



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**Company Type:** Stock Corporation

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**STAR ALLIANCE SECURITIES CORP.**  
**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 SRC.

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

<b>IDENTIFICATION OF BROKER OR DEALER</b>	
Name of Broker/Dealer:	Star Alliance Securities Corp.
Address of Principal Place of Business:	1201 One Global Place 5th Ave. cor. 25th St. Bonifacio Global City Taguig City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Ms. Geraldine April G. Anggala	Tel. No.: (02) 8556-2265

<b>IDENTIFICATION OF ACCOUNTANT</b>	
Name of Independent Auditors whose opinion is contained in this report:	
Name: Reyes Tacandong & Co.	Tel. No.: (02) 8982-9100
SEC Accreditation No. 4782-SEC Group A	Fax No.: (02) 8982-9111
Address: 26th Floor, BDO Towers Valero 8741 Paseo de Roxas, Makati City 1209, Philippines	
MARK CHRISTIAN M. ABABA Partner CPA Certificate No. 130245 Tax Identification No. 287-809-533-000 BOA Accreditation No. 4782/P-027; Valid until June 6, 2026 SEC Accreditation No. 130245-SEC Group A Issued November 26, 2025 Valid for Financial Periods 2025 to 2029 BIR Accreditation No. 08-005144-026-2024 Valid until March 26, 2027 PTR No. 10764002 Issued January 2, 2026, Makati City	

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of **Star Alliance Securities Corp.** is responsible for the preparation and fair presentation of the financial statements as of and for the years ended December 31, 2025 and 2024, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements 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 examination.

**ALFONSO S. ANGGALA**  
Chairman of the Board

**ALFONSO S. ANGGALA**  
Chief/Executive Officer

**GERALDINE APRIL G. ANGGALA**  
Chief Financial Officer

Signed this 23rd day of March 2026



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Star Alliance Securities Corp.  
1201 One Global Place  
5th Ave. cor. 25th St.  
Bonifacio Global City, Taguig City

### *Opinion*

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

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

### *Basis for Opinion*

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

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



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

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

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

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 23, 2026

Makati City, Metro Manila

**STAR ALLIANCE SECURITIES CORP.**  
**STATEMENTS OF FINANCIAL POSITION**

		December 31					
		2025			2024		
	Note	Money Balance	Security Valuation		Money Balance	Security Valuation	
			Long	Short		Long	Short
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	7	₱158,253,269			₱137,791,933		
Financial assets at fair value through profit or loss (FVPL)	8	362,006,287	₱343,146,468		462,377,103	₱451,044,623	
Trade receivables	9	13,042,184	98,876,800		262,958	237,222,896	
Other current assets	10	7,737,473			6,602,857		
Total Current Assets		541,039,213			607,034,851		
<b>Noncurrent Assets</b>							
Property and equipment	11	1,965,901			2,788,145		
Investment properties	12	30,258,484			32,639,350		
Net deferred tax assets	18	-			14,963,973		
Other noncurrent assets	13	23,704,149			23,395,196		
Total Noncurrent Assets		55,928,534			73,786,664		
		₱596,967,747			₱680,821,515		
<b>Securities in Vault, Transfer Offices, and Philippine Depository and Trust Corporation</b>				₱930,962,748			₱1,254,766,007
<b>LIABILITIES AND EQUITY</b>							
<b>Current Liabilities</b>							
Trade payables	14	₱70,721,981	488,939,480		₱8,325,630	566,498,488	
Other current liabilities	15	1,585,892			1,438,654		
Total Current Liabilities		72,307,873			9,764,284		
<b>Noncurrent Liabilities</b>							
Security deposits	19	2,863,916			2,863,916		
Retirement benefit liability	17	1,472,783			-		
Net deferred tax liability	18	189,821			-		
Total Noncurrent Liabilities		4,526,520			2,863,916		
Total Liabilities		76,834,393			12,628,200		
<b>Equity</b>							
Capital stock	5	750,000,000			750,000,000		
Deficit		(229,866,646)			(81,806,685)		
Total Equity		520,133,354			668,193,315		
		₱596,967,747	₱930,962,748	₱930,962,748	₱680,821,515	₱1,254,766,007	₱1,254,766,007

See accompanying Notes to Financial Statements.

**STAR ALLIANCE SECURITIES CORP.**  
**STATEMENTS OF COMPREHENSIVE INCOME**

		<b>Years Ended December 31</b>	
	Note	2025	2024
<b>REVENUES</b>			
Dividend income	8	<b>₱8,099,106</b>	₱13,223,048
Commission income		<b>3,477,221</b>	4,408,135
Interest income	7	<b>2,901,228</b>	3,736,298
Rental income	19	<b>5,207,688</b>	5,207,688
		<b>19,685,243</b>	26,575,169
<b>COST OF SERVICES</b>			
Commissions		<b>6,358,600</b>	4,996,202
Stock exchange fees and dues		<b>3,437,754</b>	4,435,272
Personnel costs	17	<b>1,758,933</b>	1,855,221
Communication		<b>797,586</b>	860,901
		<b>12,352,873</b>	12,147,596
<b>GROSS PROFIT</b>		<b>7,332,370</b>	14,427,573
<b>OPERATING EXPENSES</b>			
Transportation and travel		<b>4,556,365</b>	1,886,344
Personnel costs	17	<b>4,198,994</b>	2,214,022
Representation		<b>4,099,647</b>	2,311,670
Repairs and maintenance		<b>901,394</b>	1,450,264
Insurance		<b>656,153</b>	592,090
Condominium dues and fees		<b>375,648</b>	103,435
Taxes and licenses		<b>254,071</b>	269,279
Office supplies		<b>207,604</b>	225,734
Communication		<b>187,149</b>	191,273
Utilities		<b>137,701</b>	150,694
Professional fees		<b>130,000</b>	120,000
Membership dues and fees		<b>96,000</b>	156,000
Others		<b>2,495,130</b>	1,389,395
		<b>18,295,856</b>	11,060,200
Unrealized losses on financial assets at FVPL	8	<b>61,757,686</b>	35,477,293
Realized losses on financial assets at FVPL	8	<b>56,716,588</b>	10,251,820
Depreciation and amortization	11	<b>3,465,145</b>	3,331,008
Provision for (reversal of) impairment losses on trade receivables	9	<b>3,262</b>	(211,252)
		<b>140,238,537</b>	59,909,069
<b>LOSS BEFORE INCOME TAX</b>		<b>(132,906,167)</b>	(45,481,496)

(Forward)

		<b>Years Ended December 31</b>	
	Note	<b>2025</b>	<b>2024</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(₱132,906,167)</b>	<b>(₱45,481,496)</b>
<b>PROVISION FOR DEFERRED TAX</b>	18	<b>15,153,794</b>	<b>13,201,912</b>
<b>NET LOSS</b>		<b>(148,059,961)</b>	<b>(58,683,408)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(₱148,059,961)</b>	<b>(₱58,683,408)</b>

*See accompanying Notes to Financial Statements.*

**STAR ALLIANCE SECURITIES CORP.**  
**STATEMENTS OF CHANGES IN EQUITY**

		<b>Years Ended December 31</b>	
	Note	2025	2024
<b>CAPITAL STOCK</b>	5	<b>₱750,000,000</b>	<b>₱750,000,000</b>
<b>DEFICIT</b>			
Balance at beginning of year		<b>(81,806,685)</b>	(23,123,277)
Net loss		<b>(148,059,961)</b>	(58,683,408)
Balance at end of year		<b>(229,866,646)</b>	(81,806,685)
		<b>₱520,133,354</b>	<b>₱668,193,315</b>

*See accompanying Notes to Financial Statements.*

**STAR ALLIANCE SECURITIES CORP.**  
**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>	
	Note	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		<b>(P132,906,167)</b>	(P45,481,496)
Adjustments for:			
Unrealized losses from fair value changes of financial assets at FVPL	8	<b>61,757,686</b>	35,477,293
Dividend income	8	<b>(8,099,106)</b>	(13,223,048)
Depreciation and amortization	11	<b>3,465,145</b>	3,331,008
Interest income	7	<b>(2,901,228)</b>	(3,736,298)
Retirement benefit expense	17	<b>1,472,783</b>	–
Provision for (reversal of) impairment losses on trade receivables	9	<b>3,262</b>	(211,252)
Operating loss before working capital changes		<b>(77,207,625)</b>	(23,843,793)
Decrease (increase) in:			
Financial assets at FVPL		<b>38,613,130</b>	66,139,884
Trade receivables		<b>(12,782,488)</b>	45,075,138
Other current assets		<b>(611,405)</b>	714,161
Other noncurrent assets		<b>(308,953)</b>	(399,580)
Increase (decrease) in:			
Trade payables		<b>62,396,351</b>	(25,678,053)
Other current liabilities		<b>147,238</b>	(77,998)
Net cash generated from operations		<b>10,246,248</b>	61,929,759
Dividends received		<b>8,099,106</b>	13,223,048
Interest received		<b>2,901,228</b>	3,736,298
Income taxes paid		<b>(523,211)</b>	(269,630)
Net cash provided by operating activities		<b>20,723,371</b>	78,619,475
<b>CASH FLOW FROM AN INVESTING ACTIVITY</b>			
Acquisition of property and equipment	11	<b>(262,035)</b>	(1,800,179)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>20,461,336</b>	76,819,296
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
		<b>137,791,933</b>	60,972,637
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		<b>P158,253,269</b>	P137,791,933

*See accompanying Notes to Financial Statements.*

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## STAR ALLIANCE SECURITIES CORP.

### NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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#### 1. Corporate Information

Star Alliance Securities Corp. (the Company) was incorporated in the Philippines and registered with Securities and Exchange Commission (SEC) on October 8, 2012. The Company is a licensed broker/dealer in securities with the Philippine SEC, and uses in its stock trading transactions, by way of assignment, the exchange trading right owned by its stockholder and issued by the Philippine Stock Exchange (PSE).

The registered office address of the Company is also its principal place of business and is located at 1201 One Global Place, 5th Ave. cor. 25th St., Bonifacio Global City, Taguig 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 issuance by the Board of Directors (BOD) on March 23, 2026.

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

The material accounting policy information used in the preparation of the financial statements are consistently applied to all the years presented, unless otherwise stated.

#### **Basis of Preparation and Statement of Compliance**

The financial statements of the Company 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. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee and SEC provisions.

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, 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) and retirement benefit liability which is recorded at the present value of the defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset 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:

- 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; or
- 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.

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

- Note 6 - Fair Value Measurement
- Note 8 - Financial Assets at FVPL
- Note 12 - Investment Properties

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

The accounting policies adopted are consistent with those of the previous financial year. There are no issued amendments to PFRS Accounting Standards, which are effective beginning January 1, 2025, that has a significant impact on the Company's financial statements.

#### **New PFRS Accounting Standards in Issue But Not Yet Effective or Adopted**

Relevant new 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 relevant new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company except for PFRS 18. The adoption of PFRS 18 is expected to primarily affect the presentation and disclosure of the financial statements, including the structure of the statements of comprehensive income. Additional disclosures will be included in the financial statements, as applicable.

#### **Classification of Assets and Liabilities between Current and Noncurrent**

The Company presents current and noncurrent assets, and current and noncurrent liabilities, as separate classifications in the notes to financial statements.

*Current Assets.* The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within 12 months after the reporting period; or
- The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Otherwise, the Company will classify all other assets as noncurrent. Deferred tax assets are classified as noncurrent.

*Current Liabilities.* The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within 12 months after the reporting period; or

- It does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, the Company will classify all other liabilities as noncurrent. Deferred tax liabilities are classified as noncurrent.

### **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.

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.

### **Financial Assets**

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

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

The Company does not have financial assets at FVOCI as at December 31, 2025 and 2024.

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

As at December 31, 2025 and 2024, the Company's cash and cash equivalents, trade receivables, rent receivables and short-term investment (under "Other current assets" in the statements of financial position) and refundable deposits (under "Other noncurrent assets" account in the statements of financial position) are classified under this category.

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

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

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

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

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

As at December 31, 2025 and 2024, the Company’s investments in quoted equity securities and money market fund are classified under this category.

*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 OCI.

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

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

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

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment and an assessment of both the current as well as the forecast direction of condition at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, 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. The Company also considers reasonable and supportable information, that is available without undue cost or effort, which is indicative of significant increases in credit risk since initial recognition.

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

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

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

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

## **Financial Liabilities**

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

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

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

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

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 deferred rental income and statutory payables), and security deposits are classified under this category.

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

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

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

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

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

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

**Other Current Assets**

Other current assets include excess tax credits, input value-added tax (VAT), and prepayments.

*Excess Tax Credits.* Excess tax credits pertain to taxes withheld and remitted to the Bureau of Internal Revenue (BIR) by customers and are deducted from income tax payable in the same year the related income was recognized. Excess tax credits are carried forward and can be utilized in succeeding taxable periods.

*Input VAT.* VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses and assets are recognized net of the amount of input or output VAT. Input VAT pertains to the amount of VAT recoverable from the taxation authority.

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. These are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be realized within 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as other noncurrent assets.

**Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation and 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.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, and maintenance 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. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Furniture, fixtures, and office equipment	2 to 5
Transportation equipment	5

Depreciation ceases at the earlier of the date that the item is classified as held for sale and the date the property and equipment is derecognized.

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

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.

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

**Investment Properties**

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and any impairment in value. Cost includes the acquisition cost of the investment properties plus incidental costs incurred to effect the transfer of title of the investment properties and other necessary expenses incurred in its acquisition.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell. For a transfer from investment property to owner-occupied property or inventories, the cost for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such in accordance with the policy under property, plant and equipment up to the date of change in use.

Depreciation and amortization is calculated on a straight-line basis over the following estimated useful lives of the investment property:

	Number of Years
Condominium units	20
Condominium improvements	18 to 19

### **Impairment of Nonfinancial Assets**

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, except for the exchange trading right where test of impairment is done annually. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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

### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued and outstanding.

*Deficit.* Deficit represent the cumulative balance of net income or losses, net of any dividend declarations.

### **Revenue Recognition**

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

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

*Commissions.* This account consists of revenue from brokerage transactions, which is recorded on trade date basis as trade transactions occur.

*Other Income.* Income from other sources is recognized when earned during the year.

The following are the specific recognition criteria for other revenue outside the scope of PFRS 15:

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

*Interest Income.* Interest income is recognized as it accrues, taking into account the effective yield of the asset.

*Rental Income.* Rental income is recognized in profit or loss on a straight-line basis over the lease term.

#### **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 are recognized as expense when the related services are rendered.

*Operating Expenses.* Operating expenses constitute costs of administering the business and costs incurred to sell and market the services and are recognized in profit or loss when incurred.

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

#### **Leases**

The Company assesses whether the contract is, or contains a lease at the commencement date. 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:

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

*Company as a Lessor.* Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

#### **Employee Benefits**

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

*Retirement Benefits.* The Company accrues minimum retirement benefit liability in accordance with Republic Act (RA) No. 7641, "Retirement Pay Law," which requires the Company to pay minimum retirement benefits to employees who retire after reaching the mandatory retirement of age of 65 years old or the optional retirement age of 60 years old, with at least five years of service to the Company.

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

Under PAS 19(R), *Employee Benefits*, the cost of defined retirement benefits, including those mandated under RA No. 7641, should have been actuarially determined using projected unit credit method. The management believes, however, that the effect on the financial statements of the difference between the current method used by the Company and the required valuation method is not significant.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. 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 income 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 liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the same time of the transaction, affects neither the accounts profit nor taxable profit or loss.

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized to equity or in OCI.

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

### **Related Party Transactions**

Related party transactions consist of transfer of resources, services or obligations between a reporting entity and its related parties, regardless of whether a price is charged.

Parties are considered to be related when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individual or corporate entities.

Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

### **Provisions and Contingencies**

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

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

*Contingencies.* Contingent liabilities are not recognized in the financial statements. These are disclosed 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 the 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 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 the financial statements when material.

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

The preparation of the financial statements in compliance with PFRS Accounting Standards requires management to exercise judgment, make accounting estimates and use assumptions that affect the amounts reported in the financial statements and related notes. The judgment and accounting estimates 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 on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future periods.

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

### **Judgments**

*Determination of Fair Values.* The fair values of financial assets and liabilities that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of business on the reporting date.

