



SECURITIES AND EXCHANGE COMMISSION

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COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAMEB E L S O N S E C U R I T I E S , I N C . (A S u b s i d i a r y o
f A E & E ' s D e v e l o p m e n t C o r p o r a t i o n)**PRINCIPAL OFFICE** (No./Street/Barangay/City/Town/Province)4 / F B e l s o n H o u s e , 2 7 1 E D S A , M a n d a l u y o n g
C i t y

Form Type

5 2 - A R

Department requiring the report

M S R D

Secondary License Type, If Applicable

Broker/Dealer in Securities

COMPANY INFORMATION

Company's Email Address

belsonsecurities@yahoo.com

Company's Telephone Number/s

(02) 8-724-7586

Mobile Number

0917-540-3168

No. of Stockholders

17

Annual Meeting (Month / Day)

March 31

Fiscal Year (Month / Day)

December 31

CONTACT PERSON'S INFORMATIONThe designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Emmanuel G. Lim

Email Address

belsonsecurities@yahoo.com

Telephone Number/s

(02) 8-724-7586

Mobile Number

0927-787-8624

CONTACT PERSON'S ADDRESS

4/F Belson House, 271 EDSA, Mandaluyong City

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

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

BELSON SECURITIES, INC.
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2023

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

COVER PAGE

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

Report for the Year Beginning January 1, 2023 and Ended December 31, 2023.

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	Belson Securities, Inc.
Address of Principal Place of Business:	4/F Belson House 271 EDSA, Mandaluyong City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Emmanuel G. Lim	Tel. No.: (02) 8-724-7586
	Fax No.: (02) 8-726-0856

IDENTIFICATION OF ACCOUNTANT	
Name of Independent Auditors whose opinion is contained in this report:	
Name: Reyes Tacandong & Co. SEC Registration No. PP201007009	Tel. No.: (02) 8-982-9100 Fax No.: (02) 8-982-9111
Address: 26 th Floor, BDO Towers Valero 8741 Paseo de Roxas, Makati City	
KARL JOSEPH N. MALVAS Partner CPA Certificate No. 110926 Tax Identification No. 940-545-217-000 BOA Accreditation No. 4782 Valid until April 13, 2024 BIR Accreditation No. 08-005144-017-2022 Valid until June 6, 2025 PTR No. 10072421 Issued January 3, 2023, Makati City	



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Belson Securities, Inc.
4/F Belson House
271 EDSA, Mandaluyong City

Opinion

We have audited the financial statements of Belson Securities, Inc. (a subsidiary of AE & E's Development Corporation) (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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 audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the 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 these financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

REYES TACANDONG & Co.

KARL JOSEPH N. MALVAS

Partner

CPA Certificate No. 110926

Tax Identification No. 940-545-217-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-017-2022

Valid until June 6, 2025

PTR No. 10072421

Issued January 3, 2024, Makati City

April 12, 2024

Makati City, Metro Manila

BELSON SECURITIES, INC.
(A Subsidiary of AE & E's Development Corporation)

STATEMENTS OF FINANCIAL POSITION

		December 31					
		2023			2022		
		Security Valuation			Security Valuation		
Note	Money Balance	Long	Short	Money Balance	Long	Short	
ASSETS							
Current Assets							
	Cash and cash equivalents	P202,430,256			P176,589,137		
7							
8	Financial assets at fair value through profit or loss (FVPL)	4,912,265	P4,912,265		6,215,332		P6,215,332
9	Trade receivables	30,884,559	514,663,909		75,485,348		529,348,374
10	Other receivables	2,038,587			1,487,437		
11	Other current assets	1,736,087			1,107,331		
	Total Current Assets	242,001,754			260,884,585		
Noncurrent Assets							
Financial assets at fair value through other comprehensive income (FVOCI)							
12	Exchange trading right	42,800,000	40,800,000		39,420,000		37,920,000
13	Investment properties	882,200			882,200		
14	Furniture, fixtures and equipment	13,277,526			14,107,371		
15	Net deferred tax assets	142,475			63,702		
23	Other noncurrent assets	551,224			89,338		
16	Total Noncurrent Assets	61,352,454			3,639,421		
		P303,354,208			58,202,032		
					P319,086,617		
Securities in Vault, Transfer Offices and Philippine Depository and Trust Corporation						P3,389,534,543	P3,597,071,378
LIABILITIES AND EQUITY							
Current Liabilities							
17	Trade payables	P76,079,087	2,829,158,369		P90,299,474		3,023,587,672
18	Other current liabilities	9,763,360			9,143,343		
	Total Current Liabilities	85,842,447			99,442,817		
Noncurrent Liability							
21	Net retirement benefit liability	1,780,182			7,198,286		
	Total Liabilities	87,622,629			106,641,103		
Equity							
19	Capital stock	120,000,000			120,000,000		
19	Treasury stock	(2,558,200)			(2,558,200)		
Retained earnings:							
19	Appropriated	9,628,897			9,628,897		
	Unappropriated	49,236,083			53,022,602		
	Other comprehensive income	39,424,799			32,352,215		
	Total Equity	215,731,579			212,445,514		
		P303,354,208	P3,389,534,543	P3,389,534,543	P319,086,617	P3,597,071,378	P3,597,071,378

See accompanying Notes to Financial Statements.

BELSON SECURITIES, INC.
(A Subsidiary of AE & E's Development Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	2023	2022
REVENUE			
Commissions		P9,783,589	P14,910,524
Other income:			
Interest income	7	2,761,124	888,793
Dividend income	8	2,523,898	5,420,480
Rentals	22	1,085,852	2,606,046
Others		281,392	-
		16,435,855	23,825,843
COST OF SERVICES			
Salaries and other employee benefits	20	5,069,952	4,382,531
Commissions		3,398,034	3,893,035
Professional fees		2,242,093	1,477,489
Stock exchange dues and fees		725,718	651,424
Communications		472,231	474,380
Central depository fees		361,149	391,772
		12,269,177	11,270,631
GROSS PROFIT		4,166,678	12,555,212
OPERATING EXPENSES			
Salaries and other employee benefits	20	4,231,182	4,998,540
Professional fees		859,222	943,264
Utilities		422,618	580,577
Taxes and licenses		246,750	482,801
Repairs and maintenance		121,880	87,441
Transportation and travel		53,204	54,700
Others		279,937	104,698
		6,214,793	7,252,021
OTHER CHARGES			
Provision for expected credit losses (ECL) on trade receivables	9	2,511,177	60,765
Trading losses on financial assets at FVPL - net	8	1,179,587	3,380,582
Depreciation	15	867,054	855,042
		4,557,818	4,296,389
INCOME (LOSS) BEFORE INCOME TAX		(P6,605,933)	P1,006,802

(Forward)

	Note	Years Ended December 31	
		2023	2022
INCOME (LOSS) BEFORE INCOME TAX		(₱6,605,933)	₱1,006,802
INCOME TAX EXPENSE (BENEFIT)	23		
Current		-	68,353
Deferred		(2,819,414)	(1,191,668)
		(2,819,414)	(1,123,315)
NET INCOME (LOSS)		(3,786,519)	2,130,117
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gains on net retirement benefit liability net of deferred tax	21	4,537,584	-
Unrealized gains (losses) on financial assets at FVOCI - net of deferred tax	12	2,535,000	(9,847,500)
		7,072,584	(9,847,500)
TOTAL COMPREHENSIVE INCOME (LOSS)		₱3,286,065	(₱7,717,383)

See accompanying Notes to Financial Statements.

BELSON SECURITIES, INC.
(A Subsidiary of AE & E's Development Corporation)

STATEMENTS OF CHANGES IN EQUITY

	Note	Capital Stock (see Note 19)	Retained Earnings		Total	Other Comprehensive Income		Total	Treasury Stock	Total Equity
			Appropriated (see Note 19)	Unappropriated		Unrealized Gains on Financial Assets at FVOCI (see Note 12)	Cumulative Remeasurement Gains on Net Retirement Benefit Liability (see Note 21)			
Balances as at December 31, 2022		₱120,000,000	₱9,628,897	₱53,022,602	₱62,651,499	₱24,562,699	₱7,789,516	₱32,352,215	(₱2,558,200)	₱212,445,514
Net loss		-	-	(3,786,519)	(3,786,519)	-	-	-	-	(3,786,519)
Other comprehensive income:										
Unrealized gains on financial assets at										
FVOCI - net of deferred tax	12	-	-	-	-	2,535,000	-	2,535,000	-	2,535,000
Remeasurement gains on net retirement										
benefit liability - net of deferred tax	21	-	-	-	-	-	4,537,584	4,537,584	-	4,537,584
Balances as at December 31, 2023		₱120,000,000	₱9,628,897	₱49,236,083	₱58,864,980	₱27,097,699	₱12,327,100	₱39,424,799	(₱2,558,200)	₱215,731,579
Balances at December 31, 2021		₱120,000,000	₱9,415,885	₱51,105,497	₱60,521,382	₱34,410,199	₱7,789,516	₱42,199,715	(₱2,558,200)	₱220,162,897
Net income		-	-	2,130,117	2,130,117	-	-	-	-	2,130,117
Other comprehensive loss -										
Unrealized losses on financial assets at										
FVOCI - net of deferred tax	12	-	-	-	-	(9,847,500)	-	(9,847,500)	-	(9,847,500)
Appropriation	5	-	213,012	(213,012)	-	-	-	-	-	-
Balances at December 31, 2022		₱120,000,000	₱9,628,897	₱53,022,602	₱62,651,499	₱24,562,699	₱7,789,516	₱32,352,215	(₱2,558,200)	₱212,445,514

See accompanying Notes to Financial Statements.

BELSON SECURITIES, INC.
(A Subsidiary of AE & E's Development Corporation)

STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		(P6,605,933)	P1,006,802
Adjustments for:			
Interest income	7	(2,761,124)	(888,793)
Dividend income	8	(2,523,898)	(5,420,480)
Provision for ECL on trade receivables	9	2,511,177	60,765
Unrealized losses on financial assets at FVPL	8	1,288,666	3,768,146
Depreciation	15	867,054	855,042
Retirement benefit costs	21	632,008	403,535
Operating loss before working capital changes		(6,592,050)	(214,983)
Decrease (increase) in:			
Trade receivables		42,089,612	(41,067,980)
Other receivables		(296,129)	(40,762)
Other current assets		(578,820)	301,131
Other noncurrent assets		(59,608)	(78,772)
Financial assets at FVPL		14,401	(332)
Increase (decrease) in:			
Trade payables		(14,220,387)	14,912,844
Other current liabilities		620,017	(228,030)
Net cash generated from (used in) operations		20,977,036	(26,416,884)
Dividends received		2,523,898	5,420,480
Interest received		2,506,103	795,535
Income taxes paid		(49,936)	(734,964)
Net cash provided by (used in) operating activities		25,957,101	(20,935,833)
CASH FLOW FROM AN INVESTING ACTIVITY			
Acquisitions of furniture, fixtures and equipment	15	(115,982)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		25,841,119	(20,935,833)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		176,589,137	197,524,970
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		P202,430,256	P176,589,137

See accompanying Notes to Financial Statements.

BELSON SECURITIES, INC.
(A Subsidiary of AE & E's Development Corporation)

NOTES TO FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. Corporate Information

Belson Securities, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 14, 1969. The Company is a licensed broker/dealer of securities with the SEC and is both a stockholder and holder of an exchange trading right in the Philippine Stock Exchange (PSE).

The Company is 47%-owned by AE & E's Development Corporation (ADC or the Parent Company), a domestic entity incorporated and domiciled in the Philippines. The Parent Company is primarily engaged in the business of property leasing.

While ADC has less than 51% of ownership in the Company, the Company qualifies as a subsidiary since its operating policies and activities are being governed by ADC. ADC has the full control over the management and operations of the Company.

The Company's registered office address is 4/F Belson House, 271 EDSA, Mandaluyong City.

The financial statements of the Company as at and for the years ended December 31, 2023 and 2022 were approved and authorized for issuance by the Board of Directors (BOD) on April 12, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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

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

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

Measurement Bases

The financial statements are presented in Philippine Peso, the Company's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The financial statements of the Company have been prepared on the historical cost basis, except for:

- Financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI); and
- Net retirement benefit liability which is carried at present value of defined benefit obligation less the fair value of plan assets.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability.

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

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

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

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

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

- Note 6 – Fair Value Measurement
- Note 8 – Financial Assets at FVPL
- Note 12 – Financial Assets at FVOCI
- Note 14 – Investment Properties

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments – 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 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors – 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 requires 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.
- Amendments to PAS 12, *Income Taxes – 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.

The adoption of the amendments to PFRS, except for the amendments to PAS 1 and PFRS Practice Statement 2, did not materially affect the financial statements of the Company. Disclosures of the accounting policies were updated in accordance with the definition of "material information" in the amendments to PAS 1 and PFRS Practice Statement 2.

Financial Instruments

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

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

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Financial Assets

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

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

Financial Assets at Amortized Cost. Financial assets are measured at amortized cost if both of the following conditions are met:

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

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

As at December 31, 2023 and 2022, the Company’s cash and cash equivalents, trade receivables, other receivables and refundable deposits (included under “Other noncurrent assets” account) are classified under this category.

