



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**Company Name:** PAPA SECURITIES CORP.

**Industry Classification:** J66930

**Company Type:** Stock Corporation

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**COVER SHEET**  
for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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**Company Name**

[illegible]

Principal Office (No./Street/Barangay/City/Town)Province)

[illegible]

Form Type

A	F	S	
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

Company's Telephone Number

Mobile Number

noylomocso@papasec.com.ph

8815-130809052266888

No. of Stockholders

Annual Meeting  
Month/Day

7	March 28, 2022
---	----------------

Fiscal Year  
Month/Day

12/31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Email Address

Telephone Number/s

Mobile Number

Ronulfo Lomocso

noylomocso@papasec.com.ph

8815-1308

09052266888

### Contact Person's Address

6th Floor S and L Building, Dela Rosa cor. Esteban Sts., Legaspi Village, Makati City

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

**PAPA SECURITIES CORPORATION**

**AUDITED FINANCIAL STATEMENTS**

*December 31, 2024 and 2023  
with Report of Independent Auditors*

**PAPA SECURITIES CORPORATION  
ANNUAL AUDITED FINANCIAL REPORT  
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DECEMBER 31, 2024**

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**REPUBLIC OF THE PHILIPPINES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Pasay City, Philippines

**ANNUAL AUDITED FINANCIAL REPORT**

Information required of Brokers and Dealers Pursuant to Section 52.1-5 of the Revised Securities Regulation Code.

Report for the Period Beginning January 1, 2024 and Ending December 31, 2024.

**IDENTIFICATION OF BROKER OR DEALER**

<i>Name of Broker:</i>	<u>Papa Securities Corporation</u>		
<i>Address of Principal Place of Business:</i>	<u>6th Floor S &amp; L Bldg., De la Rosa corner</u> <u>Esteban St., Legaspi Village, Makati City</u>		
<i>Name and Phone Number of Person to Contact in Regard to this Report</i>			
<i>Name:</i>	<u>Mr. Ronulfo Lomosco Jr.</u>	<i>Tel. No.</i>	<u>8817-8479</u>
		<i>Fax No.</i>	<u>8815-1308</u>

**IDENTIFICATION OF ACCOUNTANT**

<i>Name of Independent Certified Public Accountant whose opinion is contained in this report:</i>			
<i>Name:</i>	<u>M.A. MERCADO &amp; CO., CPAs</u>	<i>Tel No.</i>	<u>8894 - 5783</u>
		<i>Fax No.</i>	<u>+63 (2) 8894-4793</u>
<i>Address:</i>	<u>Suite 2109 Cityland 10 Tower 1</u> <u>156 H.V. Dela Costa St., Salcedo Village, Makati City</u>		
<i>Certificate Number</i>	<u>66885</u>		
<i>PTR Number</i>	<u>10471448</u>	<i>Date Issued</i>	<u>January 9, 2025</u>

## STATEMENT OF MANAGEMENT RESPONSIBILITY OVER FINANCIAL STATEMENTS

The management of **PAPA Securities Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

**M.A. Mercado & Co. CPAs**, the independent auditors appointed by the Board of Directors for the period December 31 2024 and 2023 have audited the financial statements of **PAPA Securities Corporation** in accordance with Philippine Standards on Auditing and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: \_\_\_\_\_  
Chairman: **MYRON TIMOTHY PAPA**

Signature: \_\_\_\_\_  
President: **MYRON TIMOTHY PAPA**

Signature: *Marie B. Diño*  
Treasurer: **MARIE BELEN DIÑO**

Signed this: April 10 ,2025



**MAM & Co.**

**M. A. MERCADO & Co.**

*Certified Public Accountants*

2109 Cityland 10 Tower 1

156 H.V. Dela Costa Street Cor.

6815 Ayala Avenue North

1226 Makati City, Philippines

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Website: [mamercado.com](http://mamercado.com)

## **INDEPENDENT AUDITORS' REPORT**

The Shareholders and Board of Directors

**PAPA SECURITIES CORPORATION**

6F S & L Bldg. Dela Rosa St. cor. Esteban St.

Makati City

### **Report on the Audit of the Financial Statements**

#### ***Qualified Opinion***

We have audited the accompanying financial statements of **Papa Securities Corporation** (the Company), which comprise the statements of financial position as at December 31, 2024, and the related statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the note 35 to the financial statements, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

#### ***Basis for Qualified Opinion***

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to 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 qualified opinion.

#### ***Other Matter – Prior Year's Unqualified Opinion***

The financial statements of the Company for the year ended December 31, 2023 were audited by us and were issued with an unqualified opinion on April 12, 2024. The matter described in the Basis for Qualified Opinion section above relates solely to the current financial year, and no adjustments have been made to the prior year's financial statements.

***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.

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

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

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

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





- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

***Report on Other Legal and Regulatory Requirements***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III, IV, V and VI is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but supplementary information required by Rule 52.1-5 of the Revised Securities Regulation Code. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Report on the Supplementary Information Required Under Revenue Regulation 15-2010***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information under Revenue Regulation 15-2010 in Note 36 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management of **PAPA Securities Corporation** and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**M. A. MERCADO & CO., CPAs**  
**MARCELINO A. MERCADO**

Partner

CPA License No. 066885

Tax Identification No. 102-921-222

P.T.R. No. 10471448; Issued on January 9, 2025, Makati City

BOA Accreditation No. 5658 / P-001

Issued on December 19, 2023; Valid until November 20, 2026

SEC Accreditation No. 66885-SEC (Group B)

Issued on January 25, 2022;

Valid until 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-006173-001-2025

Issued on March 12, 2025; Valid until March 11, 2028

IC Accreditation No. 66885-IC (Group A)

Issued on January 26, 2021;

Valid until 2024 financial statements of SEC covered institutions

Firm's BOA/PRC Cert. of Reg. No. 5658

Issued on December 19, 2023; Valid until November 20, 2026

Firm's SEC Accreditation No. 5658-SEC (Group B)

Issued on January 25, 2022;

Valid until 2025 financial statements of SEC covered institutions

Firm's BIR Accreditation No. 08-006173-000-2024

Issued on March 5, 2024; Valid until March 4, 2027

Firm's IC Accreditation No. 5658-IC (Group A)

Issued on January 26, 2021;

Valid until 2024 financial statements of SEC covered institutions

April 10, 2025

PAPA SECURITIES CORPORATION

STATEMENTS OF FINANCIAL POSITION

		Years Ended December 31		Market Value of Securities				
		Notes	2024	2023	2024		2023	
					Long	Short	Long	Short
ASSETS								
Current Assets								
Cash	2.3.4.32.33	P	230,509,696	P	253,634,288			
Financial assets at fair value through profit or loss (FVPL)	2.3.5.32.33		3,960,000		17,354,760	P	17,354,760	
Trade receivables								
Customers	2.3.6.32.33		28,792,906		77,202,070			
Clearing house	2.3.7.32.33		44,345,303		-		471,330,042	
Others brokers	2.3.8.32.33		-		18,807,580			
Other receivables	2.3.9.32.33		30,927,167		15,734,313		21,622,860	
Prepayments	2.10		122,120,041		114,685,504			
			460,655,113		497,418,515			
Non-current Assets								
Financial assets at FVOCI	2.3.11.32.33		12,952,720		28,278,929			
Property and equipment- net	2.3.12		4,399,073		5,706,202		27,625,000	
Trading rights	2.3.13		8,000,000		8,000,000			
Other non-current assets	2.14.32.33		332,556		328,671			
			25,684,349		42,313,802			
		P	486,339,462	P	539,732,317			
LIABILITIES AND EQUITY								
Liabilities								
Current liabilities								
Trade payables								
Customers	2.3.15.32.33	P	172,432,538	P	204,318,709		45,234,753,368	
Clearing house	2.3.7.32.33		-		5,284,863			
Other brokers	2.3.16.32.33		3,501,938		9,555,988			
Other current liabilities	2.17		4,779,521		5,214,972		-	
			180,713,997		224,374,532			
Non-current liabilities								
Defined benefit obligation	28.30		4,174,756		2,981,919			
Deferred tax liabilities-net	2.18		3,450,870		7,183,238			
			7,625,626		10,165,157			
Equity								
Share capital	2.19		139,706,100		139,706,100			
Treasury shares	2.19		(34,146,197)		(34,146,197)			
Retained earnings	2.20							
Unappropriated			140,528,075		138,519,398			
Appropriated			38,948,677		38,725,491			
Net unrealized gain on financial assets at FVOCI	2.11.18		9,492,409		20,261,717			
Remeasurement loss on post employment benefits	18.28.30		(1,921,725)		(3,266,381)			
Net revaluation surplus	13.18.21		5,392,500		5,392,500			
			297,999,839		305,192,628			
		P	486,339,462	P	539,732,317			
Securities in Philippine Central Depository, Inc.								
Securities in box						56,138,508,830	92,077,864,533	
Securities in transfer office						39,238,287	2,348,927	
Securities position of customers without money balance						19,745,608,043	624,937,792	
			56,109,382,099		46,932,465,222			
		P	75,923,355,160	P	75,923,355,160	92,705,151,252	92,705,151,252	

See Accompanying Notes to Financial Statements.

