



SECURITIES AND EXCHANGE COMMISSION

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



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: May 08, 2025 01:57:39 PM

Company Information

SEC Registration No.: 0000168291

Company Name: BH CHUA SECURITIES INC.

Industry Classification: J66930

Company Type: Stock Corporation

Document Information

Document ID: OST10508202583291326

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2024

Submission Type: Annual

Remarks: None

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

B. H. CHUA SECURITIES CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2024

B.H. CHUA SEC. CORP.

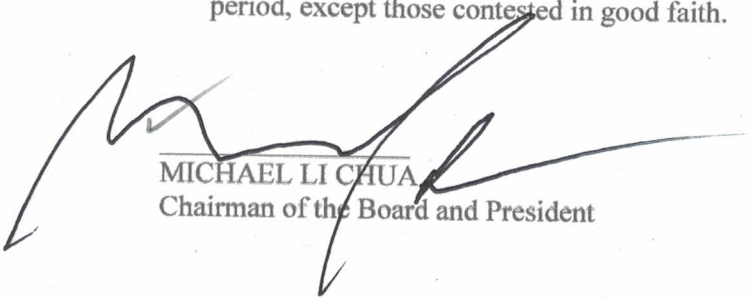
Member: Philippine Stock Exchange
872 G. Araneta Avenue, Q.C. M.M.
Office Tel. 3-4123448 Sales: 8-2412050

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of B.H. CHUA SECURITIES CORPORATION is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of B.H. CHUA SECURITIES CORPORATION is complete and correct in all material respects. Management likewise affirms that:

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



MICHAEL LI CHUA
Chairman of the Board and President

GILBERT LI CHUA
Treasurer



TEODORO SANTAMARIA AND CO.
CERTIFIED PUBLIC ACCOUNTANTS

Suite 2108 Cityland 10 Tower 1
156 H.V. Dela Costa St.
Salcedo Village 1226
Makati City, Philippines

Tel : (632) 8812 - 4202

(632) 8553 - 4845

Email: tscocpas@gmail.com

Trust Service Commitment

Report of Independent Certified Public Accountants
To Accompany Income Tax Return

The Board of Directors and Stockholders
B.H. Chua Securities Corporation
872 G. Araneta Avenue, Quezon City

We have audited the financial statements of **B.H. Chua Securities Corporation** for the year ended December 31, 2024, on which we have rendered the attached report dated April 30, 2025.

In compliance with Revenue Regulations V-1, we are stating that no partner of our Firm is related by consanguinity or affinity to the President or any principal stockholders and officers of the Company.

TEODORO SANTAMARIA AND CO.

By: Arsenio M. Dimagiba Jr.

Partner

CPA License No. 007468

Valid until June 5, 2026

BOA/PRC Registration No. 5593 (Firm)

Valid until September 26, 2027

BOA/PRC Registration No. 5593/P-002 (Individual)

Valid until September 26, 2027

SEC Accreditation No. 5593-SEC (Firm)

Valid until 2025 Financial Statements of SEC

Covered institutions

SEC Accreditation No. 07468-SEC (Individual)

Valid until 2025 Financial Statements of SEC

Covered institutions

BIR A.N. 08-008055-000-2025 (Firm)

Valid until March 11, 2028

BIR A.N. 08-008055-002-2023 (Individual)

Valid until April 12, 2026

T.I.N. 106-713-002

P.T.R. No. 10487187 / Makati City

January 17, 2025

April 30, 2025

Makati City, Philippines



TEODORO SANTAMARIA AND Co.
CERTIFIED PUBLIC ACCOUNTANTS

Suite 2108 Cityland 10 Tower 1
156 H.V. Dela Costa St.
Salcedo Village 1226
Makati City, Philippines | Tel : (632) 8812 - 4202
(632) 8553 - 4845
Email: tscocpas@gmail.com

Trust Service Commitment

Report of Independent Auditors

The Board of Directors and Stockholders
B.H. Chua Securities Corporation
872 G. Araneta Avenue, Quezon City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **B.H. Chua Securities Corporation** (the Company) which comprise the statements of financial position as at December 31, 2024 and 2023, and the related statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Supplemental Information required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 25 of the Notes to Financial Statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Report on Supplementary Information required by the Securities and Exchange Commission

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in the attached Schedules 1 to 8 is presented for the purpose of filing with the Securities and Exchange Commission as required under the Revised Securities Regulation Code (SRC Rules), and is not a required part of the basic financial statements. Such information is the responsibility of the management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

TEODORO SANTAMARIA AND CO.



By: Arsenio M. Dimagiba Jr.

Partner

CPA License No. 007468

Valid until June 5, 2026

BOA/PRC Registration No. 5593 (Firm)

Valid until September 26, 2027

BOA/PRC Registration No. 5593/P-002 (Individual)

Valid until September 26, 2027

SEC Accreditation No. 5593-SEC (Firm)

Valid until 2025 Financial Statements of SEC

Covered institutions

SEC Accreditation No. 07468-SEC (Individual)

Valid until 2025 Financial Statements of SEC

Covered institutions

BIR A.N. 08-008055-000-2025 (Firm)

Valid until March 11, 2028

BIR A.N. 08-008055-002-2023 (Individual)

Valid until April 12, 2026

T.I.N. 106-713-002

P.T.R. No. 10487187 / Makati City

January 17, 2025

April 30, 2025

Makati City, Philippines

B.H. CHUA SECURITIES CORPORATION

STATEMENTS OF FINANCIAL POSITION

		Market Value of Securities					
		December 31		December 31, 2024		December 31, 2023	
Notes		2024	2023	Long	Short	Long	Short
(In Philippine Peso)							
<u>Assets</u>							
Current assets							
Cash and cash equivalents	7	7,091,029	16,919,475				
Trade receivables, net	8	30,993,839	51,590,971	255,216,685		158,771,023	
Financial assets at fair value							
through profit or loss	9	58,590,509	32,011,602	58,590,509		32,011,602	
Other current assets	10	238,662	141,678				
Total current assets		96,914,038	100,663,726				
Non-current assets							
Investment property	11	1	1				
Property and equipment, net	12	73,000	60,000				
Deferred charges-MCIT		2,456	-				
Deferred tax assets	21	3,287,979	3,162,999				
Total non-current assets		3,363,436	3,223,000				
Total assets		100,277,475	103,886,726				

Securities

In box, with Philippine Central Depository, Inc., transfer offices and clearing house	388,515,764	340,768,675
- forward -		

- brought forward -

		December 31		Market Value of Securities			
	Notes	2024	2023	December 31, 2024		December 31, 2023	
				Long	Short	Long	Short
(In Philippine Peso)							
<u>Liabilities and Equity</u>							
Current liabilities							
Trade payables	13	19,201,100	24,855,491	74,708,571		135,990,909	
Due to related party	22	29,567,352	29,567,352				
Other current liabilities	14	5,464,035	5,516,044				
Total current liabilities		54,232,487	59,938,887				
Non-current liabilities							
Retirement liability	3	635,045	635,045				
Total liabilities		54,867,531	60,573,932				
Equity							
Share capital	15	54,999,800	54,999,800				
Additional paid in capital	15	1,666,700	1,666,700				
Deficit	16	(11,256,558)	(13,353,706)				
Total equity		45,409,943	43,312,794				
Total liabilities and equity		100,277,475	103,886,727	388,515,764	388,515,764	340,768,675	340,768,675

See accompanying notes to financial statements.

