



SECURITIES AND EXCHANGE COMMISSION

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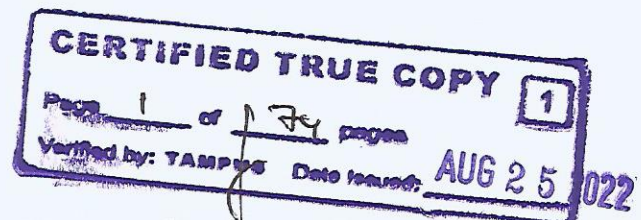
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CUALOPING SECURITIES CORPORATION

FINANCIAL STATEMENTS

December 31, 2021 and 2020

and

Report of Independent Auditors

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

ANNUAL AUDITED FINANCIAL REPORT

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

Report for the Period Beginning January 1, 2021 and Ending December 31, 2021

IDENTIFICATION OF BROKER OR DEALER

Name of Broker / Dealer: CUALOPING SECURITIES CORPORATION

Address of Principal Place of Business: Unit 061 Level 3 Ayala Malls Circuit ,
Hipodromo Street Circuit Makati,
Brgy. Carmona Makati City

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

Name: JANET PRESQUITO

Tel. No. (02) 708-3229

Fax No. _____

IDENTIFICATION OF ACCOUNTANT

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

Name: MA. ALMA C. SESE

Tel. No. 8994-3984

Fax No. 8554-9073

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

Certificate Number: 54588

PTR Number : 153046

Date Issued: JANUARY 6, 2022

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DECEMBER 31, 2021

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of **CUALOPING SECURITIES CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

PEREZ, SESE, VILLA & CO., the independent auditors appointed by the shareholders for the years ended December 31, 2021 and 2020, respectively, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the shareholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


SANTIAGO S. CUA, JR.
Chairman of the Board


SIMEON S. CUA
President


GLENN NELSON M. MACAVINTA
Treasurer

Signed this April 15, 2022.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the **MAKATI CITY** Philippines, this **MAY 06 2022**, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES

COMPETENT
EVIDENCE OF IDENTITY

DATE AND PLACE ISSUED

Santiago S. Cua, Jr.
Simeon S. Cua
Glenn Nelson M. Macavinta


ATTY. JOSHUA P. LAPUZ

Notary Public Makati City
Until Dec. 31, 2023

Appointment No. M-019-(2022-2023)
PTR No. 8852510 Jan. 3, 2022 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VI-0016565
G/R Fedman Bldg., 109 Sarceno St.
Legaspi Village, Makati City



PEREZ, SESE, VILLA & Co.

CERTIFIED PUBLIC ACCOUNTANTS

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

To the Board of Directors CUALOPING SECURITIES CORPORATION

Unit 061 Level 3 Ayala Malls Circuit,
Hipodromo Street Circuit Makati
Brgy. Carmona Makati City

We have audited the financial statements of **CUALOPING SECURITIES CORPORATION** for the year ended December 31, 2021, on which we have rendered the attached report dated April 15, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of seven (7) shareholders owning one hundred (100) or more shares each of the Company's Capital stock as of December 31, 2021, as disclosed in Note 21 of the Financial Statements.

PEREZ, SESE, VILLA & CO.

BY: 
MA. ALMA C. SESE
PARTNER

CPA Reg. No. 0054588

TIN 212-955-173-000

PTR No. 0153046, January 6, 2022, Manila City

SEC Group B Accreditation

Partner – 1606-AR-1, valid until December 16, 2022

Firm – 0336-FR-1, valid until December 16, 2022

BIR AN 06-002735-001-2021, valid until March 5, 2024

IC Accreditation

Partner -54588-IC, valid until December 3, 2024


Firm -0222-IC, valid until December 3, 2024

FIRM's BOA/PRC Cert. of Reg. No. 0222, valid until October 12, 2023

Manila, Philippines
April 15, 2022

 admin@psv-co.com
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 (02) 8994-3984

 9th Flr Unit C Marc 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate Manila, 1004



PEREZ, SESE, VILLA & Co.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

To the Board of Directors CUALOPING SECURITIES CORPORATION

Unit 061 Level 3 Ayala Malls Circuit,
Hipodromo Street Circuit Makati,
Brgy. Carmona Makati City

We have audited the financial statements of **CUALOPING SECURITIES CORPORATION** for the year ended December 31, 2021 in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 15, 2022. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules I to VIII, as required by the Securities and Exchange Commission under the Revised Securities Regulation Code Rule 68, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: 
MA. ALMA C. SESE
PARTNER

CPA Reg. No. 0054588

TIN 212-955-173-000

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors

CUALOPING SECURITIES CORPORATION

Unit 061 Level 3 Ayala Malls Circuit,
Hipodromo Street Circuit Makati
Brgy. Carmona Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **CUALOPING SECURITIES CORPORATION** (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, 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.



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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audit were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended Deceber 31, 2021 required by the Bureau of Internal Revenue as disclosed in Note 35 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

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

CPA Reg. No. 0054588

TIN 212-955-173-000

PTR No. 0153046, January 6, 2022, Manila City

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Manila, Philippines

April 15, 2022

CUALOPING SECURITIES CORPORATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	Notes	2021	Security Position (2021)		2020	Security Position (2020)	
			Long	Short		Long	Short
ASSETS							
Current Assets		P	P	P	P	P	P
Cash and cash equivalents	4.5.6	16,841,349	-	-	16,529,262	-	-
Financial asset at fair value through profit or loss	4.5.7	47,898,249	47,898,249	-	43,305,329	43,305,329	-
Receivables from customers, net	4.5.8	1,388,409	29,356,340	-	2,266,990	1,397,128,460	-
Other receivables	4.5.10	238,180	-	-	67,954	-	-
Prepayments and other current assets	4.5.12	2,071,818	-	-	2,288,519	-	-
Total Current Assets		68,438,005	77,254,589	-	64,458,054	1,440,433,789	-
Non-Current Assets							
Financial asset at fair value through other comprehensive income	4.5.11	43,860,000	43,860,000	-	31,395,600	31,395,600	-
Property and equipment, net	4.5.14	18,780,595	-	-	18,862,538	-	-
Intangible asset, net	4.5.15	392,179	-	-	418,964	-	-
Right of use asset	4.5.29	540,028	-	-	-	-	-
Other non-current assets	4.5.16	181,431	-	-	181,431	-	-
Total Non-Current Assets		63,754,233	43,860,000	-	50,858,533	31,395,600	-
TOTAL ASSETS		P 132,192,238	121,114,589	P	115,316,587	P 1,471,829,389	P
Securities in Vault, Transfer Office and Philippine Depository and Trust Corp.			P -	P 6,194,453,370		P -	P 4,727,944,078
LIABILITIES AND EQUITY							
Current Liabilities		P	P	P	P	P	P
Payable to customers	4.17	10,021,690	6,073,338,781	-	9,505,288	3,256,114,689	-
Payable to clearing house	4.5.9	188,930	-	-	1,242,768	-	-
Lease liability	4.5.29	556,770	-	-	507,630	-	-
Other payables	4.18	550,338	-	-	156,570	-	-
Other current liabilities	4.19	114,425	-	-	-	-	-
Total Current Liabilities		11,432,153	6,073,338,781	-	11,412,256	3,256,114,689	-
Non-Current Liability							
Mortgage payable	4.20	16,000,000	-	-	16,000,000	-	-
Deferred tax liability, net	4.5.28	623,008	-	-	3,901,326	-	-
Total Non-current Liabilities		16,623,008	-	-	19,901,326	-	-
Total Liabilities		28,055,161	6,073,338,781	-	31,313,582	3,256,114,689	-
Equity							
Share capital	4.21	55,250,000	-	-	55,250,000	-	-
Revaluation increment	4.21	37,185,400	-	-	21,820,120	-	-
Retained earnings	4.21	11,701,677	-	-	6,932,885	-	-
Total Equity		104,137,077	-	-	84,003,005	-	-
TOTAL LIABILITIES AND EQUITY		P 132,192,238	P 6,194,453,370	P 6,194,453,370	P 115,316,587	P 4,727,944,078	P 4,727,944,078

(See accompanying Notes to Financial Statements)

CUALOPING SECURITIES CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
For The Year Ended December 31, 2021 and 2020

	<i>Notes</i>	<u>2021</u>	<u>2020</u>
INCOME			
Commission income	4,22	P 1,904,464	P 1,002,889
Dividend income	4,7	2,649,273	755,821
Income (loss) on financial assets at FVPL, net	4,7	<u>4,245,045</u>	<u>(5,140,023)</u>
Total		8,798,782	(3,381,313)
DIRECT COSTS	4,23	<u>(1,187,905)</u>	<u>(1,206,291)</u>
GROSS INCOME (LOSS)		7,610,877	(4,587,604)
OPERATING EXPENSES	4,24	<u>(3,477,340)</u>	<u>(3,161,443)</u>
INCOME (LOSS) FROM OPERATION		4,133,537	(7,749,047)
OTHER INCOME	4,25	1,301,047	38,129
OTHER LOSSES	4,26	-	(37,155)
FINANCE COSTS	4,20,29	<u>(981,239)</u>	<u>(942,560)</u>
NET INCOME (LOSS) BEFORE INCOME TAX		4,453,345	(8,690,633)
INCOME TAX BENEFIT	4,28	<u>(315,447)</u>	<u>(2,788,697)</u>
NET INCOME (LOSS) FOR THE YEAR		4,768,792	(5,901,936)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified			
subsequently to profit or loss	4,11,19		
Changes in fair value of available for sale financial assets		12,464,400	(4,304,400)
Tax expense (benefit)		<u>2,900,880</u>	<u>1,291,320</u>
		<u>15,365,280</u>	<u>(3,013,080)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>P 20,134,072</u>	<u>P (8,915,016)</u>

(See accompanying Notes to Financial Statements)

CUALOPING SECURITIES CORPORATION

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended December 31, 2021 and 2020

	<i>Notes</i>	2021	2020
SHARE CAPITAL	<i>4,21</i>	P 55,250,000	P 55,250,000
REVALUATION INCREMENT	<i>4,19,13</i>		
Balance at beginning of the year		21,820,120	24,833,200
Other comprehensive income (loss) for the year		15,365,280	(3,013,080)
Balance at end of the year		37,185,400	21,820,120
RETAINED EARNINGS	<i>4,21</i>		
Unappropriated			
Balance at beginning of the year		3,397,489	9,299,425
Net income (loss) for the year		4,768,792	(5,901,936)
Appropriation for the year per SRC Rule 49.1		(476,879)	-
Balance at end of the year		7,689,402	3,397,489
Appropriated			
Balance at beginning of the year		3,535,396	3,535,396
Appropriation for the year per SRC Rule 49.1		476,879	-
Balance at end of the year		4,012,275	3,535,396
Total Retained Earnings		11,701,677	6,932,885
TOTAL EQUITY		P 104,137,077	P 84,003,005

(See accompanying Notes to Financial Statements)

CUALOPING SECURITIES CORPORATION

STATEMENTS OF CASH FLOWS For The Year Ended December 31, 2021 and 2020

	<i>Notes</i>	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss) before tax		P 4,453,345	P (8,690,633)
Adjustment to reconcile net income (loss) to			
Net cash provided by operating activities:			
Depreciation and amortization	4,5, 14, 15	168,047	218,482
Provision for credit losses	4,5, 7	-	56,444
Depreciation on ROUA	4,5, 29	240,012	-
Finance costs on lease liability	4,5, 29	40,439	-
Rent expense	4,5, 29	(263,711)	-
Unrealized loss on financial asset at FVPL	4,5, 7	(4,961,520)	5,140,023
Unrealized loss on financial asset at FVOCI	4,5, 11	-	1,291,320
Unrealized foreign exchange (gain) loss		(37,621)	37,155
Dividend revenue	4, 7	(2,649,273)	(755,821)
Interest income	4,6, 29	(25,908)	(37,131)
Operating loss before changes in working capital		<u>(3,036,190)</u>	<u>(2,740,161)</u>
Decrease (Increase) in:			
Financial asset at fair value through profit or loss	4,5, 7	368,600	(2,157,370)
Receivables from customers, net	4,5, 8	878,581	868,821
Receivable from clearing house	4,5, 9	-	245,000
Other receivables	4,5, 10	(170,226)	1,984,750
Prepayments and other current assets	4,5, 12	216,701	57,292
Increase (Decrease) in:			
Payable to customers	4, 17	516,402	(2,428,466)
Payable to clearing house	4,5, 9	(1,053,838)	1,242,768
Other payables	4, 18	42,708	-
Other current liabilities	4, 19	(42,145)	(100,864)
Cash used in operations		<u>(2,279,407)</u>	<u>(3,028,230)</u>
Interest received	4,6, 29	25,908	37,131
Dividend received	4, 7	2,649,273	755,821
Income tax paid	4,5, 29	(61,991)	(1,347,764)
Net provided by (cash used) in operating activities		<u>333,783</u>	<u>(3,583,042)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of refundable deposit	4,5, 29	-	(1,500)
Acquisition of intangible assets	4,5, 15	(59,317)	(59,316)
Net cash used in investing activities		<u>(59,317)</u>	<u>(60,816)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		274,466	(3,643,858)
EFFECTS OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS		37,621	(37,155)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>16,529,262</u>	<u>20,210,275</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>P 16,841,349</u></u>	<u><u>P 16,529,262</u></u>

(See accompanying Notes to Financial Statements)

CUALOPING SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2021 and 2020

NOTE 1 - GENERAL INFORMATION

CUALOPING SECURITIES CORPORATION, (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 84870 dated March 9, 1979. The Company shall engage primarily in the bonds and other financial securities and all activities directly and indirectly connected therewith or indicated thereto, and to be a member of any stocks or commodity exchange, as well as boards of realtors, national, regional or local.