For financial instruments that are not traded in active markets, fair values are determined using generally accepted valuation techniques, such as discounted cash flow models and other appropriate methodologies. These valuation models are validated and periodically reviewed by qualified personnel independent of those who developed them and are subject to oversight and approval by the Board of Directors prior to use. The models are designed to ensure that outputs reflect observable market data, where available, and are benchmarked against comparable market transactions. Inputs to these models may include both observable and unobservable data, as appropriate. Significant judgment is applied in estimating fair values, including considerations of liquidity risk, credit risk, and volatility.

In accordance with applicable financial reporting standards, the Company discloses fair value measurements and categorizes them based on the nature of the inputs used in the valuation techniques.

In addition, certain non-financial assets, such as investment properties, are not measured at fair value in the statements of financial position but are required to have their fair values disclosed. The fair values of these assets are determined using appropriate valuation techniques, such as market-based or income-based approaches, taking into account prevailing market conditions and the highest and best use of the assets.

Further information on the assumptions and methodologies used in determining fair values is presented in Note 6 to the financial statements.

*Classification of Condominium Units and Condominium Improvements as Investment Properties.* The Company determines whether a property qualifies as an investment property or a property and equipment. In making its judgment, the Company considers whether the property is held primarily to earn rentals or capital appreciation or both or used for operations and administrative purposes by the Company.

The Company's condominium units and condominium improvements, which are held for rentals, are classified as investment properties. The carrying amount of investment properties as at December 31, 2025 and 2024 is disclosed in Note 12 to the financial statements.

*Classification of Lease Commitments - Company as Lessor.* The Company has entered into a property lease agreement on its condominium units. The Company has determined that it retains all significant risks and rewards of ownership related to the leased properties. Accordingly, the agreement is accounted for as an operating lease.

Rental income in 2025 and 2024 is disclosed in Note 19 to the financial statements.

*Classification and Measurement of Financial Assets.* Classification and measurement of financial assets depends on the results of the “solely for payments of principal and interests” and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

The Company monitors financial assets measured at FVPL or amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

At initial recognition, the Company designated its investments in quoted equity securities and money market fund which are held for trading as financial assets at FVPL (see Note 8).

Cash and cash equivalents, trade receivables, rent receivables, short-term investment and refundable deposits were classified as financial assets at amortized cost because the Company’s primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 7, 9, 10, and 13).

#### **Accounting Estimates and Assumptions**

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

The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for impairment loss on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The carrying amount of trade receivables, allowance for impairment losses, and provision (reversal of) for impairment losses on trade receivables as at and for the years ended December 31, 2025 and 2024 is disclosed in Note 9 to the financial statements.

*Assessment of the ECL on Other Financial Assets at Amortized Cost.* The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on 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 counterparties.

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 a significant increase in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparties.

The Company has assessed that the impairment on other financial assets at amortized cost is immaterial because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2025 and 2024.

The carrying amounts of cash in banks, rent receivables, short-term investment, and refundable deposits as at December 31, 2025 and 2024 are disclosed in Notes 7, 10, and 13, respectively, to the financial statements.

*Estimation of the Useful Lives of Property and Equipment and Investment Properties.* The useful lives of property and equipment and investment properties are estimated based on the period over which the assets are expected to be available for use and are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment and investment properties.

The useful lives are updated if expectations differ from previous estimates due to physical wear and tear, and technical and commercial obsolescence. Any reduction in the estimated useful lives of these assets would increase the Company's recorded operating expenses and decrease noncurrent assets.

There was no change in the estimated useful lives of property and equipment and investment properties in 2025 and 2024.

*Assessment for the Impairment of Nonfinancial Assets.* The Company assesses impairment on property and equipment and other nonfinancial assets 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. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU unit to which the asset belongs.

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 of disposal 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 and other nonfinancial assets was recognized in 2025 and 2024. The carrying amounts of nonfinancial assets (property and equipment, investment properties, and other current assets excluding short-term investment) as at December 31, 2025 and 2024 are disclosed in Notes 10, 11, and 12 to the financial statements.

*Determination of Retirement Benefits.* The Company accrues its retirement benefits for past and current services rendered by qualified employees under RA No. 7641. The management believes that the accrual made is a reasonable estimate of future retirement obligations.

The retirement benefit liability and the related net retirement benefit expense as at and for the year ended December 31, 2025 are disclosed in Note 17 to the financial statements.

*Recognition of Deferred Tax Assets.* The Company reviews the carrying amounts 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 within the period allowed by the tax regulations. Management believes that the Company will be able to utilize in the future all its deferred tax assets on deductible temporary differences based on the Company's projected taxable income in the subsequent reporting periods.

The Company did not recognize deferred tax asset because the management has assessed that it is not probable that sufficient future taxable profits will be available against which this can be utilized (see Note 18).

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

The Company's principal financial instruments consist mainly of cash and cash equivalents, financial assets at FVPL, trade receivables, rent receivables, short-term investment, refundable deposits, trade payables, other current liabilities (excluding deferred rental income and statutory payables), and security deposit.

The main risks arising from the Company's use of financial instruments include credit risk, liquidity risk, and market risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

### **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 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.

	2025					Total
	12-month ECL			Lifetime ECL		
	High Grade	Standard Grade	Substandard Grade	Not Credit Impaired	Credit Impaired	
Cash in banks and cash equivalents	₱158,243,269	₱-	₱-	₱-	₱-	₱158,243,269
Trade receivables	-	-	-	13,042,184	3,588	13,045,772
Rent receivables*	-	759,283	-	-	-	759,283
Short-term investment*	400,000	-	-	-	-	400,000
Refundable deposits	-	23,704,149	-	-	-	23,704,149
	<b>₱158,643,269</b>	<b>₱24,463,432</b>	<b>₱-</b>	<b>₱13,042,184</b>	<b>₱3,588</b>	<b>₱196,152,473</b>

\*Included under "Other current assets" account in the statements of financial position.

	2024					Total
	12-month ECL			Lifetime ECL		
	High Grade	Standard Grade	Substandard Grade	Not Credit Impaired	Credit Impaired	
Cash in banks and cash equivalents	₱137,781,933	₱-	₱-	₱-	₱-	₱137,781,933
Trade receivables	-	-	-	262,958	326	263,284
Rent receivables	-	581,977	-	-	-	581,977
Refundable deposits	-	23,395,196	-	-	-	23,395,196
	<b>₱137,781,933</b>	<b>₱23,977,173</b>	<b>₱-</b>	<b>₱262,958</b>	<b>₱326</b>	<b>₱162,022,390</b>

\*Included under "Other current assets" account in the statements of financial position.

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

### **Trade Receivables**

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 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, 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 is as follows:

Days from Transaction Date of Counterparty	2025		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 to 2 days	₱348,775	₱68,429,450	₱-
3 to 13 days	179,398	3,017,850	-
14 to 31 days	-	-	-
Over 31 days	-	-	-
	<b>₱528,173</b>	<b>₱71,447,300</b>	<b>₱-</b>

  

Days from Transaction Date of Counterparty	2024		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 to 2 days	₱-	₱-	₱-
3 to 13 days	16,285	59,899,164	-
14 to 31 days	-	-	-
Over 31 days	1	103,298,510	-
	<b>₱16,286</b>	<b>₱163,197,674</b>	<b>₱-</b>

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.

Allowance for impairment losses on trade receivables from customers as at December 31, 2025 and 2024 is disclosed in Note 9 to the financial statements.

Trade receivables from customers amounting to ₱528,173 and ₱16,286 as at December 31, 2025 and 2024, respectively, are secured by collateral comprising equity securities of listed companies with a total market value ₱98.9 million and ₱237.2 million in 2025 and 2024, respectively (see Note 9).

Trade receivables from clearing house are due and collectible after two business days from the transaction date. Accordingly, trade receivables from clearing house amounting to ₱12.5 million and ₱0.2 million as at December 31, 2025 and 2024, respectively, were fully collected in January 2026 and 2025, respectively (see Note 9).

#### *Other Financial Assets at Amortized Cost*

The Company's other financial assets at amortized cost consist of cash in banks and cash equivalents, rent receivables, short-term investment and refundable deposits (recorded as part of "Other noncurrent assets"). The Company limits its exposure to credit risk by investing its cash in banks and cash equivalents, and short-term investment only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For rent receivables and refundable deposits, credit risk is low because the Company only transacts with reputable companies with respect to these financial assets.

It is the Company's policy to measure ECL on other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers the factors discussed in Note 3 to the financial statements in assessing ECL on other financial assets at amortized cost.

The Company has assessed that the ECL on other financial assets at amortized cost is insignificant. 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 receivable 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 (see Note 7).