B. H. CHUA SECURITIES CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

		For the years ended December 31	
	Notes	2024	2023
(In Philippine Peso)			
Revenue			
Commission revenue	2	110,668	397,050
Cost of services	18	1,042,117	1,257,791
Gross loss		(931,449)	(860,741)
Gain on sale of financial assets			
at fair value through profit or loss	9	1,020,036	613,808
Other revenue	19	2,905,148	2,456,031
Unrealized (loss)/gain on financial assets			
at fair value through profit or loss	9	-	(463,737)
Administrative expenses	20	(963,975)	(624,208)
Income before income tax		2,029,759	1,121,154
Income tax benefit/(expense)	21	67,390	312,730
Net income		2,097,149	1,433,883
Other comprehensive income		-	-
Total comprehensive income		2,097,149	1,433,883
Income per share	17	3.81	2.61

See accompanying notes to financial statements.

B.H. CHUA SECURITIES CORPORATION

STATEMENTS OF CHANGES IN EQUITY (In Philippine Peso)

	Notes	Share Capital (Note 15)	Additional Paid in Capital (Note 15)	Retained Earnings/(Deficit) (Note 16)		Total
				Appropriated	Unappropriated	
Balance, January 1, 2023		54,999,800	1,666,700	1,370,558	(16,158,148)	41,878,910
Total comprehensive income		-	-	-	1,433,883	1,433,883
Appropriation for the year		-	-	143,388	(143,388)	-
Balance, December 31, 2023		54,999,800	1,666,700	1,513,946	(14,867,653)	43,312,793
Total comprehensive income		-	-	-	2,097,149	2,097,149
Appopriation for the year		-	-	419,430	(419,430)	-
Balance, December 31, 2024		54,999,800	1,666,700	1,933,376	(13,189,934)	45,409,943

See accompanying notes to financial statements.

B. H. CHUA SECURITIES CORPORATION

STATEMENTS OF CASH FLOWS

		For the years ended December 31	
	Notes	2024	2023
(In Philippine Peso)			
Cash flows from operating activities			
Income before income tax		2,029,759	1,121,154
Adjustments for:			
Reversal of credit losses	8,19	-	(696)
Unrealized loss/(gain) on fair value of financial assets through profit or loss	9	-	463,737
Depreciation	12	23,536	23,536
Deferred charges-MCIT		(2,456)	-
Dividend income	9,19	(3,064,936)	(2,422,979)
Interest income	7,19	(5,580)	(10,034)
Operating loss before working capital changes		(1,019,677)	(825,282)
Decrease/(increase) in -			
Trade receivables, net	8	20,597,132	(11,016,887)
Financial assets at fair value through profit or loss	9	(26,578,906)	7,044,233
Other current assets	10	(96,984)	(2,518)
Increase/(Decrease) in -			
Trade payables	13	(5,654,391)	(7,107,278)
Other current liabilities	14	(52,009)	156,402
Cash absorbed by operations		(12,804,836)	(11,751,330)
Dividend received	9,19	3,064,936	2,422,979
Interest received	7,19	5,580	10,034
Income taxes paid	21	(57,590)	(2,007)
Net cash used in operating activities		(9,791,910)	(9,320,324)
Cash flow from financing activities			
Proceeds/(settlement) from related party	22	0	10,000
Acquisition of property and equipment	12	(36,536)	-
Net cash (used in)/ provided by financing activities		(36,536)	10,000
Net decrease in cash and cash equivalents		(9,828,446)	(9,310,323)
Cash and cash equivalents, January 1	7	16,919,475	26,229,799
Cash and cash equivalents, December 31	7	7,091,029	16,919,475

See accompanying notes to financial statements.

B. H. CHUA SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

(Amounts in Philippines Peso, unless otherwise stated.)

1. Corporate Information

B. H. Chua Securities Corporation (the Company) was registered with the Securities and Exchange Commission (SEC) on September 12, 1989 to principally engage in the brokerage business of stocks, bonds and other financial securities and in all activities directly or indirectly connected therewith or incidental thereto and to be a member of any stock, or commodity exchange, as well as of board of realtors, national, regional, or local.

The major stockholders of the Company are Michael Li Chua, Gilbert Li Chua and Rex Li Chua, each has 33.33% ownership in the total paid up capital.

The Company's registered and present office address is located at 872 G. Araneta Avenue, Quezon City.

2. Summary of Material Accounting Policies

Statement of Compliance

The accompanying financial statements were prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), Interpretation of the Philippine Interpretations Committee (PIC), Standing Interpretation Committee (SIC), and International Financial Reporting Standards Interpretations Committee (IFRS IC) which have been adopted by the Financial Reporting Standards Council (FRSC) and approved by Board of Accountancy (BOA) and SEC.

Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on the historical cost convention method as modified for financial assets at fair value through profit or loss which are measured at fair value. The preparation of the financial statements in accordance with PFRS requires the use of critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 3.

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the Company's functional currency and all values are rounded to the nearest Peso, except when otherwise indicated.

Current Versus Non-current Classification

The Company presents assets and liabilities in the statement of financial position on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed within a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within a normal operating cycle;
- It is held primarily for trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Company adopted the following new standards and amendments to standards effective January 1, 2023. New standards and amendment to standards that do not materially affect the financial statements of the Company are not included here.

- *Amendments to PAS 1 Classification of Liabilities as Current or Non-current*
The amendments to paragraph 69 to 76 of PAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
 - What is meant by a right to defer settlement
 - That a right to defer must exist at the end of the reporting period
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right
 - That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification
- *Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies*
The amendments to PAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to PFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments to PAS 1 will be effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.
- *Amendments to PAS 8 Definition of Accounting Estimates*
The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments to PAS 8 will be effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.
- *Amendments to PAS 12 Deferred Tax Related to Assets and Liabilities Arising 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 amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

Future Adoption of New or Revised and Amendments to Standards

The Company will adopt the following new standards and amendments to standards when these become effective and applicable. New standards and amendments to standards that do not have a material effect on the financial statements of the Company are not included here.

Effective beginning on or after January 1, 2024

- **Amendments to PAS 1, Classification of Liabilities as Current or Non-current**
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
What is meant by a right to defer settlement.
That a right to defer must exist at the end of the reporting period
That classification is unaffected by the likelihood that an entity will exercise its deferral right
That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

Material Accounting Policies

Cash and Cash Equivalents

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

Financial Instruments

Date of Recognition

Financial instruments are recognized in the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized on the trade date, which is the date the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The Company has no financial liabilities at FVPL or derivatives for the years ended December 31, 2024 and 2023.

Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described below and in the succeeding pages.

Financial Assets at Amortized Cost

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

- the asset is held within the company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("held to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

All financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value. Where the business model is to hold assets to collect contractual cash flows, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash and Cash Equivalents, Loans and Other receivables, Investment securities at amortized cost and certain accounts under Other Assets account in the statement of financial position. For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, and investment securities at amortized cost with original maturities of three months or less from placement date.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the statement of income as part of Interest Income.

