	GEOGRACE RESOURCES	7,770	86,776	7,770	86,776	-	-
GERI	GLOBAL-ESTATE RESORTS INC.	39,222	27,063	39,222	27,063	-	-
GLO	GLOBE TELECOM INC.	47	74,448	47	74,448	-	-
GMA7	GMA 7	105,000	568,050	105,000	568,050	-	-
GO	GOTESCO LAND, INC.	70,000	-	-	-	-	-
GOB	GOTESCO LAND, INC.-B	1,010,667	-	1,010,667	-	-	-
GREEN	GREENERGY HOLDINGS INCORPORATED	3,164	570	3,164	570	-	-
GSMI	GINEBRA SAN MIGUEL, INC.	6,020	1,775,900	6,020	1,775,900	-	-
GTCAP	GT CAPITAL HOLDINGS INC.	300	178,500	300	178,500	-	-
HTI	HAUS TALK, INC.	518,000	569,800	518,000	569,800	-	-
ICT	INTL CONTAINER TERMINAL SER.	18,626	10,560,942	18,626	10,560,942	-	-
IMP	IMPERIAL RES., INC.	2,500	1,750	2,500	1,750	-	-
INFRA	PHILIPPINE INFRADEV HOLDINGS, INC.	180,000	56,700	180,000	56,700	-	-
IPM	IPM HOLDINGS, INC.	290,000	455,300	290,000	455,300	-	-
IPO	IPEOPLE, INC.	1,200	7,200	1,200	7,200	-	-
IS	ISLAND INFO AND TECH INC.	270,000	33,210	270,000	33,210	-	-
JFC	JOLLIBEE FOODS CORP.	37,973	6,835,140	37,973	6,835,140	-	-
KEEPR	THE KEEPERS HOLDINGS, INC.	40,000	99,200	40,000	99,200	-	-
KEP	KEPPEL PHILIPPINES PROPERTIES, INC.	10,971	24,136	10,971	24,136	-	-
KPH	KEPPEL PHIL HOLDINGS, INC-A	81	2,094	81	2,094	-	-
KRI	KALAHI REALITY INC (DIZ PROPERTY)	21,693	-	-	-	-	-
LC	LEPANTO CONS. MNG. "A"	51,747	9,573	51,747	9,573	-	-
LCB	LEPANTO CONS. MNG. - B	1,221,296	228,382	1,221,296	228,382	-	-
LIB	LIBERTY TELECOMMUNICATIONS	12,000	18,720	12,000	18,720	-	-
LODE	LODESTAR INVESTMENT HOLDINGS CORP	250,000	87,500	250,000	87,500	-	-
LPZ	LOPEZ HOLDINGS CORPORATION	20,880	77,674	20,880	77,674	-	-
LSC	LORENZO SHIPPING CORP.	1,250	763	1,250	763	-	-
LTG	LT GROUP INC	347,553	5,136,833	347,553	5,136,833	-	-
MA	MANILA MINING CORP. "A"	194,762	1,422	194,762	1,422	-	-
MAB	MANILA MINING CORP. - B	2,297,840	16,544	2,297,840	16,544	-	-
MAC	MACROASIA CORPORATION	17,940	77,860	17,940	77,860	-	-
MAH	METRO ALLIANCE HOLDINGS ANDEQUITIES	2,000	-	2,000	-	-	-
MAHB	METRO ALLIANCE HLDGS. B	25,000	-	25,000	-	-	-
MARC	MARCVENTURES HOLDINGS INC.	54,751,600	38,326,120	54,751,600	38,326,120	-	-
MB	MANILA BULLETIN PUBLISHING	12,672	2,078	12,672	2,078	-	-
MBT	METROPOLITAN BANK & TRUST CO.	173,733	11,900,711	173,733	11,900,711	-	-
MEG	MEGAWORLD CORPORATION	301,111	626,311	301,111	626,311	-	-
MER	MANILA ELECTRIC COMPANY	2,347	1,347,178	2,347	1,347,178	-	-
MFC	MANULIFE FINANCIAL CORP.	12	22,560	12	22,560	-	-
MJIC	MJC INVESTMENTS CORPORATION	16,100	16,100	16,100	16,100	-	-
MM	MERRYMART CONSUMER CORP	200,000	80,000	200,000	80,000	-	-
MONDE	MONDE NISSIN CORP	935,300	5,424,740	935,300	5,424,740	-	-
MRC	MRC ALLIED INC.	20,300	17,661	20,300	17,661	-	-
MRP	MELCO RESORTS AND ENT (PHILS) CORP.	500	-	500	-	-	-
MVC	MABUHAY VINYL CORPORATION	21,200	110,028	21,200	110,028	-	-
MWC	MANILA WATER COMPANY, INC.	20,000	806,000	20,000	806,000	-	-
MWIDE	MEGAWIDE CONSTRUCTION CORP.	100,000	299,000	100,000	299,000	-	-
MWPS	MEGAWIDE SERIES 5	15,000	1,545,000	15,000	1,545,000	-	-
NIKL	NICKEL ASIA CORPORATION	7,200	28,008	7,200	28,008	-	-
NXGEN	NEXTGENESIS CORPORATION	3,075	-	3,075	-	-	-
OM	OMICO CORPORATION	210,000	21,210	210,000	21,210	-	-
OPM	ORIENTAL PETROLEUM "A"	2,310,752	27,729	2,310,752	27,729	-	-
OPMB	ORIENTAL PETROLEUM "B"	330,934	3,971	330,934	3,971	-	-
OV	PHILODRILL CORPORATION "A"	47,342,500	421,348	47,342,500	421,348	-	-
PAL	PAL HOLDINGS INC.	510	1,938	510	1,938	-	-
PBB	PHILIPPINE BUSINESS BANK	1,014,500	7,811,650	1,014,500	7,811,650	-	-
PCOR	PETRON CORPORATION	33,682	83,531	33,682	83,531	-	-
PCP	PICOP RESOURCES, INC.	2,750,400	-	2,750,400	-	-	-
PERC	PETRO ENERGY RES. CORP.	7,685	26,898	7,685	26,898	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	11,400	433,200	11,400	433,200	-	-
PHA	PREMIERE HORIZON ALLIANCE CORP	32,000	7,584	32,000	7,584	-	-
PHC	PHILCOMSAT HOLDINGS CORP.	10,000	18,400	10,000	18,400	-	-
PHN	PHINMA CORPORATION	1,375	22,963	1,375	22,963	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC.	5,180,000	688,940	5,180,000	688,940	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	77,110,245	1,249,185,969	77,110,245	1,249,185,969	-	-
PMPIC	PANASONIC MFG PHIL CORP	1,100	11,880	1,100	11,880	-	-
PNB	PHIL. NATIONAL BANK	13,487	733,693	13,487	733,693	-	-
PNC	PHIL. NATIONAL CONST. CORP.	1,000	-	1,000	-	-	-
PPI	PHILTOWN PROPERTY INC.	5,637	-	5,637	-	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	348,445,020	452,978,526	348,445,020	452,978,526	-	-
PSB	PHILIPPINE SAVINGS BANK	165	8,910	165	8,910	-	-
PSE	PHIL. STOCK EXCHANGE, INC.	1,000	205,400	1,000	205,400	-	-
PTT	PHIL TELEGRAPH TEL CO.	502,000	-	502,000	-	-	-
PX	PHILEX MNG. CORP.	529,942	5,246,426	529,942	5,246,426	-	-
PXP	PXP ENERGY CORPORATION	79,943	190,264	79,943	190,264	-	-
RCB	RIZAL COMMERCIAL BANKING CORP	2,000	51,900	2,000	51,900	-	-
REDC	REPOWER ENERGY DEVELOPMENT CORP	6,065,600	38,516,560	6,065,600	38,516,560	-	-
RFM	RFM CORPORATION	25,000	118,750	25,000	118,750	-	-
RLC	ROBINSONS LAND CORP.	44,000	711,040	44,000	711,040	-	-
RLT	PHIL. REALTY HOLDINGS CORP.	428,865	46,746	428,865	46,746	-	-
RLT RTS	PHILIPPINE REALTY (RIGHTS)	306,458	-	306,458	-	-	-
ROCK	ROCKWELL LAND CORPORATION	33,921	62,754	33,921	62,754	-	-
RPC	REYNOLDS PHILIPPINE CORP.	2,226,418	-	2,226,418	-	-	-
SCC	SEMIRARA MINING AND POWER CORP	6,800	192,100	6,800	192,100	-	-
SOP	SIME DARBY PILIPINAS, INC	100	-	100	-	-	-
SECB	SECURITY BANK CORP.	30,533	2,004,491	30,533	2,004,491	-	-
SFI	SWIFT FOODS, INC.	12,693	595	12,693	595	-	-
SGI	SOLID GROUP, INC.	102,000	129,540	102,000	129,540	-	-
SGP	SYNERGY GRID & DEVT. PHILS. INC.	27,500	455,400	27,500	455,400	-	-
SHLPH	PILIPINAS SHELL PETROLEUM CORP	43,000	297,990	43,000	297,990	-	-
SHNG	SHANG PROPERTIES INC.	25,446	90,079	25,446	90,079	-	-