Cash includes cash on hand and in banks. Cash equivalents are highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from these equity instruments are recognized in other comprehensive income (OCI) and presented in the equity section of the statements of financial position. These gains or losses are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at December 31, 2023 and 2022, the Company irrevocably designated its investments in golf club shares and listed PSE equity shares as financial assets at FVOCI.

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

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

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

As at December 31, 2023 and 2022, the Company's investments in other quoted equity securities are classified under this category.

Reclassification. The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date). However, a financial asset that has been irrevocably designated at FVOCI may no longer be reclassified to a different category.

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

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

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

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

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

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition.

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

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

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

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

Financial Liabilities

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

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

As at December 31, 2023 and 2022, the Company does not have financial liabilities at FVPL.

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

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, 2023 and 2022, the Company's trade payables and other current liabilities (excluding nonfinancial liabilities) are classified under this category.

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

Other Currents Assets

Other current assets consist of excess tax credits and prepayments.

Excess Tax Credits. Excess tax credits pertain to creditable withholding tax (CWT) and prepaid income tax. CWT pertains to tax on the Company's income withheld and remitted to the Bureau of Internal Revenue (BIR) by customers and deducted from income tax payable on the same year the income was recognized. Prepaid income tax pertains to excess income tax payments of the Company over the amount due. Unapplied or excess income tax payments are carried forward and can be utilized in succeeding years.

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

Exchange Trading Right

Exchange trading right is classified as an intangible asset and measured on initial recognition at cost. Exchange trading right has an indefinite useful life and is tested for impairment annually. Exchange trading right is not amortized but is carried at cost less accumulated impairment losses, if any. The exchange trading right is deemed to have indefinite useful lives as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The assumption that the exchange trading right remains to be an intangible asset with an indefinite life is reviewed annually to determine whether this continues to be supportable as such. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight line basis unless a more appropriate amortization method is warranted. Any impairment losses determined are recognized in profit or loss.

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

Investment Properties

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

Investment properties are measured at cost, less accumulated depreciation and any impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property.

Depreciation is calculated on a straight-line basis over the estimated useful lives ranging from 18 to 20 years.

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

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

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of either owner occupation or development with a view to sell.

For a transfer from investment property to owner-occupied property, the cost for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such in accordance with the policy under property and equipment up to the date of change in use.

Fully-depreciated investment properties are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment, classified as property and equipment, are stated at cost less accumulated depreciation, and any impairment losses.

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

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

Depreciation of furniture, fixtures and equipment is calculated on a straight-line basis over the estimated useful life of two (2) to five (5) years.

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

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

Fully-depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable, except for the exchange trading right where test of impairment is done annually. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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

Value-Added Tax (VAT)

VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services. Revenue, expenses, and assets excluding receivables are generally recognized net of the amount of VAT. The net amount of VAT payable to the taxation authority is included under "Other current liabilities" account in the statements of financial position.

Equity

Equity includes capital stock, retained earnings, other comprehensive income and treasury stock.

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

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration. At each reporting date, net income or loss of the Company is transferred to retained earnings.

Unappropriated retained earnings pertain to the unrestricted portion available for dividend declaration.

Appropriated retained earnings pertain to the restricted portion which is intended to cover the cost of shares reacquired by the Company that are designated as treasury stock and for reserve fund in compliance with the Securities Regulation Code (SRC) Rule 49.1 (B).

Other Comprehensive Income. Other comprehensive income comprise of income and expense that are not recognized in profit or loss in accordance with PFRS. These include cumulative unrealized gains on financial assets at FVOCI and cumulative remeasurement gains on net retirement benefit liability that are not to be reclassified to statements of comprehensive income.

Treasury Stock. Treasury stock represents issued shares repurchased by the Company. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. The Company transfers retained earnings from unappropriated to appropriated to the extent of cost of the treasury stock.

Revenue Recognition

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

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

Revenue from brokerage transactions consists of commissions. These are recorded on trade date basis as trade transactions occur.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

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

Dividends. Dividend income is recognized when Company's right to receive payment is established.

Rentals. Rental income from investment properties is recognized in profit or loss on a straight-line basis over the lease term.

Interests. Interest income is recognized in profit or loss as it accrues taking into account the effective yield on the asset, net of final tax.

Cost and Expense Recognition

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

Cost of Services. Cost of services is recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business and costs incurred to sell and market the services. These are expensed as incurred.

Employee Benefits

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

Retirement Benefits. Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees’ projected salaries. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company recognizes current service costs and net interest cost in the statements of comprehensive income.

The Company determines the net interest cost by applying the discount rate to the net defined benefits liability at the beginning of the year, taking into account any changes in the net defined benefits liability during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefit liability, which comprise actuarial gains and losses and return on plan assets (excluding interest), are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods. Cumulative remeasurement gains are included under “Other comprehensive income” account in the statements of financial position.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can these be paid directly to the Company. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if these have no maturity, the expected period until the settlement of the related obligations).

The net retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefits obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

The Company is not required to pre-fund the future defined benefit obligation under the retirement plan before they become due. For this reason, the amount and timing of contributions to the retirement plan to support the defined benefits are at the Company’s discretion. However, in the event a defined benefit claim arises and the retirement plan is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the retirement plan.

Leases

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

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

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Company also assesses whether a contract contains a lease for each potential separate lease component.

Company as Lessor. Leases where the Company retains substantially all the risks and rewards of ownership are classified as operating leases. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

Income Taxes

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

Deferred Tax. Deferred tax is provided on recognized temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

Deferred tax is recognized in statements of comprehensive income except to the extent it relates to a business combination, or items directly recognized to equity or in OCI.

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

Related Party Transactions

Related party transactions are transfer of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related parties in an economically comparable market.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Compensation includes all forms of consideration paid, payable or provided by the entity, or on behalf of the entity (for example, by its parent or owner), in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of goods or services provided to the entity.

Provisions and Contingencies

Provisions. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in statements of comprehensive income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

Events after the Reporting Date

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

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS requires management to exercise judgments and make accounting estimates and assumptions that affect the application of accounting policies and amounts reported in the financial statements. The judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

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

Judgments

Classification of Financial Assets. Classification and measurement of financial assets depend on the results of the “solely for payment of principal and interest” and the business model tests. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed. The Company monitors financial assets measured at FVPL, FVOCI, and amortized cost to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

Cash and cash equivalents, trade receivables, other receivables (excluding advances to officers and employees) and refundable deposits were classified as financial assets at amortized cost since the Company’s primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows, on specified dates, solely for principal and interest (see Notes 7, 9, 10 and 16).

The Company irrevocably designated its investments in golf club shares and listed PSE equity shares as financial assets at FVOCI (see Note 12). Investments in other quoted equity securities were classified as financial assets at FVPL (see Note 8).

Fair Value Determination of Financial Instruments. The fair values of investments that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of business on the reporting date.

In accordance with the amendments to PFRS 7, *Financial Instruments: Disclosures*, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the statements of financial position. Assumptions and methods of determining the fair values of financial instruments are presented in Note 6 to the financial statements.

Determination of Operating Lease – Company as Lessor. The Company, as a lessor, has entered into property leases for its investment properties. The Company has determined that it retains all the significant risks and rewards of ownership of these properties. Accordingly, the leases are accounted as operating leases.

Rental income amounted to ₱1,085,852 and ₱2,606,046 in 2023 and 2022, respectively (see Note 22).

Classification of Investment Properties. The Company determines whether a property qualifies as an investment property, and has developed criteria in making that judgment. Properties held to earn rentals or for capital appreciation, or both, are classified as investment property.

Condominium units, which are held for rental and with carrying amounts aggregating to ₱13,277,526 and ₱14,107,371 as at December 31, 2023 and 2022, respectively, are classified as investment properties (see Note 14).

Accounting Estimates and Assumptions

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

The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience. The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Provision for ECL on trade receivable amounting to ₱2,511,177 and ₱60,765 was recognized in 2023 and 2022, respectively. The carrying amount of trade receivables amounted to ₱30,884,559 and ₱75,485,348 as at December 31, 2023 and 2022, respectively (see Note 9).

Assessment for the ECL on Other Financial Assets at Amortized Cost. The Company determines the allowance for ECL using general approach for other financial assets at amortized cost. The Company calculates ECL for other financial assets at amortized cost at initial recognition by considering the occurrences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

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

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

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

The Company has assessed that the ECL on other financial assets at amortized cost, except for accounts receivable, is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults.

Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2023 and 2022. Allowance for impairment losses on accounts receivables amounted to ₱153,720 as at December 31, 2023 and 2022 (see Note 10).

The carrying amount of other financial assets at amortized cost are as follows:

	Note	2023	2022
Refundable deposits	16	₱3,672,458	₱3,612,850
Other receivables	10	2,038,587	1,487,437

Estimation of the Useful Lives of Furniture, Fixtures and Equipment and Investment Properties. The useful lives of furniture, fixtures and equipment and investment properties are estimated based on the period over which the assets are expected to be available for use. They are reviewed periodically and are updated if expectations differ from previous estimates. Any reduction in the estimated useful lives of these assets would increase the Company's recorded operating expenses and decrease noncurrent assets.

There is no change in the useful lives of furniture, fixtures and equipment and investment properties in 2023 and 2022.

The carrying amounts of investment properties and fixtures and equipment are as follows:

	Note	2023	2022
Investment properties	14	₱13,277,526	₱14,107,371
Furniture, fixtures and equipment	15	142,475	63,702

Assessment for the Impairment of Furniture, Fixtures and Equipment, Investment Properties, and Other Nonfinancial Assets. The Company assesses impairment on furniture, fixtures and equipment, investment properties, and other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

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

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

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

There were no indications that the Company's financial assets may be impaired. Accordingly, no impairment loss on nonfinancial assets was recognized in 2023 and 2022.

The carrying amounts of nonfinancial assets are as follows:

	Note	2023	2022
Other current assets	11	₱1,736,087	₱1,107,331
Investment properties	14	13,277,526	14,107,371
Furniture, fixtures and equipment	15	142,475	63,702
Other noncurrent assets*	16	26,571	26,571

*Excluding refundable deposits amounting to ₱3,672,458 and ₱3,612,850 as at December 31, 2023 and 2022, respectively.

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

No impairment loss on exchange trading right was recognized in 2023 and 2022. The carrying amount of exchange trading right is ₱882,200 as at December 31, 2023 and 2022 (see Note 13).

Determination of the Retirement Liability. The determination of the net retirement benefit liability and cost of retirement benefits is dependent on the assumptions used in calculating such amounts. These assumptions are described in Note 21 to the financial statements and include, among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded liability in such future periods.

Net retirement benefit liability amounted to ₱1,780,182 and ₱7,198,286 as at December 31, 2023 and 2022, respectively (see Note 21).

Recognition of Deferred Tax Assets. Deferred tax assets are recognized for all unused NOLCO and excess MCIT over RCIT, and temporary differences to the extent that it is probable that taxable income will be available against which the losses can be utilized.

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

Management believes that Company will be able to utilize in the future all its deferred tax assets on deductible temporary differences and carryforward benefits of excess MCIT over RCIT and NOLCO based on the Company's projected taxable income.

Deferred tax assets recognized amounted to ₱9,583,791 and ₱8,276,905 as at December 31, 2023 and 2022, respectively (see Note 23).

4. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist mainly of cash and cash equivalents, financial assets at FVPL, trade receivables, other receivables, financial assets at FVOCI, refundable deposits, trade payables and other current liabilities (excluding nonfinancial liabilities).

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

Credit Risk

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

The Company's maximum amount of credit risk exposure without taking into account any collateral, other credit enhancement or credit risk mitigating features is shown below:

	2023			Total
	12-month ECL	Lifetime ECL - not credit-impaired	Lifetime ECL - credit-impaired	
Financial assets at amortized cost:				
Cash in banks and short-term placements	₱202,404,506	₱-	₱-	₱202,404,506
Trade receivables	-	30,884,559	18,058,057	48,942,616
Other receivables	2,038,587	-	153,720	2,192,307
Refundable deposits*	3,672,458	-	-	3,672,458
	₱208,115,551	₱30,884,559	₱18,211,777	₱257,211,887

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

	2022			Total
	12-month ECL	Lifetime ECL - not credit-impaired	Lifetime ECL - credit-impaired	
Financial assets at amortized cost:				
Cash in banks and short-term placements	₱176,563,387	₱-	₱-	₱176,563,387
Trade receivables	-	75,485,348	15,546,880	91,032,228
Other receivables	1,487,437	-	153,720	1,641,157
Refundable deposits*	3,612,850	-	-	3,612,850
	₱181,663,674	₱75,485,348	₱15,700,600	₱272,849,622

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

The Company limits its exposure to credit risk by depositing its cash with highly reputable and pre-approved financial institutions. In addition, customers are initially assessed for creditworthiness based on their profile. The Company mitigates its credit risk by transacting with recognized and creditworthy counterparties. The Company also monitors receivable balances regularly.