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

	2025			2024		
	Up to 1 Month	More than 1 Month to 3 Months	Total	Up to 1 Month	More than 1 Month to 3 Months	Total
Financial liabilities at amortized cost:						
Trade payables	<b>₱70,721,981</b>	<b>₱-</b>	<b>₱70,721,981</b>	₱8,325,630	₱-	₱8,325,630
Other current liabilities*	-	<b>264,019</b>	<b>264,019</b>	-	246,616	246,616
	<b>₱70,721,981</b>	<b>₱264,019</b>	<b>₱70,986,000</b>	₱8,325,630	₱246,616	₱8,572,246

\*Excluding deferred rental income and statutory payables aggregating to ₱1.3 million and ₱1.2 million as at December 31, 2025 and 2024, respectively.

#### **Market Risk**

Market risks are risks that the Company's earnings decline, either immediately or over time, as a result of a change in market factors, such as volatility of stock prices or foreign exchange rates. The level of market risk to which the Company is exposed varies continually as a result of changing market expectations and changing market conditions.

Market risk originates from securities held as a principal, or in a proprietary or dealer account. In accordance with RBCA requirements, limits are imposed for all equity, debt and foreign exchange positions.

The Company is exposed to market risks, primarily those related to equity price risk. Management actively monitors these exposures as follows:

*Equity Price Risk.* Equity price risk is the risk that the fair values of quoted equity securities would decrease as the result of the adverse changes in the quoted equity prices 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 its financial assets at FVPL.

	2025		2024	
Changes in PSEi	16.68%	(16.68%)	15.34%	(15.34%)
Changes in trading income at equity portfolio under:				
Holding firms	₱15,650,662	(₱15,650,662)	₱16,800,772	(₱16,800,772)
Casinos and gaming	14,968,763	(14,968,763)	4,570,453	(4,570,453)
Food, beverage and tobacco	7,792,658	(7,792,658)	1,609,353	(1,609,353)
Telecommunications	6,233,733	(6,233,733)	3,820,229	(3,820,229)
Mining	3,976,754	(3,976,754)	150,890	(150,890)
Electricity, energy, power and water	3,167,744	(3,167,744)	230,065	(230,065)
Property	902,107	(902,107)	22,056,981	(22,056,981)
Retail	900,730	(900,730)	234,316	(234,316)
Transportation services	746,552	(746,552)	334,439	(334,439)
Banks	680,003	(680,003)	1,721,126	(1,721,126)
Other financial institution	165,767	(165,767)	277,382	(277,382)
Electrical components and equipment	159,745	(159,745)	262,209	(262,209)
Construction, infrastructure and allied services	7	(7)	436,367	(436,367)
Information technology	-	-	1,090,604	(1,090,604)
Education	-	-	296,301	(296,301)
Oil	-	-	247,798	(247,798)
	₱55,345,225	(₱55,345,225)	₱54,139,285	(₱54,139,285)

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.

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## 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 PSE and SEC.

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

### **Required Capitalization for Broker/Dealers**

In compliance with SRC Rule 28 of the 2015 *Implementing Rules and Regulations of Securities Regulation Code*, trading participants, who will be participating in a registered clearing agency, are required to have a minimum unimpaired capital of ₱100.0 million effective November 9, 2015.

The unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. Unimpaired paid-up capital of the Company amounted to ₱520.1 million and ₱668.2 million as at December 31, 2025 and 2024, respectively.

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

Details of the Company's common shares with par value of ₱100 per share as at December 31, 2025 and 2024 are as follows:

	Number of Shares	Amount
<b>Authorized</b>	10,000,000	₱1,000,000,000
<b>Issued and Outstanding</b>	7,500,000	₱750,000,000

### **Reserve Fund**

The Company shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to "Appropriated Retained Earnings". Minimum appropriation of 30%, 20%, and 10% of profit after tax for broker/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).

In 2025 and 2024, no appropriation was made because of the Company's net loss position.

### **Net Liquid Capital (NLC)**

The Company is required, at all times, to have and maintain a NLC of ₱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 will be deducted and allowable liabilities and equities are added to equity per books. The equity eligible for NLC pertains to the sum of the following:

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

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

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

- Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;
- Deducting fixed assets and assets which cannot be readily converted into cash (less any AI in accordance with SRC Rule 49.1);
- Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by the SEC; and
- 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 other things, money borrowed, money payable against securities loaned and securities failed to receive, market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' accounts having short positions in securities, but excluding the items set out in SRC Rule 49.1 (1) (D).

The Company's NLC met the minimum prescribed amounts as shown below:

	2025	2024
NLC:		
Equity eligible for NLC	<b>₱520,133,354</b>	₱653,229,342
Less ineligible assets	<b>63,666,007</b>	65,425,548
	<b>456,467,347</b>	587,803,794
Required NLC:		
Higher of:		
5% of aggregate indebtedness	<b>3,832,229</b>	631,410
Minimum amount	<b>5,000,000</b>	5,000,000
	<b>5,000,000</b>	5,000,000
Net risk-based capital excess	<b>₱451,467,347</b>	₱582,803,794

#### **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 AI represents 17% and 2% of its NLC as at December 31, 2025 and 2024, respectively.

**RBCA Requirement/Ratio**

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

The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR. The TRCR is the sum of:

- Operational Risk Requirement (ORR);
- Position or Market Risk Requirement; and
- Credit Risk Requirement which includes requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk.

	2025	2024
NLC	<b>₱456,467,347</b>	₱587,803,794
TRCR:		
Position risk	<b>107,233,849</b>	136,559,775
Large exposure risk	<b>1,487,902</b>	23,600,515
ORR	<b>4,950,073</b>	1,070,418
Total risk capital requirement	<b>₱113,671,824</b>	₱161,230,708
RBCA ratio	<b>402%</b>	365%

As at December 31, 2025 and 2024, the Company is in compliance 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 or loss in fair value changes.

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

	2025	2024
Common stock	<b>750,000,000</b>	₱750,000,000
Beginning deficit	<b>(81,806,685)</b>	(23,123,277)
Core equity	<b>668,193,315</b>	726,876,723
ORR	<b>4,950,073</b>	1,070,418
Ratio of Core Equity to ORR	<b>13,499%</b>	67,906%

## 6. Fair Value Measurement

The following table presents the carrying amount and fair value of the Company's assets measured at fair value and for which fair value is disclosed, and the corresponding fair value hierarchy:

		2025			
		Carrying Amount	Fair value		
Note	Quoted Prices in Active Markets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Asset measured at fair value -					
8	Financial assets at FVPL	P362,006,287	P362,006,287	P-	P-
Assets for which fair value is disclosed -					
12	Investment properties	30,258,484	-	-	80,055,500
		<b>P392,264,771</b>	<b>P362,006,287</b>	<b>P-</b>	<b>P80,055,500</b>

  

		2024			
		Carrying Amount	Fair value		
Note	Quoted Prices in Active Markets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Asset measured at fair value -					
8	Financial assets at FVPL	P462,377,103	P462,377,103	P-	P-
Assets for which fair value is disclosed -					
12	Investment properties	32,639,350	-	-	73,879,790
		<b>P495,016,453</b>	<b>P462,377,103</b>	<b>P-</b>	<b>P73,879,790</b>

The Company used the following techniques to determine fair value measurements:

*Financial Assets at FVPL.* The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on prevailing quoted market prices, which are usually the closing prices from active markets as at the reporting date.

*Investment Properties.* Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment property and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued. The fair valuation is classified under Level 3 category.

The significant unobservable inputs used in the fair value measurement of the Company's investment property are the estimated net price per square meter and various factors such as size, location, and utility, among others. Significant increases (decreases) in the estimated net price per square meter in isolation would result in a significantly higher (lower) fair value measurement. Further, choosing comparable with different inputs would result in a significantly different fair value measurement.

The Company has determined that the highest and best use of the investment properties is its current use.

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

The table below presents the financial assets and liabilities whose carrying amounts approximate their fair values as at December 31, 2025 and 2024.

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents	<b>₱158,253,269</b>	₱137,791,933
Trade receivables	<b>13,042,184</b>	262,958
Rent receivables*	<b>759,283</b>	581,977
Short-term investment*	<b>400,000</b>	–
Refundable deposits**	<b>23,704,149</b>	23,395,196
	<b>₱196,158,885</b>	₱162,032,064
Financial liabilities at amortized cost:		
Trade payables	<b>₱70,721,981</b>	₱8,325,630
Other current liabilities***	<b>264,019</b>	246,616
	<b>₱70,986,000</b>	₱8,572,246

\*Included under "Other current assets" account in the statements of financial position.