Financial Assets at Fair Value Through Profit or Loss

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVPL. Further, irrespective of business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVPL. Also, equity securities are classified as financial assets at FVPL, unless the Company designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Company's financial assets at FVPL include equity securities which are held for trading purposes or designated as at FVPL. Financial assets at FVPL are measured at fair value with gains or losses recognized in profit or loss as part of Trading Gain – net under Other Operating Income in the statements of income. Related transaction costs are recognized directly as expense in profit or loss. The fair values of these financial assets are determined by reference to active market transactions or using valuation technique when no active market exists. Interest earned on these investments is recorded as Interest Income and dividend income is reported as part of Dividends

both under Other Income account in the statements of income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes.

Accordingly, the Company is required to reclassify financial assets:

- (i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- (ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

Effective Interest Rate Method and Interest Income

Interest income is recognized using the effective interest rate (EIR) method for all financial instrument measured at amortized cost and financial instrument designated at FVPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan.

Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive (negative) adjustment to the carrying amount of the asset in the balance sheet with an increase (reduction) in Interest income. The adjustment is subsequently amortized through interest and similar income in the statements of income. The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Impairment of Financial Assets

The Company assesses its ECL on a forward-looking basis associated with its financial assets carried at amortized cost and other contingent accounts. No impairment loss is recognized on equity investments. Recognition of credit losses or impairment is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets. The Company measures loss allowances at an amount

equal to lifetime ECL, except for the following financial instruments for which they are measured as 12-month ECL:

- debt securities that are identified to have 'low credit risk' at the reporting date; and,
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

For these financial instruments, the allowance for impairment is based on 12-month ECL associated with the probability of default of a financial instrument in the next 12 months (referred to as 'Stage 1' financial instruments). Unless there has been a significant increase in credit risk subsequent to the initial recognition of the financial asset, a lifetime ECL (which are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial asset) will be recognized (referred to as 'Stage 2' financial instruments). 'Stage 2' financial instruments also include those loan accounts and facilities where the credit risk has improved and have been reclassified from 'Stage 3'. A lifetime ECL shall be recognized for 'Stage 3' financial instruments, which include financial instruments that are subsequently credit-impaired, as well as purchased or originated credit impaired (POCI) assets.

Measurement of ECL The key elements used in the calculation of ECL are as follows:

- Probability of Default (PD) – it is an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- Loss Given Default (LGD) – it is an estimate of loss arising in case where a default occurs at a given time (either over the next 12 months or 12-month LGD), or over the remaining lifetime or lifetime LGD). It is based on the difference between the contractual cash flows of a financial instrument due from a counter party and those the Company would expect to receive, including the realization of any collateral. It is presented as a percentage loss per unit of exposure at the time of default.
- Exposure at Default (EAD) – it represents the gross carrying amount of the financial instruments subject to impairment calculation; hence, this is the amount that the Group expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD). In case of a loan commitment, the Company shall include the undrawn balance (up to the current contractual limit) at the time of default should it occur.

The measurement of the ECL reflects:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and,
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the

transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Other Financial Receivables

Other financial receivables include "Trade receivables" which are recorded when due and measured at the original invoice amount then subsequently carried at amortized cost less allowance from any uncollectible amount. The carrying value of insurance receivables is reviewed from impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, the impairment loss is recorded in the Statement of comprehensive income.

Impairment of Financial Assets at Amortized Cost

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in the statements of comprehensive income. The asset together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Other Financial Liabilities

Issued financial instruments or their components, which are not classified as financial liabilities at FVPL are classified as other financial liabilities, where 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 lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

After initial measurement, other 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. The amortization is included as part of interest expense in the statements of comprehensive income. Any effect of restatement of foreign currency-denominated liabilities is recognized in foreign exchange gains/(losses) account in the statements of comprehensive income.

As at December 31, 2024 and 2023, the Company's other financial liabilities include trade payables, payable to non-customers and other current liabilities, except taxes payable, accrued expenses and due to SSS/PHIC and HDMF.

Derecognition of Financial Liabilities

Financial liabilities are derecognized in the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation and any impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Office furniture and fixtures and equipment	5 years
Leasehold improvements	5 years
Transportation equipment	5 years

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to operations as incurred.

Leasehold improvements are amortized over estimated useful life of the improvements or the term of the relate lease, whichever is shorter. When assets are sold, retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss charged to current operations.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting period.

Derecognition of Property and Equipment

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of comprehensive income in the year the item is derecognized. This is not applicable to items that still have useful lives but are currently classified as idle. Depreciation continues for those items until fully depreciated or disposed.

Investment Property

Investment property is held to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or service or for administrative purposes; or (b)

sale in the ordinary course of business. The Company adopted the cost model of investment property to be measured at cost less any accumulated depreciation and impairment losses.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the statements of comprehensive income in the year of retirement or disposal.

Trading Rights

The Company is a Trading Participant in the PSE using the Trading Rights of Mr. Michael Li Chua, the Chairman of the Board and President of the Company.

An agreement was executed between Mr. Chua and the Company that authorize the latter to use the Trading Rights of the former “gratuitously”. The agreement does not provide terms with regard to consideration, period and other conditions for the use of the trading rights.

The Company considers the Trading Rights as an intangible asset having an indefinite useful life, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow to the Company. Trading Rights is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment of Non-financial Assets

At each reporting date, the Company assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists (or when annual impairment testing for an asset is required), the Company estimates the recoverable amount of the impaired assets. The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable and willing parties less cost of disposal.

Where the carrying amount of an asset exceeds its recoverable amount, the impaired asset is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is charged to profit or loss in the period when it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged directly to the revaluation increment of the said asset.

For non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the net 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. If that is the case, the carrying amount of the asset is increased to its net recoverable amount.

The reversal can be made only to the extent that the resulting carrying value does not exceed the carrying value that would have been determined, net of depreciation and amortization, had no impairment loss been recognized. Such reversal is recognized in profit or loss unless the

asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Related Party Relationships and Transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence over the party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

Equity

Share capital is determined using the par value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the statements of comprehensive income.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized;

- Commission- Revenue is recognized upon confirmation of trade deals computed on an agreed flat rate for every trade transaction.
- Interest- Revenue is recognized as the interest accrues (taking into account the effective yield on the interest)
- Dividends- Revenue is recognized when the shareholders' right to receive the payment is established.
- Gain on sale of financial assets at FVPL is recognized upon actual derecognition of the financial assets, and the ownership of the financial asset had been transferred to the buyer.
- Other revenue- Other revenue are recognized upon receipt or accrued when there is high probability that the revenue will be collected.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company.

Costs and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease equity, other than those relating to distributions to equity participants. Cost and expense are recognized when the related revenue is earned or when the service is incurred.

Leases

Policy Applicable upon adoption of PFRS 16

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in time in exchange for consideration. To assess whether a contract conveys

the right to control the use of an identified asset, the Company uses definition of a lease in PFRS 16. This policy is applied to contracts entered into on or after January 1, 2019.

Short-term Leases and Leases of Low-Value Assets

The Company has elected not to recognize right-of-use assets and liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Benefits

The Company has an unfunded, non-contributory defined benefit pension plan covering all qualified officers and employees. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Company accrues retirement benefits in compliance with Republic Act (R.A.) No. 7641 “Philippine Retirement Law” which requires an entity to pay retirement benefits to employees who retire after reaching the mandatory retirement age of 65 years old or the optional retirement age of 60 years old with at least five (5) years of service to the Company.