On March 22, 2019, the Company's Board of Directors approved the amendment of its Articles of Incorporation changing its registered principal place of business from 1765 P.M. Guazon Street, Paco, Manila, Philippines to L03 U61 Ayala Malls Circuit, Hippodromo St., Brgy. Carmona Makati City. This was approved by the Securities and Exchange Commission on July 26, 2019.

Approval of the Financial Statement

The financial statements of the Company for the year ended December 31, 2021 were approved and authorized for issue by the Board of Directors (BOD) on April 15, 2022.

NOTE 2 - BASIS OF PRESENTATION

Statement of Compliance

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standard (PFRS) issued by the Philippine Financial Reporting Standards Council. They are presented in Philippine Peso which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso.

Basis of Measurement

The financial statements have been prepared on historical cost basis, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2021.

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

- Amendment to PFRS 16, *Leases - COVID-19-Related Rent Concessions beyond June 30, 2021* – In 2020, PFRS 16 was amended to provide practical expedient to lessees from applying the requirements on lease modifications for eligible rent concessions that is a direct consequence of COVID-19 pandemic. A lessee may elect not to assess whether eligible rent concessions from a lessor is a lease modification. A lessee that makes this election account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for a change that is not a lease modification, e.g., as a variable lease payment. This amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted, and covers eligible rent concessions until June 30, 2021.

New and Amended PFRS Issued But Not Yet Effective

Relevant new and revised PFRS which are not yet effective for the year ended December 31, 2021 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, Provisions, Contingent Liabilities and Contingent Assets, or IFRIC 21, Levies, instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.
- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance

adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:
 - Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Subsidiary as a First-time Adopter* – The amendments permit a subsidiary that becomes a first-time adopter later than its parent and measures its assets and liabilities in accordance with paragraph D16 (a) of PFRS 1 to measure cumulative translation differences for all foreign operations using the amounts reported by its parent, based on the parent's date of transition to PFRS. Earlier application of the amendments is permitted.
 - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.
 - Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.
 - Amendments to PAS 41, *Agriculture - Taxation in Fair Value Measurements* – The amendment removes the requirement for entities to exclude cash flows for taxation when measuring the fair value of a biological asset using a present value technique to ensure consistency with the requirements in PFRS 13, Fair Value Measurement. The amendment should be applied prospectively.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related

amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgements*, is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy require an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.
- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2025:

- PFRS 17, *Insurance Contracts* – This standard will replace PFRS 4, Insurance Contracts. It requires insurance liabilities to be measured at current fulfillment value and provides a more uniform measurement and presentation approach to achieve consistent, principle-based accounting for all insurance contracts. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. An amendment to the standard was issued to (i) reduce costs of transition by simplifying some requirements of the standard, (ii) make financial performance easier to explain, and (iii) ease transition by deferring the effectivity of the standard from 2021 to 2023 and by providing additional relief to reduce the effort required when applying PFRS 17 for the first time.

In response to the challenges brought by the Covid-19 pandemic, the Insurance Commission issued Circular Letter 2020-062, Amendment of Section 1 of Circular Letter No. 2018-69, Deferral of IFRS 17 Implementation, which provides a two-year deferral on the implementation of the standard from the 2023 effectivity date. Therefore, all life and nonlife insurance companies in the Philippines shall adopt PFRS 17 for annual periods beginning on or after January 1, 2025.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments,

initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

The adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification

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

Financial Assets and Liabilities at FVPL

Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL.

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

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

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

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

As at December 31, 2021 and 2020, the Company's financial asset at FVPL is presented in Note 7.

Financial Assets at Amortized Cost

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

As at December 31, 2021 and 2020, the Company's cash and cash equivalents, receivables from customers, other receivables, and refundable deposit are classified under this category (see Notes 6, 8, 10 and 16).

Financial Assets at FVOCI.

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI 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 selling the financial assets; 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.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI as long as these are not held for trading purposes.

After initial recognition, Financial assets at FVOCI are presented in the financial statements at fair value with changes in fair value are recognized in OCI.

Interest income on debt instruments is calculated using the effective interest method while credit losses on debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established. Cumulative changes in fair value of FVOCI equity instruments are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2021 and 2020, the Company's financial assets classified as FVOCI in presented in Note 11.

Financial Liabilities at Amortized Cost

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

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

As at December 31, 2021 and 2020, the Company's payable to customers, payable to clearing house, other payables and lease liability are classified under this category. (Note 17, 9, 18, and 29)

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 gross carrying amount.

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

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

Impairment of Financial Assets

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

For receivables from customers, the Company has applied the provision of SRC Rule 52.1.11 and Risk Based Capital Adequacy. The Company's Credit Losses was computed based on the classification, credit loss rate and basis specified in SRC Rule No. 52.1.11.

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

Derecognition of Financial Assets Liabilities

Financial Assets

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

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

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

Financial Liabilities

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

Prepayments and Other Current Assets

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

Property and Equipment

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

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

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

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

Intangible Assets

Intangible assets accounts include purchased computer software and trading right. These are initially measured at cost less any accumulated amortization impairment losses.

Computer software is amortized over its estimated useful life of three years using the straight-line method. If there is an indication that there has been a significant change in the useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

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

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

Impairment of Non-financial Assets

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

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

Loans payable

Loans payable account represents borrowed funds from various financial institutions.

Loans payable is classified as current liability unless the Company has an unconditional right to defer settlement of the liability beyond 12 months from the reporting date.

Share Capital

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

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

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

Retained Earnings

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

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured by reference to the fair value of consideration received or receivable excluding discounts, returns and sales taxes. Revenue is recognized either at a point in time or over a period of time.

Revenue is recognized as follows:

Commission

Revenue is recognized at a point in time when trade deals are confirmed. This is computed on an agreed flat rate to every transaction.

Gain (loss) on financial assets

Income (loss) is recognized when the ownership of the securities is transferred to the buyer (at an amount equal to the excess of selling price over the carrying amount of securities) and as a result of year-end mark-to-mark valuation of securities at FVPL.

Dividend Revenue

Dividend revenue is recognized when the Company's rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Finance income

Finance income comprises interest income on bank deposits. Interest income is recognized in profit and loss as it accrues, using the effective interest method.

Other income

Other income is recognized when earned.

Expenses

Expenses are decreases in economic benefits in the form of decreases in assets or increase in liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are received or when the expenses are incurred.

Direct Costs

Direct costs are expenses incurred that are associated with services rendered which includes salaries and employee benefits and other expenses directly associated with the cost of service.

Operating Expenses

Operating expenses are costs attributable to administrative, marketing, and other business activities of the Company that cannot be directly associated to the services rendered.

Borrowing cost

Borrowing costs include interest and other charges related to borrowing arrangements.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of the assets until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Income Tax

Income tax expense includes current tax expense and deferred tax expense. The current tax expense is based on taxable profit for the year. Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any net operating loss carry over (NOLCO) or excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). The net carrying amount of deferred tax asset is reviewed at each reporting date and any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Employee Benefits

Short-term benefits

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

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

Retirement Benefits

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

Related Parties

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its major shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases

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

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee;
- the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,
- the lessee has the right to direct the use of the identified asset throughout the period of use. The lessee assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as Lessee

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

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

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

Foreign Currency Transaction

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

Provisions and contingencies

Provisions are recognized only when the Company has a present obligation as a result of past event and it is probable that the Company will be required to transfer economic benefits in settlement; and the amount of provision can be estimated reliably.

Contingent assets and liabilities are not recognized in the financial statements.

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

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in

accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are accounted for retrospectively.

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

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

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

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

Subsequent events

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

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Judgment

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

Assessment of Impairment of Nonfinancial Assets

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

are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows and economic benefits involves significant judgments and estimation.

No impairment loss was recognized in the Company's financial statements in either 2021 or 2020.

Estimates

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

Estimation of Allowance for Credit Losses

The measurement of the allowance for Credit Losses on financial assets at amortized cost and at FVOCI is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring Credit Losses is further detailed in Note 31.

Estimating useful lives of property and equipment

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

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

Particulars	Useful Lives
Condominium unit	25 years
Leasehold Improvement	10 years
Furniture, Fixtures & Office Equipment	5 years
Computer Equipment	3 years

Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2021 and 2020 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 28.

NOTE 6 - CASH AND CASH EQUIVALENTS

This account consists of:

	2021	2020
Petty cash fund	P 15,000	P 15,000
Cash in bank	16,158,182	15,882,567
Cash equivalents	668,167	631,695
	P 16,841,349	P 16,529,262

Cash in bank generally earns interest at rates based on daily bank deposit rates. Interest income recognized in the Statement of Comprehensive Income amounted to ₱25,908 in 2021 and ₱37,131 in 2020. (Note 25)

The Company's 31-day dollar time deposit investment with interest rate of 0.25% and 0.625% amounts to USD 13,161 in 2021 and USD 13,150 in 2020, translated to Philippine Peso amounting to ₱ 668,167 and ₱ 631,695 at an exchange rate of ₱50.77 and ₱48.04 to a USD in 2021 and 2020, respectively.

In compliance with Securities Regulation Code (SRC) Rule 49.2-1, the Company maintains a special reserve bank account with RCBC amounting to ₱ 9,465,537 and ₱ 9,446,992 as at December 31, 2021 and 2020, respectively for the exclusive benefit of its customers. The Company's revenue requirement is determined based on SEC's prescribed computation. As of December 31, 2021 and 2020, the Company's reserved account are adequate to cover its required requirements.

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

This account consists of:

	<u>2021</u>	<u>2020</u>
Equities in PHISIX	₱ 7,578,463	₱ 6,874,816
Equities outside PHISIX	40,319,786	36,430,513
	<u>₱ 47,898,249</u>	<u>₱ 43,305,329</u>

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

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	₱ 43,305,329	₱ 46,287,982
Additions	347,249	2,157,370
Disposals	-	-
Fair value adjustments	4,245,045	(5,140,023)
Balance at end of year	<u>₱ 47,898,249</u>	<u>₱ 43,305,329</u>

Financial assets at FVPL represents equity securities held for trading. Fair values are based on the quoted market price at the PSE as at December 31, 2021 and 2020 or on the last trading day of each year.

Dividend income on financial assets at FVPL presented as separate line item in the statements of comprehensive income amounted to ₱2,649,273 and ₱755,821 in 2021 and 2020, respectively.

The Company recognizes gain on sale of financial assets at FVPL presented as part of gain (loss) on financial assets at FVPL in the statements of comprehensive income amounting to ₱1,118,623 in 2021 and ₱-nil- in 2020.

The change in fair value of financial assets at fair value through profit or loss recognized and presented as part of gain (loss) on financial assets at FVPL in the statements of comprehensive income amounted to gain of ₱ 4,245,045 and loss of ₱ 5,140,023 in 2021 and 2020, respectively.

NOTE 8 - RECEIVABLES FROM CUSTOMERS, net

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

	2021		2020	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Fully secured accounts:				
More than 250%	P 1,055,908	P 28,836,787	P 1,768,094	P 1,396,372,427
Between 200% to 250%	23,273	32,780	21,878	47,200
Between 150% to 200%	-	-	-	-
Between 100% to 150%	-	-	-	-
	<u>1,079,181</u>	<u>28,869,567</u>	<u>1,789,972</u>	<u>1,396,419,627</u>
Partially secured accounts:				
Less than 100%	2,951,378	486,773	3,237,540	708,733
Unsecured accounts	189,358	-	189,357	-
	<u>3,140,736</u>	<u>486,773</u>	<u>3,426,897</u>	<u>708,733</u>
Less: Allowance for credit losses	(2,831,508)	-	(2,949,879)	-
	<u>P 1,388,409</u>	<u>P 29,356,340</u>	<u>P 2,266,990</u>	<u>P 1,397,128,360</u>

Receivables from customers are due within three (3) trading days after the consummation of the transactions.

None of the Company's receivables from customers have been pledged as collateral to any loan.

Allowance for credit losses on receivables from customers is computed using the formula provided by the SRC Rule No. 52.1.11 which forms part of the Risk-Based Capital Adequacy (RBCA) Report, see Note 31.

A reconciliation of the allowance for credit losses at the beginning and end of 2021 and 2020 is as follows:

	2021	2020
Balance at January 1	P 2,949,879	P 2,893,435
Credit losses	-	56,444
Recovery of allowance	(118,371)	-
Balance, December 31	<u>P 2,831,508</u>	<u>P 2,949,879</u>

NOTE 9 - RECEIVABLES FROM / PAYABLES TO CLEARING HOUSE

The net balance of this account as at December 31, 2021 and 2020 relates to the trading transactions made on the trading floor of the Philippine Stock Exchange for the last three trading days which have not yet been cleared. The outstanding balances were net payable to clearing house amounting to P188,930 in 2021 and P1,242,768 in 2020.

NOTE 10 - OTHER RECEIVABLES

This account consists of:

	<u>2021</u>	<u>2020</u>
Advances to employees	P 12,309	P 15,250
Dividends receivable	3,096	-
Other receivables	222,775	52,704
	<u>P 238,180</u>	<u>P 67,954</u>

The table shows roll forward analysis of the other receivables:

	<u>2021</u>	<u>2020</u>
Beginning balance	P 147,704	P 2,147,705
Additions	3,733,249	-
Payments	(3,563,178)	(2,000,001)
	317,775	147,704
Allowance for credit losses	(95,000)	(95,000)
	<u>P 222,775</u>	<u>P 52,704</u>

NOTE 11 - FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account represents investment in PSE shares amounting to P43,860,000 and P31,395,600 as at December 31, 2021 and 2020, respectively.

The fair values of the shares have been determined directly by reference to published prices in active market. Market value of the PSE shares amounts to P215 and P153.90 per share as of December 31, 2021 and 2020, respectively. The Company has 204,000 PSE share in 2021 and 2020.

The Philippine Stock Exchange, Inc. declared cash dividend of Pnil to its shareholders for the year 2021 and 2020. Dividend income on this cash dividend declaration amounts to Pnil which is presented as part of Other income in the Statement of Comprehensive Income.