**PAPA SECURITIES CORPORATION**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		Years Ended December 31	
	Notes	2024	2023
<b>REVENUES</b>	2,22	<b>₱ 162,851,846</b>	<b>₱ 187,241,787</b>
<b>COST OF SERVICES</b>	2,23	<b>(105,661,262)</b>	<b>(111,805,979)</b>
<b>GROSS PROFIT</b>		<b>57,190,584</b>	<b>75,435,808</b>
<b>OPERATING EXPENSES</b>	2,24	<b>(58,032,053)</b>	<b>(74,215,412)</b>
<b>(LOSS) PROFIT FROM OPERATIONS</b>		<b>(841,469)</b>	<b>1,220,396</b>
<b>FINANCE INCOME</b>	2,25		
Interest		<b>2,515,928</b>	<b>2,201,856</b>
Foreign exchange gain (loss)		<b>469,698</b>	<b>(36,925)</b>
		<b>2,985,626</b>	<b>2,164,931</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>2,144,157</b>	<b>3,385,327</b>
<b>INCOME TAX EXPENSE</b>	2,29		
Current		<b>503,110</b>	<b>973,313</b>
Deferred		<b>(590,816)</b>	<b>(543,831)</b>
		<b>(87,706)</b>	<b>429,482</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>2,231,863</b>	<b>2,955,845</b>
<b>OTHER COMPREHENSIVE GAIN (LOSS)</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gain (loss) on post employment benefits	2,30	<b>1,792,875</b>	<b>(1,389,463)</b>
Income tax effect	18	<b>(448,219)</b>	<b>347,366</b>
		<b>1,344,656</b>	<b>(1,042,097)</b>
Unrealized (loss) gain on financial asset at FVOCI	2,11	<b>(14,359,078)</b>	<b>1,950,000</b>
Income tax effect	18	<b>3,589,770</b>	<b>(487,500)</b>
		<b>(10,769,308)</b>	<b>1,462,500</b>
<b>TOTAL OTHER COMPREHENSIVE (LOSS) INCOME</b>		<b>(9,424,652)</b>	<b>420,403</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR</b>		<b>₱ (7,192,789)</b>	<b>₱ 3,376,248</b>
<b>EARNINGS PER SHARE</b>	2,27		
Basic		<b>₱ 0.16</b>	<b>₱ 0.21</b>

See Accompanying Notes to Financial Statements.

**PAPA SECURITIES CORPORATION**

**STATEMENTS OF CHANGES IN EQUITY**

	Years Ended December 31, 2024 and 2023						
	Share Capital	Treasury Shares	Retained Earnings Unappropriated	Retained Earnings Appropriated	Unrealized gain(loss) on Financial Asset at FVOCI	Remeasurement Loss on Post Employment Benefits	Revaluation Surplus
	(Notes 19)	(Notes 19)	(Notes 20)	(Notes 20)	(Notes 11,18)	(Notes 18,30)	(Notes 13,18,21)
Balances at January 1, 2024	P 139,706,100	P (34,146,197)	P 138,519,398	P 38,725,491	P 20,261,717	P (3,266,381)	P 5,392,500
Net profit for the year	-	-	2,231,863	-	-	-	-
Other comprehensive (loss) income	-	-	-	-	(10,769,307.75)	1,344,656	-
Appropriation for reserve fund	-	-	(223,186)	223,186	-	-	-
Balances at December 31, 2024	P 139,706,100	P (34,146,197)	P 140,528,075	P 38,948,677	P 9,492,409	P (1,921,725)	P 5,392,500
							P 297,999,839
Balances at January 1, 2023	P 139,706,100	P (34,146,197)	P 135,859,138	P 38,429,906	P 18,799,217	P (2,224,284)	P 5,392,500
Net profit for the year	-	-	2,955,845	-	-	-	-
Other comprehensive income	-	-	-	-	1,462,500	(1,042,097)	-
Total comprehensive income	-	-	2,955,845	-	1,462,500	(1,042,097)	-
Appropriation for reserve fund	-	-	(295,585)	295,585	-	-	-
Balances at December 31, 2023	P 139,706,100	P (34,146,197)	P 138,519,398	P 38,725,491	P 20,261,717	P (3,266,381)	P 5,392,500
							P 305,192,628

See Accompanying Notes to Financial Statements.

# PAPA SECURITIES CORPORATION

## STATEMENTS OF CASH FLOWS

	Notes	Years Ended December 31	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		<b>₱ 2,144,157</b>	<b>₱ 3,385,327</b>
Adjustments for:			
Depreciation	12,24	<b>1,549,448</b>	1,708,422
(Recovery of) Provision for credit losses	6,22	<b>(50,046)</b>	19,886
Retirement expense	26,30	<b>2,985,712</b>	2,000,908
Gain on sale of financial assets at FVOCI	22	<b>(14,788,003)</b>	-
Unrealized foreign exchange (gain) loss	25	<b>(469,698)</b>	36,925
Unrealized (gain) loss on financial assets at FVPL	22	<b>(198,000)</b>	1,095,296
Dividend income from financial assets at FVPL	22	<b>(203,797)</b>	(203,812)
Interest income	23,30	<b>(2,515,928)</b>	(2,201,856)
Operating (loss) income before working capital changes		<b>(11,546,154)</b>	5,841,096
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Financial assets at FVPL	2,3,5,32,33	<b>13,592,760</b>	(14,650,056)
Receivable from customers	2,3,6,32,33	<b>48,459,210</b>	56,154,481
Receivable from clearing house	2,3,7,32,33	<b>(44,345,303)</b>	113,611,613
Receivable from other brokers	2,3,8,32,33	<b>18,807,580</b>	(7,449,803)
Other receivables	2,3,9,32,33	<b>(15,192,854)</b>	(15,172,000)
Prepayments	2,10	<b>(7,434,537)</b>	(18,988,491)
Other non-current assets	12,30	<b>(3,885)</b>	(3,700)
Increase (decrease) in:			
Payable to customers	2,3,15,32,33	<b>(31,886,171)</b>	(160,970,950)
Payable to clearing house	2,3,7,32,33	<b>(5,284,863)</b>	5,284,863
Payable to other brokers	2,3,16,32,33	<b>(6,054,050)</b>	(5,263,247)
Other current liabilities	2,17	<b>(435,451)</b>	(1,326,700)
Cash used in operations		<b>(41,323,718)</b>	(42,932,894)
Dividend received from financial assets at FVPL	22	<b>203,797</b>	203,812
Interest received	25	<b>2,012,817</b>	1,761,485
Income taxes paid	27,30	<b>-</b>	(532,942)
Net cash used in operations		<b>(39,107,105)</b>	(41,500,539)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of financial asset at FVOCI	11,22	<b>15,755,134</b>	-
Acquisitions of property and equipment	2,3,12	<b>(242,319)</b>	(1,199,165)
Net cash provided by (used in) investing activities		<b>15,512,815</b>	(1,199,165)
<b>EFFECT OF EXCHANGE RATE CHANGES IN CASH</b>			
	25	<b>469,698</b>	(36,925)
<b>NET DECREASE IN CASH</b>			
		<b>(23,124,592)</b>	(42,736,629)
CASH, JANUARY 1	4	<b>253,634,288</b>	296,370,917
CASH, DECEMBER 31	4	<b>₱ 230,509,696</b>	<b>₱ 253,634,288</b>

See Accompanying Notes to Financial Statements.

**PAPA SECURITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2024 and 2023*

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**1. Corporate Information**

Papa Securities Corporation (the Company) was incorporated on August 28, 1979 to carry on and maintain the business of stock brokerage and act as dealer of securities, bonds, debentures, commodities, obligations and investment of all kinds and all activities, which are directly or indirectly related.