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

Trade Receivables

The Company limits its exposure to credit risk on receivables from stock brokering by transacting mainly with recognized and creditworthy customers based on their profile (i.e. financial capacity, reputation, collateral). The Company also monitors receivable balances regularly. In accordance with the RBCA requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and offsetting arrangements. The provision matrix is based on the Company's historical default rates, which are adjusted for forward-looking information if forecast of economic conditions (i.e., stock market index) are expected to improve over the next year which can lead to a decreased number of defaults in the stock trading industry. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

As at December 31, 2023 and 2022, the exposure to credit risk for trade receivables by type of counterparty is as follows:

	2023			
	Neither Past due nor Impaired	Past Due but not Impaired	Impaired	Total
Customers and brokers	P4,062,899	P22,722,274	P18,058,057	P44,843,230
Clearing house	4,099,386	-	-	4,099,386
	P8,162,285	P22,722,274	P18,058,057	P48,942,616

	2022			
	Neither Past due nor Impaired	Past Due but not Impaired	Impaired	Total
Customers and brokers	P16,547,136	P49,512,774	P15,546,880	P81,606,790
Clearing house	9,425,438	-	-	9,425,438
	P25,972,574	P49,512,774	P15,546,880	P91,032,228

The aging analysis of the Company's trade receivables from customers and brokers as at December 31, 2023 and 2022 is as follows:

Days from Transaction Date of Counterparty	2023		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 - 2 days	P4,062,899	P90,362,045	P928,724
3 - 13 days	5,267,437	218,522,563	2,213,526
14 - 31 days	2,414,886	-	2,414,886
Over 31 days	33,098,008	48,253,635	16,745,265
	P44,843,230	P357,138,243	P22,302,401

Days from Transaction Date of Counterparty	2022		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 - 3 days	₱16,547,136	₱47,570,814	₱3,029,920
4 - 14 days	7,676,844	58,838,155	1,935,798
15 - 31 days	991,493	10,314,535	990,244
Over 31 days	56,391,317	253,783,408	14,898,221
	₱81,606,790	₱370,506,912	₱20,854,183

On August 24, 2023, the migration to the shortened T+2 settlement cycle in accordance with the Securities Clearing Corporation of the Philippines (SCCP) Memo No. 01-0623 took effect. Accordingly, trade receivables as at December 31, 2023 and 2022 are due within two (2) and three (3) business days, respectively, from the transaction date.

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

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

As at December 31, 2023 and 2022, the Company's total gross receivables from customers and brokers amounting to ₱44,843,230 and ₱81,606,790, respectively, are secured by collateral comprising of quoted equity securities with a total market value of ₱514,663,909 and ₱529,348,374, respectively (see Note 9).

Other Financial Assets at Amortized Cost

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

For other receivables and refundable deposits, credit risk is low since the Company only transacted with reputable counterparties with respect to these financial assets.

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

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

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

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

No provision for ECL on other financial assets at amortized cost was recognized in 2023 and 2022. Allowance for ECL on accounts receivables amounted to ₱153,720 as at December 31, 2023 and 2022 (see Note 10).

Liquidity Risk

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

The Company monitors its cash flows, particularly the receivable from customers' collections and the funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in the bank (see Note 7).

The table below summarizes the financial liabilities of the Company with a maturity profile one (1) year based on remaining contractual undiscounted cash flows as at December 31, 2023 and 2022:

	2023	2022
Trade payables	₱76,079,087	₱90,299,474
Other current liabilities*	9,235,766	7,746,322
	₱85,314,853	₱98,045,796

**Excluding nonfinancial liabilities amounting to ₱527,594 and ₱1,397,021 as at December 31, 2023 and 2022, respectively.*

Equity Price Risk

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

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

The table below sets forth the impact of changes in PSE index (PSEi) in the Company's unrealized gain or loss on its financial assets at FVPL and PSE shares (included under "Financial assets at FVOCI" account in the statements of financial position) in 2023 and 2022:

	2023		2022	
Changes in PSEi	14.07%	(14.07%)	20.50%	(20.50%)
Changes in income at equity portfolio under:				
Other Financial Institutions	₱3,265,257	(₱3,265,257)	₱2,481,682	(₱2,481,682)
Electricity, energy, power and water	73,098	(73,098)	20,756	(20,756)
Property	64,251	(64,251)	195,669	(195,669)
Mining and Oil	48,933	(48,933)	75,046	(75,046)
Hotel and leisure	46,006	(46,006)	37,143	(37,143)
Holding Firms	15,438	(15,438)	57,986	(57,986)
Casinos and gaming	12,338	(12,338)	22,657	(22,657)
Transportation services	9,734	(9,734)	1,231	(1,231)
Banks	5,931	(5,931)	5,046	(5,046)
Construction, Infra. & Allied Services	1,668	(1,668)	22,795	(22,795)
Electrical Components and Equipment	-	-	17,022	(17,022)
Others	19,865	(19,865)	19,660	(19,660)
	₱3,562,519	(₱3,562,519)	₱2,956,693	(₱2,956,693)
Changes in PSEi	14.07%	(14.07%)	20.50%	(20.50%)
Effect on profit or loss	₱298,697	(₱298,697)	₱475,065	(₱475,065)
Effect on OCI	3,263,822	(3,263,822)	2,481,628	(2,481,628)
	₱3,562,519	(₱3,562,519)	₱2,956,693	(₱2,956,693)

The sensitivity rates used for reporting equity price risk represents management's assessment of the reasonably possible change in equity pricing per PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by its specific beta for their valuation at the reporting date.

5. Capital Management

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

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

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

Required Capitalization for Broker/Dealers

In compliance with Rule 28 of the *2015 Implementing Rules and Regulations of Securities Regulation Code*, trading participants, who will be participating in a registered clearing agency, are required to have a minimum unimpaired capital of ₱100,000,000 effective November 9, 2015.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit and treasury stock. The unimpaired paid-up capital of the Company amounted to ₱117,441,800 as at December 31, 2023 and 2022.

Reserve Fund

The Company shall annually appropriate a certain minimum percentage of its audited net income and transfer the same to "Appropriated Retained Earnings" as prescribed by SRC Rule 49.1 (B).

No appropriation was made in 2023 due to the net loss position of the Company. Appropriation amounting to ₱213,012, equivalent to 10% of net income, was recognized in 2022. Cumulative retained earnings appropriated for the reserve fund amounted to ₱7,070,697 as at December 31, 2023 and 2022 (see Note 19).

Net Liquid Capital (NLC)

The Company is required, at all times, to have and maintain an NLC of ₱5,000,000 or 5% of its Aggregate Indebtedness (AI), whichever is higher.

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

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

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

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

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

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

The Company's NLC met the minimum prescribed amounts as at December 31, 2023 and 2022 as shown below:

	2023	2022
NLC:		
Equity eligible for NLC	P181,357,822	P212,356,176
Less ineligible assets	65,974,570	59,220,025
	115,383,252	153,136,151
Required NLC:		
Higher of:		
5% of AI	2,971,635	3,759,800
Minimum amount	5,000,000	5,000,000
	5,000,000	5,000,000
Net risk-based capital excess	P110,383,252	P148,136,151

Ratio of AI to NLC

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

The Company's AI consisted of 52% and 49% of its NLC as at December 31, 2023 and 2022, respectively.

As at December 31, 2023 and 2022, the Company is in compliance with the required ratio of AI to NLC.

RBCA Requirement/Ratio

The RBCA requirement/ratio refers to the minimum levels of capital to be maintained by firms which are licensed, or securing a broker/dealer license, taking into consideration the firm size, complexity and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting, and margin financing risks. The RBCA ratio should be greater than or equal to 1.1. The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR.

The TRCR is the sum of:

- (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.

	2023	2022
NLC	P115,383,252	P153,136,151
TRCR:		
Operational risk	4,303,255	4,910,341
Position risk	1,623,041	1,992,991
Counterparty risk	603,722	2,048,849
	P6,530,018	P8,952,181
RBCA ratio	1,767%	1,711%

As at December 31, 2023 and 2022, the Company is in compliance with the required RBCA ratio.

Ratio of Core Equity to ORR

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

Core equity refers to the sum of paid-up capital stock, capital 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 stock and unbooked valuation reserves and other capital adjustments (such as unrealized gain in value of financial assets at FVOCI).

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

	2023	2022
Capital stock	P120,000,000	P120,000,000
Beginning retained earnings	62,651,499	60,521,382
Treasury stock	(2,558,200)	(2,558,200)
Core equity	180,093,299	177,963,182
ORR	4,303,255	4,910,341
Ratio of Core Equity to ORR	4,185%	3,624%

As at December 31, 2023 and 2022, the Company is in compliance with the required ratio of core equity to ORR.

6. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets measured at fair value (recurring measurements) and for which fair value is disclosed, and the corresponding fair value hierarchy:

	Note	2023			
		Carrying Amount	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	8	P4,912,265	P4,912,265	P-	P-
Financial assets at FVOCI	12	42,800,000	42,800,000	-	-
		P47,712,265	P47,712,265	P-	P-
Asset for which fair value is disclosed -					
Investment properties	14	P13,277,526	P-	P-	P79,832,421

	Note	2022			
		Carrying Amount	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value:					
Financial assets at FVPL	8	P6,215,332	P6,215,332	P-	P-
Financial assets at FVOCI	12	39,420,000	39,420,000	-	-
		P45,635,332	P45,635,332	P-	P-

	Note	2022			
		Carrying Amount	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset for which fair value is disclosed - Investment properties	14	P14,107,371	P--	P--	P72,930,496

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

- *Financial Assets at FVPL and FVOCI.* The Company's financial assets at FVPL and FVOCI as at December 31, 2023 and 2022 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL and FVOCI are based on quoted market prices or bidding dealer price quotations from active markets as at the reporting date.
- *Investment Properties.* Fair value was based on the sales comparison approach, using unobservable inputs such as average selling price per square meter.

The significant unobservable inputs used in the fair value measurement of the Company's condominium units, included under "Investment properties" account, are the estimated net price per square meter and various factors such as size, location, and utility, among others. Significant increases in the estimated net price per square meter in isolation would result in a significantly higher fair value measurement. Further, choosing comparables with different inputs would result in a significantly different fair value measurement.

The Company has determined that the highest and best use of the investment properties as at December 31, 2023 and 2022 would be to hold it for rental.

There were no transfers between Level 1, Level 2 and Level 3, in 2023 and 2022.

The table below presents the financial assets and liabilities as December 31, 2023 and 2022 whose carrying amount approximates their fair value:

	2023	2022
Financial assets at amortized cost:		
Cash and cash equivalents	P202,430,256	P176,589,137
Trade receivables	30,884,559	75,485,348
Other receivables	2,038,587	1,487,437
Refundable deposits	3,672,458	3,612,850
	P239,025,860	P257,174,772
Financial liabilities at amortized cost:		
Trade payables	P76,079,087	P90,299,474
Other current liabilities*	9,235,766	7,746,322
	P85,314,853	P98,045,796

*Excluding nonfinancial liabilities amounted to P527,594 and P1,397,021 as at December 31, 2023 and 2022, respectively.

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

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

7. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	₱25,750	₱25,750
Cash in banks	147,211,844	108,690,967
Short-term placements	55,192,662	67,872,420
	₱202,430,256	₱176,589,137

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Short-term placements are made for varying periods of up to three (3) months depending on the Company's immediate cash requirements, and earn interest at the prevailing short-term placement rates ranging from 3.9% to 4.3% and 0.2% to 2.8% in 2023 and 2022, respectively.

Interest income earned from cash in banks and short-term placements amounted to ₱2,761,124 and ₱888,793 in 2023 and 2022, respectively.

In compliance with SRC Rule 49.2-1 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱33,390,914 and ₱32,028,965 as at December 31, 2023 and 2022, respectively. This reserve bank account is included as part of "Cash and cash equivalents" account in the statements of financial position. The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As at December 31, 2023 and 2022, the Company's reserve accounts are adequate to cover its reserve requirements.

8. Financial Assets at FVPL

Financial assets at FVPL amounting to ₱4,912,265 and ₱6,215,332 as at December 31, 2023 and 2022, respectively, represent quoted equity securities held by the Company for trading purposes.

The Company's financial assets at FVPL as at December 31, 2023 and 2022 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on quoted market prices or bidding dealer price quotations from active market as at reporting date (see Note 6).

Details of net trading losses on financial assets at FVPL are as follows:

	2023	2022
Unrealized losses on fair value changes	P1,288,666	P3,768,146
Realized gains on sale	(109,079)	(387,564)
	P1,179,587	P3,380,582

Dividend income earned from financial assets at FVPL amounted to P2,523,898 and P5,420,480 in 2023 and 2022, respectively.

9. Trade Receivables

This account consists of:

	2023	2022
Trade receivables from:		
Customers	P44,832,393	P81,595,953
Clearing house	4,099,386	9,425,438
Brokers	10,837	10,837
	48,942,616	91,032,228
Less allowance for ECL on trade receivables from customers and brokers	18,058,057	15,546,880
	P30,884,559	P75,485,348

Trade receivables as at December 31, 2023 and 2022 are due within two (2) and three (3) business days, respectively, from the transaction date.