Reconciliation of the carrying amount at the beginning and end of 2021 and 2020, effects of market adjustments and related deferred tax liability are as follows:

	<u>Shares</u>	<u>2021</u>	<u>Shares</u>	<u>2020</u>
Balance at beginning of the year	204,000	P 31,395,600	204,000	P 35,700,000
Unrealized gain (loss) during the year		12,464,400		(4,304,400)
Market value, end of the year	<u>204,000</u>	<u>P 43,860,000</u>	<u>204,000</u>	<u>P 31,395,600</u>

The fair value changes on these financial assets amounts to P12,464,400 and P4,304,400 in 2021 and 2020, respectively, are taken directly to the equity net of related tax amounts to. Deferred tax resulting from unrealized gain (loss) on this investment amounted to P2,900,880 and P(1,291,320) in 2021 and 2020, respectively.

NOTE 12 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2021	2020
VAT input	P 1,272,391	P 1,233,913
Deferred VAT input	132,775	497,907
Prepaid income tax (Note 28)	444,726	300,909
Prepaid taxes and licenses	33,865	67,730
Prepaid insurance	36,504	36,504
Others	151,557	151,557
	<u>P 2,071,818</u>	<u>P 2,288,519</u>

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

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

Prepaid taxes and licenses pertain to advance payment of permits and licenses for the next reporting period.

Prepaid insurance represents the unamortized insurance paid in advance which will be expensed in the next accounting period or within 12 months from reporting period.

Others pertain to the advanced payment for the 5,000 CPG Shares follow on offer subsequently issued.

NOTE 13 - INVESTMENT PROPERTY

The Company's investment property pertains to a fully depreciated parking space located at the Tytana Plaza in Binondo.

	2021	2020
Cost		
Beginning of the year	P 280,000	P 280,000
Additions	-	-
Ending of the year	<u>280,000</u>	<u>280,000</u>
Accumulated Depreciation		
Beginning of the year	280,000	280,000
Amortization	-	-
Ending of the year	<u>280,000</u>	<u>280,000</u>
Carrying amount		
As of December 31	<u>P -</u>	<u>P -</u>

NOTE 14 - PROPERTY AND EQUIPMENT, net

A reconciliation of the carrying amounts at the beginning and end of 2021 and 2020, of property and equipment is shown below:

2021

	Condominium (At Cost)	Furniture, Fixtures & Office Equipment	Leasehold Improvements	Total
Cost				
January 1	P 17,797,361	P 1,490,588	P 1,229,043	P 20,516,992
Additions	-	-	-	-
Disposals	-	-	-	-
December 31	<u>17,797,361</u>	<u>1,490,588</u>	<u>1,229,043</u>	<u>20,516,992</u>
Accumulated Depreciation				
January 1	-	1,490,580	163,872	1,654,452
Depreciation	-	8	81,937	81,945
Disposals	-	-	-	-
December 31	<u>-</u>	<u>1,490,588</u>	<u>245,809</u>	<u>1,736,397</u>
Carrying Amount – December 31, 2020	<u>P 17,797,361</u>	<u>P 8</u>	<u>P 1,065,170</u>	<u>P 18,862,538</u>
Carrying Amount – December 31, 2021	<u>P 17,797,361</u>	<u>P -</u>	<u>P 983,234</u>	<u>P 18,780,595</u>

2020

	Condominium (At Cost)	Furniture, Fixtures & Office Equipment	Leasehold Improvements	Total
Cost				
January 1	P 17,797,361	P 1,490,588	P 1,229,043	P 20,516,992
Additions	-	-	-	-
Disposals	-	-	-	-
December 31	<u>17,797,361</u>	<u>1,490,588</u>	<u>1,229,043</u>	<u>20,516,992</u>
Accumulated Depreciation				
January 1	-	1,489,244	81,936	1,571,180
Depreciation	-	1,336	81,936	83,272
Disposals	-	-	-	-
December 31	<u>-</u>	<u>1,490,580</u>	<u>163,872</u>	<u>1,654,452</u>
Carrying Amount – December 31, 2019	<u>P 17,797,361</u>	<u>P 1,343</u>	<u>P 1,147,107</u>	<u>P 18,945,811</u>
Carrying Amount – December 31, 2020	<u>P 17,797,361</u>	<u>P 8</u>	<u>P 1,065,170</u>	<u>P 18,862,538</u>

On March 2, 2018, the Company signed a deed of absolute sale for acquisition of condominium unit. As of reporting date the transfer of title under the name of Company is still on going.

The condominium unit purchased at PSE One Bonifacio High Street was used as collateral to the mortgage loan. (Note 20)

As at December 31, 2021 and 2020 management believes that there is no impairment loss on its property and equipment.

The amount of depreciation is presented in the statements of comprehensive income under the operating expenses (see Note 24).

NOTE 15 - INTANGIBLE ASSETS, net

This account consists of trading right and computer software.

Trading Right

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

In 2001, the demutualization or conversion of PSE into a stock corporation was approved by the Securities and Exchange Commission (SEC) effective August 8, 2001. Each membership seat will be exchanged for shares of stock of PSE. In accordance with the conversion, PSE will issue 9.2 million shares with a par value of P1 per share out of the members' contribution of P286.6 million. Thus, each of the 184 members/brokers will subscribe to a total of 50,000 shares of stocks with a par value of P1 per share. The balance of members' contribution of P277.4 million will be treated as additional paid-in surplus in the financial statements of PSE.

In addition to the shares, each member will receive a Certificate of Trading Right to maintain their continued access to the trading floor of PSE. The Right can be assigned and transferred by the members.

PSE, however, will not issue shares of stocks for the value of its donated assets. The donated assets consisting of two (2) pieces of real property located in Makati and Pasig City, where its trading floors are located, are subject to restrictions on their transferability.

The effects of the conversion plan specifically on the separate valuation of the ownership of the exchange seat and the trading rights have been recognized in the Company's financial statements.

The last transacted price for trading right as provided by PSE amounted to P8,500,000 as of December 31, 2021 and 2020 while its carrying value amounted to P2,625,000 as at December 31, 2021 and 2020. Hence, no impairment loss is recognized in 2021 and 2020. Trading right balance as of December 31, 2021 and 2020 amounts to P352,000.

Computer Software

Computer software is presently used for the Company's accounting system.

The gross carrying amounts net of accumulated amortization are presented as part of intangible assets in the Statement of Financial Position. Yearly amortization is presented in the Operating Expenses of the Financial Statements of Comprehensive Income.

A reconciliation of the carrying amounts at the beginning and end of 2021 and 2020, of computer software is shown below:

	2021	2020
Cost		
Beginning of the year	P 717,380	P 658,064
Additions	59,317	59,316
Ending of the year	776,697	717,380
Accumulated Depreciation		
Beginning of the year	650,416	515,206
Amortization	86,102	135,210
Ending of the year	736,518	650,416
Carrying amount		
As of December 31	P 40,179	P 66,964

NOTE 16 - OTHER NON-CURRENT ASSETS

This account consists of:

	2021	2020
Clearing and trade guaranty fund	P 155,191	P 155,191
Refundable deposit	26,240	26,240
	P 181,431	P 181,431

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

Refundable deposit represents rental deposit to Makati Cornerstone Leasing Corp. (lessor) for the lease of its office space. This is applicable as rent payment at the end of the lease term of the contract.

NOTE 17 - PAYABLES TO CUSTOMERS

This account consists of:

	2021	2020
Payables to customers	P 9,742,952	P 9,400,407
Dividends payable-customers	278,738	104,881
	P 10,021,690	P 9,505,288

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

	2021		2020	
	Credit Balance	Security Valuation- Long	Credit Balance	Security Valuation- Long
With money balance	P 9,742,952	P 704,198,531	P 9,400,407	P 567,439,281
Without money balance	-	5,369,140,250		2,688,675,408
	P 9,742,952	P 6,073,338,781	P 9,400,407	P 3,256,114,689

Payables to customers are non-interest bearing and are normally settled within three (3) trading days after the consummation of the transactions.

NOTE 18 - OTHER PAYABLES

Accrued expenses consist mainly of the accrual of audit fee, central depository fees, interest on loan, rent and other expenses that have been incurred but not yet paid at the end of the year. This amounts to ₱550,338 and ₱507,630 in 2021 and 2020, respectively.

NOTE 19 - OTHER CURRENT LIABILITIES

This account consists of:

	<u>2021</u>		<u>2020</u>
Due to BIR	P 70,941	P	58,386
Central depository fees payable	-		41,484
Statutory payable	13,385		12,127
Others	30,099		44,574
	<u>P 114,425</u>	P	<u>156,570</u>

Due to BIR consists of obligations to Bureau of Internal Revenue such as final taxes, stock transaction taxes, withholding taxes and value added tax.

Statutory payable consists of statutory obligations to government agencies such as Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund.

Others pertain to unreleased outstanding checks.

NOTE 20 - MORTGAGE PAYABLE

On March 17, 2017, the Company secured a loan from a local commercial bank amounting to ₱16,000,000 using its office at PSE Bonifacio High Street, Fort Bonifacio Global City as collateral. (Note 14).

Repayment terms provide a loan term of 10 years, interest servicing for the first 19 quarters, thereafter payment in 21 equal installments of principal and interest and remaining balance until expiry of the loan. The bank granted the Company 5 years of grace period before starting to pay monthly amortization. Effective interest rate of 5.9531% is fixed for the first 5 years. Thereafter, effective interest rate will be based either on T-bill reference policy 4% or 1 year post R-plus 3% or prevailing market rate at the time of the expiry whichever is higher. Additional terms provide for a mortgage on the above- mentioned property including any and all improvements including fruits and rents in favor of the Lender.

The amount of interest expense paid amounts to ₱940,800 and ₱942,560 for the year 2021 and 2020, respectively.

NOTE 21 - EQUITY

Share Capital

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

As at December 31, 2021 and 2020, the Company's total subscribed and issued and outstanding capital stock is owned by twelve (12) shareholders. Seven (7) shareholders owned more than 100 shares.

A reconciliation of the outstanding share capital at the beginning and end of 2021 and 2020 is shown below:

2021

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2020	552,500	₱ 55,250,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2021	552,500	₱ 55,250,000

2020

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2019	552,500	₱ 55,250,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2020	552,500	₱ 55,250,000

Minimum Capital Requirement

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

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

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

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

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

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

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

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

As at December 31, 2021 and 2020, the Company's RBCA ratio of 1.78 and 1.66, respectively, is in compliance with the minimum capital requirement set out by the RBCA framework.

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

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

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

The Company's NLC amount to ₱33,686,651 and ₱33,227,724 as of December 31, 2021 and 2020, respectively, which is more than 5% of the Company's aggregate indebtedness. As of December 31, 2021 and 2020, the Company is in compliant with items B to D as prescribed by Securities and Exchange Commission (SEC).

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

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

As at December 31, 2021 and 2020 the Company is in compliance with PSE's Rules Governing Trading Rights and Trading Participants.

Retained Earnings

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

In compliance with the above circular, the Company appropriated retained earnings amounting to ₱-nil-in 2021 and 2020, respectively. Total appropriated retained earnings as of December 31, 2021 and 2020, in compliance with the above circular amounted to ₱4,012,275 and ₱3,535,396, respectively. The company is in compliance with the SRC Rule 49.1(B).

NOTE 22 - COMMISSION INCOME

The Company earns commission revenue from stocks transactions and tender offer or initial public offering, these amounts to ₱1,904,464 in 2021 and ₱ 1,002,889 in 2020. Details of commission revenue are as follows:

	2021	2020
Commission on stocks transaction	₱ 504,756	₱ 520,442
Commission on IPO	1,399,708	482,447
	<u>₱ 1,904,464</u>	<u>₱ 1,002,889</u>

NOTE 23 - DIRECT COSTS

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

	2021	2020
Stock exchange dues and fees	₱ 737,242	₱ 731,027
Salaries expense	386,419	409,380
13th month and bonuses	31,957	30,000
SSS, PHIC, HDMF contribution	32,287	24,303
Employee welfare	-	11,581
	<u>₱ 1,187,905</u>	<u>₱ 1,206,291</u>

NOTE 24 - OPERATING EXPENSES

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

	2021	2020
Salaries and employee benefits	₱ 1,302,361	₱ 1,213,484
Depreciation and amortization	408,059	218,482
Condominium dues	379,843	379,842
Utilities expense	201,454	176,735
Professional fee	197,000	171,110
Transportation and travel	150,081	120,194
Taxes and licenses	144,567	125,336
Postage, telephone and communication	110,826	107,602
Insurance	68,006	75,319
Office supplies	46,888	62,644
Bank charges	13,020	6,200
Fines and penalties	10,245	7,197
Repairs and maintenance	8,571	8,571
Meetings and conferences	8,000	4,000
Training and seminars	300	-
Subscription and periodicals	40	720
Rent expense	-	218,550
Credit losses	-	56,444
Miscellaneous	428,079	209,013
	<u>₱ 3,477,340</u>	<u>₱ 3,161,443</u>

NOTE 25 - OTHER INCOME

Details of the Company's other income are as follows:

	2021	2020
Gain on sale of financial assets at FVPL (Note 7)	P 1,118,623	P -
Recovery of credit loss (Note 8)	118,371	-
Unrealized foreign exchange gain	37,621	-
Interest income (Note 6)	25,908	37,131
Others	523	998
	<u>P 1,301,047</u>	<u>P 38,129</u>

NOTE 26 - OTHER LOSSES

Other losses include unrealized foreign exchange loss amounting to P-nil- and P37,155 in 2021 and 2020, respectively.