CODE	NAME	Per Records		Per Count		Unallocated Differences	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
SLF	SUN LIFE FINANCIAL INC.	3	#10,320	3	#10,320	-	#-
SM	SM INVESTMENTS CORPORATION	1,509	1,055,546	1,509	1,055,546	-	-
SMC	SAN MIGUEL CORPORATION	3,847	315,454	3,847	315,454	-	-
SMPH	SM PRIME HOLDINGS, INC.	676,680	15,394,470	676,680	15,394,470	-	-
SOC	SOCRESOURCES, INC.	1,045,000	190,190	1,045,000	190,190	-	-
SPM	SEAFRONT RESOURCES CORP.	19,842	46,825	19,842	46,825	-	-
STI	STI EDUCATION SYSTEMS HOLDINGS INC	61,200	86,292	61,200	86,292	-	-
STN	STENIEL MANUFACTURING CORP.	50,000	109,000	50,000	109,000	-	-
SUN	SUNTRUST HOME DEVELOPERS, INC.	44,660,100	33,941,676	44,660,100	33,941,676	-	-
SWM	SANITARY WARES MFG., CORP.	550	-	550	-	-	-
T	TKC METALS CORPORATION	2,000	880	2,000	880	-	-
TECH	CIRTEK HOLDINGS PHILS CORP	50,000	31,500	50,000	31,500	-	-
TEL	PLDT INC	11,879	14,967,540	11,879	14,967,540	-	-
UBP	UNION BANK OF THE PHILS.	796	21,174	796	21,174	-	-
UNI	UNIOIL RES. & HOLDINGS CO.	3,000	738	3,000	738	-	-
UP	UNIVERSAL RIGHTFIELD PROP.	1,955,000	-	1,955,000	-	-	-
UPM	UNITED PARAGON MINING CORP.	125,000	725	125,000	725	-	-
URC	UNIVERSAL ROBINA CORP.	62,778	4,224,959	62,778	4,224,959	-	-
UW	UNIWIDE HOLDINGS, INC.	145,000	-	145,000	-	-	-
V	VANTAGE EQUITIES INC.	31,624	28,145	31,624	28,145	-	-
VITA	VITARICH CORPORATION	1,000	530	1,000	530	-	-
VLL	VISTA LAND & LIFESCAPES INC.	3,005	3,125	3,005	3,125	-	-
VVT	VIVANT CORPORATION	188	3,655	188	3,655	-	-
WEB	PHILWEB CORPORATION	25,320	156,984	25,320	156,984	-	-
WIN	WELLEX INDUSTRIES, INC.	11,000	2,860	11,000	2,860	-	-
WLCON	WILCON DEPOT INC	20,000	139,200	20,000	139,200	-	-
WPI	WATERFRONT PHILS., INC.	5,300	2,147	5,300	2,147	-	-
YG	NEXGEN ENERGY CORP.	18,358,000	58,378,440	18,358,000	58,378,440	-	-
			#12,811,186,469		#12,811,186,469	-	#-