Receivables from customers and brokers consist of amounts due within one (1) year from the reporting date as follows:

	2023		2022	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Receivables from:				
Fully secured accounts:				
More than 250%	P4,718,856	P484,383,243	P38,113,445	P496,534,485
Between 200% to 250%	551,253	1,847,768	14,527	32,438
Between 150% to 200%	1,355,820	3,827,745	847,937	1,565,361
Between 100% to 150%	1,330,311	2,374,844	20,019,404	21,782,495
Partially secured accounts	36,675,965	22,230,309	22,224,684	9,433,595
Unsecured accounts	211,025	-	386,793	-
	44,843,230	514,663,909	81,606,790	529,348,374
Less allowance for ECL	18,058,057	-	15,546,880	-
	P26,785,173	P514,663,909	P66,059,910	P529,348,374

Collaterals related to receivables from customers and brokers pertain to quoted equity securities amounting to ₱514,663,910 and ₱529,348,374 as at December 31 2023 and 2022, respectively. The fair values of these securities are based on prevailing quoted market prices, which is usually the closing prices, from active markets as at reporting date.

Trade receivable from clearing house as at December 31, 2023 and 2022 are due and collectible after two (2) and three (3) business days, respectively, from the transaction date. Accordingly, balances as at December 31, 2023 and 2022 were collected in January 2024 and 2023, respectively.

Provision for expected credit losses pertains to specific provisions on past due receivables. Balance and movement in the allowance for expected credit losses are as follows:

	2023	2022
Balance at beginning of year	₱15,546,880	₱15,486,115
Provision	2,511,177	60,765
Balance at end of year	₱18,058,057	₱15,546,880

10. Other Receivables

This account consists of:

	2023	2022
Accounts receivable	₱1,672,574	₱1,483,677
Interest receivable	399,344	144,323
Advances to officers and employees	120,389	13,157
	2,192,307	1,641,157
Less allowance for ECL on accounts receivable	153,720	153,720
	₱2,038,587	₱1,487,437

Accounts receivable are noninterest-bearing and generally settled within one (1) year.

Interest receivable pertains to interest income earned from short-term placements but not yet received by the Company and are normally settled within 30 days.

Advances to officers and employees represent salary and other loans which are noninterest-bearing and are collectible through salary deduction.

11. Other Current Assets

This account consists of:

	2023	2022
Excess tax credits	₱1,150,957	₱1,101,021
Prepayments	585,130	6,310
	₱1,736,087	₱1,107,331

Prepayments mainly pertain to insurance and other prepaid expenses.

12. Financial Assets at FVOCI

This account consists of equity securities as follows:

	Note	2023	2022
PSE shares	13	₱40,800,000	₱37,920,000
Golf club shares		2,000,000	1,500,000
		₱42,800,000	₱39,420,000

The Company's financial assets at FVOCI as at December 31, 2023 and 2022 are carried at fair value based on sources classified under Level 1 category. The fair values of financial assets at FVOCI are based on quoted market prices (see Note 6).

The balances and movements of cumulative unrealized gains on financial assets at FVOCI included as part of "Other comprehensive income" in the statements of financial position as at December 31 are as follows:

	2023		
	Cumulative Unrealized Gains on Financial Assets at FVOCI	Deferred Tax (see Note 23)	Net
Balances at beginning of year	₱32,750,266	(₱8,187,567)	₱24,562,699
Unrealized gains on financial assets at FVOCI recognized during the year	3,380,000	(845,000)	2,535,000
Balances at end of year	₱36,130,266	(₱9,032,567)	₱27,097,699

	2022		
	Cumulative Unrealized Gains on Financial Assets at FVOCI	Deferred Tax (see Note 23)	Net
Balances at beginning of year	₱45,880,266	(₱11,470,067)	₱34,410,199
Unrealized loss on financial assets at FVOCI recognized during the year	(13,130,000)	3,282,500	(9,847,500)
Balances at end of year	₱32,750,266	(₱8,187,567)	₱24,562,699

13. Exchange Trading Right

Under the PSE rules, all exchange trading rights are pledged at its full value to the PSE to secure the payment of all debts due to other members of the exchange arising out of or in connection with the present or future members' contracts.

Republic Act (RA) No. 8799, *The Securities Regulation Code*, entitled SRC to prescribe the conversion of the PSE from a non-stock corporation into a stock corporation (demutualization) effective August 8, 2001, pursuant to a conversion plan approved by the Philippine SEC.

As a result of the conversion plan and on the basis of the relative fair values of the PSE shares and the exchange trading right as of the time of the demutualization, the Company's membership in PSE, originally amounting to ₱3,500,000, was bifurcated into (a) investment in PSE shares (classified as financial assets at FVOCI) and (b) exchange trading right.

As at December 31, 2023 and 2022, the carrying amount of the investment in PSE shares and the exchange trading right are as follows:

	Note	2023	2022
Investment in PSE shares	12	₱40,800,000	₱37,920,000
Exchange trading right		882,200	882,200
		₱41,682,200	₱38,802,200

As at December 31, 2023 and 2022, the latest transacted price of the exchange trading right as provided by the PSE amounted to ₱8,000,000. There is no indication of impairment of exchange trading right as at December 31, 2023 and 2022.

14. Investment Properties

The balances and movements in this account as at and for the years ended December 31 are as follows:

	Note	2023	2022
Cost			
Balance at beginning and end of year		₱37,141,406	₱37,141,406
Accumulated Depreciation			
Balance at beginning of year		23,034,035	22,204,190
Depreciation	15	829,845	829,845
Balance at end of year		23,863,880	23,034,035
Carrying Amount		₱13,277,526	₱14,107,371

The Company's investment properties pertain to condominium units owned for lease and related improvements.

Rental income earned from these investment properties amounted to ₱1,085,852 and ₱2,606,046 in 2023 and 2022, respectively (see Note 22). Direct operating expenses incurred on revenue generating investment properties amounted to ₱1,037,387 and ₱1,122,911 in 2023 and 2022, respectively.

The fair value of investment properties amounted to ₱79,832,421 and ₱72,930,496 as at December 31, 2023 and 2022, respectively. Fair value of investment properties, which is determined by obtaining the latest transacted prices for identical or similar properties, is categorized under Level 3 (significant unobservable inputs) (see Note 6).

15. Furniture, Fixtures and Equipment

The balances and movements in this account as at and for the years ended December 31 are as follows:

	2023	2022
Cost		
Balance at beginning of year	P2,507,301	P2,507,301
Additions	115,982	--
Balance at end of year	2,623,283	2,507,301
Accumulated Depreciation		
Balance at beginning of year	2,443,599	2,418,402
Depreciation	37,209	25,197
Balance at end of year	2,480,808	2,443,599
Carrying Amount	P142,475	P63,702

Fully depreciated furniture, fixtures and equipment still being used in the Company's operations amounted to P2.4 million as at December 31, 2023 and 2022.

Depreciation presented in the statements of comprehensive income is attributable to the following:

	Note	2023	2022
Investment properties	14	P829,845	P829,845
Furniture, fixtures and equipment		37,209	25,197
		P867,054	P855,042

16. Other Noncurrent Assets

This account consists of:

	2023	2022
Refundable deposits	P3,672,458	P3,612,850
Others	26,571	26,571
	P3,699,029	P3,639,421

Refundable deposits pertain to the accumulated contributions to the Clearing and Trade Guarantee Fund (CTGF) maintained by the Securities Clearing Corporation of the Philippines (SCCP). The Company, as a Clearing Member, is required to pay monthly contributions for specific amounts applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag. The CTGF shall be refunded as trade-related assets to the Company upon cessation of business and/or termination of membership to the SCCP, in accordance with SCCP Memo 01-0718.

17. Trade Payables

This account consists of:

	2023	2022
Trade payables to:		
Customers	P76,054,692	P90,036,610
Brokers	24,395	23,009
Clearing house	–	239,855
	P76,079,087	P90,299,474

Trade payables as at December 31, 2023 and 2022 are due within two (2) and three (3) business days, respectively, from the transaction date. Trade payable to clearing house as at December 31, 2023 were fully settled in January 2023.

Trade payables to customers and brokers consist of the following amounts due as at the reporting date:

	2023		2022	
	Money Balance	Security Valuation – Long	Money Balance	Security Valuation – Long
With money balance	P76,079,087	P1,136,879,642	P90,059,619	P1,392,482,997
Without money balance	–	1,692,278,727	–	1,631,104,675
	P76,079,087	P2,829,158,369	P90,059,619	P3,023,587,672

18. Other Current Liabilities

This account consists of:

	Note	2023	2022
Accounts payable		P8,617,063	P6,085,597
Accrued expenses		422,734	380,247
Stock transaction tax payable		278,383	361,487
Trading fee payable		195,969	659,991
Statutory payables		102,861	111,142
Withholding taxes payable		90,771	97,458
Output VAT payable		55,579	392,593
Refundable deposits	22	–	620,487
Deferred lease income		–	434,341
		P9,763,360	P9,143,343

Accounts payable, accruals and other current liabilities are unsecured, noninterest-bearing and normally settled within one (1) year.

Deferred lease income pertains to advance collections from the lessee that are not yet earned.

19. Equity

Capital Stock

Details of capital stock with par value of ₱100 per share as at December 31, 2023 and 2022 are as follows:

	Shares	Amount
Authorized	2,000,000	₱200,000,000
Issued	1,200,000	120,000,000

Treasury Stock

The Company has treasury stock amounting to ₱2,558,200 divided into 25,582 shares at ₱100 par value a share as at December 31, 2023 and 2022.

Appropriated Retained Earnings

In compliance with SRC rule 49.1 (B), the Company made an appropriation amounting to ₱213,012 in 2022, equivalent to 10% of net income. Details of appropriated retained earnings as at December 31, 2023 and 2022 are as follows:

	Note	2023	2022
Reserve fund	5	₱7,070,697	₱7,070,697
Treasury stock		2,558,200	2,558,200
		₱9,628,897	₱9,628,897

20. Salaries and Other Employee Benefits

This account consists of:

	Note	2023	2022
Salaries and wages		₱5,731,535	₱6,523,110
Retirement benefit costs	21	632,008	403,535
Other employee benefits		2,937,591	2,454,426
		₱9,301,134	₱9,381,071

Salaries and other employee benefits were distributed in the statements of comprehensive income as follows:

	2023	2022
Cost of services	₱5,069,952	₱4,382,531
Operating expenses	4,231,182	4,998,540
	₱9,301,134	₱9,381,071

21. Retirement Benefits

The Company has a funded, noncontributory defined benefit retirement plan covering substantially all of its eligible active employees. The benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The funded benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The benefits to be received by the employees under the defined benefit retirement plan shall not be less than the minimum mandated benefit under RA No. 7641, *The Retirement Pay Law*.

As at December 31, 2023, the Company did not avail independent actuarial services. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method. Management assessed that the difference between the retirement liability as determined by an actuarial valuation method and the estimated retirement benefit liability will not significantly affect the Company's financial position and results of operations.

The components of retirement benefit costs included under the "Salaries and other employee benefits" account in the statements of comprehensive income are as follows (see Note 20):

	2023	2022
Current service cost	P390,052	P92,368
Net interest cost	241,956	311,167
	P632,008	P403,535

The components of net retirement benefit liability recognized in the statements of financial position are as follows:

	2023	2022
Balance at beginning of year	P7,198,286	P6,794,751
Remeasurement gains recognized in OCI	(6,050,112)	-
Current service cost	390,052	92,368
Net interest cost	241,956	311,167
Balance at end of year	P1,780,182	P7,198,286

The funded status and amounts recognized in the statements of financial position for the net retirement benefit liability are as follows:

	2023	2022
Present value of defined benefit obligation	P8,374,354	P14,213,139
Fair value of plan assets	(6,594,172)	(7,014,853)
	P1,780,182	P7,198,286

The changes in the present value of the defined benefit obligation are as follows:

	2023	2022
Balance at beginning of year	P14,213,139	P13,519,168
Remeasurement gains recognized in OCI	(6,679,394)	-
Current service cost	390,052	92,368
Interest cost	450,557	601,603
Balance at end of year	P8,374,354	P14,213,139

The changes in the fair value of plan assets are as follows:

	2023	2022
Balance at beginning of year	P7,014,853	P6,724,417
Interest income	208,601	290,436
Remeasurement losses recognized in OCI	(629,282)	-
Balance at end of year	P6,594,172	P7,014,853

The principal assumptions used in determining retirement benefit liability are as follows:

	2023	2022
Discount rate	4.95%	3.17%
Salary increase	2.00%	2.00%

Sensitivity analysis on the defined benefit liability as at December 31, 2023 and 2022 are as follows:

	Change in Assumption	Effect on Net Retirement Benefit Liability	
		2023	2022
Discount rate	+1.00%	(P149,452)	(P1,061,598)
	-1.00%	168,223	1,418,416
Salary increase rate	+1.00%	173,447	60,970
	-1.00%	(156,408)	(55,019)

The sensitivity analyses above has been determined based in a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the end of the reporting period.