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee’s employment as a result of either an entity’s decision to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of other employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Income Taxes

Current tax assets or liabilities comprise those claims from, or obligation to, taxation authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statements of comprehensive income.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all

deductible temporary differences, to the extent that it is probable that taxable profit will be available against deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part the deferred tax asset to be utilized.

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 period.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

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

Earnings/(Loss) Per Share

Earnings/(Loss) per share is computed by dividing net profit by the weighted average number of shares subscribed and issued and outstanding at the end of the year.

Provisions and Contingencies

Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the financial statements, however, they are disclosed in those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Events after Reporting Period

Events after reporting period that provide additional information about the Company's position at reporting period (adjusting events) are reflected in the financial statements. Post year-end non-adjusting events are disclosed in the notes to financial statements when material.

3. Material Accounting Judgments and Estimates

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

Judgments

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

Functional Currency

The Company has determined that its functional currency is the Philippine Peso which is the currency of the primary environment in which the Company operates.

Categories of Financial Instruments

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial liability or an equity instrument based on the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument.

The substance of a financial instrument, rather than its legal form, governs its classifications in the statements of financial position. The Company determines the classification at initial recognition and re-evaluates this designation at every financial reporting date (Please see Note 5).

Lease

The Company accounts for its leases as follows:

Company as Lessee

Leases do not transfer to the Company substantially all the risks and benefits of ownership of the asset. These leases are short-term and of low-value assets. Lease payments are recognized as expense in the statement of comprehensive income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed outright.

Rental expense amounted to nil both in 2024 and 2023. (Note 23)

Company as Lessor

Leases do not transfer to the lessee substantially all the risk and benefits of ownership of the asset. Lease income is recognized as income in the statement of comprehensive income on a straight-line basis over the lease term.

Rental income amounted to nil both in 2024 and 2023. (Note 23)

Provisions

Provisions for legal claims are recognized when the company has a present legal or constructive obligation as a result of past events and it is probable that a transfer of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects amount under the assessments of the time value of money and the risk specific to the obligation. The increase in provision due to passage of time is recognized as interest expense.

Valuation of Financial Instruments

The Company carries certain financial instruments at fair value which requires the extensive use of accounting estimates and judgment. Significant components of fair value measurement were determined using verifiable objective evidence from observable active markets and other valuation techniques including the use of mathematical models. However, the amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets and liabilities would affect profit and loss and equity.

Management valuation methods and assumptions in determining the fair value of the Company's financial instruments are discussed in Note 5.

Estimates

The estimates and assumptions used in the financial statements are based upon managements' evaluation of relevant facts and circumstances of the Company's financial statements. Actual results could differ from those estimates. The following are the relevant estimates performed by Management on its 2024 and 2023 financial statements:

Impairment of Receivables

Allowance is made for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Company's relationship with the customers, the customers' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience.

Allowance for credit losses for receivables amounted to P178 in 2024 and P34 in 2023. (Please see Note 8).

Useful Lives of Property and Equipment

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

A reduction in estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

As at December 31, 2024 and 2023, property and equipment, net of accumulated depreciation, amounted to P73,000 and P60,000, respectively. (Please see Note 12).

Impairment of Non-Financial Assets

PFRS requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial asset is discussed in detail in Note 2 – Impairment of non-financial assets. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations. Based on Management assessment, there is no impairment loss on non-financial assets that need to be recognized.

Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at each statement of financial position date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets amounted to P3,287,979 in 2024 and P3,162,999 in 2023. (Please see Note 21).

Retirement Benefits

The Company has less than 10 employees and does not have a formal retirement benefits plan. However, the determination of the Company's obligation on retirement benefits is based on the required amounts under R.A. No. 7641. Management believes that the effect on the financial statements of the difference between the current method used by the Company and the required actuarially determined valuation method is not significant.

As at December 31, 2024 and 2023, accrued retirement liability of the Company amounted to P635,045.

4. Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and cash equivalents, trade receivables, financial assets at FVPL, trade payables and other current liabilities.

Since the Company is exposed to a variety of risks such as credit risks, liquidity risks, and market risks, the Board of Directors makes it a point to have an adequate risk management guiding principle, which institutionalize a focused approach in addressing its exposure to different business risks.

The Company's risk management policy is addressed as follows:

Credit Risks

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligation, as and when they fall due.

It is inherent to the stock brokerage business that potential losses may arise due to the failure of its customer and counterparties to fulfill their trading obligation on settlement date or the possibility that the value of collateral held to secure obligations becoming inadequate due to adverse market conditions.

The Company manages credit risk by setting limits for individual customers and group of customers. The Company monitors credit exposures and continually assesses the credit worthiness of counterparties.

The Company's financial assets which have the maximum credit risk rate exposure are as follows:

	Notes	2024	2023
Cash in banks and cash equivalents	7	7,091,029	16,919,475
Trade receivables, at gross	8	30,993,839	51,590,971
Financial assets at FVPL	9	58,590,509	32,011,602
Advances to employees	10	-	-
		96,675,377	100,522,048

The table below shows the credit quality of financial assets as at December 31, 2024 and 2023:

	Notes	Neither past due nor impaired		Past due but not impaired	Allowance for credit losses	Total
		High grade	Standard grade			
2024						
Financial assets at amortized cost:						
Cash in banks and cash equivalents	7	7,083,029	-	-	-	7,083,029
Trade receivables	8	112,678	-	48,820,429	(34)	48,933,073
Advances to officers and employees	10	-	-	-	-	-
Total		7,195,707	-	48,820,429	(34)	56,016,102
Financial assets at FVPL	9	-	32,011,602	-	-	32,011,602
Total		7,195,707	32,011,602	48,820,429	(34)	88,027,704
2023						
Financial assets at amortized cost:						
Cash in banks and cash equivalents	7	16,911,475	-	-	-	16,911,475
Trade receivables	8	112,678	-	48,820,429	(34)	48,933,073
Advances to officers and employees	10	-	-	-	-	-
Total		17,024,153	-	48,820,429	(34)	65,844,548
Financial assets at FVPL	9	-	32,011,602	-	-	32,011,602
Total		17,024,153	32,011,602	48,820,429	(34)	97,856,150

Cash in banks and cash equivalents are limited to reputable banks duly approved by the Board of Directors; hence, high grade. Cash on hand is not included.

High grade receivables consist of receivables from customers, clearing house, and from employees, which have a remote likelihood of default.

Standard grade receivables consist of receivable from customers with minimal instances of payment defaults.

Advances to officers and employees are subject to payroll deductions and has remote likelihood of default, hence high grade.

Standard grade financial assets at FVPL represent equity investment being traded at the PSE which has normal reaction on changes in market conditions.

Liquidity Risks

Liquidity risk or funding risk is the risk that the Company will encounter in raising funds to meet its commitments and obligations. Liquidity risk may result from difficulty in collections or inability to generate cash inflows as anticipated. The Company's objective in managing its profile is:

- a. to ensure that adequate funding is available at all times;
- b. to meet commitments as they arise without incurring unnecessary cost;
- c. to be able to access funding when needed at the least possible cost;
- d. to regularly monitor and evaluate its projected cash flow.