Its registered office address is located at 6<sup>th</sup> Floor S & L Building, De la Rosa corner Esteban St., Legaspi Village, Makati City.

The accompanying financial statements of the Company as at and for the year ended December 31, 2024 were authorized for issue by the Board of Directors on April 10, 2025.

**2. Material Accounting Policy Information**

The more significant accounting policies and practices of the Company are summarized below to facilitate the understanding of data presented in the financial statements.

**Basis of Preparation**

These financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretation, which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the Securities and Exchange Commission (SEC), including SEC pronouncements.

The financial statements have been prepared under the historical cost basis except for financial assets at FVPL and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The Company's financial statements are presented in Philippine pesos, which is the functional and presentation currency under PFRS. All values are rounded to the nearest peso except as otherwise indicated.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of 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 disclosed in *Note 3*.

**Statement of Compliance**

The financial statements of the Company have been prepared in compliance with the PFRS except for the use of closing prices for the valuation of equity securities as required by Revised SRC. PFRS requires the use of exit prices for the valuation of equity securities of the Company.

**Fair Value Measurement**

The Company measures financial instruments at fair value at each financial position date.

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 the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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 categorised 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 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 (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

For assets and liabilities that are recognized in the Company's financial statements in a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

There were no transfers that occurred between level 1, level 2, and level 3 during the years ended December 31, 2024 and 2023.

#### **Changes in Accounting Policies**

The following explains the significant accounting policies which have been adopted in the preparation of the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes in accounting policies as explained below.

#### **New and Amended Standards Adopted by the Company**

The Company has applied the following applicable new and revised accounting standards except otherwise as stated. The accounting policies adopted are consistent with those of the previous financial year.

#### ▪ *Amendments to PAS 1, Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- 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 adoption of this amendment, effective January 1, 2024, did not have a material impact on the Company's Financial Statements.

▪ *IFRS 16, Leases*

In September 2022, the IASB issued amendments to IFRS 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.

The adoption of this amendment, effective January 1, 2024, did not have a material impact on the Company's Financial Statements.

▪ *Amendments to PAS 7 and PFRS 7, Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of this amendment, effective January 1, 2024, did not have a material impact on the Company's Financial Statements.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when these become effective.

*Effective beginning on or after January 1, 2025 onwards*

▪ *PFRS 17, Insurance Contracts*

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023.

Through IC Circular Letter (CL) No. 2020-62, the adoption of PFRS 17 was deferred from January 1, 2023, to January 2025.

IC then issues IC Circular Letter No. 2025-04 further extending the adoption of PFRS 17. All companies shall adopt PFRS 17 in their AFS for submission to the SEC effective January 1, 2027. However, companies are allowed to adopt PFRS 17 in their AFS beginning January 1, 2025.

The amendment, will not have an impact on the Company's Financial Statements.



▪ *Amendments to PAS 21, Lack of exchangeability*

On 15 August 2023, the International Accounting Standards Board (IASB) issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. The Company is currently assessing the impact of adopting these amendments.

▪ *Amendments to PFRS 9, Lessee Derecognition of Lease Liabilities and Transaction Price*

The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Company is currently assessing the impact of adopting these amendments.

▪ *Amendments to PFRS 10, Determination of a 'De Facto Agent'*

Amends paragraph B74 of IFRS 10 'Consolidated Financial Statements' to use less conclusive language and to clarify that the relationship described in paragraph B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments will not have an impact on the Company.

▪ *Amendments to PAS 7, Cost Method*

Amends paragraph 37 of IAS 7 to replace the term 'cost method' with 'at cost'.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Company is currently assessing the impact of adopting these amendments.

*Annual Improvements to PFRS Accounting Standards-Volume 11*

▪ *Amendments to PFRS 1, Hedge Accounting by a First-time Adopter*

The amendments modified paragraphs B5–B6 of IFRS 1:

- to improve consistency with the requirements in IFRS 9 'Financial Instruments', and
- to add cross-references to improve the understandability of IFRS 1.

The Company is currently assessing the impact of adopting these amendments.

▪ *Amendments to PFRS 7, Gain or Loss on Derecognition*

The amendments modified paragraph B38 of IFRS 7:

- to replace an obsolete reference to paragraph 27A of IFRS 7 with a reference to paragraphs 72–73 of IFRS 13 'Fair Value Measurement', and
- to replace the phrase 'inputs that were not based on observable market data' with 'unobservable inputs' to make the wording consistent with the wording in paragraph 72 of IFRS 13.

The Company is currently assessing the impact of adopting these amendments.

▪ *Amendments to IFRS 9 and IFRS 7 Financial Instruments: Disclosures*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Financial Instruments: Disclosures which clarify the derecognition of a financial liability settled through electronic transfer and introduces an accounting policy option to derecognize a financial liability settled through electronic transfer before the settlement date, if specific criteria are met. The amendments additionally clarify the classification of financial assets with environmental, social and corporate governance and similar features and also required additional disclosures for certain financial instruments. The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. The amendments are to be applied retrospectively.

The Company is currently assessing the impact of adopting these amendments.

▪ *IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")*

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, disclosure of management defined performance measures, and principles for aggregation and disaggregation of financial information in the financial statements and the notes. IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 is to be applied retrospectively.

The Company is currently assessing the impact of adopting these amendments.

▪ *PFRS 19, Subsidiaries without Public Accountability*

IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

IFRS 19 was issued in May 2024 and applies to an annual reporting period beginning on or after 1 January 2027. The amendments will not have an impact on the Company's financial statements.

*Deferred effectivity*

- *Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The amendments are not applicable and will have no impact on the Company since the Company is not an investment entity or does it have an investment entity associate.

The Company continues to assess the impact of the above new and amended accounting standards and interpretations when these become effective. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

**Cash**

Cash includes cash on hand and in banks. Cash in bank is stated at face amount and earns interest at the prevailing bank deposit rates.

**Financial Instruments**

*Date of Recognition*

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

*Initial Recognition and Measurement*

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

*"Day 1" difference*

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

observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

#### *Classification*

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

#### *Financial Assets and Liabilities at FVPL*

Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

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

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

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

#### **Financial assets at amortized cost**

The Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As at December 31, 2024 and 2023, the Company's cash, receivables from customers, receivables from clearing house and receivables from brokers are included under this category (see Notes 2, 4, 6).

**Financial assets at fair value through other comprehensive income (debt instruments)**

The Company measures financial assets through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2024 and 2023, the Company designated its quoted investments in equity securities carried at fair value as financial assets at FVOCI as disclosed in Note 11.

***Financial Liabilities at Amortized Cost***

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

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

As at December 31, 2024 and 2023, the Company's liabilities arising from its trade payables to customers, payable to clearing house, payable to other brokers and accrued expenses and other current liabilities excluding government liabilities, are included under this category (see Notes 15, 7, 16, and 17)

*Reclassification*

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

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

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

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

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

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

**Impairment of Financial Assets**

*Expected credit loss methodology*

ECL represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances will be measured at amounts equal to either:

- 12-month ECL
- lifetime ECL for those financial instruments which have experienced a significant increase in credit risk since initial recognition.

The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the twelve (12) months after the reporting date.

Lifetime ECL are credit losses that results from all possible default events over the expected life of the financial asset.

*Staging assessment*

For non-credit-impaired financial instruments:

Stage 1 is comprised of all non-impaired financial assets which have not experienced a SICR since initial recognition. The Company recognizes a 12-month ECL for Stage 1 financial assets.

Stage 2 is comprised of all non-impaired financial assets which have experienced a SICR since initial recognition. The Company recognizes a lifetime ECL for Stage 2 financial assets.

For credit-impaired financial instruments:

Financial instruments are classified as Stage 3 when there is objective evidence of impairment.

*Write-off Policy*

A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

*Definition of "default"*

The Company classifies receivables, or any financial asset as in default when it is credit impaired or becomes past due on its contractual payments for more than 90 days. As part of a qualitative assessment of whether a customer is in default, the Company considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted.

*Significant increase in credit risk (SICR)*

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's aging information, the borrower becomes past due for over 30 days. Further, the Company assumes that the credit risk of a financial asset, particularly on cash and equivalents and receivables from customers, clearing house and non-customers, has not increased significantly since origination if the financial asset is determined to have "low credit risk" as of the reporting date. A financial asset is considered "low credit risk" when it has an external rating equivalent to "high grade".