The cumulative remeasurement gains on retirement benefit liability included as part of "Other comprehensive income" in the statements of financial position as at December 31 are as follows:

	2023		
	Cumulative Remeasurement Gains on Net Retirement Benefit Liability	Deferred Tax	Net
Balances at beginning of year	P10,386,021	(P2,596,505)	P7,789,516
Remeasurement gains recognized during the year	6,050,112	(1,512,528)	4,537,584
Balances at end of year	P16,436,133	(P4,109,033)	P12,327,100

	2022		
	Cumulative Remeasurement Gains on Net Retirement Benefit Liability	Deferred Tax	Net
Balances at beginning and end of year	P10,386,021	(P2,596,505)	P7,789,516

As at December 31, 2023, the maturity analysis of the undiscounted retirement benefit liability is as follows:

	Amount
Within one (1) year	₱5,960,859
More than one (1) year to five (5) years	2,009,849
More than five (5) years to 10 years	476,160
More than 10 years to 15 years	418,165
More than 15 years to 25 years	695,350
More than 25 years	297,049
	₱9,857,432

As at December 31, 2023, the average duration of the net retirement benefit liability at the end of the reporting period is 11 years.

22. Lease Commitments

The Company has a noncancellable operating lease agreement for its condominium units. The lease is for three (3) years and renewable upon mutual consent of the parties. In May 2023, the lease agreement has ended and was not renewed by the parties.

Rental income, presented under "Other income" in the statements of comprehensive income, amounted to ₱1,085,852 and ₱2,606,046 in 2023 and 2022, respectively (see Note 14).

Refundable deposits, included under "Other current liabilities" account in the statements of financial position, amounted to ₱620,487 as at December 31, 2022 (see Note 18).

23. Income Taxes

The components of income taxes as reported in the statements of comprehensive income are as follows:

	2023	2022
Reported in Profit or Loss		
Current - MCIT	₱-	₱68,353
Deferred	(2,819,414)	(1,191,668)
	(₱2,819,414)	(₱1,123,315)
Reported in OCI		
Deferred income tax expense (benefit) on:		
Remeasurement gains on retirement benefit liability	₱1,512,528	₱-
Unrealized losses (gain) on fair value adjustments of financial assets at FVOCI	845,000	(3,282,500)
	₱2,357,528	(₱3,282,500)

The components of Company's net deferred tax assets as at December 31 are as follows:

	2023	2022
Deferred tax assets:		
Allowance for ECL on trade and other receivables	P4,552,944	P3,925,150
NOLCO	3,116,881	257,506
Excess of cost over fair value of financial assets at FVPL	1,400,567	1,964,414
Net retirement benefit liability	445,046	1,799,572
Excess MCIT over RCIT	68,353	221,678
Deferred lease income	-	108,585
	9,583,791	8,276,905
Deferred tax liability - Excess of fair value over cost of financial assets at FVOCI	9,032,567	8,187,567
Net deferred tax assets	P551,224	P89,338

The carryforward benefits of NOLCO as at December 31, 2023 which can be claimed against future taxable income are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiry Year
2023	P-	P11,437,501	P-	P-	P11,437,501	2026
2022	1,030,025	-	-	-	1,030,025	2025
	P1,030,025	P11,437,501	P-	P-	P12,467,526	

The carryforward benefits of excess MCIT over RCIT as at December 31, 2023 which can be claimed against income tax payable are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiry Year
2022	P68,353	P-	P-	P-	P68,353	2025
2020	153,325	-	-	153,325	-	2023
	P221,678	P-	P-	P153,325	P68,353	

The reconciliation of income tax expense based on statutory tax rate and effective income tax rate on income before income tax is as follows:

	2023	2022
Income tax at statutory tax rate	(P1,651,483)	P251,701
Increase (decrease) in income tax resulting from:		
Interest income already subjected to final tax	(690,281)	(222,199)
Dividend income exempt from tax	(630,975)	(1,355,120)
Expired MCIT	153,325	192,303
Nondeductible expenses	-	10,000
Income tax at effective tax rate	(P2,819,414)	(P1,123,315)

The Company used 1.5% and 1% for MCIT for taxable periods ended December 31, 2023 and 2022, respectively.

24. Related Party Transactions

The Company has transactions with its related parties in the ordinary course of business. Details of these transactions as at and for the years ended December 31 are as follows:

Entity and Relationship	Nature of Transaction	Amount of Transaction		Outstanding Balance		Terms and Conditions
		2023	2022	2023	2022	
Trade Receivables						
Key management personnel	Trading of securities	(P260,630)	P415,155	P1,334,180	P1,594,810	2-3 days; noninterest-bearing; secured; not impaired; settled in cash
Trade Payables						
Parent -						
ADC	Trading of securities	(P16,295,012)	P26,540,831	P15,148,135	P31,443,147	
Key management personnel	Trading of securities	12,011,596	(1,871,306)	12,815,717	804,121	
Under common control -						
Belson Development and Insurance Agency Corporation (BDIAC)	Trading of securities	224,123	(7,755,311)	226,070	1,947	2-3 days; noninterest-bearing; secured; settled in cash
				P28,189,922	P32,249,215	
Plan Assets						
Retirement benefit plan	Plan contribution	P--	P--	P6,594,172	P7,014,853	The retirement benefit plan will be available for payment of the retirement benefit of employees.
Commission Income						
Key management personnel						
Parent -						
ADC	Trading of securities	P90,891	P39,207	P--	P--	
Under common control -						
BDIAC	Trading of securities	--	9,160	--	--	
				P--	P--	
Salaries and Other Employee Benefits						
Key management personnel						
	Short-term employee benefits	P2,769,256	P2,677,241	P--	P--	Noninterest-bearing; unsecured; to be settled in cash
	Retirement benefits	153,306	--	5,676,637	5,523,331	
				P5,676,637	P5,523,331	

In 2023, the Company did not meet the criteria prescribed in the RR No. 34-2020 to file and submit the Related Party Transaction Form (BIR Form 1709) together with the Annual Income Tax Return. Accordingly, the Company is also not required to prepare and submit a transfer pricing documentation as prescribed in the said regulation.



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

The Stockholders and the Board of Directors
Belson Securities, Inc.
4/F Belson House
271 EDSA, Mandaluyong City

We have audited the accompanying financial statements of Belson Securities, Inc. (a subsidiary of AE & E's Development Corporation) (the Company) as at and for the years ended December 31, 2023 and 2022, on which we have rendered our report dated April 12, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 15 stockholders owning 100 or more shares each.

REYES TACANDONG & Co.

KARL JOSEPH N. MALVAS

Partner

CPA Certificate No. 110926

Tax Identification No. 940-545-217-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-017-2022

Valid until June 6, 2025

PTR No. 10072421

Issued January 3, 2024, Makati City

April 12, 2024

Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Belson Securities, Inc.
4/F Belson House
271 EDSA, Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Belson Securities, Inc. (a subsidiary of AE & E's Development Corporation) (the Company) as at and for the years ended December 31, 2023 and 2022 and have issued our opinion thereon dated April 12, 2024.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules as at and for the year ended December 31, 2023 are the responsibility of the Company's management. The supplementary schedules include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors
- Computation of Risk-Based Capital Adequacy Worksheet Pursuant to SEC Memorandum Circular No. 16
- Information Relating to the Possession or Control Requirements under SRC Rule 49.2
- Computation for Determination of Reserve Requirements of SRC Rule 49.2
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Report Date of the Previous Audit
- Results of Monthly Securities Count Conducted Pursuant to the Revised SRC Rule 52.1-10

The supplementary schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audits of the basic financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.

KARL JOSEPH N. MALVAS

Partner

CPA Certificate No. 110926

Tax Identification No. 940-545-217-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-017-2022

Valid until June 6, 2025

PTR No. 10072421

Issued January 3, 2024, Makati City

April 12, 2024

Makati City, Metro Manila

**BELSON SECURITIES, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2023**

The Company has no subordinated liability.

**BELSON SECURITIES, INC.
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY WORKSHEET
PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16**

DECEMBER 31, 2023

Assets	#303,354,208
Liabilities	87,622,629
Equity per Books	215,731,579
Adjustments to Equity per Books	
Add (Deduct):	
Allowance for market decline	-
Subordinated liability	-
Unrealized gain (loss) in proprietary accounts	5,602,266
Deferred income tax	(551,224)
Revaluation reserves	(39,424,799)
Deposit for future stock subscription (no application with SEC)	-
Minority Interest	-
Total Adjustments to Equity per Books	(34,373,757)
Equity Eligible for Net Liquid Capital	181,357,822
Contingencies and Guarantees	
Deduct: Contingent liability	-
Guarantees or indemnities	-
Ineligible assets	
a. Trading right and all other intangible assets (net)	882,200
b. Intercompany receivables	1,334,180
c. Fixed assets, net of accumulated depreciation and excluding those used as collateral	13,420,001
d. All other current assets	3,774,674
e. Securities not readily marketable	2,000,000
f. Negative exposure (SCCP)	64,486
g. Notes receivable (non-trade related)	-
h. Interest and dividends receivables outstanding for more than 30 days	-
i. Ineligible insurance claims	-
j. Ineligible deposits	3,672,458
k. Short security differences	-
l. Long security differences not resolved prior to sale	-
m. Other assets including equity investment in PSE	40,826,571
Total Ineligible assets	65,974,570
Net Liquid Capital (NLC)	115,383,252
Less: Operating Risk Requirement	4,303,255
Position Risk Requirement	1,623,041
Counterparty Risk	603,722
Large Exposure Risk:	
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	-
Total Risk Capital Requirement (TRCR)	6,530,018
Net RBCA Margin (NLC-TRCR)	108,853,234
Liabilities	87,622,629
Add: Deposit for future stock subscription (no application with SEC)	-
Less: Exclusions from aggregate indebtedness	
Subordinated liability	-
Loans and secured securities	-
Loans secured by fixed assets	-
Others	28,189,922
Total adjustments to aggregate indebtedness	(28,189,922)
Aggregate Indebtedness	59,432,707
5% of Aggregate Indebtedness	2,971,635
Required Net Liquid Capital (> of 5% of AI or #5M)	5,000,000
Net Risk-Based Capital Excess / (Deficiency)	110,383,252
Ratio of AI to Net Liquid Capital	52%
RBCA Ratio (NLC/TRCR)	1,767%

**BELSON SECURITIES, INC.
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER SRC RULE 49.2**

DECEMBER 31, 2023

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

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

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

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

**BELSON SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER SRC RULE 49.2**

DECEMBER 31, 2023

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	P47,659,157	
2. Monies borrowed collateralized by securities carried for the account of customers.	-	
3. Monies payable against customers' securities loaned.	-	
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to customer.	-	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	-	
7. Market value of the short security count differences over 30 calendar days old.	-	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days	-	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	-	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		P11,161,330
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		
12. Failed to deliver customers' securities not older than 30 calendar days.		4,099,386
13. Others due from clearing house		
Total	P47,659,157	P15,260,716
Net Credit	P32,398,442	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	P32,398,442	

SCHEDULE V

**BELSON SECURITIES, INC.
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES
FOUND TO EXIST OR FOUND TO HAVE EXISTED SINCE THE REPORT DATE OF THE PREVIOUS AUDIT
DECEMBER 31, 2023**

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

**BELSON SECURITIES, INC.
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO THE REVISED SRC RULE 52.1-10
DECEMBER 31, 2023**

There is no discrepancy in the results of the securities count conducted. Refer to pages 59-69 for the results of monthly securities count conducted for the period ended December 31, 2023.