\*\*Included under "Other noncurrent assets" account in the statements of financial position.

\*\*\*Excluding deferred rental income and statutory payables aggregating ₱1.3 million and ₱1.2 million as at December 31, 2025 and 2024, respectively.

*Current Financial Assets and Liabilities.* The carrying amounts of cash and cash equivalents, trade receivables, short-term investment, trade payables, and other current liabilities approximate their fair values due to their short-term nature.

*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.

## 7. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	<b>₱10,000</b>	₱10,000
Cash in banks	<b>118,227,188</b>	72,761,097
Short-term placements	<b>40,016,081</b>	65,020,836
	<b>₱158,253,269</b>	₱137,791,933

Cash in banks represent the Company's savings and demand deposits with local banks bearing interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Short-term placements are made for varying periods of three days up to three months depending on the Company's immediate cash requirements, and earn interest at the prevailing short-term placement rate of 3.13% in 2025 and 4.00% to 4.63% in 2024.

Interest income earned from cash in banks and short-term placements amounted to ₱2.9 million and ₱3.7 million in 2025 and 2024, respectively.

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 ₱12.0 million as at December 31, 2025 and 2024. 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.

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## 8. Financial Assets at FVPL

This account consists of:

	2025	2024
Quoted equity securities	<b>₱343,146,468</b>	₱451,044,623
Money market fund	<b>18,859,819</b>	11,332,480
	<b>₱362,006,287</b>	₱462,377,103

Net trading losses recognized on financial assets at FVPL are as follows:

	2025	2024
Unrealized losses from fair value changes	<b>₱61,757,686</b>	₱35,477,293
Realized losses on sale	<b>56,716,588</b>	10,251,820
	<b>₱118,474,274</b>	₱45,729,113

Dividend income earned from financial assets at FVPL amounted to ₱8.1 million and ₱13.2 million in 2025 and 2024, respectively.

The fair values of financial assets at FVPL as at December 31, 2025 and 2024 are based on prevailing quoted market prices or bidding dealer price quotations from active market as at the reporting date (see Note 6).

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## 9. Trade Receivables

This account consists of:

	2025	2024
Trade receivables from:		
Clearing house	<b>₱12,517,399</b>	₱246,798
Customers	<b>528,173</b>	16,286
Other brokers	<b>200</b>	200
	<b>13,045,772</b>	263,284
Less allowance for impairment losses	<b>3,588</b>	326
	<b>₱13,042,184</b>	₱262,958

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

Trade receivables from customers consist of amounts due within two business days from the reporting date in 2025 and 2024. Details are as follows:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Cash and fully secured accounts:				
More than 250%	<b>₱528,173</b>	<b>₱98,876,800</b>	₱16,286	₱237,222,896
Less allowance for impairment losses	<b>3,588</b>	–	326	–
	<b>₱524,585</b>	<b>₱98,876,800</b>	₱15,960	₱237,222,896

Collaterals on trade receivables from customers pertain to listed equity securities amounting to ₱98.9 million and ₱237.2 million as at December 31, 2025 and 2024, respectively. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at the reporting date.

As at December 31, 2025, trade receivables from customers amounting to ₱528,173 pertains to stock brokerage transactions with related parties (see Note 16).

The movements in the allowance for impairment losses are as follows:

	2025	2024
Balance at beginning of year	<b>₱326</b>	₱211,578
Provision for (reversal of) impairment losses	<b>3,262</b>	(211,252)
Balance at end of year	<b>₱3,588</b>	₱326

## 10. Other Current Assets

This account consists of:

	Note	2025	2024
Excess tax credits		<b>₱5,330,541</b>	₱4,807,330
Input VAT		<b>1,028,806</b>	722,129
Rent receivables	19	<b>759,283</b>	581,977
Short-term investment		<b>400,000</b>	–
Prepayments		<b>162,860</b>	486,071
Others		<b>55,983</b>	5,350
		<b>₱7,737,473</b>	₱6,602,857

Short-term investment consists of a time deposit with a maturity of one (1) year, earning interest of 1% per annum.

Prepayments include subscriptions, taxes and licenses, and other expenses paid in advance by the Company.

## 11. Property and Equipment

The balances and movements in this account are as follows:

	2025		
	Furniture, Fixtures, and Office Equipment	Transportation Equipment	Total
<b>Cost</b>			
Balances at beginning of year	₱5,041,918	₱8,955,000	₱13,996,918
Additions	262,035	–	262,035
Balances at end of year	5,303,953	8,955,000	14,258,953
<b>Accumulated Depreciation</b>			
Balances at beginning of year	2,893,951	8,314,822	11,208,773
Depreciation	657,494	426,785	1,084,279
Balances at end of year	3,551,445	8,741,607	12,293,052
<b>Carrying Amounts</b>	<b>₱1,752,508</b>	<b>₱213,393</b>	<b>₱1,965,901</b>

	2024		
	Furniture, Fixtures, and Office Equipment	Transportation Equipment	Total
<b>Cost</b>			
Balances at beginning of year	₱3,241,739	₱8,955,000	₱12,196,739
Additions	1,800,179	–	1,800,179
Balances at end of year	5,041,918	8,955,000	13,996,918
<b>Accumulated Depreciation</b>			
Balances at beginning of year	2,370,595	7,888,036	10,258,63
Depreciation	523,356	426,786	950,142
Balances at end of year	2,893,951	8,314,822	11,208,773
<b>Carrying Amounts</b>	<b>₱2,147,967</b>	<b>₱640,178</b>	<b>₱2,788,145</b>

Depreciation and amortization in the statements of comprehensive income consist of the following:

	Note	2025	2024
Investment properties	12	₱2,380,866	₱2,380,866
Property and equipment		1,084,279	950,142
		<b>₱3,465,145</b>	<b>₱3,331,008</b>

Cost of fully-depreciated property and equipment still in use amounted to ₱8.7 million as at December 31, 2025 and 2024.

## 12. Investment Properties

The balances and movements in this account are as follows:

		2025		
		Condominium Units	Condominium Improvements	Total
		Note		
<b>Cost</b>				
Balances at beginning and end of year			₱39,941,886	₱7,019,858
				₱46,961,744
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year			13,736,042	586,352
Depreciation and amortization		11	1,997,095	383,771
			15,733,137	970,123
				16,703,260
<b>Carrying Amounts</b>			<b>₱24,208,749</b>	<b>₱6,049,735</b>
				<b>₱30,258,484</b>
		2024		
		Condominium Units	Condominium Improvements	Total
		Note		
<b>Cost</b>				
Balances at beginning and end of year			₱39,941,886	₱7,019,858
				₱46,961,744
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year			11,738,947	202,581
Depreciation and amortization		11	1,997,095	383,771
			13,736,042	586,352
				14,322,394
<b>Carrying Amounts</b>			<b>₱26,205,844</b>	<b>₱6,433,506</b>
				<b>₱32,639,350</b>

Rental income earned from investment properties amounted to ₱5.2 million in 2025 and 2024 (see Note 19).

In 2025 and 2024, the expenses arising from the investment properties amounted to ₱2.4 million and are recorded as part of "Operating expenses" account in the statements of comprehensive income.

The fair value of the investment properties amounted to ₱80.1 million and ₱73.9 million as at December 31, 2025 and 2024, respectively. The fair value of investment properties was determined using the Sales Comparison Approach. The approach compares sales of similar or substitute properties and related market data to establish an estimated value (see Note 6).

## 13. Other Noncurrent Assets

This account consists of:

	2025	2024
Refundable deposits from:		
Clearing and Trade Guaranty Fund (CTGF) contributions	₱23,487,349	₱23,178,396
Others	216,800	216,800
	<b>₱23,704,149</b>	<b>₱23,395,196</b>

Refundable deposits from CTGF contributions pertain to the monthly contributions paid by the Company, as a Clearing Member, to the CTGF maintained by the Securities Clearing Corporation of the Philippines (SCCP). The monthly contribution is equivalent to 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

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

This account also includes fully-amortized computer software still in use by the Company, with cost amounting to ₱0.7 million.