In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company shall revert to recognizing a 12-month ECL.

*Impairment of financial assets at Amortized Cost and FVOCI*

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

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

*Derecognition of Financial Assets and Liabilities*

*Financial Assets*

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

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

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

*Financial Liabilities*

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

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

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

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

*Offsetting of Financial Assets and Liabilities*

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



*Classification of Financial Instrument between Liability and Equity*

A financial instrument is classified as liability if it provides for a contractual obligation to:

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

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

**Derivative Financial Instruments and Hedging**

*Freestanding Derivatives.* For the purpose of hedge accounting, hedges are classified as either:

- a) fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (except for foreign currency risk);
- b) cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability, a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- c) hedges of a net investment in foreign operations.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instruments, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

*Fair Value Hedge.* Derivatives classified as fair value hedges are carried at fair value with corresponding change in fair value recognized in the separate statements of profit or loss. The carrying amount of the hedged asset or liability is also adjusted for changes in fair value attributable to the hedged item and the gain or loss associated with that remeasurement is also recognized in the separate statements of profit or loss.

When the hedge ceases to be highly effective, hedge accounting is discontinued and the adjustment to the carrying amount of a hedged financial instrument is amortized immediately.

The Company discontinues fair value hedge accounting if:

- a) the hedging instrument expires, is sold, is terminated or is exercised;
- b) the hedge no longer meets the criteria for hedge accounting; or
- c) the Company revokes the designation.

The Company has no derivatives accounted for as a fair value hedge as at December 31, 2024 and 2023.

*Cash Flow Hedge.* Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized in statements of profit or loss and other comprehensive income presented in the separate statements of changes in equity. The ineffective portion is immediately recognized in the statements of profit or loss and other comprehensive income.

If the hedged cash flow results in the recognition of an asset or a liability, all gains or losses previously recognized directly in the separate statements of changes in equity are transferred and included in the initial measurement of the cost or carrying amount of the asset or liability. Otherwise, for all other cash flow hedges, gains or losses initially recognized in the separate statements of changes in equity are transferred to the statements of profit or loss and other comprehensive income in the same period or periods during which the hedged forecasted transaction or recognized asset or liability affects the statements of profit or loss and other comprehensive income.

When the hedged ceases to be highly effective, hedge accounting is discontinued prospectively. The cumulative gain or loss on the hedging instrument that has been reported directly in the separate statements of changes in equity is retained until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, any net cumulative gain or loss previously reported in the separate statements of changes in equity is recognized in the statements of profit or loss and other comprehensive income.

The Company has no outstanding derivatives accounted for as a cash flow hedge as at December 31, 2024 and 2023.

*Net Investment Hedge.* Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income while any gain or loss relating to the ineffective portion is recognized in the statements of profit or loss and other comprehensive income. On disposal of a foreign operation, the cumulative value of any such gains and losses recorded in the separate statements of changes in equity is transferred to and recognized in the statements of profit or loss and other comprehensive income.

The Company has no hedge of a net investment in a foreign operation as at December 31, 2024 and 2023.

Changes in fair values of derivatives that do not qualify for hedge accounting are recognized directly in the statements of profit or loss and other comprehensive income.

*Embedded Derivatives.* The Company assesses whether embedded derivatives are required to be separated from the host contracts when the Company becomes a party to the contract. An embedded derivative is separated from the host contract and accounted for as derivative if all of the following conditions are met:

- a) the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract;
- b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- c) the hybrid or combined instrument is not recognized as FVPL.

Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for either as financial assets or financial liabilities at FVPL.

The Company has no embedded derivatives as at December 31, 2024 and 2023.

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 reassessing 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.

External valuers are involved for valuation of significant assets, such as investment property. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

### **Property and Equipment**

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of property, furniture and equipment comprises its purchase price, including import duties and taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. When significant parts of property, furniture and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in profit or loss in the statement of profit or loss and other comprehensive income as incurred.

Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

Office equipment	1-5 years
Transportation equipment	1-5 years
Office furniture and fixtures	1-5 years
Leasehold improvements	10 years

The useful lives and methods of depreciation of property, furniture and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, an impairment loss is recognized in profit or loss in the statement of profit or loss.

### **Intangible Asset**

#### *Trading Rights*

Trading rights is carried at fair value. It is initially recorded at cost. It has indefinite useful life and is tested for impairment annually at the cash generating-unit level. Such intangible asset is not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to definite is made on a prospective basis.

Trading rights is subsequently measured at fair value. The fair value of the asset can be determined by reference to an active market at a subsequent measurement date, the revaluation model is applied from that date. If an intangible asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the heading of revaluation surplus. However, the increase shall be recognized in statement of profit or loss and other comprehensive income to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If an intangible asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in statement of profit or loss and other comprehensive income. However, the decrease shall be debited directly to equity under the heading of revaluation surplus to the extent of any credit balance in the revaluation surplus in respect of that asset.

#### *Impairment of Nonfinancial Assets*

Property, furniture and equipment and trading rights are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts.

The estimated recoverable amount is the greater of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment loss is recognized in the statement of profit or loss and other comprehensive income.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The reversal is recorded in the statement of profit or loss and other comprehensive income. However, the increased carrying amount of an asset due to reversal of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

#### *Derecognition of Nonfinancial Assets*

An item of the property, furniture and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of the assets (computed as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income in the year the assets is derecognized.

#### **Share Capital**

Share capital is measured at par value for all shares issued. This includes common stocks only.

### **Retained Earnings**

Retained earnings represent cumulative balance of periodic net income or loss, dividend distributions, prior period adjustments, effect of changes in accounting policy and other capital adjustments.

Cash dividends are recognized as a liability and deducted from retained earnings when approved by the Board of Directors.

### **Treasury Shares**

Own equity instruments which are acquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized on the acquisition of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if re-issued, is recognized in the share premium or additional paid-in capital.

Voting rights related to treasury shares are nullified and no dividends are allocated to them. When shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is charged to share premium account when the shares were issued and to retained earnings for the remaining balance.

### **Revenue Recognition and Securities Transaction**

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. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires the Company to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers.

The five-step model is as follows:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

*The following specific recognition criteria must also be met before revenue is recognized:*

Buying and selling transactions of securities are recorded daily on the basis of the transaction dates. Gains and losses on sales of securities are also recognized on the corresponding transaction dates.

### **Commissions**

The Company's main revenue is derived from commission income on trade execution service recognized at a point in time when control of the service has transferred to the customer. Transfer of control of the trade execution performance obligation generally occurs on the trade date because that is when the underlying financial instrument is identified and the pricing is agreed upon. On the trade date, the customer has obtained control of the service because it can direct the use of, and obtain substantially all of the remaining benefits from, the asset that comes from the trade execution service.

The computation of minimum commission rate is as follows for January 1, 2024 to April 17, 2024:

<b>Transaction Value (P)</b>	<b>Minimum Commission</b>
P100M and below	0.00250
> P100M up to P500M	0.00150 but not less than P250K
> P500M up to P1B	0.00125 but not less than P750K
> P1B up to P5B	0.00100 but not less than P1.25M
> P5B up to P10B	0.00075 but not less than P5M
> P10B	0.00050 but not less than P7.5M

\* K = Thousand, M = Million, B = Billion

Securities and Exchange Commission issued a memorandum circular no. 7 dated April 16, 2024, which state the removal of minimum amount of commission charged by stockbrokers to its customers for each transaction whether a purchase or sale of stocks.

The removal of the minimum amount of commission to be charged by trading participants, including brokers using online trading platforms and those performing traditional execution of trades, is deemed consistent with public interest and aligned to the objective of boosting the volume of trades in the stock market. It likewise encourages investors to actively participate in the market and allow them to engage the services of a broker of their choice based on cost preference.

This takes effect last April 18, 2024.

Please note that the above rates should be exclusive of the applicable value-added tax.

Trade transactions are usually settled 2-days after the trade date (T+2 settlement rule).

#### *Interest Income*

Interest income is recognized as the interest accrues using the effective interest rate method.

#### *Dividend Income*

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

#### *Trading gains (losses)*

Trading gains or loss on trading securities represents results arising from trading activities including all gains and losses from changes in fair value of financial assets at FVPL.

#### *Foreign currency denominated transactions*

Foreign currencies denominated monetary transactions are translated to Philippine peso using the prevailing exchange rates at financial position dates.