BELSON SECURITIES, INC.
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO THE REVISED SRC RULE 52.1-10

DECEMBER 31, 2023

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIA AMALGAMATED HDGS.	833,000	₱1,341,130	833,000	₱1,341,130	-	₱-
AB	ATOK-BIG WEDGE CO., INC.	157,226	836,442	157,226	836,442	-	-
ABA	ABACORE CAPITAL HOLDINGS, INC	9,460,199	8,041,169	9,460,199	8,041,169	-	-
ABG	ASIA BEST GROUP INTERNATIONAL, INC.	38,397	115,575	38,397	115,575	-	-
ABS	ABS-CBN CORPORATION	514,720	2,378,006	514,720	2,378,006	-	-
ABSVP	ABS-CBN CORP. PREFERRED	128,905	-	128,905	-	-	-
AC	AYALA CORPORATION	51,845	35,306,445	51,845	35,306,445	-	-
ACE	ACESITE (PHILS.) HOTEL CORP	85,000	146,200	85,000	146,200	-	-
ACEN	AC ENERGY CORP.	10,691,254	46,827,693	10,691,254	46,827,693	-	-
ACENB	ACEN CORP. PREF. SERIES B	100	108,000	100	108,000	-	-
ACPAR	AYALA CORP. CLASS "A" PREF.	4,400	11,035,200	4,400	11,035,200	-	-
ACR	ALSONS CONSOLIDATED RES.	3,782,500	2,042,550	3,782,500	2,042,550	-	-
ACVP	AYALA CORPORATION VOTING	6,663	-	6,663	-	-	-
AEE	AE & E'S DEVELOPMENT CORP.	5,066,808	-	5,066,808	-	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	255,250	11,384,150	255,250	11,384,150	-	-
AGC	APO GOLF & COUNTRY	1	-	1	-	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	821,200	9,263,136	821,200	9,263,136	-	-
ALCO	ARTHALAND CORPORATION	3,750,200	1,556,333	3,750,200	1,556,333	-	-
ALI	AYALA LAND INC.	2,278,505	78,494,497	2,278,505	78,494,497	-	-
ALLDY	ALLDAY MARTS, INC.	12,971,000	2,036,447	12,971,000	2,036,447	-	-
ALLHC	AYALA LAND LOGISTICS HOLDINGS CORP.	1,254,000	2,219,580	1,254,000	2,219,580	-	-
ALTER	ALTERNERGY HOLDINGS CORP.	1,990,000	1,532,300	1,990,000	1,532,300	-	-
ANI	AGRINURTURE, INC.	5,891,000	4,418,250	5,891,000	4,418,250	-	-
ANS	A. SORIANO CORPORATION	727,254	8,479,782	727,254	8,479,782	-	-
AP	ABOITIZ POWER CORPORATION	384,000	14,515,200	384,000	14,515,200	-	-
APC	APC GROUP, INC.	89,864,000	21,118,040	89,864,000	21,118,040	-	-
APC%	APC GROUP, INC. (25% PAID)	540,000	-	540,000	-	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	418,861,800	5,445,203	418,861,800	5,445,203	-	-
APO	ANGLO PHIL. HOLDINGS CORP.	2,437,302	1,096,786	2,437,302	1,096,786	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
APVI	ALTUS PROPERTY VENTURES, INC.	93,058	₱864,509	93,058	₱864,509	-	₱-
APX	APEX MINING COMPANY, INC.	2,177,351	6,532,053	2,177,351	6,532,053	-	-
AR	ABRA MINING & IND'L. CORP.	1,154,990,000	5,312,954	1,154,990,000	5,312,954	-	-
ARA	ARANETA PROPERTIES, INC.	1,115,481	1,093,171	1,115,481	1,093,171	-	-
AREIT	AREIT, INC.	376,360	12,570,424	376,360	12,570,424	-	-
ASLAG	Raslag Corp.	1,551,000	2,000,790	1,551,000	2,000,790	-	-
AT	ATLAS CONS. MINING & DEV'T.	720,855	2,544,618	720,855	2,544,618	-	-
ATI	ASIAN TERMINALS, INC.	8,999	134,985	8,999	134,985	-	-
ATN	ATN HOLDINGS INC. "A"	35,249,300	13,394,734	35,249,300	13,394,734	-	-
ATNB	ATN HOLDINGS INC. "B"	15,488,700	5,885,706	15,488,700	5,885,706	-	-
ATT	ACME TOURS & TRAVEL, INC	70,000	-	70,000	-	-	-
AUB	ASIA UNITED BANK CORPORATION	373,305	12,207,073	373,305	12,207,073	-	-
AXLM	AXELUM RESOURCES CORP.	1,074,300	2,578,320	1,074,300	2,578,320	-	-
BALAI	BALAI NI FRUITAS INC.	384,000	149,760	384,000	149,760	-	-
BC	BENGUET CORPORATION "A"	1,268,632	6,178,238	1,268,632	6,178,238	-	-
BCB	BENGUET CORPORATION "B"	1,026,917	5,031,893	1,026,917	5,031,893	-	-
BCOR	BERJAYA PHILIPPINES, INC.	90	676	90	676	-	-
BCP	BENGUET CORP.- PEF. "A"	1,858	64,937	1,858	64,937	-	-
BDO	BDO UNIBANK, INC.	1,980,946	258,513,453	1,980,946	258,513,453	-	-
BE	BENGUET EXPL. "A"	643,660	-	643,660	-	-	-
BEL	BELLE CORPORATION BOULEVARD	10,479,439	12,260,944	10,479,439	12,260,944	-	-
BHI	BRIGHT KINDLE RES. HOLDINGS, INC.	200,540,000	12,232,940	200,540,000	12,232,940	-	-
BHW	BEACH WORLD	1	-	1	-	-	-
BKR	BRIGHT KINDLE RES. & INVEST., INC.	14,409,500	20,173,300	14,409,500	20,173,300	-	-
BLOOM	BLOOMBERRY RESORTS CORP.	2,862,652	28,168,496	2,862,652	28,168,496	-	-
BMC	BEULAH MINING CORP.	2,335	-	2,335	-	-	-
BNCOM	Bank Of Commerce BANK OF THE PHIL.	259,100	1,883,657	259,100	1,883,657	-	-
BPI	ISLANDS A. BROWN	459,770	47,724,126	459,770	47,724,126	-	-
BRN	COMPANY, INC.	1,236,293	803,590	1,236,293	803,590	-	-
BSC	BASIC ENERGY CORP.	31,780,427	5,625,136	31,780,427	5,625,136	-	-
BSI	BELSON SECURITIES, INC	1,011,674	-	1,011,674	-	-	-
C	CHELSEA LOGISTICS & INFRASTRUCTURE CONCRETE AGGREGATES CORP.	4,799,500	7,199,250	4,799,500	7,199,250	-	-
CA	"A" CONCRETE AGGREGATES CORP.	11,720	457,666	11,720	457,666	-	-
CAB	"B" CONCRETE AGGREGATES CORP.	300	20,235	300	20,235	-	-
CAL	CALATA CORPORATION - DELISTED	1,406,568	-	1,406,568	-	-	-
CAT	CENTRAL AZUCARERA DE TARLAC, INC.	55,500	638,250	55,500	638,250	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CDC	CITYLAND DEVELOPMENT CORP.	53,265	₱36,753	53,265	₱36,753	-	₱-
CEB	CEBU AIR, INC.	99,440	3,231,800	99,440	3,231,800	-	-
CEBCP	CEBU AIR, INC. CONVERTIBLE PREFERRED SHA CROWN EQUITIES, INC.	13,633	442,391	13,633	442,391	-	-
CEI	CENTRO ESCOLAR UNIVERSITY	42,019,760	2,815,324	42,019,760	2,815,324	-	-
CEU	UNIVERSITY	39,923	339,345	39,923	339,345	-	-
CF	CLUB FILIPINO	1	-	1	-	-	-
CGC	CALATAGAN GOLF CLUB, INC	2	-	2	-	-	-
CHI	CEBU HOLDINGS, INC.	279,365	1,709,714	279,365	1,709,714	-	-
CHIB	CHINA BANKING CORP.	4,329,019	133,550,236	4,329,019	133,550,236	-	-
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	5,734,472	5,390,404	5,734,472	5,390,404	-	-
CIC	CONCEPCION INDUSTRIAL CORP.	11,800	171,100	11,800	171,100	-	-
CIP	CHEMICAL IND. OF THE PHILS.	200	32,300	200	32,300	-	-
CLI	CEBU LANDMASTERS, INC.	1,656,610	4,091,827	1,656,610	4,091,827	-	-
CNPF	CENTURY PACIFIC FOOD, INC.	43,600	1,349,420	43,600	1,349,420	-	-
CNVRG	CONVERGE INFORMATION AND COMMS TECH	3,922,000	32,866,360	3,922,000	32,866,360	-	-
COAL	COAL ASIA HOLDINGS, INC.	16,373,000	1,817,403	16,373,000	1,817,403	-	-
COL	COL FINANCIAL GROUP, INC.	231,000	614,460	231,000	614,460	-	-
COSCO	COSCO CAPITAL, INC.	1,053,022	4,864,962	1,053,022	4,864,962	-	-
CPG	CENTURY PROPERTIES GROUP, INC.	12,408,564	3,474,398	12,408,564	3,474,398	-	-
CPM	CENTURY PEAK HOLDINGS CORPORATION	26,355,570	91,717,384	26,355,570	91,717,384	-	-
CREIT	CITICORE RT	5,881,000	15,055,360	5,881,000	15,055,360	-	-
CRNL	COPLX RESOURCES N.L.	150,000	-	150,000	-	-	-
CROWN	CROWN ASIA CHEMICALS CORP.	430,000	670,800	430,000	670,800	-	-
CSB	CITYSTATE SAVING BANK	5,000	40,550	5,000	40,550	-	-
CTS	CTS Global Equity Group, Inc.	1,357,000	1,017,750	1,357,000	1,017,750	-	-
CYBR	CYBER BAY CORPORATION	21,811,867	7,197,916	21,811,867	7,197,916	-	-
DD	DOUBLE DRAGON PROPERTIES CORP.	328,910	2,499,716	328,910	2,499,716	-	-
DDMPR	DDMP REIT INC	23,341,000	28,242,610	23,341,000	28,242,610	-	-
DDPR	DOUBLE DRAGON PROP. PERP. PREF.	127,180	11,827,740	127,180	11,827,740	-	-
DELM	DEL MONTE PACIFIC LIMITED	9,652	62,641	9,652	62,641	-	-
DFNN	DFNN, INC.	725,400	2,241,486	725,400	2,241,486	-	-
DHI	DOMINION HOLDINGS, INC.	166,320	525,571	166,320	525,571	-	-
DITO	DITO CME HOLDINGS CORP.	15,775,486	37,072,392	15,775,486	37,072,392	-	-
DIZ	DIZON COPPER SILVER MINES, INC.	538,984	1,201,934	538,984	1,201,934	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
DMC	DMCI HOLDINGS, INC.	6,571,950	₱64,207,951	6,571,950	₱64,207,951	--	₱--
DMW	D.M WENCESLAO & ASSOCIATES, INC.	366,700	1,892,172	366,700	1,892,172	--	--
DNA	PHILAB HOLDINGS CORP.	99,980	285,943	99,980	285,943	--	--
DNL	D&L INDUSTRIES, INC.	5,077,200	32,037,132	5,077,200	32,037,132	--	--
DWC	DISCOVERY WORLD CORPORATION	433,000	610,530	433,000	610,530	--	--
ECP	EASYCALL COMM. PHILS., INC.	37,924	85,708	37,924	85,708	--	--
ECVC	EAST COAST VULCAN CORP.	17,294,506	10,376,704	17,294,506	10,376,704	--	--
EEL	EEL CORPORATION	968,098	5,779,545	968,098	5,779,545	--	--
EEIPA	EEL Corporation: Series A Preferred Shares	16,000	1,390,400	16,000	1,390,400	--	--
EEIPB	EEL Corporation: Series B Preferred Shares	43,000	4,166,700	43,000	4,166,700	--	--
EG	IP E-GAME VENTURES, INC.	88,800,000	834,720	88,800,000	834,720	--	--
EIBA	EXPORT AND INDUSTRY BANK, INC.	10,698,307	2,833,560	10,698,307	2,833,560	--	--
EIBB	EXPORT & INDUSTRY BANK, INC. "B"	2,190,000	--	2,190,000	--	--	--
ELI	EMPIRE EAST LAND HDGS.	12,950,791	1,631,800	12,950,791	1,631,800	--	--
EMI	EMPERADOR, INC.	56,900	1,186,365	56,900	1,186,365	--	--
ENEX	ENEX ENERGY CORP.	789,703	3,869,545	789,703	3,869,545	--	--
ETIW	ETELECARE INTL., INC.-WARRANTS	22	--	22	--	--	--
EURO	EURO-MED LAB. PHIL., INC.	51,424	36,511	51,424	36,511	--	--
EVER	EVER-GOTESCO RES. & HDGS.	293,154,000	85,014,660	293,154,000	85,014,660	--	--
EW	EAST WEST BANK CORPORATION	763,304	6,503,350	763,304	6,503,350	--	--
FB	SAN MIGUEL FOOD AND BEVERAGE, INC	104,320	5,320,320	104,320	5,320,320	--	--
FC1	FIL-HISPANO CORPORATION	25,000	--	25,000	--	--	--
FCG	Figaro Coffee Group, Inc.	3,868,000	2,320,800	3,868,000	2,320,800	--	--
FDC	FILINVEST DEVT. CORP.	158,485	847,895	158,485	847,895	--	--
FERRO	FERRONOUX HOLDINGS, INC	113,000	327,700	113,000	327,700	--	--
FEU	FAR EASTERN UNIVERSITY	9,549	5,409,508	9,549	5,409,508	--	--
FFI	FILIPINO FUND, INC.	15,050	54,180	15,050	54,180	--	--
FFIP	FFI-PHILIPPINE INDEX FUND, CORP.	255	--	255	--	--	--
FFIS	FFI SPECIAL PURPOSE TRUST	145,000	--	145,000	--	--	--
FGEN	FIRST GEN CORPORATION	57,201	995,297	57,201	995,297	--	--
FILRT	FILINVEST REIT CORP	751,000	1,937,580	751,000	1,937,580	--	--
FLI	FILINVEST LAND, INC.	4,264,480	2,516,043	4,264,480	2,516,043	--	--
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	3,034,390	6,250,843	3,034,390	6,250,843	--	--
FOOD	ALLIANCE SELECT FOODS INT'L. INC.	2,875,880	1,322,905	2,875,880	1,322,905	--	--
FPH	FIRST PHIL. HOLDINGS	249,686	15,605,375	249,686	15,605,375	--	--
FPI	FORUM PACIFIC, INC.	2,419,996	483,999	2,419,996	483,999	--	--