NOTE 27 - DEPRECIATION, AMORTIZATION, AND EMPLOYEE BENEFITS

Depreciation and employee benefits were presented as follows:

2021

	Direct Costs	Operating Expenses	Total
Employee benefits*	P 454,706	P 1,317,880	P 1,772,586
Depreciation and amortization	-	408,058	408,058

*Employee benefits includes salaries, 13th month pay and bonuses and SSS, PHIC, HDMF contribution, employee welfare and benefits

2020

	Direct Costs	Operating Expenses	Total
Employee benefits*	P 463,683	P 1,213,484	P 1,677,167
Depreciation and amortization	-	218,482	218,482

*Employee benefits includes salaries, 13th month pay and bonuses and SSS, PHIC, HDMF contribution, employee welfare and benefits

NOTE 28 - INCOME TAXES

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises Act "RA 11534" was signed into law by the President of the Philippines. The law will take effect 15 days after its publication in the Official Gazette or in a newspaper of general circulation. Some of the provisions that may have an impact on the Company's operations are as follows:

1. Reduction of the Corporate Income Tax from 30% to 25% starting July 1, 2020.
2. Reduction of the Minimum Corporate Income Tax from 2% to 1% starting July 1, 2020 to June 30, 2023
3. Reduction of the non-deductible interest expense from 33% to 20% of the gross interest income
4. Imposition of the Improperly Accumulated Earning Tax has been repealed.

The Company used the prevailing tax rates as of December 31, 2020, given the CREATE LAW was signed after December 31, 2020, in determining its current and deferred taxes in its 2020 financial statements and was taken up prospectively in the current period. As a result of the application of the lower RCIT rate of 25% starting July 1, 2020, the current tax expense as presented in the 2020 annual income tax return of the Company was lower by ₱106,069 than the amount presented in the 2020 financial statements. This amount was charged to 2021 income tax expense.

In addition, the recognized net deferred tax assets as of December 31, 2020 were remeasured to 25% in the current period. This resulted a decrease in the recognized net deferred tax liability in 2020 by ₱673,090. This amount was charged to 2021 income tax expense.

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

	2021	2020
Current:		
RCIT	₱ (541,283)	₱ (1,272,830)
Deferred	225,836	(1,515,867)
	<u>₱ (315,447)</u>	<u>₱ (2,788,697)</u>

Reconciliation between statutory tax and effective tax follows:

	2021	2020
Income tax at statutory rate	₱ 1,113,336	₱ (2,607,190)
Tax effect of income subject to final tax	(6,477)	(11,139)
Tax effect of dividend income exempt	(662,318)	(226,746)
Tax effect of non-deductible interest expense	1,619	-
Tax effect of non-deductible fines and penalties	2,561	2,159
Expired MCIT	124,141	54,220
Tax effect of CREATE Law	(888,310)	(2,607,190)
Income tax at effective rate	<u>₱ (315,447)</u>	<u>₱ (2,788,697)</u>

Analysis of income tax payable (prepaid income tax) follows:

	2021	2020
Regular Corporate Income Tax:		
Income (loss) before tax	₱ 4,453,345	₱ (8,690,634)
Permanent differences:		
Interest income subjected to final tax	(25,908)	(37,131)
Non-taxable dividend income	(2,649,273)	(755,821)
Non-deductible interest expense	6,477	-
Non-deductible fines and penalties	10,245	7,197
Temporary differences:		
Depreciation of right-of-use asset	240,012	-
Finance cost related to lease liability	40,439	-
Actual rent expense for the year	(263,711)	-
Unrealized foreign exchange (gain)loss	(37,621)	37,155
Unrealized market loss	(4,245,045)	5,140,023
Credit losses	-	56,444
Recovery from credit losses	(118,371)	(8,690,634)
Taxable income	(2,589,411)	(4,242,766)
Tax rate	25%	30%
	<u>₱ (647,352)</u>	<u>₱ (1,272,830)</u>

Minimum Corporate Income Tax:

Taxable gross income	P 6,199,121	P -
Tax rate	1%	2%
	<u>61,991</u>	<u>-</u>
Tax due (Higher of RCIT or MCIT)	61,991	-
Prior year's excess credit	(300,908)	(222,842)
Creditable withholding tax	(205,810)	(78,066)
Prepaid income tax	<u>P (444,726)</u>	<u>(300,908)</u>

Details of DTA and DTL follows:

	2021	2020
DTA:		
DTA arising from MCIT	P 75,061	P 137,211
DTA arising from NOLCO	2,713,988	2,479,963
DTA arising from allowance for credit losses	731,625	913,462
DTA arising from unrealized loss on FVOCI	4,192,200	1,291,320
DTA arising from unrealized forex	-	11,147
DTA arising from lease liability	4,186	-
DTL:		
DTL arising from fair value changes on FVPL	(8,325,336)	(8,716,890)
DTL arising from unrealized gain on FVOCI	(14,616)	(17,539)
DTL arising from unrealized forex	(116)	-
	<u>P (623,008)</u>	<u>P (3,901,326)</u>

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

	Statement of Financial Position		Statement of Comprehensive Income	
	2021	2020	Profit or Loss	
	2021	2020	2021	2020
Deferred tax - MCIT	P 75,061	P 137,211	P (62,150)	P (54,220)
Deferred tax - NOLCO	2,713,988	2,479,963	234,025	
Allowance for credit losses- Customer	703,125	884,962	(181,837)	1,272,830
Allowance for credit losses- Other receivables	28,500	28,500	-	16,933
Lease liability	4,186	-	4,186	-
Unrealized (gain) loss on FVPL	(8,325,336)	(8,716,890)	391,554	1,542,007
DTA - Unrealized gain (loss) on FVOCI	4,192,200	1,291,320	2,900,880	1,291,320
DTL - Unrealized (gain) loss on FVOCI	(14,616)	(17,539)	2,923	-
Unrealized (gain) loss on Forex	(116)	11,147	(11,263)	11,147
Net deferred tax assets	<u>P (623,008)</u>	<u>P (3,901,326)</u>		
Deferred tax expense (income)			<u>P 3,278,318</u>	<u>P 4,080,017</u>

NOLCO arises from the taxable loss that can be charged against income of the next three taxable years except for NOLCO incurred for the year 2021 which the taxable loss can be charged against taxable income within the next five taxable years pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2021, the net operating loss of a business or enterprise

incurred for the taxable years 2021 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of NOLCO are as follow:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2019	₱ 4,023,775	₱ -	₱ -	₱ 4,023,775	December 31, 2022
2020	4,242,766	-	-	4,242,766	December 31, 2025
2021	2,589,409	-	-	2,589,409	December 31, 2026
	<u>₱ 10,855,950</u>	<u>₱ -</u>	<u>₱ -</u>	<u>₱ 10,855,950</u>	

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment.

Details of DTA relating MCIT follow:

Year Incurred	Amount	Applied	Expired	Balance	Date of Expiration
2018	₱ 124,141	₱ -	₱ 124,141	₱ -	December 31, 2021
2019	13,070	-	-	13,070	December 31, 2022
2020	61,991	-	-	61,991	December 31, 2023
	<u>₱ 199,202</u>	<u>₱ -</u>	<u>₱ 124,141</u>	<u>₱ 75,061</u>	

NOTE 29 - LEASE

Company as a lessee

The Company entered into lease agreement with Makati Cornerstone Leasing Corp. for the lease of its office in Makati City. The term of the lease was renewed for 3 years. Lease payments are made every 1st of the month. The agreement also provides rental deposit amounting to ₱26,240 as of December 31, 2021.

The Company's incremental borrowing rate used in the computation of lease liability is 5.95%.

Right of use asset

An analysis of the movement in this account follows:

	2021
Beginning balance	₱ -
Addition	780,040
Depreciation expense	240,012
Ending balance	<u>₱ 540,028</u>

Lease liability

An analysis of the movement in this account follows:

	2021
Beginning balance	₱ -
Addition	820,479
Payment	263,709
Ending balance	<u>₱ 556,770</u>

A maturity analysis of lease liability at December 31, 2021 follows:

	<u>Within 1 year</u>	<u>1 to 2 Years</u>	<u>2 to 3 Years</u>	<u>Total</u>
Lease payments	P 265,008	P 265,008	P 66,252	P 596,268
Interest expenses	(26,713)	(12,133)	(652)	(39,498)
Net present values	<u>P 238,295</u>	<u>P 252,875</u>	<u>P 65,600</u>	<u>P 556,770</u>

Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred. In 2020, the Company recognized lease payments as expense amounting to ₱218,550 for short-term lease agreement or leases of low value assets.

Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounts to ₱263,711 and ₱218,550 in 2021 and 2020, respectively. Interest expense in relation to lease liabilities amounted to ₱40,439 in 2021 and ₱nil- and are presented as part of Finance costs under Finance Income (Costs) in the statement of comprehensive income.

NOTE 30 - RELATED PARTY TRANSACTIONS

The Company's related parties include its affiliates and shareholders, the Company's key management personnel and others as described below.

A summary of the transactions and account balances with related parties follows:

2021

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Shareholders and related interest	Buying	10,071,163	22,500		
	Selling	10,148,160	539,346	(2)	(4)
(1) Non-interest bearing, payable in cash, no schedule repayments terms					
(2) Non-interest bearing, payable in cash, T+3					
(3) Unsecured					
(4) Secured by equity securities					

2020

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount (current transaction)</u>	<u>Outstanding balance</u>	<u>Terms</u>	<u>Conditions</u>
Shareholders and related interest	Buying	25,375,572	1,283,406		
	Selling	14,575,789	3,633,521	(2)	(4)
(1) Non-interest bearing, payable in cash, no schedule repayments terms					
(2) Non-interest bearing, payable in cash, T+3					
(3) Unsecured					
(4) Secured by equity securities					

Buying and Selling Transaction

In the ordinary course of business, the Company acts as broker to certain directors and officers. Under the Company's policy, these transactions are made substantially on the same terms as with other businesses of comparable risks. In 2021 and 2020, the Company's outstanding receivable and outstanding payable is presented as part of Receivables from customers (Payable to customers), respectively, in the statement of financial position.

Key Management Compensation

The compensation given by the Company to key management personnel as at December 31, 2021 and 2020 consist of the following:

	<u>2021</u>		<u>2020</u>
Short-term employee benefits	P 31,957	P	30,000
Post-employment benefits	<u>-</u>		<u>-</u>
	P 31,957	P	30,000

NOTE 31 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market Risk

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

A. Foreign Currency

All transactions of the Company are denominated in Philippine peso, its functional currency. The Company's exposure relates primarily to its dollar denominated bank deposit amounting to ₱668,167 and ₱631,695 as at December 31, 2021 and 2020, respectively. The Company's exposure of foreign currency risk is not significant.

B. Price Risk

The Company's market price risk arises from its investments carried at fair value (i.e., financial assets classified as financial assets at FVPL). The Company manages exposures to price risk by

monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

For listed equity securities, an average volatility of 19% and 33% has been observed during 2021 and 2020, respectively. If quoted price for these securities increased or decreased by that amount, profit before tax would have changed by ₱1,019,097 in 2021 and ₱5,933,699 in 2020, respectively, while equity would have changed by ₱1,776,177 and ₱4,153,589 in 2021 and 2020, respectively.

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

C. Interest Rate Risk

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2021 and 2020, these amounted to ₱16,826,349 and ₱16,514,262, respectively. The Company's exposure to changes in interest rates is not significant.

Credit Risk

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

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

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

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

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

2021

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+2 of counterparty	₱ 262,285	₱ 8,964,674	₱ (8,702,389)	₱ -	₱ -
T+3 to T+13 of counterparty	333,563	1,803,411	(1,469,849)	6,671	-
Beyond T+13 of counterparty	3,624,069	8,913,087	(5,289,018)	2,824,836	-
	<u>₱ 4,219,917</u>	<u>₱ 19,681,172</u>	<u>₱ (15,461,255)</u>	<u>₱ 2,831,508</u>	<u>₱ -</u>

2020

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+2 of counterparty	P 536,844	P 884,001,463	P (883,464,618)	P -	P -
T+3 to T+13 of counterparty	322	7,781	(7,459)	6	-
Beyond T+13 of counterparty	4,679,703	27,801,668	(23,121,966)	2,949,873	-
	<u>P 5,216,869</u>	<u>P 911,810,912</u>	<u>P (906,594,043)</u>	<u>P 2,949,879</u>	<u>P -</u>

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

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

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

The table below shows the maximum exposure to credit risk for the components of the statements of financial position. The maximum exposure is shown at gross amount, without taking into account collateral and other credit enhancement.

	31-Dec-21	31-Dec-20
Cash and cash equivalents	P 16,826,349	P 16,514,262
Receivable from customers	4,219,917	5,216,869
Other receivables	233,180	162,954
Financial asset at FVPL	47,898,249	43,305,329
Financial asset at FVOCI	43,860,000	31,395,600
Refundable deposits	181,431	181,431
	<u>P 113,219,126</u>	<u>P 96,776,445</u>

Cash excludes petty cash fund and cash on hand amounting to P15,000 in 2021 and 2020

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

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and time deposits which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

(b) Receivables from Customers

The Company trades only with recognized and credit worthy third parties. In accordance with RBCA requirements, limits are imposed to avoid large exposures to a single client or counterparty, single debt issue and single equity issue relative to a particular issuer company and

its group of companies. As a result, maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts in the statements of financial position.

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

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

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

Classification

T+0 to T+2
T+3 to T+13
T+14 to T+30
T+31 up

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

<u>Classification</u>	<u>Provision</u>	<u>Base</u>
T+0 to T+0 to T+2	0	Total Receivables (TR)
T+3 to T+3 to T+13	2%	TR
T+14 to T+14 to T+30	50%	TR less collateral (net of haircut)
T+31 up	100%	TR less collateral (net of haircut)

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

(c) Receivable from Clearing House

The credit risk for receivable from clearing house is considered negligible, the amount due were collected within the T+3 term of the receivable. Securities Clearing Corporation of the Philippines (SCCP) is a wholly-owned subsidiary of The Philippine Stock Exchange, Inc. (PSE) and is under the regulatory supervision of the Securities and Exchange Commission (SEC).