Exchange gains or losses arising from foreign currency transactions are credited or charged directly to operations.

### *Other Income*

Other income includes other receipts in excess of usual transactions. Gain is recognized when received.

### **Expenses**

Expenses are recognized when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase in liability has occurred and the decrease in future economic benefits can be measured reliably. Expenses encompass losses as well as those expenses that arise in the course of the ordinary activities of the Company. Expenses are recognized when incurred.

### **Finance Income**

Finance income comprises of income on bank deposits and foreign currency gains.

### **Comprehensive Income**

The Company uses single statement of comprehensive income, in which it presents all items of income and expense recognized in the period.

### **Related Party Relationships and Transactions**

Related party relationship exists when (a) a person or a close member of that person's family has control or joint control, has significant influence or is a member of the key management personnel of the reporting entity or a parent of the reporting entity. (b) An entity is related to the Company if, the entity and the Company are members of the same group, one entity is an associate or joint venture of the other entity, both entities are joint ventures of the same third party, one entity is a joint venture of a third entity and the other entity is an associate of the third party, an entity is a post-employment benefit plan for the benefit of employees of the Company, the entity is controlled or joint controlled by a person who has control or joint control over the Company and a person as identified in (a) above has significant influence over the entity is a member of the key management personnel of the entity or of a parent of the entity. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

### **Employee Benefits**

#### a. Post-employment benefits

The Company has a noncontributory defined benefit retirement plan which provides a retirement benefit equal to one hundred percent (100%) of plan salary for every year of credit service. The benefit is paid in lump sum upon retirement or separation in accordance with the terms of the plan.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Service costs include current service costs, past service costs and gains and losses on non-routine settlements are recognized as expense in the profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the defined benefit liability or asset is recognized as expense or income in the profit or loss.

The determination of the appropriate discount rate at the end of each year is based on the PDEx (PDST – R2). This is the interest rate that is used to determine the *present value* of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Actuary considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Remeasurements comprising actuarial gains and losses, return on plan assets (excluding net interest on defined benefit asset) and any change in the effect of the asset ceiling (excluding net interest on net defined benefit liability) are recognized immediately in other comprehensive income in the period which they arise. Remeasurements are not classified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Social Security System contributions fall under a defined contribution plan under which the Company pays fixed contributions into an independent entity. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contributions. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

**b. Short-term employee benefits**

The Company recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short term benefits given by the Company to its employees include salaries and wages, short term compensated absences, SSS contributions and 13<sup>th</sup> month pay.

**Income taxes**

The tax expense for the period comprises current and deferred tax.



#### *Current taxes*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *Deferred income taxes*

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax relating to items recognized outside profit and loss is recognized in correlation to the underlying transaction both in OCI or directly in equity and not in the company's statement of profit or loss and other comprehensive income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

#### *Value-added Tax (VAT)*

Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables that are stated with the amount of VAT included.

#### **Earnings Per Share**

Basic earnings per share is calculated by dividing net income by the number of ordinary shares outstanding or number of weighted average shares outstanding during the year, adjusted for any subsequent stock dividends declared.

Diluted earnings per share amount is calculated by dividing net income by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares outstanding that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

### **Provisions**

Provisions are recognized when present obligations 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 financial position date, 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 financial position date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered probable 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.

### **Contingencies**

Contingent liabilities represent possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. They are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

### **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 exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in PFRS 16.

#### *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.

The Company determined whether the arrangement was or contained a lease based on the assessment of whether.

- Fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of following was met:
  - a. The purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - b. The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - c. Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

#### **Dividends on common shares**

Dividends on common shares are recognized as a liability and deducted from equity when approved by the Board of Directors of the Company. Dividends for the year that are approved after the statement of financial position date are dealt with as an event after the statement of financial position date.

#### **Events After the Reporting Date**

The Company identifies post year-end events as events that occurred after the reporting date but before the date when the financial statements were authorized for issue. Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

#### **Comparatives**

When necessary, comparative figures have been adjusted to conform to the changes in the presentation of the current year.

### **3. Management's Use of Estimates and Judgments**

The preparation of the financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements. Actual results could differ from these estimates.

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

In particular, information about the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following:

#### **Judgments**

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

*a) Determination of Functional Currency*

The Company has determined that its functional currency is the Philippine Peso. The determination of the functional currency was based on the primary economic environment in which the Company generates cash.

*b) Classification of Financial Instruments*

The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement 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 classification in the statement of financial position.

The classification of the Company's financial instruments is presented in Note 2.

*c) Determination of Fair Value of Financial Instruments*

The Company carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Company utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect the statements of changes in equity.

*d) Impairment of Non-Financial Assets*

Property and equipment and intangible assets are periodically reviewed to determine any indications of impairment. Though the management believes that the assumptions used in the estimation of fair values are reasonable and appropriate, significant changes in these assumptions may materially affect the assessment of the recoverable amounts and any resulting impairment loss could have a material adverse effect in the results of operations.

*Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

*Revenue recognition*

The Company's revenue recognition policies require use of estimates and assumptions that may affect the reported amounts of revenue and receivables.

*Company as Lessee*

The Company has entered into lease agreements as lessee and it has determined that the lessor retains all the significant risks and rewards of ownership of this property which are leased out under lease agreements.

The Company entered into a contract of lease with S & L INCORPORATED for the rental of its office space. The lease agreement is for one (1) year which is renewable annually at the option of the Company under such terms and conditions mutually acceptable to both parties. The monthly rental includes twelve percent (12%) VAT less five percent (5%) withholding tax payable.

### **Estimates**

The key assumptions concerning the future and other sources of estimation uncertainty as at the date of financial position that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *a) Estimated credit losses (ECL) on receivables*

The Company reviews its receivable from clearing house and customers on a periodic basis to assess their impairment at an individual level. In assessing for impairment, the Company determines whether there is any objective evidence indicating that there is a measurable decrease in the estimated future cash flows of its receivables.

Factors considered in individual assessment are payment history, past-due status and term. The methodology and assumptions used for individual assessment are based on management's judgment and estimate. The amount and timing of recognizing credit loss for any period would differ if the Company made different assumptions or utilized different estimates. An increase in allowance for credit losses would decrease net profit and total assets.

As provided in the Revised Securities Regulation Code (SRC) Rule 52.1, every broker dealer shall establish appropriate allowance for credit losses and the basis for such computation of the allowance shall be properly disclosed. The SEC or the PSE shall have the prerogative to determine the reasonableness of such receivable valuation taking into consideration the GAAP and industry practices.

Impairment provisions for trade receivables are recognized based on the simplified approach within PFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognized based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

The carrying amounts of the Company's receivable from receivable from customers, clearing house and other brokers are shown and disclosed in Notes 6, 7 and 8.

The Company has assessed that there is no need to provide for any allowance for credit losses on its receivables as at December 31, 2024 and 2023 as the Company is following the T+2 settlement rule.

*b) Estimated Useful Lives (EUL) of Property and Equipment*

The Company annually reviews the EUL of property and equipment based on the period over which the assets are expected to be available for use and updates if expectations differ from previous estimates due to physical wear and tear, and technical or commercial obsolescence. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

The estimated useful lives of property and equipment are disclosed in Note 2 which showed no changes in 2024 and 2023.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

The carrying amounts and accumulated depreciation of the Company's property and equipment are disclosed in Note 12.

*c) Impairment on financial asset at FVOCI*

The Company determines that financial asset at FVOCI are impaired where there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. The Company treats "significant" generally as 20% or more of the original cost of investment, and prolonged as greater than 12 months. In making this judgment, the Company evaluates, among other factors, the normal volatility in price.

In addition, impairment may be appropriate where there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

No impairment loss has been recognized by the Company on its financial asset at FVOCI for the years ended December 31, 2024 and 2023.

The value of the Company's financial asset at FVOCI are shown and disclosed in Note 11.

*d) Impairment of Non-financial Assets*

The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends;
- permanent decline in fair value of the asset;

- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the assets value in use and decrease the asset's recoverable amount materially.

If any indicator exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. As of December 31, 2024, and 2023, none of these indicators exist on the Company's property and equipment.

*e) Trading Rights*

Trading rights is reviewed and tested whenever there is indication of impairment and at least at each statement of financial position date.