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
FRUIT	FRUITAS HOLDINGS, INC.	1,135,000	₱1,089,600	1,135,000	₱1,089,600	-	₱-
FYN	FILSYN CORPORATION "A"	60,666	-	60,666	-	-	-
GBH	GLOBAL BUSINESS HOLDINGS, INC.	50	-	50	-	-	-
GEO	GEOGRACE RESOURCES PHILS., INC.	24,477,716	660,898	24,477,716	660,898	-	-
GERI	GLOBAL ESTATE RESORTS, INC.	5,298,951	5,034,003	5,298,951	5,034,003	-	-
GLO	GLOBE TELECOM, INC.	27,078	46,574,160	27,078	46,574,160	-	-
GMA7	GMA NETWORK, INC. "COMMON"	9,758,200	81,968,880	9,758,200	81,968,880	-	-
GMAP	GMA HOLDINGS, INC. "PDR"	354,000	2,938,200	354,000	2,938,200	-	-
GO	GOTESCO LAND, INC. "A" (DELISTED)	1,758,145	246,140	1,758,145	246,140	-	-
GOB	GOTESCO LAND, INC. "B" (DELISTED)	2,302,390	-	2,302,390	-	-	-
GREEN	GREENERGY HOLDINGS INCORPORATED	17,913,532	4,102,199	17,913,532	4,102,199	-	-
GSMI	GINEBRA SAN MIGUEL INC.	1,200	202,440	1,200	202,440	-	-
GTCP	GT CAPITAL HOLDINGS, INC.	29,467	17,385,530	29,467	17,385,530	-	-
GTCPVP	GT CAPITAL HOLD., INC. PREFERRED	5,550	-	5,550	-	-	-
GTPPB	GT CAP. SERIES "B" PERPETUAL PREF.	5,800	5,454,900	5,800	5,454,900	-	-
GUOP	GUOCO HOLDINGS- PREF. SERIES "A"	13,900	-	13,900	-	-	-
HI	HOUSE OF INVESTMENT, INC.	117,100	379,404	117,100	379,404	-	-
HOME	ALLHOME CORP.	876,500	981,680	876,500	981,680	-	-
HOUSE	8990 HOLDINGS, INC.	200,316	1,848,917	200,316	1,848,917	-	-
HTI	Haus Talk, Inc.	8,754,000	8,316,300	8,754,000	8,316,300	-	-
HWD	HONGKONG & WHAMPOA DOCK CO. LTD.	2,171	-	2,171	-	-	-
HWL	HUTCHISON WHAMPOA LTD.	6,523	-	6,523	-	-	-
I	I-REMIT, INC.	161,083	62,017	161,083	62,017	-	-
ICT	INTL. CONTAINER TERMINAL ITALPINAS DEVELOPMENT	164,301	40,549,487	164,301	40,549,487	-	-
IDC	INTEGRATED MICRO-CORP.	1,670,982	1,152,978	1,670,982	1,152,978	-	-
IMI	ELECTRONICS, INC.	191,210	604,224	191,210	604,224	-	-
IMP	IMPERIAL RES., INC. Philippine Infradev	395,850	205,842	395,850	205,842	-	-
INFRA	Holdings, Inc.	3,469,000	1,907,950	3,469,000	1,907,950	-	-
ION	IONICS, INC.	20,713,180	20,920,312	20,713,180	20,920,312	-	-
IPM	IPM HOLDINGS, INC.	897,034	3,031,975	897,034	3,031,975	-	-
IPO	I-PEOPLE, INC.	13,404	98,519	13,404	98,519	-	-
IS	ISLAND INFORMATION & TECH.	1,258,725,960	181,256,538	1,258,725,960	181,256,538	-	-
JFC	JOLLIBEE FOODS CORP.	118,615	29,819,811	118,615	29,819,811	-	-
JFCPB	JOLLIBEE FOODS CORP SERIES B PREFERRED	1,000	942,000	1,000	942,000	-	-
JGS	JG SUMMIT HOLDINGS, INC.	79,041	3,015,414	79,041	3,015,414	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
JOH	JOLLIVILLE HOLDINGS CORP.	8,866,900	₱79,447,424	8,866,900	₱79,447,424	-	₱-
KEEPR	THE KEEPERS HOLDINGS INC	9,096,240	13,462,435	9,096,240	13,462,435	-	-
KEP	KEPPEL PHILS. PROP., INC.	6,647	32,637	6,647	32,637	-	-
KPH	KEPPEL PHILS. HDGS, "A"	819	4,095	819	4,095	-	-
KPHB	KEPPEL PHILS. HDGS. "B"U	99	545	99	545	-	-
KPPI	KEPWEALTH PROPERTY PHILS., INC.	40,000	61,200	40,000	61,200	-	-
LAND	CITY & LAND DEVELOPERS, INC.	452,025	343,539	452,025	343,539	-	-
LBC	LBC EXPRESS HOLDINGS, INC.	20,000	364,800	20,000	364,800	-	-
LC	LEPANTO CONS. MINING "A"	94,096,142	7,527,691	94,096,142	7,527,691	-	-
LCB	LEPANTO CONS. MINING "B"	18,189,763	1,418,802	18,189,763	1,418,802	-	-
LFM	LIBERTY FLOUR MILLS, INC.	3,005	36,360	3,005	36,360	-	-
LGC	LUISITA GOLF CLUBU LIBERTY TEL. HOLD., INC. (DELISTED)	1	-	1	-	-	-
LIB	LMG CORPORATION	3,059,000	-	3,059,000	-	-	-
LMG	LODESTAR	313,600	1,047,424	313,600	1,047,424	-	-
LODE	PACIFIC ONLINE SYSTEMS CORP.	12,652,000	5,883,180	12,652,000	5,883,180	-	-
LOTO	LOPEZ HOLDINGS CORP.	366,500	1,814,175	366,500	1,814,175	-	-
LPZ	LANDOIL RES. CORP. "A"	3,456,827	14,726,083	3,456,827	14,726,083	-	-
LRC	LANDOIL RES. CORP. "B"	86,575,807	-	86,575,807	-	-	-
LRCB	LORENZO SHIPPING CORP.	56,816,934	-	56,816,934	-	-	-
LSC	LT GROUP, INC.	183,250	100,787	183,250	100,787	-	-
LTG	MANILA MINING CORP. "A"	222,500	1,998,050	222,500	1,998,050	-	-
MA	MANILA MINING CORP. "B"	563,243,172	2,590,919	563,243,172	2,590,919	-	-
MAB	MACROASIA CORPORATION	131,885,636	567,108	131,885,636	567,108	-	-
MAC	MACAY HOLDINGS, INC.	6,487,092	26,921,432	6,487,092	26,921,432	-	-
MACAY	MARINDUQUE EXPL.	602,519	3,825,996	602,519	3,825,996	-	-
MAEX	METRO ALLIANCE HDGS. "A"	10,400,000	-	10,400,000	-	-	-
MAH	METRO ALLIANCE HDGS. "B"	1,945,145	885,041	1,945,145	885,041	-	-
MAHB	MARCVENTURES HOLDINGS, INC.	159,014	81,097	159,014	81,097	-	-
MARC	MAX'S GROUP, INC.	3,595,655	3,883,307	3,595,655	3,883,307	-	-
MAXS	MANILA BULLETIN PUB. CORP.	217,200	710,244	217,200	710,244	-	-
MB	METRO BANK & TRUST CO.	164,698	38,045	164,698	38,045	-	-
MBT	MARSTEEL CONS., INC. "A"(DELISTED)	1,422,200	72,958,860	1,422,200	72,958,860	-	-
MC	MARSTEEL CONS. (50% PAID)	19,583,000	-	19,583,000	-	-	-
MC%	(DELISTED MARSTEEL CONS., INC. "B" (DELISTED)	3,300,000	-	3,300,000	-	-	-
MCB	MEDCO HOLDINGS, INC.	5,900,000	-	5,900,000	-	-	-
MED		13,136,000	1,129,696	13,136,000	1,129,696	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
	Medilines Distributors Incorporated	2,518,000	₱830,940	2,518,000	₱830,940	-	₱-
MEDIC	MEGAWORLD CORPORATION	14,021,602	27,622,556	14,021,602	27,622,556	-	-
MEG	MANILA ELECTRIC CO.	185,573	74,043,627	185,573	74,043,627	-	-
MER	MERALCO - PREF. "B"	15,740	-	15,740	-	-	-
MERP	MANULIFE FINANCIAL CORP.	1,743	1,969,590	1,743	1,969,590	-	-
MFC	MILLENNIUM GLOBAL HOLDINGS, INC.	25,067,000	2,531,767	25,067,000	2,531,767	-	-
MG	MAKATI GOLF	2	-	2	-	-	-
MGC	MANILA GOLF & COUNTRY CLUB, INC.	1	-	1	-	-	-
MGCC	METRO GLOBAL HOLDINGS CORP.	755,150	-	755,150	-	-	-
MGH	MABUHAY HOLDINGS CORP.	2,764,000	309,568	2,764,000	309,568	-	-
MHC	MARINDUQUE MINING "A"	831	-	831	-	-	-
MI	MANILA JOCKEY CLUB, INC.	394,927	501,557	394,927	501,557	-	-
MJC	MJC INVESTMENTS CORPORATION	169,000	169,000	169,000	169,000	-	-
MJIC	MERRYMART	3,219,700	3,316,291	3,219,700	3,316,291	-	-
MM	CONSUMER CORP. MONDE NISSIN CORPORATION	2,094,600	17,552,748	2,094,600	17,552,748	-	-
MONDE	METRO PACIFIC CORP.	15,000	-	15,000	-	-	-
MPC	MRC ALLIED INDUSTRIES, INC.	2,622,200	3,408,860	2,622,200	3,408,860	-	-
MRC	MREIT Inc	625,600	7,694,880	625,600	7,694,880	-	-
MREIT	METRO RETAIL STORES GROUP, INC.	240,000	304,800	240,000	304,800	-	-
MRSOI	MAKATI SPORTS CLUB "B"	3	-	3	-	-	-
MSCB	MANILA WATER COMPANY, INC.	2,944,581	54,769,207	2,944,581	54,769,207	-	-
MWC	MEGAWIDE CONSTRUCTION CORP.	804,842	2,478,913	804,842	2,478,913	-	-
MWIDE	NIHAO MINERAL RES. NICKEL ASIA CORPORATION	1,488,800	818,840	1,488,800	818,840	-	-
NI	NOW CORPORATION	9,210,518	50,473,639	9,210,518	50,473,639	-	-
NIKL	NOW CORPORATION NATIONAL	4,104,600	4,720,290	4,104,600	4,720,290	-	-
NOW	REINSURANCE CORP. NEXTGENESIS CORPORATION	2,045,000	736,200	2,045,000	736,200	-	-
NRCP	OMICO CORPORATION	751,820	-	751,820	-	-	-
NXGEN	ORIENTAL PET. & MIN. "A"	8,830,464	2,428,378	8,830,464	2,428,378	-	-
OM	ORIENTAL PET. & MIN. "B"	412,931,128	3,303,449	412,931,128	3,303,449	-	-
OPM	ORIENTAL PENINSULA RES. GROUP, INC.	53,027,942	429,526	53,027,942	429,526	-	-
OPMB	THE PHILODRILL CORP.	3,948,600	2,487,618	3,948,600	2,487,618	-	-
ORE	PACIFICA HOLDINGS, INC.	570,869,390	4,624,042	570,869,390	4,624,042	-	-
OV	PAL HOLDINGS, INC.	356,600	492,108	356,600	492,108	-	-
PA	PAL HOLDINGS, INC.	246,750	1,251,022	246,750	1,251,022	-	-
PAL	PAXYS, INC.	89,800	92,494	89,800	92,494	-	-
PAX							