The Company's other financial liabilities are as follows:

	Notes	2024	2023
Trade payables	13	19,201,100	24,855,491
Other current liabilities	14	5,464,035	5,150,711
Due to related party	22	29,567,352	29,567,352
		54,232,487	59,573,554

The Company's other financial liabilities have contractual maturities of less than six (6) months as of December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the Company has sufficient financial assets that can be used to manage its liquidity risk consisting of cash and cash equivalents, trade receivables, other receivables and financial assets at FVPL. Liquidity ratio for the year ended 2024 and 2023 are 1.68:1 and 1.57:1, respectively. Thus, the Company has a low exposure on liquidity risk.

Market Risks

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes. The Company's market risk originates from cash and cash equivalents, and financial assets at FVPL.

The Company utilizes market risk factor sensitivities as a tool to manage market risk. Market risk factor sensitivities of a position are defined as a change in the value of a position caused by a unit shift in a given market factor. Market risk factor sensitivities include interest rate and foreign exchange sensitivities. The calculation of the factor sensitivities is obtained by

measuring the effect of a one (1) unit increase in current interest rates and current foreign exchange rates or volatilities upon various product types.

Foreign Currency Risks

The Company has no significant exposure to foreign currency risk as most transactions are denominated in Philippine Peso, its functional currency.

Interest Rate Risks

Interest rate risk is the risk to future earnings or equity arising from the movement of interest rates. Changes in interest rates affect (1) the Company's earnings by changing its net interest income and the level of other interest rate-sensitive income and operating expenses; and (2) the underlying economic value of the Company's assets, liabilities and off-statement of financial position instruments by means of reducing the present value of future cash flows (and in some cases, the cash flows themselves). The Company exposure to changes in market interest rates is only through the cash and cash equivalents account, which is subject to variable interest rates.

Equity Prices Risk

The following table demonstrates sensitivity of the Company's profit before tax and equity to reasonable possible changes in interest rate of +10/-10 and +100/-100 basis points of the Company's deposits from various banks and its short-term investments on December 31, 2024 and 2023. These changes are considered to be reasonably possible based on observation of current market conditions. All other variables are held constant.

	Change in basis points	Effect on net results	Effect on Equity	Change in basis points	Effect on net results	Effect on Equity
2024						
Financial assets						
Cash in banks and cash equivalents	+10	16,911	13,529	-10	(16,911)	(13,529)
		16,911	13,529		(16,911)	(13,529)
	Change in basis points	Effect on net results	Effect on Equity	Change in basis points	Effect on net results	Effect on Equity
2023						
Financial assets						
Cash in banks and cash equivalents	+10	16,911	13,529	-10	(16,911)	(13,529)
		16,911	13,529		(16,911)	(13,529)

Other Market Price Risks

The Company's management monitors market price risk from its financial assets classified as financial assets at fair value through profit or loss. The management monitors the market price in daily-published quotations and regularly reports the results to the Board of Directors.

The following table demonstrates the sensitivity to a reasonably possible changes in market value of financial assets at FVPL and available for sale financial asset, with all variable held constant, of net results and equity.

	Change in +57%		Change in -57%	
	net results	Equity	net results	Equity
2024				
Financial assets at FVPL	18,246,613	13,684,960	(18,246,613)	(13,684,960)
	18,246,613	13,684,960	(18,246,613)	(13,684,960)
	Change in +57%		Change in -57%	
	net results	Equity	net results	Equity
2023				
Financial assets at FVPL	18,246,613	13,684,960	(18,246,613)	(13,684,960)
	18,246,613	13,684,960	(18,246,613)	(13,684,960)

5. Categories and Fair Values of Financial Assets and Liabilities

Comparison of Carrying Amounts and Fair Values

The carrying amounts and fair values of the categories of assets and liabilities presented in the statements of financial positions are shown below:

		2024		2023	
	Notes	Carrying amounts	Fair values	Carrying amounts	Fair values
Financial assets					
Financial assets at amortized cost:					
Cash and cash equivalents	7	7,083,029	7,083,029	16,911,475	16,911,475
Trade receivables	8	30,993,839	30,993,839	51,590,971	51,590,971
Advances to employees	10	-	-	-	-
Total		38,076,868	38,076,868	68,502,446	68,502,446
Financial assets at FVPL	9	58,590,509	58,590,509	32,011,602	32,011,602
		96,667,377	96,667,377	100,514,048	100,514,048
Other financial liabilities					
Current:					
Trade payables	13	19,201,100	19,201,100	24,855,491	24,855,491
Due to related party	22	29,567,352	29,567,352	29,567,352	29,567,352
Other current liabilities	14	5,464,035	5,464,035	5,150,711	5,150,711
		54,232,487	54,232,487	59,573,554	59,573,554

Management considers that the carrying amounts recognized in the statement of financial position to be reasonable estimates of the fair values of cash and cash equivalents, trade receivables, trade payables, advances to employees and other current liabilities because of their short term period.

The fair values of financial assets at FVPL were based on the quoted market price in the PSE as at December 31, 2024 and 2023.

Due to related party's carrying value approximates its fair value due to its "on-demand" payment term and being non-interest bearing.

Fair Value Measurements Hierarchy

The table below presents the hierarchy of fair value measurements used by the Company:

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets at FVPL	58,590,509	-	-	58,590,509
December 31, 2023				
Financial assets at FVPL	32,011,602	-	-	32,011,602

The different levels were defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

There were no transfer of financial instruments between Level 1, 2, and 3 in 2024 and 2023.

6. Capital Management Objectives, Policies and Procedures

The Company's objectives when managing capital are to maintain its ability to continue as a going concern entity and to maintain optimal capital structure so as to maximize shareholder value. In order to or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company's strategy is to maintain a gearing ratio not exceeding 80%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2024	2023
Net debt	47,776,502	43,654,456
Net equity	45,341,437	43,312,794
Total Capital	93,117,939	86,967,250
Total	51%	50%

The Company manages its capital structure and makes adjustments to it as changes in economic conditions arise. Both in years 2024 and 2023, the Company has complied with the required gearing ratio.

Minimum Capital Requirement

On May 28, 2009, the Securities and Exchange Commission (“SEC”) approved Memorandum Circular No. 2009-0316 or Rules Governing Trading Rights and Trading Participants, Art. III, Sec. 8(c). The guidelines states that “Trading Participants shall have a minimum unimpaired paid-up capital, as defined by the SEC of Twenty Million Pesos (P20,000,000) effective December 31, 2009. Provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid-up capital shall be Thirty Million Pesos (P30,000,000).”

On April 15, 2010, PSE issued Memorandum Circular No.2010-0158 or Deferment of the Rule on Minimum Unimpaired Paid-up Capital for Trading Participants previously set to take effect on December 31, 2010.

On October 22, 2010, SEC approved Memorandum Circular No. 2010-0494 or Deferment on the Minimum Unimpaired Paid-up Capital for Trading Participants (TPs). The Memo states that “TPs with Unimpaired Paid-up Capital (“UPC”) falling below Thirty Million pesos (P30,000,000) shall post surety bond amounting Ten Million (P10,000,000) for the period covering 1 January 2011 to 31 December 2011 until securities held and controlled by the TPs shall be recorded under the name of the individual clients in the books of the Transfer Agent.” The deferral granted by the Commission is effective only for the period January 2011 until December 31, 2011. However, on November 8, 2010, the Commission has adopted SEC Resolution No. 489, series of 2010 stating the effectivity of the deferment from 01 January 2011 until 30 November 2011. Hence, all TPs must have complied with the Thirty Million UPC requirement by the year 2012.