*f) Present value of retirement benefit obligation*

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The valuation results are based on the employee data as of valuation dates as provided by the Company. The discount rate assumption is based on the PDEx (PDST-R2) benchmark market yields on government bonds as of the valuation dates (or latest available) considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.

*g) Functional Currency*

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the revenues and expenses of the Company.

*h) Contingencies*

The Company currently has various legal claims. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Company's defense relating to these matters and is based upon an analysis of potential results. The Company currently does not believe that these claims will have a material adverse effect on its financial position and results of operations.

**4. Cash**

This account consists of:

	2024	2023
Cash in banks	₱ 230,464,696	₱ 253,589,288
Cash on hand	45,000	45,000
	₱ 230,509,696	₱ 253,634,288

Cash in banks earn interest at floating rates based on daily bank deposit rates. Interest is recognized as the interest accrues using the effective interest rate method.

In compliance with Revised Securities Regulation Code (SRC) Rule 49.2 covering customer protection and custody of Securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers. Reserve requirement is determined on a monthly basis using SEC prescribed computation.

Cash includes a reserve requirement fund amounting to ₱101,284,074 and ₱95,211,906 as of December 31, 2024 and 2023, respectively.

The Company's reserve accounts are adequate to cover its reserve requirement.

**5. Financial Assets at Fair Value through Profit or Loss**

This account represents an investment in equity inside and outside PHISIX.

	2024	2023
Carrying value of financial asset at FVPL, beg.	₱ 17,354,760	₱ 3,800,000
Additional financial assets at FVPL	-	14,650,056
Sale of financial asset at FVPL	(13,592,760)	-
Unrealized gain (loss) on financial assets at FVPL (Note 22)	198,000	(1,095,296)
Carrying value of financial asset at FVPL, end	₱ 3,960,000	₱ 17,354,760

The Company received cash dividends amounting to ₱203,796 and ₱203,812 in years 2024 and 2023, respectively. (See Note 22)



**6. Receivable from Customers**

These accounts include amounts due on cash transactions. *The securities owned by customers are held as collateral for amounts receivable from customers, which are due within one year from the respective statements of financial position dates. Eligible collaterals are listed and traded shares in the PSE and lodged with the Philippine Depository and Trust Corporation (PDTC) under the account of the Company.*

The following tables show the aging analysis of the Company's receivable from customers:

		Collateral		Counterparty	Allowance for		Net Receivables
2024		(net of haircut)		exposure after collateral	expected credit losses		from Customers
T to T+1 of counterparty	₱	105,580,400	(₱	77,415,630)	₱	-	₱ 28,164,770
T+2 to T+12 of counterparty		35,706,418		(35,252,336)		9,082	445,000
T+13 to T+30 of counterparty		31,184,226		(31,177,750)			6,476
Beyond T+30 of counterparty		3,694,909		(3,518,249)		-	176,660
<b>Total</b>	<b>₱</b>	<b>176,165,953</b>	<b>(₱</b>	<b>147,363,965)</b>	<b>₱</b>	<b>9,082</b>	<b>₱ 28,792,906</b>

2023

T to T1 of counterparty	₱	316,612,239	(₱	244,078,562)	₱	-	₱ 72,533,677
T2 to T12 of counterparty		2,932,684		-		58,654	2,874,030
T13 to T30 of counterparty		45,143					45,143
Beyond T30 of counterparty		19,657,157		(17,907,463)		474	1,749,220
<b>Total</b>	<b>₱</b>	<b>339,247,223</b>	<b>-₱</b>	<b>261,986,025</b>	<b>₱</b>	<b>59,128</b>	<b>₱ 77,202,070</b>

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Receivables as to collateral are as follows:

	2024		2023	
	Money Balance	Security Valuation	Money Balance	Security Valuation
Cash and fully secured accounts:				
More than 250%	₱ 16,384,359	₱ 232,372,197	₱ 17,461,527	₱ 371,286,038
Between 200% and 250%	526,957	1,281,859	33,204,794	75,059,959
Between 150% and 200%	-	-	-	-
Between 100% and 150%	5,075,832	5,170,000	4,098,416	3,605,140
Less than 100%	6,790,588	6,779,000	22,496,461	21,378,905
Unsecured	24,252	-	-	-
	₱ 28,801,988	₱ 245,603,056	₱ 77,261,198	₱ 471,330,042
Less: Allowance for expected credit losses	9,082		59,128	
	₱ 28,792,906	₱	₱ 77,202,070	

The fair value of these short-term financial assets was not individually determined as the carrying amounts are reasonable approximation of fair values.

Movements of allowance for expected credit losses are shown below:

	2024	2023
Balance, January 1	₱ 59,128	₱ 39,242
Provision for credit losses	-	19,886
Recovery of accounts	(50,046)	-
Balance, December 31,	₱ 9,082	₱ 59,128

Customers are required to maintain the value of their collateral within specific level. As of December 31, 2024, and 2023, the collateral held by the Company is sufficient to cover the receivables. The management believes that the Company has sufficient allowance to take care of any losses that the Company may incur from the non-collection or non-realization of its receivables.

**7. Receivable from (Payable to) Clearing House**

Receivables from clearing house represents the net amount due from the sales and purchases of securities made on the trading floor of the Philippine Stock Exchange, Inc. with the banks and payments must be received after three (3) days from the consummation of the transactions.

The Company's receivable from clearing house amounted to ₱44,345,303 in 2024. The Company's receivable from clearing house were all subsequently collected in January 2025.

The Company's payable to clearing house amounted to ₱5,284,863 in 2023. The Company's payable to clearing house were all subsequently paid in January 2024.

**8. Receivable from Other Brokers**

This account is used to record claims due from other brokers for the sale of securities and other trade-related transactions.

The Company's due from other brokers are all due within one (1) year from statement of financial position date.

	<b>2024</b>		<b>2023</b>	
	<b>Money Balance</b>	<b>Security Valuation</b>	<b>Money Balance</b>	<b>Security Valuation</b>
Other brokers	<b>₱ -</b>	<b>₱ -</b>	<b>₱ 18,807,580</b>	<b>₱ 21,622,860</b>

**9. Other Receivables**

This account pertains to advances to officers and employees which remained unliquidated as of audit date amounting to ₱30,927,167 and ₱15,734,313 in 2024 and 2023, respectively.

The advances to officers and employees are unsecured unimpaired, non-interest-bearing and subject for liquidation of expenses incurred.

**10. Prepayments**

This account consists of:

	<b>2024</b>		<b>2023</b>	
Creditable withholding taxes	<b>₱ 79,930,079</b>	<b>₱ 73,540,245</b>		
Accounts receivable-BIR	<b>40,297,412</b>	<b>40,297,412</b>		
Deferred MCIT	<b>1,077,853</b>	<b>611,968</b>		
Insurance premiums	<b>-</b>	<b>4,603</b>		
Other prepayments	<b>814,697</b>	<b>231,276</b>		
	<b>₱ 122,120,041</b>	<b>₱ 114,685,504</b>		

*Creditable withholding taxes* pertains to the amount of unused tax credits for taxable years 2024 and 2023.

The details of this account shown below:

	<b>2024</b>		<b>2023</b>	
January 1	<b>₱ 73,540,245</b>	<b>₱ 55,193,233</b>		
Creditable taxes withheld during the year	<b>6,571,751</b>	<b>18,347,012</b>		
December 31	<b>₱ 80,111,996</b>	<b>₱ 73,540,245</b>		

As of reporting date, the Company has an on-going application for tax refund on its 2021 unused tax credits amounting to ₱29,843,453.

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*Accounts receivable* –BIR represents over-payment of income tax which may be applied as tax credit for the succeeding quarter(s) of the next taxable year(s).

*Other prepayments*, includes unexpired portion of program maintenance, cable service, brokers bond dealers' bond and salesman licenses, and office supplies.