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PBB	PHILIPPINE BUSINESS BANK	1,649,521	₱14,350,833	1,649,521	₱14,350,833	-	₱-
PBC	PHILIPPINE BANK OF COMM. PETRON CORPORATION	21,555	304,357	21,555	304,357	-	-
PCOR	PICOP RESOURCES, INC.	2,611,167	9,269,643	2,611,167	9,269,643	-	-
PCP	PICOP RESOURCES - 14% PETROENERGY RESOURCES CORP.	23,509,670	-	23,509,670	-	-	-
PCPD	PUREGOLD PRICE CLUB, INC.	11,000	-	11,000	-	-	-
PERC	PREMIERE HORIZON ALLIANCE CORP.	244,936	1,212,433	244,936	1,212,433	-	-
PGOLD	PHILCOMSAT HOLDINGS CORP.	138,500	3,725,650	138,500	3,725,650	-	-
PHA	PHILIPPINE ESTATES CORP.	19,808,300	3,208,945	19,808,300	3,208,945	-	-
PHC	PHINMA CORPORATION	1,480,052	-	1,480,052	-	-	-
PHES	PH RESORTS GROUP HOLDINGS, INC.	4,310,000	1,357,650	4,310,000	1,357,650	-	-
PHN	PHILIPPINE ESTATES CORP.	2,369	48,328	2,369	48,328	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC.	7,707,200	6,705,264	7,707,200	6,705,264	-	-
PIZZA	SHAKEY'S PIZZA ASIA VENTURES, INC.	55,000	539,000	55,000	539,000	-	-
PLC	PREMIUM LEISURE CORP.	20,879,000	13,153,770	20,879,000	13,153,770	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	3,266,135	26,129,080	3,266,135	26,129,080	-	-
PMPC	PANASONIC MFG. PHILS. CORP	10,856	62,965	10,856	62,965	-	-
PMT	PRIMETOWN PROP. GROUP, INC.	10,229,095	-	10,229,095	-	-	-
PNB	PHIL. NATIONAL BANK	424,733	7,857,561	424,733	7,857,561	-	-
PNC	PHILIPPINE NATL. CONST. CORP.	22,489	110,196	22,489	110,196	-	-
PNX	PHOENIX PETROLEUM PHILS. PHOENIX PET. PHILS.SERIES 3B	312,347	1,530,500	312,347	1,530,500	-	-
PNX3B	PREF.	2,650	62,143	2,650	62,143	-	-
PNX4	PHOENIX PET. PHILS. SERIES 4 PREF.	2,210	514,488	2,210	514,488	-	-
PPC	PRYCE CORPORATION	97,210	516,185	97,210	516,185	-	-
PPI	PHILTOWN PROPERTIES, INC.	1,804,873	-	1,804,873	-	-	-
PRC	PHIL. RACING CLUB, INC.	39,449	252,474	39,449	252,474	-	-
PREIT	PREMIERE RT	68,000	104,720	68,000	104,720	-	-
PRF3B	PETRON PREF. SERIES 3B	2,550	2,499,000	2,550	2,499,000	-	-
PRF4A	PETRON PREF. SERIES 4A	1,800	1,593,000	1,800	1,593,000	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	4,592,489	13,180,443	4,592,489	13,180,443	-	-
PRMX	PRIMEX CORPORATION	65,000	159,250	65,000	159,250	-	-
PSB	PHILIPPINE SAVINGS BANK	44,818	2,375,354	44,818	2,375,354	-	-
PSE	THE PHIL. STOCK EXCHANGE, INC.	247,287	42,038,790	247,287	42,038,790	-	-
PTT	PHIL. TELEGRAPH & TEL. CORP.	791,213	261,100	791,213	261,100	-	-
PX	PHILEX MINING CORP.	6,187,722	19,862,588	6,187,722	19,862,588	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PXP	PXP ENERGY CORPORATION	5,058,102	₱19,979,503	5,058,102	₱19,979,503	-	₱-
RCB	RIZAL COMMERCIAL BANKING CORP.	190,337	4,377,751	190,337	4,377,751	-	-
RCI	ROXAS AND COMPANY, INC.	381,503	183,121	381,503	183,121	-	-
RCR	RL Commercial REIT, Inc.	764,500	3,738,405	764,500	3,738,405	-	-
REDC	REPOWER ENERGY DEVT. CORP.	20,000	140,000	20,000	140,000	-	-
REG	REPUBLIC GLASS HDGS. CORP.	89,879	269,637	89,879	269,637	-	-
RFM	RFM CORPORATION	209,557	628,671	209,557	628,671	-	-
RLC	ROBINSONS LAND CORP.	300,112	4,783,785	300,112	4,783,785	-	-
RLT	PHIL. REALTY & HDGS. CORP.	17,594,520	2,322,477	17,594,520	2,322,477	-	-
ROCK	ROCKWELL LAND CORPORATION	989,621	1,395,366	989,621	1,395,366	-	-
ROX	ROXAS HOLDINGS, INC.	2,807	2,161	2,807	2,161	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	35,210	1,396,077	35,210	1,396,077	-	-
SBS	SBS PHILIPPINES CORP.	62,634	303,775	62,634	303,775	-	-
SCC	SEMIRARA MINING & POWER CORP.	13,106,300	396,465,575	13,106,300	396,465,575	-	-
SDP	SIME DARBY PILIPINAS, INC.	180	-	180	-	-	-
SECB	SECURITY BANK CORP.	171,329	12,250,024	171,329	12,250,024	-	-
SECBP	SECURITY BANK VOTING PREFERRED	19,890	-	19,890	-	-	-
SEGC	STA. ELENA GOLF CLUB, INC.	1	-	1	-	-	-
SEVN	PHIL SEVEN CORP	280	21,336	280	21,336	-	-
SFI	SWIFT FOODS, INC.	50,788,183	2,742,562	50,788,183	2,742,562	-	-
SFIP	SWIFT FOODS, INC. - PREF.	584,344	747,960	584,344	747,960	-	-
SGI	SOLID GROUP, INC.	560,073	498,465	560,073	498,465	-	-
SGP	SYNERGY GRID & DEVELOPMENT PHILS., INC.	1,081,300	7,082,515	1,081,300	7,082,515	-	-
SHG	SHERWOOD HILLS GOLF CLUB, INC.	1	-	1	-	-	-
SHGD	SHERWOOD HILLS CLUB, INC. "D"	1	-	1	-	-	-
SHLPH	PILIPINAS SHELL PETROLEUM CORP.	1,566,270	17,134,994	1,566,270	17,134,994	-	-
SHNG	SHANG PROPERTIES, INC.	1,526,663	5,602,853	1,526,663	5,602,853	-	-
SIS	SICOGON ISLANDS	2	-	2	-	-	-
SLF	SUN LIFE FINANCIAL, INC.	2,258	6,141,760	2,258	6,141,760	-	-
SLI	STA. LUCIA LAND, INC.	3,459,000	11,760,600	3,459,000	11,760,600	-	-
SM	SM INVESTMENTS CORP.	28,781	25,097,032	28,781	25,097,032	-	-
SMC	SAN MIGUEL CORP.	393,404	40,166,548	393,404	40,166,548	-	-
SMC2F	SAN MIGUEL CORP. SERIES 2F PREF.	23,850	1,729,125	23,850	1,729,125	-	-
SMC2I	SAN MIGUEL CORP. SMC PREF 2I	8,000	564,000	8,000	564,000	-	-
SMC2J	SAN MIGUEL CORP. SERIES 2J PREF.	40,000	2,718,000	40,000	2,718,000	-	-
SMC2K	SAN MIGUEL CORP. SERIES 2-K PREF.	20,000	1,360,000	20,000	1,360,000	-	-
SMC2L	SAN MIGUEL CORP. SERIES 2L PREF.	16,000	1,232,000	16,000	1,232,000	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
SMC2N	SAN MIGUEL CORP. SERIES 2N PREF.	40,000	₱3,080,000	40,000	₱3,080,000	-	₱-
SMC2O	SAN MIGUEL CORP. SERIES 2O PREF.	20,000	1,560,000	20,000	1,560,000	-	-
SMPH	SM PRIME HOLDINGS, INC.	1,400,485	46,075,957	1,400,485	46,075,957	-	-
SOC	SOCRESOURCES, INC.	1,487,000	535,320	1,487,000	535,320	-	-
SOC%	SOUTH CHINA - (25% PAID)	350,000	236,250	350,000	236,250	-	-
SPC	SPC POWER CORPORATION	60,000	420,000	60,000	420,000	-	-
SPM	SEAFRONT RES. CORP.	227,521	320,805	227,521	320,805	-	-
SPNEC	SOLAR PHILIPPINES NUEVA ECIIA CORPORATIOU	4,461,349	5,888,981	4,461,349	5,888,981	-	-
SSI	SSI GROUP, INC.	2,068,600	4,695,722	2,068,600	4,695,722	-	-
SSP	SFA SEMICON PHILS. CORP.	1,558,000	3,443,180	1,558,000	3,443,180	-	-
STI	STI EDUCATION SYSTEMS HOLD., INC.	12,879,417	6,246,517	12,879,417	6,246,517	-	-
STN	STENIEL MFG. CORP.	836,738	217,552	836,738	217,552	-	-
STR	VISTAMALLS, INC.	269,600	649,736	269,600	649,736	-	-
SUN	SUNTRUST HOME DEVELOPERS, INC.	7,785,318	6,617,520	7,785,318	6,617,520	-	-
T	TKC METALS CORPORATION	1,261,000	523,315	1,261,000	523,315	-	-
TBGI	TRANSPACIFIC BROADBAND GROUP INT'L	16,544,000	2,249,984	16,544,000	2,249,984	-	-
TECH	CIRTEK HOLDINGS PHILS. CORP.	4,086,839	6,498,074	4,086,839	6,498,074	-	-
TECHW	TECH WARRANT	636,904	168,780	636,904	168,780	-	-
TEL	PLDT, INC.	50,727	64,879,833	50,727	64,879,833	-	-
TFHI	TOP FRONTIER INVESTMENTS HOLD., INC.	18,638	1,899,212	18,638	1,899,212	-	-
THI	TAGAYTAY HIGHLANDS INT'L.	1	-	1	-	-	-
TMB	THE MANILA BANKING	84	-	84	-	-	-
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	550,000	418,000	550,000	418,000	-	-
UBP	UNION BANK OF THE PHILS.	107,057	5,390,320	107,057	5,390,320	-	-
UNI	UNIOIL RES. & HOLDINGS CO, INC.	12,471,750	48,093	12,471,750	48,093	-	-
UPM	UNITED PARAGON MINING CORP.	239,521,100	958,084	239,521,100	958,084	-	-
URC	UNIVERSAL ROBINA CORP.	419,806	49,621,069	419,806	49,621,069	-	-
UW	UNIWIDE HOLDINGS, INC.	10,238,027	-	10,238,027	-	-	-
V	VANTAGE EQUITIES, INC.	4,050,712	3,119,048	4,050,712	3,119,048	-	-
VC	VENARD CORPORATION	1,500	-	1,500	-	-	-
VITA	VITARICH CORPORATION	3,124,613	1,624,799	3,124,613	1,624,799	-	-
VLL	VISTA LAND & LIFESCAPES, INC.	1,326,465	2,228,461	1,326,465	2,228,461	-	-
VMC	VICTORIAS MILLING CO., INC.	314,240	945,862	314,240	945,862	-	-
VREIT	VISTAREIT RT	766,000	1,279,220	766,000	1,279,220	-	-
VVT	VIVANT CORPORATION	2,257,224	32,278,303	2,257,224	32,278,303	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
WEB	PHILWEB CORPORATION	2,449,719	₱4,238,014	2,449,719	₱4,238,014	-	₱-
WIN	WELLEX INDUSTRIES, INC.	8,207,660	1,887,762	8,207,660	1,887,762	-	-
WLCON	WILCON DEPOT, INC.	174,800	3,653,320	174,800	3,653,320	-	-
WPI	WATERFRONT PHILS., INC.	3,470,100	1,301,288	3,470,100	1,301,288	-	-
WWG	WACK-WACK GOLF & COUNTRY CLUB	4	-	4	-	-	-
X	XURPAS, INC.	1,675,200	319,963	1,675,200	319,963	-	-
ZEA	FIRST NEW ZEA TRADING, INC.	1,000,000	-	1,000,000	-	-	-
ZHI	ZEUS HOLDINGS, INC.	27,174,994	1,929,425	27,174,994	1,929,425	-	-
		6,832,081,358	₱3,389,534,543	6,832,081,358	₱3,389,534,543	-	₱-

SCHEDULE VII

**BELSON SECURITIES, INC.
FINANCIAL SOUNDNESS INDICATORS
CONDUCTED PURSUANT TO THE REVISED SRC RULE 68**

DECEMBER 31, 2023

Ratio	Formula	2023	2022
Current ratio	Total current assets	₱242,001,754	₱260,884,585
	Divided by: Total current liabilities	85,842,447	99,442,817
	Current ratio	2.82:1	2.62:1
Solvency ratio	Net income (loss)	(₱3,786,519)	₱2,130,117
	Add: Depreciation	867,054	855,042
	Net income (loss) before depreciation	(2,919,465)	2,985,159
	Divided by: Total liabilities	87,622,629	106,641,103
	Solvency ratio	(0.03):1	0.03:1
Debt-to-equity ratio	Total liabilities	₱87,622,629	₱106,641,103
	Divided by: Total equity	215,731,579	212,445,514
	Debt-to-equity ratio	0.41	0.50
Asset-to-equity ratio	Total assets	₱303,354,208	₱319,086,617
	Divided by: Total equity	215,731,579	212,445,514
	Asset-to-equity ratio	1.41	1.50
Return on equity	Net income (loss)	(₱3,786,519)	₱2,130,117
	Divided by: Average total equity	214,088,547	216,304,206
	Profitability ratio	(0.02):1	0.01:1
Return on assets	After-tax income (loss)	(₱3,786,519)	₱2,130,117
	Divided by: Average total assets	311,220,413	317,593,549
	Return on assets	(0.01):1	0.01:1
Interest rate coverage ratio	Income (loss) before interest and taxes	(₱6,605,933)	₱1,006,802
	Interest expense	-	-
	Interest rate coverage ratio	-	-
Other relevant ratios	RBCA ratio	1,773%	1,711%
	Ratio of AI to NLC	76%	49%
	Ratio of Core Equity to ORR	4,185%	3,624%

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Date: Tuesday, April 30, 2024 at 09:19 AM GMT+8

Hi BELSON SECURITIES, INC.,

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Transaction Code: **AFS-0-Q3Q3R1W0KJE9KJ5NMPMSR1W0B8GE75LE**

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Company TIN: **000-154-219**

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