#### 14. Trade Payables

This account consists of:

	Note	2025	2024
Trade payables to:			
Related parties	16	<b>₱70,583,327</b>	₱255,834
Customers		<b>138,099</b>	4,898,425
Other brokers		<b>555</b>	555
Payable to clearing house		–	3,170,816
		<b>₱70,721,981</b>	<b>₱8,325,630</b>

Trade payables to clearing house is due after two business days from the transaction date. Accordingly, balances as at December 31, 2024 were fully settled in January 2025.

Trade payables to related parties, customers and other brokers which are due within two business days in 2025 and 2024 consist of the following:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
With money balance	<b>₱70,721,981</b>	<b>₱174,819,985</b>	₱5,154,814	₱408,585,880
Without money balance	–	<b>314,119,495</b>	–	157,912,608
	<b>₱70,721,981</b>	<b>₱488,939,480</b>	<b>₱5,154,814</b>	<b>₱566,498,488</b>

#### 15. Other Current Liabilities

This account consists of:

	Note	2025	2024
Deferred rental income	19	<b>₱865,885</b>	₱824,653
Statutory payables		<b>455,988</b>	367,385
Accrued expenses		<b>141,457</b>	147,658
Others		<b>122,562</b>	98,958
		<b>₱1,585,892</b>	<b>₱1,438,654</b>

Deferred rental income pertains to advance payments made by the lessee for the rental of the condominium units (see Note 19).

Statutory payables include due to the BIR, Social Security System, Pag-IBIG, and PhilHealth. Due to the BIR comprises output tax, withholding taxes, and percentage tax. These are generally settled in the succeeding month from transaction date.

Accrued expenses pertain to professional fees and stock exchange dues and fees. Accrued expenses are noninterest-bearing and generally settled within one year from the reporting date.

## 16. Related Party Transactions

The Company, in the ordinary course of business, has transactions with its related parties as follows:

Nature of Relationship	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2025	2024	2025	2024
<b>Trade Receivables</b>					
	Securities trading	<b>₱835,054,513</b>	₱926,467,065	<b>₱528,173</b>	₱-
Officers and stockholders	Commission income	<b>1,946,689</b>	2,034,220	-	-
				<b>₱528,173</b>	₱-
<b>Trade Payables</b>					
(see Note 14)					
	Securities trading	<b>₱714,982,162</b>	₱648,036,421	<b>₱70,583,327</b>	₱255,834
Officers and stockholders	Commission income	<b>1,733,406</b>	1,511,816	-	-
				<b>₱70,583,327</b>	₱255,834

The outstanding trade receivables and trade payables are unsecured, noninterest-bearing, normally settled within two (2) days, and generally settled in cash.

No compensation was provided by the Company to key management personnel in 2025 and 2024.

## 17. Personnel Costs

This account consists of:

	2025	2024
Salaries and wages	<b>₱3,787,426</b>	₱3,521,093
Retirement benefit expense	<b>1,472,783</b>	-
Other employee benefits	<b>697,718</b>	548,150
	<b>₱5,957,927</b>	₱4,069,243

Personnel costs are distributed in the statements of comprehensive income as follows:

	2025	2024
Cost of services	<b>₱1,758,933</b>	₱1,855,221
Operating expenses	<b>4,198,994</b>	2,214,022
	<b>₱5,957,927</b>	₱4,069,243

The Company provides retirement benefits to qualified employees as required under R.A. No. 7641. In the absence of a formal retirement plan, under R.A. No. 7641, an employee who retires shall be entitled to retirement pay equivalent to at least one-half month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

Management assessed that the difference between the retirement benefits liability as determined by an acceptable actuarial valuation method and the estimated retirement benefit liability will not significantly affect the Company's financial position and results of operations.

Retirement benefit expense and retirement benefit liability as at and for the year ended December 31, 2025 amounted to ₱1.5 million.

The principal assumptions used in determining retirement benefits liability as at December 31, 2025 are as follows:

Discount rate	6.48%
Salary increase rate	1.00%

The sensitivity analysis based on reasonably possible changes in the assumptions as at December 31, 2025 is as follows:

	Change in assumption	Effect on retirement benefits liability
Discount rate	+1%	(₱63,404)
	-1%	75,412
Salary increase rate	+1%	₱14,582
	-1%	(14,582)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the retirement benefits liability as a result of reasonable changes in the key assumption occurring as at the end of the reporting period.

As at December 31, 2025, the maturity analysis of the undiscounted retirement benefits liability is as follows:

Years	Amount
Within five (5) years	₱963,007
More than five (5) years to 20 years	458,723
More than 20 years	861,949
	<u>₱2,283,679</u>

As at December 31, 2025, the average duration of the retirement benefits liability at the end of the reporting period is 18.57 years.

## 18. Income Taxes

The Company has no current tax expense in 2025 and 2024 due to its net tax loss position.

The Company reported deferred income tax expense amounting to ₱15.2 million and ₱13.2 million in 2025 and 2024, respectively.

The income tax rates used in the financial statements are 25% and 2% for RCIT and MCIT, respectively, in 2025 and 2024.

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

	2025	2024
Deferred tax assets:		
Excess of cost over fair value of financial assets at FVPL	₱—	₱14,903,222
Deferred rental income	—	206,163
Allowance for impairment losses on trade receivables	—	82
	—	15,109,467
Deferred tax liability - Rent receivables	189,821	145,494
<b>Net deferred tax assets (liability)</b>	<b>(₱189,821)</b>	<b>₱14,963,973</b>

The Company did not recognize the following deferred tax asset as at December 31, 2025 and 2024:

	2025	2024
NOLCO	₱47,586,975	₱31,145,121
Excess of cost over fair value of financial assets at FVPL	30,474,503	—
Retirement benefit liability	368,196	—
Deferred rental income	216,471	—
Allowance for impairment losses on trade receivables	898	—
	₱78,647,043	₱31,145,121

The management believes that the Company may not be able to generate sufficient future taxable income against which the deferred tax assets can be utilized.

The details of the Company's NOLCO are as follows:

Year Incurred	Incurred	Applied/Expired	Unapplied	Year of Expiration
2025	₱76,904,245	₱—	₱76,904,245	2028
2024	113,443,656	—	113,443,656	2027
2022	7,915,845	(7,915,845)	—	2025
2020	3,220,982	(3,220,982)	—	2025
	₱201,484,728	(₱11,136,827)	₱190,347,901	

In accordance with RR No. 25-2020 which implements RA No. 11494, "Bayanihan to Recover as One Act", net operating losses for taxable years 2020 and 2021 are allowed to be carried over for the next five consecutive taxable years immediately following the year of such loss.

The reconciliation between the income tax benefit based on statutory tax rate and the income tax expense at effective tax rate is as follows:

	2025	2024
Income tax benefit at statutory tax rate	<b>(₱33,226,542)</b>	(₱11,370,374)
Change in unrecognized deferred tax assets	<b>47,501,922</b>	28,360,914
Increase (decrease) in income tax resulting from:		
Expired NOLCO	<b>2,784,207</b>	–
Dividend income exempt from income tax	<b>(2,024,777)</b>	(3,305,762)
Nondeductible expenses	<b>976,152</b>	555,204
Income already subjected to final tax	<b>(857,168)</b>	(1,038,070)
Income tax expense at effective tax rate	<b>₱15,153,794</b>	₱13,201,912

## 19. Leases

The Company has entered into property lease agreement on its condominium units. The leases have a five-year lease term with rental escalations and security deposits. The security deposits shall be applied to any unpaid bills, dues, utilities or any damage to the leased units. Rental payments are received in advance. These payments are recognized as deferred rental income and are amortized on a straight-line basis over the lease term. Deferred rental income amounted to ₱0.9 million and ₱0.8 million in 2025 and 2024, respectively (see Note 15).

Rental income amounted to ₱5.2 million in 2025 and 2024 (see Note 12). Rent receivables, presented under “Other current assets”, amounted to ₱0.8 million and ₱0.6 million as at December 31, 2025 and 2024, respectively (see Note 10). Security deposits related to the lease amounted to ₱2.9 million as at December 31, 2025 and 2024.

Future minimum rental receivables under noncancellable operating leases as at December 31, 2025 are as follows:

Within one year	₱5,281,901
After one year but not more than five years	9,364,551
	<b>₱14,646,452</b>



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

The Stockholders and the Board of Directors  
Star Alliance Securities Corp.  
1201 One Global Place  
5th Ave. cor. 25th St.  
Bonifacio Global City, Taguig City

We have audited the accompanying financial statements of Star Alliance Securities Corp. (the Company) as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 23, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has five (5) stockholders owning 100 or more shares each as at December 31, 2025 and 2024.