**11. Financial asset at FVOCI**

Financial asset at FVOCI which consist of listed/unlisted equity shares which are measured at *fair market value* and *at cost* are as follows:

Year ended December 31, 2024	No. of Shares	Market Value	Investment at Market Value	Investment at Cost	Net Unrealized Gain
<i>Quoted equity shares measured at fair value</i>					
The Philippine Stock Exchange	78,980	₱ 164	₱ 12,952,720	₱ 296,175	₱ 9,492,409 ***
<i>Unquoted proprietary share measured at cost</i>					
The Palm Country Club	-	-	₱ 653,929	₱ 653,929	-
Total market value		₱	₱ 28,278,929	₱ 1,263,304	₱ 20,261,717

\*\*\*

The valuation gain amounting to ₱9,492,409 and ₱20,261,717 were taken to equity as of December 31, 2024 and December 31, 2023, net of deferred tax liabilities amounting to ₱3,164,136 and ₱6,753,908, respectively. (See Note 18)

Roll-forward analysis of the change in value financial assets at FVOCI:

	2024	2023
Balance, January 1	₱ 28,278,929	₱ 26,328,929
Less:		
Sale of financial assets at FVOCI	(14,666,650)	-
Unrealized (loss) gain on financial asset at FVOCI	(659,559)	1,950,000
	₱ 12,952,720	₱ 28,278,929

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**12. Property and Equipment, Net**

The roll forward analysis of this account follows:

	Office			
	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
<b>December 31, 2024</b>				
<b>Cost</b>				
January 1	₱ 16,082,306	₱ 11,149,369	₱ 8,672,958	₱ 35,904,633
Additions	242,319	-	-	242,319
December 31	16,324,625	11,149,369	8,672,958	36,146,952
<b>Accumulated Depreciation</b>				
January 1	13,839,501	11,149,369	5,209,561	30,198,431
Depreciation	789,472	-	759,976	1,549,448
December 31	14,628,973	11,149,369	5,969,537	31,747,879
<b>Net Book Value</b>	₱ 1,695,652	₱ -	₱ 2,703,421	₱ 4,399,073

	Office			
	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
<b>December 31, 2023</b>				
<b>Cost</b>				
January 1	₱ 14,972,245	₱ 11,149,369	₱ 8,583,854	₱ 34,705,468
Additions	1,110,061	-	89,104	1,199,165
December 31	16,082,306	11,149,369	8,672,958	35,904,633
<b>Accumulated Depreciation</b>				
January 1	12,891,054	11,149,369	4,449,586	28,490,009
Depreciation	948,447	-	759,975	1,708,422
December 31	13,839,501	11,149,369	5,209,561	30,198,431
<b>Net Book Value</b>	₱ 2,242,805	₱ -	₱ 3,463,397	₱ 5,706,202

The Company's fully depreciated assets still in use in the operations amounted to ₱11,149,369 in 2024 and 2023.

**13. Trading Rights and Investment Securities**

Under the Philippine Stock Exchange (PSE) rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts due to other members of the exchange arising out of or in connection with the present or future member's contracts. The latest selling price of the membership stock exchange seat, as provided by the PSE amounts to ₱8 million as of December 31, 2024 and 2023.

In 2001, the demutualization or conversion of PSE into a stock corporation was approved by the Securities and Exchange Commission (SEC) effective August 8, 2001. Each membership seat will be exchanged for shares of stock of PSE. In accordance with the conversion, PSE will issue 9.2 million shares with a par value of ₱1 per share out of the members' contribution of ₱286.6 million.

Thus, each of the 184 members/brokers will subscribe to a total of 50,000 shares of stocks with a par value of ₱1 per share. The balance of members' contribution of ₱277.4 million will be treated as additional paid-in surplus in the financial statements of PSE.

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

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

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

As of December 31, 2024, and 2023, the carrying value of the 78,980 and 162,500 *PSE shares* and *trading rights* are as follows:

	<b>2024</b>		<b>2023</b>	
No. of shares held	<b>78,980</b>		<b>162,500</b>	
Philippine Stock Exchange ( <i>Note 11</i> )	<b>₱</b>	<b>12,952,720</b>	<b>₱</b>	27,625,000
Trading rights		<b>8,000,000</b>		8,000,000
	<b>₱</b>	<b>20,952,720</b>	<b>₱</b>	<b>35,625,000</b>

The revaluation surplus in trading rights amounted to ₱7,190,000 were taken to equity, net of related deferred tax liabilities amounted to ₱5,392,500 in 2024 and 2023. (*See Note 18*)

#### **14. Other Non-Current Assets**

This account pertains to utility and rental deposits. The balance of this account amounted to ₱332,556 and ₱328,671 in 2024 and 2023, respectively.

**15. Payable to Customers**

This account pertains to customers arising from brokerage services rendered, including value of securities sold in behalf of customers, commission, and other charges.

	2024		2023	
	Money Balance	Security Valuation	Money Balance	Security Valuation
With money balance	₱ 172,432,538	₱ 19,551,457,285	₱ 204,318,709	₱ 45,234,753,368
With no money balance		56,109,382,099		46,932,465,222
	₱ 172,432,538	₱ 75,660,839,384	₱ 204,318,709	₱ 92,167,218,590

**16. Payable to Other Brokers**

This account is used to record claims due to other brokers for the sale of securities and other trade-related transactions.

The Company's due to other brokers are all due within one (1) year from statement of financial position date.

As of December 31, due to other brokers amounted to ₱3,501,938 and ₱9,555,988 in 2024 and 2023, respectively.

**17. Other Current Liabilities**

This account consists of:

	2024	2023
Due to BIR, SSS, HDMF and Philhealth	₱ 4,004,327	₱ 4,554,122
Due to affiliates and officers	156,802	156,802
Miscellaneous payable	618,392	504,048
	₱ 4,779,521	₱ 5,214,972

*Miscellaneous payable* comprises of stale checks which are not presented in the bank by the payees on the maximum of 6 months from the date of issuance by the Company.

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**18. Deferred Tax Liabilities (Asset), Net**

This account consists of:

	2024	2023
Unrealized gain on financial asset at FVOCI (Note 11)	P 3,164,136	P 6,753,906
Revaluation surplus (Note 13)	1,797,500	1,797,500
(Provision for) recovery from credit losses (Note 6)	(2,270)	(14,782)
Unrealized gain on foreign transactions (Note 25)	117,424	9,232
Unrealized (loss)gain on FVPL (Note 5)	49,500	(273,824)
Remeasurement loss on post employment benefits (Note 30)	(640,575)	(1,088,794)
Net operating loss carry over (NOLCO)	(1,034,845)	-
	<b>P 3,450,870</b>	<b>P 7,183,238</b>

The movements in the deferred tax liabilities (assets) account in 2024 are summarized as follows:

	At January 1	Charged to profit and losses	Charged to other comprehensive income	At December 31
Unrealized gain (loss) on financial asset at FVOCI (Note 11)	P 6,753,906	P -	P (3,589,770)	P 3,164,136
Revaluation surplus (Note 13)	1,797,500	-	-	1,797,500
Recovery from credit losses (Provision for) (Note 6)	(14,782)	12,512	-	(2,270)
Unrealized gain on foreign transactions, net (Note 25)	9,232	108,192	-	117,424
Unrealized gain (loss) on financial assets at FVPL (Note 5)	(273,824)	323,324	-	49,500
Remeasurement loss on post employment benefits (Note 30)	(1,088,794)	-	448,219	(640,575)
NOLCO	-	(1,034,845)	-	(1,034,845)
<b>Total</b>	<b>P 7,183,238</b>	<b>P (590,817)</b>	<b>P (3,141,551)</b>	<b>P 3,450,870</b>

The movements in the deferred income tax liabilities (assets) account in 2023 are summarized as follows:

	At January 1	Charged to profit and losses	Charged to other comprehensive income	At December 31
Unrealized gain (loss) on financial asset at FVOCI (Note 11)	P 6,266,406	P -	P 487,500	P 6,753,906
Revaluation surplus (Note 13)	1,797,500	-	-	1,797,500
(Provision for) credit losses (Note 6)	(3,404)	(11,378)	-	(14,782)
Unrealized gain on foreign transactions, net (Note 25)	317,862	(308,630)	-	9,232
Unrealized gain (loss) on financial assets at FVPL (Note 5)	(50,000)	(223,824)	-	(273,824)
Remeasurement loss on post employment benefits (Note 30)	(741,428)	-	(347,366)	(1,088,794)
<b>Total</b>	<b>P 7,586,936</b>	<b>P (543,832)</b>	<b>P 140,134</b>	<b>P 7,183,238</b>



**19. Share Capital**

This account consists of:

	<b>Amount Issued and Subscribed</b>		<b>Number of Shares Issued and Subscribed</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Common stock				
Authorized - Par value - ₱10 per share	<b>₱ 150,000,000</b>	<b>₱ 150,000,000</b>	<b>15,000,000</b>	<b>15,000,000</b>
Issued	<b>₱ 139,706,100</b>	<b>₱ 139,706,100</b>	<b>13,970,610</b>	<b>13,970,610</b>
Treasury shares	<b>₱ (34,146,197)</b>	<b>₱ (34,146,197)</b>	<b>1,633,008</b>	<b>1,633,008</b>

The Company has six (6) shareholders each owning 100 or more shares of the Company's share capital as at the date of financial position.