SCHEDULE VII

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

**SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS
INDICATORS PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2025**

	2025	2024
Current/liquidity ratio	1.31	1.96
Current assets	P707,392,174	P345,909,757
Current liabilities	541,627,768	176,316,936
Solvency ratio	0.01	0.11
After-tax income before depreciation	P6,528,591	P19,537,833
Total liabilities	542,917,552	185,555,055
Debt-to-equity ratio	3.14	1.05
Total liabilities	P542,917,552	P185,555,055
Total equity	172,832,229	175,926,465
Asset-to-equity ratio	4.14	2.05
Total assets	P715,749,781	P361,481,520
Total equity	172,832,229	175,926,465
Interest rate coverage ratio	20.21	25.29
Income before interest and taxes	P3,958,204	P18,101,078
Interest expense	195,851	715,872
Return on equity	0.02	0.12
After-tax income	P4,030,764	P17,394,494
Average total equity	174,379,347	142,229,218
Return on assets	0.01	0.06
After-tax income	P4,030,764	P17,394,494
Average total assets	538,615,651	279,883,676
Net profit margin	0.25	0.55
After-tax income	P4,030,764	P17,394,494
Revenues	16,243,086	31,713,594

ARMSTRONG SECURITIES, INC.
(A Subsidiary of Isky Empire Realty Inc.)

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

	2025	2024
Total audit fees	₱210,000	₱210,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total non-audit fees	-	-
Total audit and non-audit fees	₱210,000	₱210,000