(d) Other receivables and refundable deposit

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

(e) Financial asset at FVOCI

The credit risk for financial asset at FVOCI is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings. These dollar denominated deposits are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution.

Liquidity Risk

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

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

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

Company's payable to customers is normally settled within three (3) days. Other payables are normally settled within one (1) year after reporting date.

The following table presents the maturity profile of the Company's financial liabilities as at December 31, 2021 and 2020 based on contractual undiscounted payments.

December 31, 2021					
	Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P 9,742,952	P -	P -	P -	P 9,742,952
Dividends payable	278,738	-	-	-	278,738
Mortgage payable	-	-	-	16,000,000	16,000,000
Lease liability	58,254	59,125	120,916	318,475	556,770
Other payables	550,338	-	-	-	550,338
	<u>P 10,630,282</u>	<u>P 59,125</u>	<u>P 120,916</u>	<u>P 16,318,475</u>	<u>P 27,128,798</u>
December 31, 2020					
	Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P 9,400,407	P -	P -	P -	P 9,400,407
Dividends payable	104,881	-	-	-	104,881
Mortgage payable	-	-	-	16,000,000	16,000,000
Other payables	507,630	-	-	-	507,630
	<u>P 10,012,918</u>	<u>P -</u>	<u>P -</u>	<u>P 16,000,000</u>	<u>P 26,012,918</u>

NOTE 32 - CAPITAL MANAGEMENT

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

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

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

Risk Based Capital Adequacy Requirement

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

Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and c) Position or Market Risk Requirement.

The Company's RBCA ratio as at years ended December 31, 2021 and 2020 are 178% and 166%, respectively.

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

	2021	2020
Net liquid capital		
Equity eligible for net liquid capital	P 88,762,382	P 70,450,849
Ineligible assets	50,075,731	37,223,125
Total	38,686,651	33,227,724
Risk capital requirements		
Operational risk requirement	P 1,097,243	P 1,458,257
Position risk requirement	16,062,367	14,522,164
Counterparty risk	850	4,654
Large exposure risk	4,555,779	4,003,971
Total	P 21,716,239	P 19,989,046
Risk based capital adequacy ratio	178%	166%

Net Liquid Capital

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

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

Details of Company NLC as of years ended December 31, 2021 and 2020 are shown below:

	2021	2020
Net liquid capital	P 38,686,651	P 33,227,724
Less: Required net liquid capital, higher of:		
5% aggregate indebtedness	572,336	378,398
Minimum amount	5,000,000	5,000,000
Required net liquid capital	5,000,000	5,000,000
Net risk-based capital excess	P 33,686,651	P 28,227,724
Ratio of aggregate indebtedness to net liquid capital	30%	34%

Total Risk Capital Requirement

Detail of TRCR follows:

A. Operational Risk

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

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

Revenue	2020	2019	2018	Average
Commission revenue	P 1,002,889	P 538,090	P 3,112,234	P 1,551,071
Interest income	37,131	52,563	37,952	42,549
Net Recovery from market decline of Marketable Securities Owned	-	-	-	-
Dividend income	-	2,843,771	2,678,532	-
Gain on Sale of Marketable Securities	755,821	-	-	2,092,708
Gain on Sale of other Assets	-	-	-	-
Other income/revenue	-	1,136,578	4,262,089	-
Average of the last three year gross income				5,486,216
Operational risk factor				20%
Total operational risk requirement				P 1,097,243

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

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

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

B. Position Risk

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

Below is the manual computation of position risk requirement as of the years December 31, 2021 and 2020:

2021

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	₱ 7,578,463	25%	₱ 1,894,616
Other equities outside the PHISIX	40,319,786	35%	14,111,925
FX Position	697,826	8%	55,826
	₱ 48,596,075	160%	₱ 16,062,367

2020

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	₱ 6,874,816	25%	₱ 1,718,704
Other equities outside the PHISIX	36,430,513	35%	12,750,680
FX Position	659,754	8%	52,780
	₱ 43,965,083	160%	₱ 14,522,164

A. Large Exposure Risk

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

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

B. Counterparty Risk Exposure

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

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

The Company has counter party exposure amounting to ₱850 and ₱4,654 in 2021 and 2020, respectively.

As at December 31, 2021 and 2020, the Company is in compliance with Risk Based Capital Adequacy Requirement.

NOTE 33 - FAIR VALUE MEASUREMENT

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

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

			2021			
			Carrying Amount	Fair Value		
Notes				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:						
Financial asset at FVPL	7	P	47,898,249	P 47,898,249	P -	P -
Financial asset at FVOCI	11		43,860,000	43,860,000	-	-
Assets for which fair values are disclosed:						
Cash and cash equivalents	6		16,826,349	-	16,826,349	-
Receivables from customers	8		1,388,409	-	1,388,409	-
Other receivables	10		238,180	-	238,180	-
Refundable deposit	16		181,431	-	181,431	-
			<u>P 110,392,618</u>	<u>P 91,758,249</u>	<u>P 18,634,369</u>	<u>P -</u>
Liabilities for which fair values are disclosed:						
Payable to customers	17	P	10,021,690	P -	P 10,021,690	P -
Payable to clearing house	9		188,930	-	188,930	-
Other payables	19		550,338	-	550,338	-
			<u>P 10,760,958</u>	<u>P -</u>	<u>P 10,760,958</u>	<u>P -</u>
			2020			
			Carrying Amount	Fair Value		
Notes <th>Quoted prices in active markets (Level 1)</th> <th>Significant observable inputs (Level 2)</th> <th>Significant unobservable inputs (Level 3)</th>				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:						
Financial asset at FVPL	7	P	43,305,329	P 43,305,329	P -	P -
Financial asset at FVOCI	11		31,395,600	31,395,600	-	-
Assets for which fair values are disclosed:						
Cash and cash equivalents	6		16,514,262	-	16,514,262	-
Receivables from customers	8		2,266,990	-	2,266,990	-
Other receivables	10		67,954	-	67,954	-
Refundable deposit	16		181,431	-	181,431	-
			<u>P 93,731,566</u>	<u>P 74,700,929</u>	<u>P 19,030,637</u>	<u>P -</u>
Liabilities for which fair values are disclosed:						
Payable to customers	9	P	9,505,288	P -	P 9,505,288	P -
Payable to clearing house	9		1,242,768	-	1,242,768	-
Other payables	17		507,630	-	507,630	-
Due to related parties	27		-	-	-	-
			<u>P 11,255,686</u>	<u>P -</u>	<u>P 11,255,686</u>	<u>P -</u>

Offsetting of Financial Assets and Financial Liabilities

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

	Gross amounts recognized in the statements of financial position		Net amount presented in statement of financial position
	Financial assets	Financial Liabilities	
December 31, 2021			
Payable to clearing house	P 74,020	P 262,950	P 188,930
December 31, 2020			
Payable to clearing house	P 16,212	P 1,258,980	P 1,242,768

NOTE 34 - IMPACT OF COVID 19

In March 2020, COVID-19 started to become widespread and has severely impacted many local economies around the globe. In many countries like the Philippines, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, includes travel bans, quarantines, social distancing, and closures of non-essential services, these have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. The Government have responded with monetary and fiscal interventions to stabilize economic conditions.

The scale and duration of these developments remain uncertain as of the date of the issuance of the financial statements. Now that omicron variant is surging to its peak it is not possible to reliably estimate the duration and severity of these consequences, if any, as well as any possible impact on the financial position and results of the company's operations. Accordingly, the financial position and results of operations as of and for the years ended December 31, 2021 and 2020 have not been adjusted to reflect their impact.

The Company continues to monitor the risks and the on-going COVID-19 impact to its business.

**NOTE 35 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF
INTERNAL REVENUE**

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

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

Revenue Regulation 15-2010

a) Output VAT

In 2021, the Company declared output VAT as follows:

	Tax Base	Output VAT
Taxable Sales (Commission Revenue)	P 3,310,079	P 397,210

The tax bases are included as part of Income in the 2021 statement of comprehensive income.

b) Input VAT

Movement in input VAT for the year ended December 31, 2021 follow:

	<u>Purchases</u>	<u>Input VAT</u>
Balance, beginning of year	P -	P 1,731,820
Domestic purchase of:		
Goods other than capital goods	-	-
Domestic purchases of services	715,508	85,861
Total available Input VAT		1,817,681
Add: Payments during the year		-
Application against VAT payable		(412,515)
Balance, end of the year		<u>P 1,405,166</u>

c) Taxes and Licenses

The details of Taxes and Licenses account (see Note 24) is broken down as follows:

Business permit and licenses	P 144,067
Registration fee	500
	<u>P 144,567</u>

The amounts of taxes and licenses shown above are included under the operating expenses in the statements of comprehensive income.

d) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2021 are shown below.

Withholding tax at source (expanded)	P 29,334
Withholding tax on compensation	41,616
	<u>P 70,950</u>

e) Tax Assessments and Cases

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

(f) Related Party Transaction

The Company is covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for related party transaction, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

SCHEDULE I

**CUALOPING SECURITIES CORPORATION
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERALCREDITORS
FOR THE YEAR ENDED December 31, 2021**

The Company has no subordinated liabilities as of December 31, 2021

SCHEDULE II

CUALOPING SECURITIES CORPORATION
RISK BASED-CAPITAL ADEQUACY WORKSHEET PURSUANT TO
SEC MEMORANDUM CIRCULAR NO. 16
DECEMBER 31, 2021

Assets	147,586,419
Liabilities	43,444,453
Equity as per books	104,141,967
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(15,379,585)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(15,379,585)
Equity Eligible For Net Liquid Capital	88,762,382
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	352,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	3,360,801
d. All Other Current Assets	457,009
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	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	45,905,920
Total ineligible assets	50,075,731
Net Liquid Capital (NLC)	38,686,651
Less:	
Operational Risk Req't (Schedule ORR-1)	1,097,243
Position Risk Req't (Schedule PRR-1)	16,062,367
Counterparty Risk (Schedule CRR-1 and detailed schedules)	850
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	4,555,779
Total Risk Capital Requirement (TRCR)	17,156,489
Net RBCA Margin (NLC-TRCR)	16,920,412
Liabilities	43,444,453
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	16,000,000
Others	15,997,742
Total adjustments to AI	(31,997,742)
Aggregate Indebtedness	11,446,711
5% of Aggregate Indebtedness	572,336
Required Net Liquid Capital (> of 5% of AI or P&M)	5,000,000
Net Risk-based Capital Excess / (Deficiency)	16,920,412
Ratio of AI to Net Liquid Capital	30%
RBCA Ratio (NLC/ TRCR)	76%

SCHEDULE III

CUALOPING SECURITIES CORPORATION
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER APPENDIX F OF SRC RULE 49.2.1
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Market Valuation P -nil-

Numer of items P -nil-

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

Market Valuation P -nil-

Numer of items P -nil-

SCHEDULE IV

**CUALOPING SECURITIES CORPORATION
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER SRC RULE 49.2
DECEMBER 31, 2021**

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts.	6,037,050	
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.	197,450	
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old.		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		1,274,667
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		
12. Failed to deliver customers' securities not older than 30 calendar days.		8,520
13. Others:		
Total	6,234,500	1,283,187
Net Credit (Debit)	4,951,313	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	5,198,878	

SCHEDULE V

**CUALOPING SECURITIES CORPORATION
REPORT DESCRIBING MATERIAL INADEQUACIES FOUND TO EXIST
OR FOUND TO HAVE EXISTED SINCE THE PREVIOUS AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

SCHEDULE VI

**CUALOPING SECURITIES CORPORATION
REPORT OF MONTHLY SECURITIES COUNT CONDUCTED PURUSANT TO
SRC RULE 52.1-10, AS AMENDED
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

OATH

REPUBLIC OF THE PHILIPPINES)


MAKATI CITY) S.S.

I, Janet Presquito, Associated Person of CUALOPING SECURITIES CORPORATION do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2021 are true and correct to the best of my knowledge and belief.


JANET PRESQUITO
Associated Person

SUBSCRIBED AND SWORN to before me, a Notary Public, this **MAY 06 2022** day of _____, affiant exhibiting to me her _____ issued at _____ on _____ and date expired on _____.