The Company is in compliance with the minimum unimpaired paid-up capital as at December 31, 2024 and 2023.

Risk-based Capital Adequacy Rule

On November 11, 2004, the SEC approved Memorandum Circular No. 16, which provides the guidelines on the adoption in the Philippines of the Risk Based Capital Adequacy (RBCA) Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following: (a) position or market risk, (b) credit risks such as counter party, settlement, large exposure, and margin financing risks, and (c) operational risk. Among others, the RBCA rules provide for specific guidelines on the treatment of new subordinated loan agreements and investment in PSE shares. The Circular provides for a transition period from net capital to RBCA until November 30, 2005. During the transition period, the broker dealer is required to comply with the continuing reportorial requirements if the SRC and its IRR, including the RBCA rules. Starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the RBCA rules. The first filing of the RBCA report, postposition, shall reflect the computed RBCA ratio as of December 31, 2005.

The Company being a registered broker in securities is subject to the stringent rules of the SEC and other regulatory agencies with respect to the maintenance of specific levels of RBCA ratios. RBCA is a ratio that compares the broker or dealer’s total measured risk to its liquid capital. As a rule, the company must maintain an RBCA ratio of at least 120% and a net liquid capital (NLC) of at least P5.0 million or five percent (5%) of its aggregate indebtedness, whichever is higher. Also, the aggregate indebtedness (AI) of every stockbroker should not exceed two thousand percent (2,000%) of its NLC. In the event that the minimum RBCA ratio of 120% or the minimum NLC is breached, the company shall immediately cease doing business as a broker and shall notify the PSE and SEC. Total risk capital requirement amounted to P19,472,498 in 2024 and P10,740,084 in 2023. As of December 31, 2024 and 2023, the Company is compliant with the RBCA Rule.

The RBCA ratio of the Company as of December 31, 2024 and 2023 follows:

	2024	2023
Equity eligible for net liquid capital	42,121,964	40,149,796
Less: Ineligible assets	423,004	313,020
Total	41,698,960	39,836,776
Position risks	15,195,111	8,393,247
Operational risks	1,352,864	1,617,633
Counterparty risks	-	-
Large exposure risks	2,924,523	729,204
Total Risk Capital Requirement	19,472,498	10,740,084
AI	54,867,531	60,573,931
5% of AI	2,743,377	3,028,697
Required NLC	5,000,000	5,000,000
Net Risk-Based Capital Excess	36,698,960	34,836,776
Ratio of AI to NLC	132%	152%
RBCA Ratio	214%	371%

The following are the definition of terms used in the above computation:

Ineligible asset

This pertains to fixed assets and assets which cannot be readily converted into cash.

Operational risk requirement

The amount required to cover a level of operational risk which is the exposure associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate or failed internal processes, people and systems which include, among others, risk of fraud, operational or settlement failure and storage of liquid resources, or from external events.

Position risk requirement

The amount necessary to accommodate a given level of position risk which is a risk a broker dealer is exposed to and arising from securities held by it as a principal or in its proprietary dealer account.

Counterparty risk requirement

The amount necessary to accommodate a given level of risk of a counterparty defaulting on its financial obligation to a broker dealer.

Aggregate Indebtedness

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, the market value of securities borrowed to the extent which no equivalent value is paid or credited (other than market value of margin securities borrowed

from customer and margin securities borrowed from non-customer), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short position in securities subject to the exclusions provided in the said SEC Memorandum.

Large exposure risk

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

As at December 31, 2024 and 2023, the Company is in compliance with the RBCA ratios, Net Liquid Capital (NLC), Total Risk Capital (TRC) Requirement, and Ratio of AI to NLC, and other ratios required under the RBCA rule.

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	8,000	8,000
Cash in banks	7,083,029	16,911,475
Total	7,091,029	16,919,475

Cash in banks generally earn interest at rates based on daily bank deposit from 0% to 0.5% in 2024 and 2023. Cash in bank earned interest amounting to P5,580 in 2024 and P10,034 in 2023.(Note 19)

Cash in banks include Special Reserve Bank Account created and maintained for the exclusive benefit of customers as prescribed under SRC Rule 49.2 (Customer Protection Reserves and Custody of Assets) and mentioned in Part I (Rule 49.C) of this rule. The Company complied with this rule by establishing a Special Bank Reserve account amounting to P2,686,266 in 2024 and P2,684,901 in 2023.

8. Trade Receivables, Net

This account consists of:

	2024	2023
Receivable from customers	29,938,016	48,933,107
Less: Allowance for credit losses	178	34
	29,937,839	48,933,073
Receivable from clearing house	1,056,000	2,657,898
Total	30,993,839	51,590,971

All receivables from customers do not bear any interest and are due after three days from the time of transaction, except for those on which allowance for impairment has already been provided. No receivables are denominated in foreign currency in 2024 and 2023.

Receivable from clearing house pertains to the Company's receivable from Securities Clearing Corporation of the Philippines (SCCP). "Receivable from clearing house" arises when total selling transactions, i.e. shares of stock sold by customers exceeds total buying transactions within the last two trading days of the year (three days in 2022).

The security values of the debit balances of the customer's account are as follow:

	2024		2023	
Ratio of Market Value of securities to Debit Balance	Debit Balances	Market Value of Securities	Debit Balances	Market Value of Securities
Fully secured accounts:				
250% or more	29,936,810	255,214,675	41,099,891	141,570,223
200% to 250%	592	1,340	7,832,671	17,200,000
150% to 200%	-	-	504	800
100% to 150%	504	670	-	-
Partially secured accounts				
Less than 100%	-	-	-	-
Unsecured accounts	110	-	42	-
Total	29,938,016	255,216,685	48,933,107	158,771,023
Allowance for credit losses	178	-	34	-
Receivable from customers, net	29,937,839	255,216,685	48,933,073	158,771,023
Receivable from clearing house	1,056,000	-	2,657,898	-
Total	30,993,839	255,216,685	51,590,971	158,771,023

Receivable from customers amounting to P29,937,839 in 2024 and P48,933,073 in 2023 are secured by the securities owned by the customers. The collateral's fair values (market value) amounting to P255,216,685 and P158,771,023 in 2024 and 2023 based on quoted market price at the PSE as at December 31, 2024 and 2023 on the last trading day of each year.

If payment is not received within 2 days, the Company is automatically authorized to sell out the customers' securities for their account without any liability whatsoever for any loss.

Allowance for credit losses is provided for when objective evidence is received that the Company will not be able to collect certain amount due to it in accordance with original term of the receivables.

Movements of the allowance for credit losses follow:

	Note	2024	2023
Balance, January 1		34	730
Provision/(Recovery) of credit los	19, 20	144	(696)
Balance, December 31		178	34

All accounts receivables from customers are subject to credit risks exposure. However, the Company does not identify concentration of credit risks with regards to receivable from customers, as the amounts recognized resemble a large number of receivables from various customers.