**REYES TACANDONG & Co.**

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 23, 2026  
Makati City, Metro Manila



## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
Star Alliance Securities Corp.  
1201 One Global Place  
5th Ave. cor. 25th St.  
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Star Alliance Securities Corp. (the Company) as at and for the years ended December 31, 2025 and 2024, and have issued our opinion thereon dated March 23, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- I. Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- II. Computation of Risk-Based Capital Adequacy Requirement Pursuant to Securities and Exchange Commission Memorandum Circular No. 16;
- III. Information Relating to the Possession or Control Requirements under Annex F of Securities Regulation Code (SRC) Rule 49.2;
- IV. Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2;
- V. A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Report Date of the Previous Audit; and
- VI. Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended.

The supplementary schedules are presented for purposes of complying with the SRC Rule 52.1.5, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### REYES TACANDONG & Co.

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

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Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 23, 2026

Makati City, Metro Manila

**SCHEDULE I**

**STAR ALLIANCE SECURITIES CORP.  
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**

**STAR ALLIANCE SECURITIES CORP.  
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO  
SECURITIES AND EXCHANGE COMMISSION MEMORANDUM CIRCULAR NO. 16**

**DECEMBER 31, 2025**

Assets	₱596,967,747
Liabilities	76,834,393
<u>Equity as per books</u>	<u>520,133,354</u>
Adjustments to equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated liability	-
Unrealized gain/(loss) in proprietary accounts	-
Deferred income tax	-
Revaluation reserves	-
Deposit for future stock subscription (No application with SEC)	-
Minority interest	-
<u>Total Adjustments to Equity per books</u>	<u>-</u>
<u>Equity Eligible For Net Liquid Capital</u>	<u>520,133,354</u>
Contingencies and Guarantees	
Deduct: Contingent Liability	-
Guarantees or indemnities	-
Ineligible Assets	
a. Trading Right and all Other Intangible Asset (net)	-
b. Intercompany Receivables	-
c. Fixed Assets, net of accumulated and excluding those used as collateral	32,224,385
d. All Other Current Assets	7,737,473
e. Securities Not Readily Marketable	-
f. Negative exposure (SCCP)	-
g. Notes Receivable (non-trade related)	-
h. Interest and Dividends Receivables outstanding for more than 30 days	-
i. Ineligible Insurance Claims	-
j. Ineligible Deposits	23,704,149
k. Short Security Differences	-
l. Long Security Differences not resolved prior to sale	-
m. Other Assets including Equity Investment in PSE	-
<u>Total Ineligible Assets</u>	<u>63,666,007</u>
<u>Net Liquid Capital (NLC)</u>	<u>456,467,347</u>
Less:	
Operational Risk Requirement	4,950,073
Position Risk Requirement	107,233,849
Counterparty Risk	-
Large Exposure Risk	
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	1,487,902
<u>Total Risk Capital Requirement (TRCR)</u>	<u>113,671,824</u>
<u>Net RBCA Margin (NLC-TRCR)</u>	<u>342,795,523</u>
Liabilities	76,834,393
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liability	-
Loans and secured securities	-
Loans secured by fixed assets	-
Others	189,821
<u>Total adjustments to AI</u>	<u>(189,821)</u>
<u>Aggregate Indebtedness</u>	<u>76,644,572</u>
5% of Aggregate Indebtedness	3,832,229
Required Net Liquid Capital (> of 5% of AI or ₱5,000,000)	5,000,000
<u>Net Risk-based Capital Excess</u>	<u>451,467,347</u>
Ratio of AI to Net Liquid Capital	17%
<u>RBCA Ratio (NLC/TRCR)</u>	<u>402%</u>

**SCHEDULE III**

**STAR ALLIANCE SECURITIES CORP.  
INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS UNDER ANNEX F OF  
SECURITIES REGULATION CODE (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**

**STAR ALLIANCE SECURITIES CORP.  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	P138,654	
2. Monies borrowed collateralized by securities carried for the account of customers.	-	
3. Monies payable against customers' securities loaned.	-	
4. Customers' securities failed to receive.	-	
5. Credit balances in firm accounts which are attributable to principal sales to customer.	-	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	-	
7. Market value of the short security count differences over 30 calendar days old.	-	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	-	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	-	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		P-
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		-
12. Failed to deliver customers' securities not older than 30 calendar days.		-
13. Others due from clearing house		12,517,399
<b>Total</b>	<b>P138,654</b>	<b>P12,517,399</b>
<b>Net Credit (Debit)</b>	<b>(P12,378,745)</b>	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	P-	

**SCHEDULE V**

**STAR ALLIANCE SECURITIES CORP.  
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED  
SINCE THE REPORT 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.

**SCHEDULE VI**

**STAR ALLIANCE SECURITIES CORP.  
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 pages 53 - 54 for the results of monthly securities count conducted as at December 31, 2025.

**STAR ALLIANCE SECURITIES CORP.**  
**RESULTS OF MONTHLY SECURITIES COUNT**  
**CONDUCTED PURSUANT TO SEC RULE 52.1-10, AS AMENDED**  
**DECEMBER 31, 2025**

CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AB	ATOK BIG WEDGE	10,000	₱20,600	10,000	₱20,600	-	₱-
ABA	ABACORE CAPITAL HOLDINGS, INC.	750,000	195,000	750,000	195,000	-	-
AC	AYALA CORPORATION	210,710	98,612,280	210,710	98,612,280	-	-
ACEN	ACEN CORPORATION	1,670,000	4,542,400	1,670,000	4,542,400	-	-
ACR	ALSONS CONS.	5,854,000	2,751,380	5,854,000	2,751,380	-	-
AEV	ABOITIZ EQUITY	10	280	10	280	-	-
ALI	AYALA LAND	45,000	1,010,250	45,000	1,010,250	-	-
ALLDY	ALLDAY MARTS, INC.	66,219,000	2,052,789	66,219,000	2,052,789	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	3,569,532	4,640,392	3,569,532	4,640,392	-	-
ALTER	ALTERNERGY HOLDINGS CORP.	1,694,000	1,422,960	1,694,000	1,422,960	-	-
APC	APC GROUP	50,000	5,300	50,000	5,300	-	-
APX	APEX MINING A	200,000	2,488,000	200,000	2,488,000	-	-
ATI	ASIAN TERMINALS	10,000	345,000	10,000	345,000	-	-
AUB	ASIA UNITED BANK CORPORATION	28,800	1,128,960	28,800	1,128,960	-	-
BKR	BRIGHT KINDLE RESOURCES & INVESTMEN	623,000	404,950	623,000	404,950	-	-
BLOOM	BLOOMBERRY	43,765,000	111,163,100	43,765,000	111,163,100	-	-
C	CHELSEA LOGISTICS AND INFRASTRUCTUR	10,000	9,500	10,000	9,500	-	-
CAB	CONCRETE AGGREGATES B	30	1,587	30	1,587	-	-
CAL	CALATA CORPORATION	100,000	-	100,000	-	-	-
CBC	CHINA BANKING CORP.	771,300	43,964,100	771,300	43,964,100	-	-
CEB	CEBU AIR, INC.	71,900	2,300,800	71,900	2,300,800	-	-
CHP	CONCREAT HOLDINGS PHILIPPINES INC	840,000	915,600	840,000	915,600	-	-
	CONVERGE INFORMATION AND					-	-
CNVRG	COMMUNICAT	770,000	11,796,400	770,000	11,796,400	-	-
CTS	CTS Global Equity Group, Inc.	4,773,000	1,718,280	4,773,000	1,718,280	-	-
DITO	DITO CME HOLDINGS CORP	87,427,000	59,450,360	87,427,000	59,450,360	-	-
DMC	DMCI HOLDINGS	23,000	242,420	23,000	242,420	-	-
DMW	DM WENCESLAO AND ASSOCIATES INC	1,000	5,000	1,000	5,000	-	-
DNL	DNL INDUSTRIES, INC.	832,000	3,203,200	832,000	3,203,200	-	-
ECVC	EAST COAST VULCAN MINING CORPORATIO	450,000	121,500	450,000	121,500	-	-
ELI	EMPIRE EAST	1,145,000	119,080	1,145,000	119,080	-	-
ENEX	ENEX ENERGY CORP.	18,000	60,120	18,000	60,120	-	-
FERRO	FERRONOUX HOLDINGS INC	87,200	436,000	87,200	436,000	-	-
FGEN	FIRST GEN CORPORATION	130,000	2,306,200	130,000	2,306,200	-	-
FLI	FILINVEST LAND	20,000	15,400	20,000	15,400	-	-
GLO	GLOBE TELECOMS	4,296	6,804,864	4,296	6,804,864	-	-
HOME	ALLHOME CORP	4,300,000	1,019,100	4,300,000	1,019,100	-	-
ICT	INTL. CONTAINER TERMINAL	6,000	3,402,000	6,000	3,402,000	-	-
IMI	INTEGRATED MICRO- ELECTRONICS, INC.	401,700	1,393,899	401,700	1,393,899	-	-
JAS	JACKSTONES, INC	26,809,439	30,026,572	26,809,439	30,026,572	-	-
JFC	JOLLIBEE	5,150	927,000	5,150	927,000	-	-
JGS	JG SUMMIT	5,123,000	121,158,950	5,123,000	121,158,950	-	-
LC	LEPANTO CONS A	163,650,000	30,920,900	163,650,000	30,920,900	-	-
LCB	LEPANTO CONS B	3,490,000	-	3,490,000	-	-	-
LMG	LMG CHEMICALS	950,000	237,500	950,000	237,500	-	-
MAC	MACROASIA CORP.	125,000	542,500	125,000	542,500	-	-
MBT	METROBANK	538,734	36,903,279	538,734	36,903,279	-	-
MEG	MEGAWORLD CORPORATION	1,993,000	4,145,440	1,993,000	4,145,440	-	-
MER	MERALCO	15,000	8,610,000	15,000	8,610,000	-	-
MG	MILLENNIUM GLOBAL HOLDINGS, INC.	170,000	10,200	170,000	10,200	-	-
MONDE	MONDE NISSIN CORP	125,000	725,000	125,000	725,000	-	-
MRC	MRC ALLIED, INC.	6,000	5,220	6,000	5,220	-	-
MRSGI	METRO RETAIL STORES GROUP, INC.	400,000	460,000	400,000	460,000	-	-
MWIDE	MWIDE	20,000	59,800	20,000	59,800	-	-
	MAYNILAD WATER SVCS, INC.COMMON					-	-
MYNLD	SHS	1,187,900	20,075,510	1,187,900	20,075,510	-	-
NIKL	NICKEL ASIA CORPORATION	1,153,200	4,485,948	1,153,200	4,485,948	-	-
ORE	ORIENTAL PENINSULA RESOURCES	650,000	240,500	650,000	240,500	-	-
PBB	PHILIPPINE BUSINESS BANK	56,250	433,125	56,250	433,125	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	3,300	125,400	3,300	125,400	-	-
PLUS	DigiPlus Interactive Corp.	130,000	2,106,000	130,000	2,106,000	-	-

CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PNB	PHILIPPINE NATIONAL BANK	861,829	46,883,498	861,829	46,883,498	-	-
PNX	PHOENIX PETROLEUM	445,700	1,858,569	445,700	1,858,569	-	-
PX	PHILEX	990,200	9,802,980	990,200	9,802,980	-	-
RCB	RCBC	210,013	5,449,837	210,013	5,449,837	-	-
RCI	ROXAS AND COMPANY, INC.	100,000	268,000	100,000	268,000	-	-
RLC	ROBINSON LAND	185,400	2,996,064	185,400	2,996,064	-	-
SECB	SECURITY BANK	42,410	2,784,217	42,410	2,784,217	-	-
SGP	SYNERGY GRID	917,100	15,187,176	917,100	15,187,176	-	-
SM	SM INVESTMENTS CORP	3,000	2,098,500	3,000	2,098,500	-	-
SMPH	SM PRIME HOLDINGS	1,850,100	42,089,775	1,850,100	42,089,775	-	-
SPNEC	SP NEW ENERGY CORPORATION (SPNEC)	4,200,000	4,914,000	4,200,000	4,914,000	-	-
STN	STENIEL MFG. CORP.	50,000	109,000	50,000	109,000	-	-
SUN	SUNTRUST RESORT HOLDINGS, INC.	29,971,000	22,777,960	29,971,000	22,777,960	-	-
TEL	PLDT INC.	28,110	35,418,600	28,110	35,418,600	-	-
TOP	TOP LINE BUS	500,000	800,000	500,000	800,000	-	-
UBP	UNION BANK	80,000	2,128,000	80,000	2,128,000	-	-
URC	UNIVERSAL ROBINA	1,132,860	76,241,478	1,132,860	76,241,478	-	-
WEB	PHILWEB CORPORATION	750,000	4,650,000	750,000	4,650,000	-	-
WLCON	WILCON DEPOT INC	3,195,000	22,237,200	3,195,000	22,237,200	-	-
		<b>478,994,173</b>	<b>₱930,962,748</b>	<b>478,994,173</b>	<b>₱930,962,748</b>	-	-

**STAR ALLIANCE SECURITIES CORP.  
SUPPLEMENTARY SCHEDULE OF  
EXTERNAL AUDITOR FEE-RELATED INFORMATION**

**DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>Total Audit Fees</b>	<b>₱130,000</b>	<b>₱120,000</b>
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱130,000</b>	<b>₱120,000</b>

**STAR ALLIANCE SECURITIES CORP.  
SUPPLEMENTARY SCHEDULE OF  
FINANCIAL SOUNDNESS INDICATORS UNDER THE REVISED SRC RULE 68**

**DECEMBER 31, 2025 AND 2024**

<b>Ratio</b>	<b>Formula</b>	<b>2025</b>	<b>2024</b>
Current ratio	Total current assets	<b>₱541,039,213</b>	₱607,034,851
	Divided by: Total current liabilities	<b>72,307,873</b>	9,764,284
	<b>Current ratio</b>	<b>7.48:1</b>	62.17:1
Quick ratio	Quick assets	<b>₱533,701,740</b>	₱600,431,994
	Divided by: Total current liabilities	<b>72,307,873</b>	9,764,284
	<b>Quick ratio</b>	<b>7.38:1</b>	61.49:1
Solvency ratio	After-tax loss before depreciation	<b>(₱144,594,816)</b>	(₱55,352,400)
	Divided by: Total liabilities	<b>76,834,393</b>	12,628,200
	<b>Solvency ratio</b>	<b>(1.88):1</b>	(4.38):1
Debt-to-equity ratio	Total liabilities	<b>₱76,834,393</b>	₱12,628,200
	Divided by: Total equity	<b>520,133,354</b>	668,193,315
	<b>Debt-to-equity ratio</b>	<b>0.15:1</b>	0.02:1
Asset-to-equity ratio	Total assets	<b>₱596,967,747</b>	₱680,821,515
	Divided by: Total equity	<b>520,133,354</b>	668,193,315
	<b>Asset-to-equity ratio</b>	<b>1.15:1</b>	1.02:1
Interest rate coverage ratio	Loss before interest and taxes	<b>(₱132,906,167)</b>	(₱45,481,496)
	Divided by: Interest expense	-	-
	<b>Interest rate coverage ratio</b>	-	-
Return on equity	After-tax loss	<b>(₱148,059,961)</b>	(₱58,683,408)
	Divided by: Average total equity	<b>594,163,335</b>	697,535,019
	<b>Return on equity</b>	<b>(0.25):1</b>	(0.08):1
Return on assets	After-tax loss	<b>(₱148,059,961)</b>	(₱58,683,408)
	Divided by: Average total assets	<b>638,894,631</b>	723,041,245
	<b>Return on assets</b>	<b>(0.23):1</b>	(0.08):1
Net profit margin	After-tax loss	<b>(₱148,059,961)</b>	(₱58,683,408)
	Divided by: Revenues	<b>19,685,243</b>	26,575,169
	<b>Net profit margin</b>	<b>(7.52):1</b>	(2.21):1



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
BUREAU OF INTERNAL REVENUE**

The Stockholders and the Board of Directors  
Star Alliance Securities Corp.  
1201 One Global Place  
5th Ave. cor. 25th St.  
Bonifacio Global City, Taguig City

We have audited the accompanying financial statements of Star Alliance Securities Corp. (the Company) as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 23, 2026.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

**REYES TACANDONG & Co.**

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 23, 2026  
Makati City, Metro Manila