Doc. No. 112
Page No. 24
Book No. 129
Series of 2022


ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2023
Appointment No. M-019-(2022-2023)
PTR No. 8852510 Jan. 3, 2022 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VI-0016565
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City

CUALOPING SECURITIES CORPORATION
STOCK POSITION PER LOCATION REPORT
As of December 31, 2021

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIAN AMALGAMATED HOLDINGS CORP.		-		-	15,000	24,150	-	-	-	-	-	-
AB	ATOK BIG WEDGE CO. INC. "A"		-		-	4,933	29,845	-	-	-	-	-	-
ABA	ABACORE CAPITAL HOLDINGS, INC. "A"		-		-	16,800	15,456	-	-	-	-	-	-
ABS	ABS-CBN CORPORATION		-		-	20,639	260,051	-	-	-	-	-	-
ABSP	ABS-CBN HOLDINGS CORP PDR		-		-	90,300	1,076,376	-	-	-	-	-	-
AC	AYALA CORPORATION		-		-	32,554	27,052,374	-	-	-	-	-	-
ACEN	AC ENERGY CORPORATION		-		-	1,930,896	21,239,856	-	-	-	-	-	-
ACEX	ACE ENEXOR, INC.		-		-	10,710	428,400	-	-	-	-	-	-
ACR	ALSONS CONSOLIDATED RESOURCES INC.		-		-	115,000	138,000	-	-	-	-	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.		-		-	8,720	474,804	-	-	-	-	-	-
AGI	ALLIANCE GLOBAL, INC.		-		-	20,500	241,900	-	-	-	-	-	-
AJ	ACQIE MINING CO. INC. "A"		-		-	148,758	-	-	-	-	-	-	-
ALCO	ARTHALAND CORPORATION		-		-	10,875	6,960	-	-	-	-	-	-
ALCPD	ALCO PREF SERIES D		-		-	2,000	1,026,000	-	-	-	-	-	-
ALI	AYALA LAND INCORPORATED		-		-	353,910	12,988,497	-	-	-	-	-	-
ALLDY	ALLDAY MARTS, INC.		-		-	2,630,000	1,604,300	-	-	-	-	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.		-		-	6,225,100	41,894,923	-	-	-	-	-	-
ANS	A. SORIANO CORPORATION "A"		-		-	243,598	1,936,604	-	-	-	-	-	-
AP	ABOITIZ POWER CORPORATION		-		-	130,100	3,863,970	-	-	-	-	-	-
APC	APC GROUP, INC.		-		-	280,000	61,600	-	-	-	-	-	-
APL	APOLLO GLOBAL CAPITAL, INC.		-		-	8,632,000	690,560	-	-	-	-	-	-
APO	ANGLO PHIL. HOLDINGS CORP. "A"		-		-	86,810	78,129	200	180	-	-	-	-
APVI	ANGLO PROPERTY VENTURES, INC.		-		-	99	1,915	-	-	-	-	-	-
APX	APEX MINING CO., INC.		-		-	1,156,243	1,861,551	1,000	1,610	-	-	-	-
AR	ABRANETA PROPERTIES, INC.		-		-	19,320,000	88,872	-	-	-	-	-	-
AREIT	AREIT INC.		-		-	31,250	30,313	-	-	-	-	-	-
AT	ATLAS CONS. MINING & DEVT. "A"		-		-	1,581,600	76,865,760	-	-	-	-	-	-
ATI	ASIAN TERMINAL INC.		-		-	165,167	1,019,080	-	-	-	-	-	-
ATN	ATN HOLDINGS, INC.		-		-	1,975,500	27,637,000	-	-	-	-	-	-
ATNB	ATN HOLDINGS, INC. "B"		-		-	780,000	304,200	-	-	-	-	-	-
AUB	ASIA UNITED BANK CORPORATION		-		-	130,000	52,650	-	-	-	-	-	-
AXLM	AXELUM RESOURCES CORP.		-		-	68,025	2,942,081	-	-	-	-	-	-
BAY	BAY		-		-	74,500	223,500	-	-	-	-	-	-
BC	BENGUET CORPORATION		-		-	500,000	-	-	-	-	-	-	-
BCB	BENGUET CORPORATION "B"		-		-	325,743	1,661,289	-	-	-	-	-	-
BDO	BANCO DE ORO UNIV. BANK		-		-	13,548	65,572	-	-	-	-	-	-
BE	BENGUET EXPLORATION, INC.		-		-	29,808	3,597,826	-	-	-	-	-	-
BEL	BELLE CORPORATION		-		-	3,518,990	-	-	-	-	-	-	-
BELW	BELLE CORPORATION WARRANT		-		-	692,979	935,522	-	-	-	-	-	-
BH	BH HOLDINGS, INC.		-		-	199,117	3,385	-	-	-	-	-	-
BHI	BOULEVARD HOLDINGS, INC.		-		-	1,930	1,277,660	-	-	-	-	-	-
BKR	BRIGHT KINDLE RES. & INV. INC.		-		-	2,630,000	165,690	-	-	-	-	-	-
BLFI	BDO LEASING & FINANCE, INC.		-		-	84,000	141,120	-	-	-	-	-	-
BLOOM	BLOOMBERRY RESORTS CORPORATION		-		-	102,465	323,789	-	-	-	-	-	-
BPI	BANK OF THE PHIL. ISLANDS		-		-	1,000	6,300	-	-	-	-	-	-
BR	BR		-		-	6,269	577,688	-	-	-	-	-	-
BRN	A. BROWN COMPANY		-		-	3,250,000	-	5,697	4,501	-	-	-	-
BSC	BASIC ENERGY CORP		-		-	44,931	35,495	-	-	-	-	-	-
C	CHELSEA LOGISTICS HOLDINGS CORP.		-		-	855,943	539,244	-	-	-	-	-	-
CEB	CEBU AIR, INC.		-		-	701,000	1,163,660	-	-	-	-	-	-
CEBCP	CEBU AIR, INC. PREFERRED		-		-	38,600	1,626,990	-	-	-	-	-	-
CEU	CENTRO ESCOLAR UNIVERSITY		-		-	20,629	994,179	-	-	-	-	-	-
			-		-	36,100	235,372	-	-	-	-	-	-

CUALOPING SECURITIES CORPORATION
STOCK POSITION PER LOCATION REPORT
As of December 31, 2021

STOCK	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT	PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
CHI	CEBU HOLDINGS INCORPORATED	-	-	-	397,133	2,430,454	-	-	-	-	-	-
CHIB	CHINA BANKING CORPORATION	-	-	-	54,233	1,410,058	-	-	-	-	-	-
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	-	-	-	1,472,975	1,546,624	-	-	-	-	-	-
CLI	CEBU LANDMASTER INC.	-	-	-	80,350	241,050	-	-	-	-	-	-
CM	CARMEN MINDANAO	-	-	-	40,000,000	-	-	-	-	-	-	-
CNPF	CENTURY PACIFIC FOOD, INC.	-	-	-	15,000	438,750	-	-	-	-	-	-
CNVRG	CONVERGE INFO. AND COMM. TECH SOLUT	-	-	-	440,200	14,042,380	-	-	-	-	-	-
CO	CONSOLIDATED MINES	-	-	-	37,500	-	-	-	-	-	-	-
COAL	COAL ASIA HOLDINGS INC.	-	-	-	10,000	2,650	-	-	-	-	-	-
COSCO	COSCO CAPITAL, INC.	-	-	-	354,000	1,840,800	-	-	-	-	-	-
CPG	CENTURY PROPERTIES GROUP, INC.	-	-	-	10,603,000	4,241,200	-	-	-	-	-	-
CYBR	CYBER RAY CORPORATION	-	-	-	4,470,960	1,475,417	-	-	-	-	-	-
DD	DOUBLEDRAGON PROPERTIES CORP.	-	-	-	37,500	272,250	-	-	-	-	-	-
DDMPR	DDMP REIT, INC.	-	-	-	6,778,000	12,132,620	-	-	-	-	-	-
DDPR	DOUBLEDRAGON PROP. CORP. - PREFERRED	-	-	-	66,200	6,666,340	-	-	-	-	-	-
DELM	DEL MONTE PACIFIC LIMITED	-	-	-	12,242	189,996	-	-	-	-	-	-
DITO	DITO CME HOLDINGS CORP.	-	-	-	8,584	43,349	-	-	-	-	-	-
DITOR	DITOR	-	-	-	-	-	-	-	-	-	-	-
DIZ	DIZON COPPER-SILVER MINES, INC.	-	-	-	1,055	5,159	-	-	-	-	-	-
DMC	DMCI HOLDINGS INC.	-	-	-	1,418,300	10,935,093	-	-	-	-	-	-
DMW	D M WENCESLAW & ASSOCIATES, INC.	-	-	-	203,500	1,379,730	-	-	-	-	-	-
DNL	D&L INDUSTRIES, INC.	-	-	-	105,000	992,250	-	-	-	-	-	-
DWC	DISCOVERY WORLD CORPORATION	-	-	-	1,055,000	1,899,000	-	-	-	-	-	-
EAGLE	EAGLE CEMENT CORPORATION	-	-	-	22,000	321,200	-	-	-	-	-	-
EEL	EEL CORPORATION	-	-	-	28,021	182,137	12	78	-	-	-	-
EEIPA	EEL CORP. PREFERRED SHS SERIES A	-	-	-	16,000	1,616,000	-	-	-	-	-	-
EEIPB	EEL CORP. PREFERRED SHS SERIES B	-	-	-	68,000	7,310,000	-	-	-	-	-	-
EIBA	EXPORT AND INDUSTRY BANK, INC. "A"	-	-	-	340,264	-	-	-	-	-	-	-
EEL	EMPIRE EAST HOLDING	-	-	-	94,195	24,020	500	128	-	-	-	-
EMP	EMPERADOR INC.	-	-	-	10,000	208,000	-	-	-	-	-	-
EVER	EVER-GOTESCO RES. & HOLDINGS, INC.	-	-	-	30,000	9,900	-	-	-	-	-	-
EW	EAST WEST BANKING CORP.	-	-	-	79,317	761,443	-	-	-	-	-	-
FA	FIL-AM RES.	-	-	-	27,500	-	-	-	-	-	-	-
FAB	FIRST ABACUS FINANCIAL HLDGS. INC.	-	-	-	10,000	7,200	-	-	-	-	-	-
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	-	-	-	3,000	214,200	-	-	-	-	-	-
FDC	FILINVEST DEVELOPMENT CORP.	-	-	-	6,316	48,633	-	-	-	-	-	-
FFI	FILIPINO FUND, INC.	-	-	-	11,465	74,752	-	-	-	-	-	-
FILRT	FILINVEST REIT, INC.	-	-	-	659,700	4,881,780	-	-	-	-	-	-
FJP	F & J PRINCE HOLDINGS CORP. "A"	-	-	-	1,148,300	2,985,580	-	-	-	-	-	-
FJPB	F & J PRINCE HOLDINGS CORP. "B"	-	-	-	31,000	80,910	-	-	-	-	-	-
FLI	FILINVEST LAND INCORPORATED	-	-	-	978,048	1,075,853	-	-	-	-	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	-	-	-	181	389	-	-	-	-	-	-
FPH	FIRST PHIL. HOLDING CORP.	-	-	-	15,722	1,101,326	-	-	-	-	-	-
FPI	FORUM PACIFIC, INC.	-	-	-	220,000	58,300	-	-	-	-	-	-
FRUIT	FRUITAS HOLDINGS, INC.	-	-	-	142,000	173,240	-	-	-	-	-	-
GEO	GEOGRACE RES., PHIL., INC.	-	-	-	886,241	161,296	-	-	-	-	-	-
GLO	GLOBE TELECOM GMCR, INC.	-	-	-	2,581	8,574,082	-	-	-	-	-	-
GMA7	GMA NETWORK, INC.	-	-	-	20,000	276,800	-	-	-	-	-	-
GMAP	GMA HOLDINGS, INC.	-	-	-	59,400	780,516	-	-	-	-	-	-
GO	GOTESCO LAND, INC. "A"	-	-	-	15,830	-	-	-	-	-	-	-
GOB	GOTESCO LAND, INC. "B"	-	-	-	1,759	-	-	-	-	-	-	-
GREEN	GREEN ENERGY HOLDINGS INCORPORATED	-	-	-	14,644	33,388	-	-	-	-	-	-
GTCP	GT CAPITAL HOLDINGS, INC.	-	-	-	3,888	2,099,520	-	-	-	-	-	-
GTPA	GT CAPITAL HOLDINGS, INC. SERIES A	-	-	-	2,440	2,427,800	-	-	-	-	-	-
GTPB	GT CAPITAL HOLDINGS, INC. SERIES B	-	-	-	2,000	2,000,000	-	-	-	-	-	-

CUALOPING SECURITIES CORPORATION
STOCK POSITION PER LOCATION REPORT
As of December 31, 2021

STOCK	NAME OF STOCKS	CUSTOMER'S ACCOUNT	DEALER'S ACCOUNT	PHIL. CENTRAL DEPOSITORY	IN VAULT	TRANSFER OFFICE	IN TRANSIT
HOLCM	HOLCIM PHILIPPINES, INC.			136,300	752,376	-	-
HOME	ALLHOME CORP.			30,000	251,700	-	-
HOUSE	(8990) HOLDINGS, INC.			60,026	677,093	-	-
I	I-REMIT, INC.			17,015	14,122	-	-
ICT	INTL. CONTAINER TERMINAL SV. IN			4,991	998,200	-	-
IMI	INTEGRATED MICROELECTRONICS, INC.			664,807	5,584,379	-	-
INB	INCO MINING CORP. "B"			4,000,000	-	-	-
ION	IONICS, INC.			850	612	-	-
IFO	IPEOPLE, INC. "A"			22,750	159,023	-	-
IRC	PHILIPPINE INFRADEV HOLDINGS, INC.			985,000	1,103,200	-	-
IS	ISLAND INFORMATION & TECHNOLOGY INC.			200,000	28,800	-	-
JFC	JOLIBEE FOOD CORPORATION			12,564	2,718,850	-	-
JGS	JG SUMMIT HOLDINGS, INC.			2,100	111,300	-	-
KEPR	THE KEEPER'S HOLDINGS, INC.			3,301,000	4,357,320	-	-
KEP	KEPPEL PHILS. PROPERTIES, INC.			23,038	69,344	-	-
KPH	KEPPEL PHIL., HOLDINGS INC.			77	470	-	-
KPHB	KEPPEL PHIL., HOLDINGS INC. "B"			100	612	-	-
LC	LEPANTO CONS. MINING CO. "A"			50,741,591	7,103,823	-	-
LCB	LEPANTO CONS. & MINING CO. "B"			20,594,946	2,759,723	-	-
LOTO	PACIFIC ONLINE SYSTEMS CORP.			36,000	62,640	-	-
LPZ	LOPEZ HOLDINGS CORPORATION			142,372	414,303	-	524
LR	LEISURE & RESORTS WORLD CORP.			346,868	516,833	-	-
LRC	LANDOIL RESOURCES CORP. "A"			35,394,000	-	-	-
LSC	LORENZO SHIPPING CORP.			37,500	33,750	-	-
LTG	LT GROUP, INC.			15,000	148,500	-	-
MA	MANILA MINING "A"			9,787,664	107,664	-	-
MAB	MANILA MINING "B"			2,807,482	28,075	-	-
MAC	MACRO ASIA CORPORATION			780	4,134	-	-
MACW	MACROASIA CORPORATION WARRANTS			5,500	41	-	-
MARC	MARCVENTURES HOLDINGS, INC.			235,620	275,675	-	-
MAXS	MAX'S GROUP, INC.			25,000	162,000	-	-
MB	MANILA BULLETIN PUB. CORP.			3,755	1,558	-	-
MBT	METROBANK AND TRUST COMPANY			458,664	25,547,585	-	1,671
MC	MARSTEEL CONS. INC. "A"			5,950,000	-	-	-
MCB	MARSTEEL CONS. INC. "B"			1,550,000	-	-	-
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED			1,426,500	1,840,185	-	-
MEG	MEGAWORLD PROP. & HOLDINGS INC.			607,016	1,912,100	-	-
MER	MANILA ELECTRIC COMPANY "A"			42,453	12,532,126	-	-
MFC	MANULIFE FINANCIAL CORP.			86	81,399	-	-
MG	MILLENNIUM GLOBAL HOLDINGS, INC.			50,000	7,950	-	-
MGH	METRO GLOBAL HOLDINGS CORPORATION			700	-	-	-
MHC	MABUHAY HOLDINGS CORP.			412,100	154,538	-	-
MI	MI			18,973	-	-	-
MJC	MANILA JOCKEY CLUB			3,446,170	6,272,029	-	-
MJC	MJC INVESTMENTS CORPORATION			12,100	13,915	-	-
MJC	MERRYMAST CONSUMER CORP.			8,000	20,080	-	-
MM	MARCOPPER MINING CORP.			11,700	-	-	-
MM	MONDRAGON INTERNATIONAL PHIL.			255,400	-	-	-
MON	MONDE NISSIN CORPORATION			343,000	5,556,600	-	-
MONDE	METRO PACIFIC INVESTMENT CORP.			1,570,105	6,123,410	-	-
MPI	MRC ALLIED INDUSTRIES, INC.			130,000	33,150	-	-
MRC	MREIT, INC.			814,600	16,047,620	-	-
MREIT	METRO RETAIL STORES GROUP, INC.			680,000	979,200	-	-
MRSI	MANILA WATER COMPANY, INC.			113,000	2,796,750	-	-
MWC	MEGAWIDE CONSTRUCTION CORP.			17,965	93,059	-	-
NWIDE							