The table below shows the aging of receivables as of December 31, 2024 and 2023 respectively:

2024	Neither past due nor impaired		Past due but not impaired		Total
	0 to 2 days	3 to 13 days	Beyond 14 days but not more than 1 year	Beyond 1 year	
	-	1,715,786	28,222,230	-	29,938,016

2023	Neither past due nor impaired		Past due but not impaired		Total
	0 to 2 days	3 to 13 days	Beyond 14 days but not more than 1 year	Beyond 1 year	
	111,342	-	48,821,765	-	48,933,107

9. Financial Assets at Fair Value through Profit or Loss (FVPL)

Reconciliation of the carrying amount of financial assets at FVPL follows:

	2024	2023
Balance, January 1	32,011,602	39,519,572
Net transactions for the year	26,578,906	(7,044,233)
Changes in fair value adjustments	-	(463,737)
Total	58,590,509	32,011,602

Financial assets at FVPL represents the Company's investment in equity securities being traded at the Philippine Stock Exchange and is carried at fair value. Fair values are based on the quoted market price at the PSE as at December 31, 2024 and 2023 on the last trading day of each year.

Reconciliation of cost to fair value follows:

	2024	2023
Cost	66,532,459	39,953,552
Fair value adjustment	(7,941,950)	(7,941,950)
Total	58,590,509	32,011,602

Gain on sale of financial assets at FVPL amounted to P1,020,036 in 2024 and P613,808 in 2023.

Dividend income on financial assets at FVPL amounted to P3,064,936 in 2024 and P2,422,979 in 2023. (Note 19)

10. Other Current Assets

	Note	2024	2023
Creditable withholding tax		109,577	105,174
Prepaid insurance		-	36,504
Advances to officers and employees	22	20,000	-
Input tax		111,541	-
Total		241,118	141,678

11. Investment Property

The Company owns investment property representing one Condominium unit which is open for lease to unrelated parties to generate other source of income.

	2024	2023
Cost	3,817,059	3,817,059
Accumulated depreciation	3,817,058	3,817,058
Net book value	1	1

Total rental income earned from the property amounted to nil both in 2024 and 2023.

The fair value of the property is estimated to be at P20,000,000 in 2024 and 2023 which is based on the latest market price within or nearby properties of the subject condominium unit. Fair value assessment was made by the company.

Direct cost attributable to income generation of the investment property amounted to P22,245 both in 2024 and 2023, representing taxes and licenses.

12. Property and Equipment

Property and equipment are summarized as follows:

	Office furniture, fixtures, and equipment	Leasehold improvements	Transportation equipment	Total
Cost				
January 1, 2023	2,352,462	1,169,331	3,145,011	6,666,804
Acquisition	13,000	-	-	13,000
December 31, 2023	2,365,462	1,169,331	3,145,011	6,679,804
Acquisition	-	-	-	-
December 31, 2024	2,365,462	1,169,331	3,145,011	6,679,804
Accumulated depreciation				
January 1, 2023	2,292,462	1,169,331	3,145,011	6,606,804
Depreciation	-	-	-	-
December 31, 2023	2,292,462	1,169,331	3,145,011	6,606,804
Depreciation	-	-	-	-
December 31, 2024	2,292,462	1,169,331	3,145,011	6,606,804
Net book value, 2024	73,000	-	-	73,000
Net book value, 2023	73,000	-	-	60,000

Fully depreciated property and equipment that are still being used follow:

	Office furniture, fixtures, and equipment	Leasehold improvements	Transportation equipment	Total
2024				
Cost	2,352,462	1,169,331	3,145,010	6,666,804
Accumulated Depreciation	2,292,462	1,169,331	3,145,010	6,606,804
Net book value	60,000	-	-	60,000
2023				
Cost	2,277,462	1,169,331	3,145,010	6,591,803
Accumulated Depreciation	2,277,462	1,169,331	3,145,010	6,591,803
Net book value	-	-	-	-

13. Trade Payables

Breakdown of this account follows:

	2024		2023	
Ratio of Market Value of securities to Debit Balance	Credit Balances	Market Value of Securities	Credit Balances	Market Value of Securities
Free				
with money balances	19,201,100	135,990,640	24,855,491	135,990,640
with zero balances	-	-	-	269
	19,201,100	135,990,640	24,855,491	135,990,909
Payable to clearing house	-	-	-	-
Net	19,201,100	135,990,640	24,855,491	135,990,909

Due to customers are usually due within two days (three in 2022) and 31 days from transaction date and do not bear any interest.

Payable to Clearing House pertains to the Company's payable to SCCP. This arises when total buying transactions exceeds total selling transactions within the last two trading days of the year (three days in 2022).

14. Other Current Liabilities

This account consists of the following:

	2024	2023
Accounts payable	5,059,249	5,059,249
Due to BIR	158,529	355,727
Rental deposits	105,930	105,930
SCCP and PCD fees payables	131,734	(14,468)
SSS, Philhealth and HDMF payables	4,772	5,784
Accrued expenses	3,821	3,821
Total	5,464,035	5,516,044

Other current liabilities are expected to be settled within the next operating cycle of the Company.

Accounts payable include unclaimed cash dividends payable to the customers.

15. Share Capital

The details of the Company's capital stock are shown below, thus:

	2024	2023
Authorized - Par value, P100 per share: 600,000 shares	<u><u>P60,000,000</u></u>	
Subscribed - 599,999 shares	59,999,900	59,999,900
Less: Subscription receivables	5,000,100	5,000,100
	<u>54,999,800</u>	<u>54,999,800</u>

Additional paid in capital amounted to P1,666,700 both in 2024 and 2023.

The Company's issued and outstanding shares are owned by five (5) stockholders, three (3) of which owning one hundred (100) or more shares each in 2024 and 2023.

16. Deficit

Appropriation

In compliance with SRC Rule 49.1 (B) Reserve Fund, the Company is required annually to appropriate a certain minimum percentage of its audited profit after tax and transfer the same to the appropriated retained earnings account. Appropriation shall be 30%, 20%, 10% of profit after tax for broker dealers with unimpaired paid up capital between P10,000,000 to 30,000,000, between P30,000,000 to 50,000,000 and above P50,000,000, respectively.

The Company appropriated P425,677 in 2024 and P143,388 in 2023. The Company is in compliance with SRC Rule 49.1(B).