CUALOPING SECURITIES CORPORATION
STOCK POSITION PER LOCATION REPORT
As of December 31, 2021

STOCK	NAME OF STOCKS	CUSTOMER'S ACCOUNT	DEALER'S ACCOUNT	PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT
NI	NIHAO MINERAL RESOURCES INTL, INC	-	-	12,000	12,360	-	-	-	-	-
NIKL	NICKEL ASIA CORPORATION	-	-	239,883	1,283,374	-	-	-	-	-
NIRCP	THE NATIONAL REINSURANCE CORP.	-	-	30,000	18,000	-	-	-	-	-
NXGEN	NEXTGENESIS CORPORATION	-	-	12,350	-	200	-	-	-	-
OM	OMICO CORPORATION	-	-	109,245	37,690	-	-	-	-	-
OMV2	OMICO CORPORATION WARRANT	-	-	155,000,000	31,000	-	-	-	-	-
OPM	OMICO CORPORATION WARRANTS 2	-	-	277,249	2,772	-	-	-	-	-
OPMB	ORIENTAL PET. & MRLS. CORP. "A"	-	-	20,888,877	229,778	-	-	-	-	-
ORE	ORIENTAL PET. & MRLS. CORP. "B"	-	-	18,444,415	202,889	240,345	2,644	-	-	-
OV	ORIENTAL PENINSULA RES. GROUP, INC.	-	-	6,000	4,680	-	-	-	-	-
PA	PHILODRILL CORPORATION "A"	-	-	78,052,529	780,525	111,000	1,110	-	-	-
PAL	PACIFICA INCORPORATED	-	-	250	800	50	160	-	-	-
PAL	PAL HOLDINGS INC.	-	-	21,828	132,059	-	-	-	-	-
PBB	PHILIPPINE BUSINESS BANK	-	-	120,037	1,200,370	-	-	-	-	-
PBC	PHILIPPINE BANK OF COMMUNICATION	-	-	35	612	-	-	-	-	-
PCOR	PETRON CORPORATION	-	-	90,423	286,041	1,245	3,947	-	-	-
PCP	PICOP RES., INC. "A"	-	-	1,057,225	-	-	-	-	-	-
PERC	PETROENERGY RESOURCES CORP.	-	-	13,912	55,648	-	-	-	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	-	-	4,000	157,200	-	-	-	-	-
PHA	PREMIER HORIZON ALLIANCE CORP.	-	-	20,000	11,200	-	-	-	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC.	-	-	92,000	71,760	-	-	-	-	-
PIZZA	SHAKY'S PIZZA ASIA VENTURES, INC.	-	-	30,000	303,000	-	-	-	-	-
PLC	PREMIUM LEISURE CORP.	-	-	40,000	17,200	-	-	-	-	-
PMPC	PANASONIC MANUFACTURING PHIL., CORP.	-	-	486	2,916	-	-	-	-	-
PN	PIONEER NATURAL RESOURCES CORP.	-	-	2,500,000	-	-	-	-	-	-
PNB	PHILIPPINE NATIONAL BANK	-	-	36,423	732,102	-	-	-	-	-
PNBW	PHIL. NATIONAL BANK WARRANT	-	-	620	-	-	-	-	-	-
PNC	PHIL. NATIONAL CONSTR. CORP.	-	-	104,000	-	-	-	-	-	-
POD	PHIL. OIL DEVELOPMENT DO. INC.	-	-	35,150,000	-	-	-	-	-	-
POGEI	POGEI	-	-	14,200,000	-	-	-	-	-	-
PP1	PHIL TOWN PROPERTIES, INC	-	-	15,702	-	-	-	-	-	-
PRC	PHILIPPINE RACING CLUB, INC	-	-	221,565,716	1,728,212,585	-	-	-	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	-	-	200	234	-	-	-	-	-
PSB	PHILIPPINE SAVINGS BANK	-	-	181	10,227	-	-	-	-	-
PSE	PHIL. TEL. & TEL. CO	-	-	204,277	43,919,555	-	-	-	-	-
PTT	PHIL. TEL. & TEL. CO	-	-	423,666	-	-	-	-	-	-
PX	PHILEX MINING CORP.	-	-	508,105	2,769,172	329	1,793	-	-	-
PXP	PXP ENERGY CORPORATION	-	-	104,436	642,281	-	-	-	-	-
RCB	RIZAL COMMERCIAL BANK CORP.	-	-	480,745	9,614,900	-	-	-	-	-
RCR	RL COMMERCIAL REIT, INC.	-	-	1,656,100	12,602,921	-	-	-	-	-
REG	REPUBLIC GLASS HOLDINGS CORP	-	-	1,987,859	5,963,577	-	-	-	-	-
RFM	RFM CORPORATION	-	-	265,552	1,213,573	-	-	-	-	-
RICH	RICH	-	-	2,000,000	-	-	-	-	-	-
RLC	ROBINSONS LAND CORP.	-	-	5,557	106,694	1,500	28,800	-	-	-
RLT	PHIL. REALTY AND HOLDINGS	-	-	4,438,690	896,615	250	51	-	-	-
ROCK	ROCKWELL LAND	-	-	9,550	14,134	-	-	-	-	-
RPC	REYNOLDS PHILIPPINE CORP.	-	-	605,975	-	-	-	-	-	-
S	SAMAR MINING CO. INC.	-	-	3,000,000	-	-	-	-	-	-
SBS	SBS PHILIPPINES CORP.	-	-	274	1,071	-	-	-	-	-
SCC	SEMIKARA MINING AND POWER CORP.	-	-	264,080	5,638,108	-	-	-	-	-
SECB	SECURITY BANK CORP	-	-	593	70,567	-	-	-	-	-
SFI	SWIFT FOOD, INC.	-	-	125,675	13,070	-	-	-	-	-
SFIP	SFI PREFERRED	-	-	11,815	17,723	-	-	-	-	-
SGI	SOLID GROUP, INC.	-	-	49,000	52,920	-	-	-	-	-
SGP	SYNERGY GRID & DEV. PHILS., INC.	-	-	1,562,400	20,498,688	-	-	-	-	-

CUALOPING SECURITIES CORPORATION
STOCK POSITION PER LOCATION REPORT
As of December 31, 2021

SYMBOL	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT	PHIL. CENTRAL DEPOSITORY	IN VAULT		TRANSFER OFFICE	IN TRANSIT
SHLP	PILIPINAS SHELL PETROLEUM CORP.				50,310				
SLNG	SHANGHAI PETROLEUM CORP.				48,654				
SLF	SUN LIFE FINANCIAL, INC.				10				
SLI	STA. LUCIA LAND, INC.				1,340,109,000				
SMB	SAN MIGUEL BREWERY, INC.				1,000				
SMC	SAN MIGUEL CORPORATION "A"				8,348,634				
SMC2F	SMC SERIES "2-F"				72,660				
SMC2J	SMC PREFERRED SERIES 2-J				40,000				
SMPH	SM PRIME HOLDINGS INC.				66,000				
SOC	SOC RESOURCES, INC.				36,474				
SPC	SPC POWER CORPORATION				50,000				
SPM	SEAFRONT RESOURCES CORP.				20,000				
SPNEC	SEAFRONT RESOURCES CORP.				24,268				
SSI	SOLAR PHILIPPINES NUEVA ECUIA CORP.				87,000				
SSP	SSI GROUP, INC.				660,000				
STI	SFI SEMICON PHILIPPINES CORPORATION				327,000				
STN	STI EDUCATION SYSTEMS HOLDINGS, INC.				359,700				
SUN	STENIEL MANUFACTURING CORP.				1,324,640				
SWM	SUNTRUST HOME DEVELOPERS, INC.				110,000				
T	SANITARY WARES MANUFACTURING CORP.				46,000				
TBGI	TKC METALS CORPORATION				1,100				
TECH	TRANSPACIFIC BROADBAND GROUP, INTL				190,000				
TECHW	CIRTEK HOLDINGS PHIL. CORP.				6,000				
TEL	CIRTEK HOLDINGS PHIL. CORP. WARRANT				18,039				
TELG	PHIL. LONG DISTANCE TELEPHONE CO				4,785				
TFC	PLDT (10% PREF.) SERIES G				1,535				
TFHI	PTTC REDEVELOPMENT CORPORATION				9,720				
TUGS	TOP FRONTIER INVESTMENT HLDS				63,800				
UBP	HARBOR STAR SHIPPING SERVICES, INC.				12,020				
UNI	UNION BANK OF THE PHIL.				144,000				
UP	UNIOIL RESOURCES & HOLDINGS CO, INC				2,810				
UPM	UNIVERSAL RIGHTFIELD PROP HLDS INC				762,000				
UW	UNITED PARAGON MINING CORP.				1,620,000				
V	UNIWIDE HOLDINGS, INC.				20,887,500				
VITA	VANTAGE EQUITIES, INC.				335,000				
VLL	VITARCH CORPORATION				521,000				
VMC	VISTA LAND & LIFESCAPES, INC.				5,000				
VUL	VICTORIAS MILLING CO. INC.				350				
WEB	VULCAN IND. & MINING CORP.				64,020				
WEBW	PHILWEB COM, INC.				73,326				
WIN	PHILWEB. COM, INC. WARRANTS				111,332				
WISE	WELLEX INDUSTRIES INC.				8,549,406				
WILCON	WISE				67,600				
WPI	WILCON DEPOT INC.				55,295				
WPIW	WATERFRONT PHILS, INC.				110,000				
X	WATERFRONT PHILS., INC. WARRANT				110,500				
ZB	XURPAS INC.				435,000				
ZB					168,000				
Total					1,000,000				
					2,226,273,071				
					6,194,128,398				
					467,596				
					324,973				

SCHEDULE VII

CUALOPING SECURITIES CORPORATION SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE REVISED SRC RULE 68 FINANCIAL SOUNDNESS INDICATORS For The Year Ended December 31, 2021 and 2020

Current Ratio

	2021	2020
Total current assets	P 68,438,005	P 64,458,054
Total current liabilities	11,432,153	11,412,256
Current ratio	5.986:1	5.648:1

Quick Ratio

	2021	2020
Total liquid asset	P 66,366,187	P 62,169,535
Total current liabilities	11,432,153	11,412,256
Quick ratio	5.805:1	5.448:1

Working Capital to Total Asset

	2021	2020
Working capital	P 57,005,852	P 53,045,798
Total Asset	132,192,238	115,316,587
Working capital ratio	0.431:1	0.46:1

Solvency Ratio

	2021	2020
Net income (loss) after tax + Depreciation	P 4,600,745	P (6,041,208)
Total liabilities	28,055,161	31,313,582
Solvency ratio	(0.303):1	(0.012):1

Debt-to-equity Ratio

	2021	2020
Total liabilities	P 28,055,161	P 31,313,582
Total equity	104,137,077	84,003,005
Debt-to-equity ratio	0.269:1	0.373:1

SCHEDULE VII

CUALOPING SECURITIES CORPORATION
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
REVISED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Year Ended December 31, 2021 and 2020

Asset-to-equity Ratio

	2021	2020
Total assets	P 132,192,238	P 115,316,587
Total equity	89,585,117	84,003,005
Asset to equity ratio	1.476:1	1.373:1

Interest Rate Coverage Ratio

	2021	2020
Pre-tax profit before interest	P 5,434,584	P (7,748,073)
Interest expense	(981,239)	(942,560)
Interest rate ratio	-5.538:1	8.22:1

Profitability Ratios

a.) Return on asset ratio

	2021	2020
Net income after tax	P 4,768,792	P (5,901,936)
Average assets	123,754,413	66,995,936
	0.039:1	-0.088:1

b.) Return on equity ratio

	2021	2020
Net income after tax	P 4,768,792	P (5,901,936)
Average equity	86,794,061	86,883,769
	0.055:1	-0.068:1

d.) Net Profit Margin

	2021	2020
Net profit after tax	P 4,768,792	P (5,901,936)
Revenue	8,798,782	-3,381,313
	0.542:1	1.745:1

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2021

CUALOPING SECURITIES CORPORATION
Unit 061 Level 3 Ayala Malls Circuit, Hipodromo Street Circuit Makati, Brgy. Carmona Makati City

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning of the year	P 3,397,489
Add: Net income actually earned/realized during the period	4,768,792
Less: Non-actual/unrealized income net of tax	
• Equity in net income of associate/joint venture	-
• Unrealized foreign exchange gain - (after tax except those attributable to Cash and Cash Equivalents) Unrealized actuarial gain	-
• Fair value adjustment (mark-to-market gains)	4,245,045
• Fair value adjustment of Investment Property resulting to gain	-
• Adjustment due to deviation from PFRS-gain	-
• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under PFRS	-
Sub-total	<u>4,245,045</u>
Add: Non-actual losses	
• Depreciation or revaluation increment (after tax)	-
• Adjustment due to deviation from PFRS/GAAP - loss	-
• Loss on fair value adjustment of investment property (after tax)	-
Sub-total	<u>-</u>
Net income actually earned during the period	P 523,747
Add (Less):	
• Dividend declarations during the period	-
• Appropriations of Retained Earnings during the period	476,879
• Reversals of appropriations	-
• Effects of prior period adjustments	-
• Treasury Shares	-
Sub-total	<u>476,879</u>
TOTAL RETAINED EARNINGS, END OF YEAR AVAILABLE FOR DIVIDEND DECLARATION	<u>P 4,398,115</u>

Fw: Your BIR AFS eSubmission uploads were received

Cualoping Securities Corporation <cualopingseccorp@yahoo.com>

Tue, May 31, 2022 at 2:06 PM

To: janet presquito <janetpresq@gmail.com>, Janet Presquito <janetp.csc@gmail.com>

CUALOPING SECURITIES CORPORATION

Unit 061 Level 3 Ayala Malls Circuit, Hippodromo St.,
Brgy. Carmona, Makati City
Tel. No.: 7750-72-70

----- Forwarded Message -----

From: "eafs@bir.gov.ph" <eafs@bir.gov.ph>**To:** "cualopingseccorp@yahoo.com" <cualopingseccorp@yahoo.com>**Cc:** "pngsi2012@gmail.com" <pngsi2012@gmail.com>**Sent:** Tuesday, May 31, 2022, 01:54:17 PM GMT+8**Subject:** Your BIR AFS eSubmission uploads were received

Hi CUALOPING SECURITIES CORPORATION,

Valid files

- EAFS000333333ITRTY122021.pdf
- EAFS000333333AFSTY122021.pdf
- EAFS000333333TCRTY122021-16.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-2YYVT2PN087BH957EMTTXMY3Y075HKJDG5**Submission Date/Time: **May 31, 2022 01:37 PM**Company TIN: **000-333-333**

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

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Cualoping Securities Corporation

Member: Philippine Stock Exchange, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **CUALOPING SECURITIES CORPORATION** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2021. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return and Annual Information Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2021 and the accompanying Annual Income Tax Return are in accordance with the books and records of **CUALOPING SECURITIES CORPORATION** complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the **CUALOPING SECURITIES CORPORATION** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

BY:

CUALOPING SECURITIES CORPORATION


SANTIAGO S. CUA, JR.

Chairman of the Board


SIMEON S. CUA

President


GLENN NELSON M. MACAVINTA

Treasurer



PEREZ, SESE, VILLA & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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

**To the Board of Directors
CUALOPING SECURITIES CORPORATION**

Unit 061 Level 3 Ayala Malls Circuit,
Hipodromo Street Circuit Makati
Brgy. Carmona Makati City

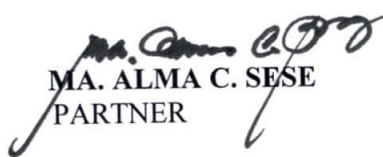
We have audited the financial statements of **CUALOPING SECURITIES CORPORATION** for the year ended December 31, 2021, on which we have rendered the attached report dated April 15, 2022.

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

1. The taxes paid and accrued by the above Company for the year ended December 31, 2021 are shown in the Schedule of Taxes and Licenses.
2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal shareholders of the Company.

PEREZ, SESE, VILLA & CO.

BY:


MA. ALMA C. SESE
PARTNER

CPA Reg. No. 0054588

TIN 212-955-173-000

PTR No. 9848590, January 12, 2021, Manila City

SEC Group B Accreditation

Partner – 1606-AR-1, valid until December 16, 2022

Firm – 0336-FR-1, valid until December 16, 2022

BIR AN 06-002735-001-2021, valid until March 5, 2024

IC Accreditation

Partner -54588-IC, valid until December 3, 2024

Firm -0222-IC, valid until December 3, 2024

FIRM's BOA/PRC Cert. of Reg. No. 0222, valid until October 12, 2023

Manila, Philippines
April 15, 2022



admin@psv-co.com
www.psvco.com



(02) 8994-3984



9th Flr Unit C Marc 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate Manila, 1004



Reference No : 462200048030335
Date Filed : May 30, 2022 02:13 PM
Batch Number : 0




Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

Amended


For BIR Use Only: BCS/Item:

BIR Form No. 1702-RT January 2018(ENCS) Page 1		Annual Income Tax Return For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal		3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No	
2 Year Ended (MM/DDYY) 12/2021		5 Alphanumeric Tax Code (ATC) IC055 <input type="checkbox"/> Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/> IC010 <input checked="" type="checkbox"/>			
Part I - Background Information					
6 Taxpayer Identification Number (TIN) 000 - 333 - 333 - 000		7 RDO Code 049			
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) CUALOPING SECURITIES CORP					
9A Registered Address (Indicate complete registered address) 1765 PM GUAZON ST. BRGY 829 ZONE 090 MANILA					
9B Zipcode 1007					
10 Date of Incorporation/Organization (MM/DD/YYYY)					
11 Contact Number 7083229			12 Email Address cualopingseccorp@yahoo.com		
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
Part II - Total Tax Payable (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				18,357	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				527,766	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(509,409)	
Add Penalties					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(509,409)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory		TIN		22 Number of Attachments 4	
Part III - Details of Payment					
Particulars		Drawee Bank/Agency		Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

Amended

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
Taxpayer Identification Number (TIN) 000 333 333 000		Registered Name CUALOPING SECURITIES CORP
Part IV - Computation of Tax (Do NOT enter Centavos)		
27 Sales/Receipts/Revenues/Fees		1,904,464
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		1,904,464
30 Less: Cost of Sales/Services		1,187,905
31 Gross Income from Operation (Item 29 Less Item 30)		716,559
32 Add: Other Taxable Income Not Subjected to Final Tax		1,119,146
33 Total Taxable Income (Sum of Items 31 and 32)		1,835,705
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	4,425,114	
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0	
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0	
37 Total Deductions (Sum of Items 34 to 36)	4,425,114	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)	(2,589,409)	
40 Applicable Income Tax Rate	25%	
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)	0	
42 MCIT Due (2% of Item 33)	18,357	
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)	18,357	
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT	300,908	
45 Income Tax Payment under MCIT from Previous Quarter/s	0	
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0	
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)	0	
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0	
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	226,858	
50 Foreign Tax Credits, if applicable	0	
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0	
52 Special Tax Credits (To Part V Item 58)	0	
Other Credits/Payments (Specify)		
53	0	
54	0	
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)		
		527,766
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		(509,409)
Part V - Tax Relief Availment		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)	0	
58 Add: Special Tax Credits (From Part IV Item 52)	0	
59 Total Tax Relief Availment (Sum of Items 57 and 58)	0	

Amended

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN) 000 - 333 - 333 - 000		Registered Name CUALOPING SECURITIES CORP


Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	168,046
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	934,323
9 Losses	0
10 Pension Trust	0
11 Rental	263,709
12 Research and Development	0
13 Salaries, Wages and Allowances	1,152,308
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	144,567
16 Transportation and Travel	150,081
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s), if necessary]	
a Janitorial and Messengerial Services	0
b Professional Fees	197,000
c Security Services	0
d 13TH MONTH AND OTHER BENEFITS	150,053
e CONDOMINIUM DUES	379,843
f UTILITIES	201,454
g POSTAGE AND COMMUNICATION	110,826
h INSURANCE	68,006
i OTHERS	504,898
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 34)	4,425,114

Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)	0		

Amended

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN) 000 -333 -333 -000		Registered Name CUALOPING SECURITIES CORP

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	1,835,705
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	4,425,114
3 Net Operating Loss/(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(2,589,409)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)		
Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4 2021	2,589,409	0
5 2020	4,242,766	0
6 2019	4,023,775	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4 0	0	2,589,409
5 0	0	4,242,766
6 0	0	4,023,775
7 0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2020	0	61,951	61,951
2 2019	0	13,070	13,070
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	61,951
2 0	0	0	13,070
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	4,453,345
Add: Non-deductible Expenses/Taxable Other Income	
2 NON-DEDUCTIBLE EXPENSE	297,174
3	0
4 Total (Sum of Items 1 to 3)	
4,750,519	
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME	25,908
6 OTHERS	7,314,020
B) Special Deductions	
7	0
8	0
9 Total (Sum of Items 5 to 8)	
7,339,928	
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(2,589,409)




Reference No : 462200047277842
Date Filed : April 16, 2022 01:54 PM
Batch Number : 0





Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

BIR Form No. 1702-RT January 2018(ENCS) Page 1		Annual Income Tax Return For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate <i>Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.</i>		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal		3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No	
2 Year Ended (MM/YYYY) 12/2021		5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/> IC010 <input checked="" type="checkbox"/>			
Part I - Background Information					
6 Taxpayer Identification Number (TIN) 000 - 333 - 333 - 000				7 RDO Code 049	
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) CUALOPING SECURITIES CORP					
9A Registered Address (Indicate complete registered address) 1765 PM GUAZON ST. BRGY 829 ZONE 090 MANILA					
9B Zipcode 1007					
10 Date of Incorporation/Organization (MM/DD/YYYY)					
11 Contact Number 7083229			12 Email Address cualopingseccorp@yahoo.com		
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
Part II - Total Tax Payable (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				61,991	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				506,717	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(444,726)	
Add Penalties					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(444,726)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory PRESIDENT		TIN		22 Number of Attachments 4	
Title of Signatory TREASURER		TIN			
Part III - Details of Payment					
Particulars		Drawee Bank/Agency		Number	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
Taxpayer Identification Number (TIN) 000 - 333 - 333 - 000		Registered Name CUALOPING SECURITIES CORP
Part IV - Computation of Tax (Do NOT enter Centavos)		
27 Sales/Receipts/Revenues/Fees		1,904,464
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		1,904,464
30 Less: Cost of Sales/Services		1,187,905
31 Gross Income from Operation (Item 29 Less Item 30)		716,559
32 Add: Other Taxable Income Not Subjected to Final Tax		1,119,146
33 Total Taxable Income (Sum of Items 31 and 32)		1,835,705
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	4,425,114	
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0	
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0	
37 Total Deductions (Sum of Items 34 to 36)	4,425,114	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)		(2,589,409)
40 Applicable Income Tax Rate		25%
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)		0
42 MCIT Due (2% of Item 33)		61,991
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)		61,991
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT		300,908
45 Income Tax Payment under MCIT from Previous Quarter/s		0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		205,809
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits (To Part V Item 58)		0
Other Credits/Payments (Specify)		
53		0
54		0
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)		506,717
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		(444,726)
Part V - Tax Relief Availment		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)		0
58 Add: Special Tax Credits (From Part IV Item 52)		0
59 Total Tax Relief Availment (Sum of Items 57 and 58)		0

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN) 000 - 333 - 333 - 000		Registered Name CUALOPING SECURITIES CORP
Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)		
1 Amortizations		0
2 Bad Debts		0
3 Charitable Contributions		0
4 Depletion		0
5 Depreciation		168,046
6 Entertainment, Amusement and Recreation		0
7 Fringe Benefits		0
8 Interest		934,323
9 Losses		0
10 Pension Trust		0
11 Rental		263,709
12 Research and Development		0
13 Salaries, Wages and Allowances		1,152,308
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		0
15 Taxes and Licenses		144,567
16 Transportation and Travel		150,081
17 Others (Deductions Subject to Withholding Tax and Other Expenses) (Specify below; Add additional sheet(s), if necessary)		
a Janitorial and Messengerial Services		0
b Professional Fees		197,000
c Security Services		0
d 13TH MONTH AND OTHER BENEFITS		150,053
e CONDOMINIUM DUES		379,843
f UTILITIES		201,454
g POSTAGE AND COMMUNICATION		110,826
h INSURANCE		68,006
i OTHERS		504,898
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 34)		4,425,114
Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)		0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN)		Registered Name
000 -333 -333 -000		CUALOPING SECURITIES CORP

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	1,835,705
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	4,425,114
3 Net Operating Loss/(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(2,589,409)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)			
Net Operating Loss		B) NOLCO Applied Previous Year	
Year Incurred	A) Amount		
4 2021	2,589,409		0
5 2020	4,242,766		0
6 2019	4,023,775		0
7	0		0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4 0	0	2,589,409
5 0	0	4,242,766
6 0	0	4,023,775
7 0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2020	0	61,951	61,951
2 2019	0	13,070	13,070
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	61,951
2 0	0	0	13,070
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	4,453,345
Add: Non-deductible Expenses/Taxable Other Income	
2 NON DEDUCTIBLE EXPENSE	297,174
3	0
4 Total (Sum of Items 1 to 3)	4,750,519
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME	25,908
6 OTHERS	7,314,020
B) Special Deductions	
7	0
8	0
9 Total (Sum of Items 5 to 8)	7,339,928
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(2,589,409)