17. Earnings Per Share

The computation of earnings per share follows:

	2024	2023
Net income	2,097,149	1,433,883
Weighted average number of shares issued and outstanding	549,998	549,998
Total	<u>3.81</u>	<u>2.61</u>

18. Cost of Services

The breakdown of this account follows:

	2024	2023
Salaries and employee benefits	776,569	1,039,272
PCD fees and stock and exchange dues	265,548	218,518
Total	1,042,117	1,257,791

The breakdown of salaries and employee benefits follows:

	2024	2023
Salaries, wages and bonuses	694,454	690,749
Employee welfare	-	272,420
SSS, Philhealth, HDMF	82,114	76,104
Separation pay	-	-
Total	776,569	1,039,272

19. Other Revenue

The breakdown of other income follows:

	Notes	2024	2023
Dividends	9	3,064,936	2,422,979
Gain on sale of other assets		34,224	22,321
Interest	7	5,580	10,034
Recovery on Market Decline / Unrealized Gain		(199,593)	-
Recovery of allowance for credit losses	8	-	696
Total		2,905,148	2,456,031

20. Administrative Expenses

The breakdown of this account is as follows:

	Notes	2024	2023
Taxes and licenses		228,446	218,028
Subscription and periodicals		133,448	133,100
Gas and oil		122,002	80,595
Professional fee		69,600	69,600
Representation and entertainment		342,350	54,096
Insurance expense		39,703	36,504
Depreciation expense	12	23,536	23,536
Bank charges		1,500	250
Provision for credit losses		144	-
Telephone and postages		-	340
Miscellaneous		3,246	8,158
Total		963,975	624,208

21. Income Taxes

Income tax (benefit)/expense consist of the following:

	2024	2023
Current		
Regular corporate income tax	-	-
Final tax	1,116	2,007
	1,116	2,007
Deferred:		
(Provision)/Recovery for credit losses, net	(37)	174
Net operating loss carry over (NOLCO)	(68,469)	(199,673)
Unrealized (loss)/gain on fair value of financial assets at FVPL	-	(115,934)
Adjustment due to changes of tax rate	-	697
	(66,274)	(310,723)
Total	(67,390)	(312,730)

A reconciliation of profit before income tax computed at the applicable statutory rates to income tax expense reported in the Statement of comprehensive income as follows:

	2024	2023
Income before income tax	507,440	280,288
Adjustment for items subject to lower tax rates:		
Interest income	(279)	(502)
Tax effect on:		
Non-deductible expenses	85,311	12,531
Non-taxable income		
Dividend	(766,234)	(605,745)
Adjustment due to changes of tax rate	106,372	697
	(67,390)	(312,730)

Net Operating Loss Carry over (NOLCO) is provided pursuant to the provisions of Section 244 of the National Internal Revenue Code of 1997. The net operating loss of the business or enterprise for any taxable year immediately preceding the current taxable year, which has not been previously offset as deduction from gross income shall be carried over as a deduction from taxable income for the next three (3) consecutive taxable years immediately following the year of such loss.

Validity of NOLCO follows:

Year Incurred	Validity	Amount	Applied this year	Applied previous year	Expired	Net operating loss (Unapplied)	Deferred tax assets
2024	2027	499,777	-	-	-	499,777	124,944
2023	2026	798,693	-	-	-	798,693	199,673
2022	2025	735,424	-	-	-	735,424	183,856
2021	2026	2,540,851	-	-	-	2,540,851	635,213
		4,574,746	-	-	-	4,574,746	1,143,686

As provided by BIR Revenue Regulations No. 25-2020 (Section 4) dated September 30, 2020, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five (5) consecutive taxable years immediately following the year of such loss.

A minimum corporate income tax (MCIT) of two percent (2%, now 1.5%) of the gross income as of the end of the taxable year (whether calendar or fiscal year, depending on the accounting period employed) is hereby imposed upon any domestic corporation beginning on the fourth (4th) taxable year immediately following the taxable year in which such corporation commenced its business operations. The MCIT shall be imposed whenever such corporation

has zero or negative taxable income or whenever the amount of minimum corporate income tax is greater than the normal income tax due from such corporation.

CREATE Act

On March 26, 2021, the Republic Act (RA) 11534, known as “The Corporate Recovery or Tax incentives for Enterprises Act” (Create Act), was passed into law. The salient provisions of the Create Act applicable to the Association are as follow:

1. Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5,000,000 and with total assets not exceeding P100,000,000, excluding land on which the particular business entity’s office, plant, and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023;
3. Percentage tax reduced from 3% to 1% effective July 1, 2020, to June 30, 2023; and
4. The imposition of improperly accumulated earnings is repealed.

Deferred Tax Assets

The component of deferred tax assets follows:

2024				
Deferred tax assets/(liability)	Balance at the beginning of year	Charged to OCI	Charged to P/L	Balance at the end of year
Allowance for credit losses	8	-	37	45
Retirement benefits liability	158,762	-	-	158,762
NOLCO	1,018,742	-	124,944	1,143,686
Fair value adjustment on financial assets at FVPL	1,985,487	-	-	1,985,487
Total deferred tax assets, net	3,162,999	-	124,981	3,287,979

2024				
Deferred tax assets/(liability)	Balance at the beginning of year	Charged to OCI	Charged to P/L	Balance at the end of year
Allowance for credit losses	182	-	(174)	8
Retirement benefits liability	158,761	-	-	158,761
NOLCO	819,069	-	199,673	1,018,742
Fair value adjustment on financial assets at FVPL	1,869,553	-	115,934	1,985,487
Total deferred tax assets, net	2,847,566	-	315,433	3,162,999

22. Related Party Disclosure

Trading Rights

The Company is a Trading Participant in the PSE using the Trading Rights of Mr. Michael Li Chua, the Chairman of the Board and President of the Company.

An agreement was executed between Mr. Chua and the Company that authorize the latter to use the Trading Rights of the former “gratuitously”. The agreement does not provide terms with regard to consideration, period and other conditions for the use of the trading rights.

Advances to Officers and Employees

Advances to officers and employees are non-interest bearing and subject to payroll deduction. (Note 10)

The movement of this account is as follows:

	2024	2023
Beginning balance	-	2,638,608
Payments	20,000	(2,638,608)
Total	20,000.00	-

Due to Related Party

Due to related party represents the balance of the cash advances granted to the Company by Michael Li Chua, who owns 33.33% of the total outstanding capital of the Company. Due to related party is non-interest bearing and payment shall be made upon demand.

Movement of this account is as follows:

	2024	2023
Beginning balance	29,567,352	32,195,961
Payments	20,000	(2,638,608)
Additional advances	(20,000)	10,000
Balance, end	29,567,352	29,567,352

Key Management Personnel Compensation

Key management personnel did not receive compensation both in 2024 and 2023.

23. Lease

Company as a lessor or lessee

The Company has no current lease contract as a lessor or lessee. Lease income or payments were nil both in 2024 and 2023.

24. Approval of financial statements

The Board of Directors authorized the accompanying financial statements for issue on April 30, 2025.

25. Supplementary information required by Bureau of Internal Revenue

Revenue Regulation 15-2010

Revenue Regulation 15-2010 issued by the Bureau of Internal Revenue, requires, in addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may heretofore be adopted, the Notes to Financial Statements to include information on taxes, duties and license fees paid or accrued during the taxable year, as follows:

Value-added Tax

	2024	2023
Income subject to VAT	1,177,473	1,033,179
Tax rate	12%	12%
Output VAT for the year	141,297	123,981
Input taxes		
Domestic purchases of goods other than capital goods	464,353	439,742
Domestic purchases of services	353,707	434,304
Tax rate	12%	12%
Input VAT for the year	98,167	104,885

Withholding taxes

	2024	2023
Tax withheld by the company on:		
Compensation	-	-
Expanded	865	865
Total	865	865

Taxes and License

As of the year ended December 31, 2023, the Company has no pending tax assessment and litigation.

	Date	No.	2024	2023
Municipal taxes and licenses	Various	Various	157,854	157,231
SEC Registration			32,855	32,855
Real property tax			22,245	22,245
BIR registration fee			-	500
Others	Various	Various	15,491	5,197
Total taxes and licenses paid			228,446	218,028

---000---