**20. Retained Earnings and Reserve**

This account consists of:

***Unappropriated***

	<b>2024</b>	<b>2023</b>
As at January 1	<b>₱ 138,519,398</b>	<b>₱ 135,859,138</b>
Net profit for the year	<b>2,231,863</b>	<b>2,955,845</b>
Appropriation	<b>(223,186)</b>	<b>(295,585)</b>
	<b>₱ 140,528,075</b>	<b>₱ 138,519,398</b>

***Appropriated***

	<b>2024</b>	<b>2023</b>
As at January 1	<b>₱ 38,725,491</b>	<b>₱ 38,429,906</b>
Appropriation for reserve fund	<b>223,186</b>	<b>295,585</b>
	<b>₱ 38,948,677</b>	<b>₱ 38,725,491</b>

***Reserve Fund***

*Under Securities Regulation Code No.49.1 (B), Reserve Fund of such circular requires that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to Appropriated Retained Earnings. Minimum appropriation shall be 30%, 20% and 10% of profit after tax for broker dealers with unimpaired paid up capital between ₱10.0 million to ₱30.0 million, between ₱30.0 million to ₱50.0 million and more than ₱50.0 million, respectively.*

The BOD approved the appropriation of retained earnings amounting to ₱231,317 and ₱295,585 in 2024 and 2023 in compliance with such requirement, respectively. As of December 31, 2024, and 2023, the appropriated retained earnings amounted to ₱38,956,808 and ₱38,725,491, respectively.

**OCI Accumulated in Reserves, Net of Tax**

	Attributable to the owners of the Company			
	January 1	Fair value reserve	Revaluation reserve	December 31
<b>2024</b>				
Financial assets at FVOCI				
net change in fair value (Note 11)	₱ 20,261,717	₱ (10,769,308)	₱ -	₱ 9,492,409
Remeasurements of defined benefit				
liability (asset)	(3,266,381)	-	1,344,656	(1,921,725)
Trading rights				
net change in fair value	5,392,500	-	-	5,392,500
	<b>₱ 22,387,836</b>	<b>₱ (10,769,308)</b>	<b>₱ 1,344,656</b>	<b>₱ 12,963,184</b>
<b>2023</b>				
Financial assets at FVOCI				
net change in fair value	₱ 18,799,217	₱ 1,462,500	₱ -	₱ 20,261,717
Remeasurements of defined benefit				
liability (asset)	(2,224,284)	-	(1,042,097)	(3,266,381)
Trading rights				
net change in fair value	5,392,500	-	-	5,392,500
	<b>₱ 21,967,433</b>	<b>₱ 1,462,500</b>	<b>₱ (1,042,097)</b>	<b>₱ 22,387,836</b>

**21. Revaluation Surplus**

Revaluation surplus amounting to ₱7,190,000 relates to the excess of fair value of the trading rights over that of the carrying amount of the rights revalued. As at December 31, 2024 and 2023, the Company's net revaluation surplus amounted to ₱5,392,500. (See Notes 13 and 18)

*Fair Value Surplus*

The fair value surplus comprises of the cumulative net change in fair value of intangible assets until the assets are derecognized or impaired.

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**22. Revenues and Other Income**

This account consists of:

	2024	2023
Commissions	P 147,612,001	P 188,132,772
Gain on sale of financial asset FVOCI	14,788,002	-
Dividend income from financial assets at FVPL (Note 5)	203,797	203,812
Unrealized (loss) gain on financial asset at FVPL (Note 5)	198,000	(1,095,296)
Recovery from credit losses (Note 6)	50,046	-
Miscellaneous income	-	499
	P 162,851,846	P 187,241,787

**23. Cost of Services**

This account consists of:

	2024	2023
Commissions	P 46,075,827	P 53,580,520
Stock exchange dues and fees	23,314,246	26,078,332
Salaries and employee benefits (See Note 26)	34,321,842	30,091,434
Postage, telephone and telegram	1,440,367	1,445,317
Stationery and supplies	508,980	610,376
	P 105,661,262	P 111,805,979

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**24. Operating Expenses**

This account consists of:

	2024	2023
Salaries and employees benefits ( <i>See Note 26</i> )	P 17,776,096	P 17,997,933
Business development	14,037,350	23,536,572
Subscription and periodicals	10,009,086	13,211,817
Professional fees	3,845,310	2,593,479
Transportation and travel	2,403,954	2,426,543
Rentals ( <i>See Note 31</i> )	2,249,758	2,389,910
Taxes and licenses ( <i>See Note 36</i> )	2,078,655	2,515,669
Depreciation and amortization ( <i>See Note 12</i> )	1,549,448	1,708,423
Utilities	1,231,596	1,186,155
Repairs and maintenance	1,089,361	1,648,636
Postage, telephone and telegram	617,300	619,422
Bank charges	325,519	254,521
Supplies and stationaries	218,134	261,590
Insurance	184,872	196,495
Representations	100,267	1,213,150
Interest expense	-	57,020
Provision for credit losses ( <i>Note 6</i> )	-	19,886
Miscellaneous	315,347	2,378,191
	P 58,032,053	P 74,215,412

*Business development* pertains to sales marketing expenses for both local and foreign, continuing education and training of employees through seminars for both local and foreign, meetings and conferences with fund managers, cost of foreign travels of department heads, research team and sales executives for continuing education and training for business strategies and cost of regular seminars for both domestic and foreign investors to assist them on a high-level decision making.

*Miscellaneous expenses* include contributions, registration-related expenses, pantry supplies and reimbursement of miscellaneous related expenses.

**25. Finance Income**

This account consists of:

	2024	2023
<b>Finance Income</b>		
Interest income	P 2,515,928	P 2,201,856
Unrealized foreign exchange (loss) gain	469,698	(36,925)
	P 2,985,626	P 2,164,931

**26. Employees Welfare and Benefits**

This account consists of:

	2024	2023
Salaries and wages	P 44,828,894	P 43,733,342
Retirement expense (See Note 30)	2,985,712	2,000,908
Employees welfare	2,439,581	646,021
SSS/Medicare and ECC Premium	1,134,110	1,188,445
Philhealth insurance	633,641	478,851
Pag-ibig fund	76,000	41,800
	P 52,097,938	P 48,089,367

**27. Earnings per Share**

The computation of basic earnings per share is computed as follows:

	2024	2023
Net profit	2,231,863	P 2,955,845
Divided by outstanding shares ***	13,816,830	13,816,830
Basic earnings per share	0.16	P 0.21

\*\*\*

*Divided by outstanding shares* pertains to the number of ordinary shares outstanding and number of weighted average shares outstanding totalling 13,816,830 in 2024 and 2023.

The Company has no dilutive potential common shares in 2024 and 2023.

**28. Related Party Transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Company. Key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market. In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Significant transactions carried out with related parties follow:

The Company considered as key management personnel all employees holding managerial positions up to the president.

*a. Retirement expense*

Retirement expense that relates to key management personnel is considered a related party transaction. As at December 31, 2024 and 2023, the retirement obligation attributed to key management personnel amounted to ₱564,877 and ₱1,788,701, respectively.

*b. Commission income*

The commission income received from securities transactions by the management personnel amounted to ₱408,609 and ₱847,833 for 2024 and 2023, respectively. All commission income received by the key management personnel was included in the salaries and wages account.

*c. Outstanding Accounts in Securities Transactions*

In the normal course of business, the Company's related parties transact its investments in securities through the Company.

There are no outstanding accounts related to the transaction that were included as part of payable to customers in the statements of financial positions for 2024 and 2023, respectively.

*d. Outstanding Accounts in Non-Trade Advances*

There are no outstanding accounts related to the transaction that were included as part of non-trade advances in the statements of financial positions for 2024 and 2023, respectively.

*e. Lease contract*

The lease contract entered into by the Company to its lessor S&L, Incorporated is not considered a related party transaction.

		2024	
	Amount	Outstanding Balance	Terms and Conditions
<b>Related parties:</b>			
<i>Statement of financial position</i>			
<b>Advances to/(from)</b>			<b>Unsecured; unimpaired; non-interest bearing, subject for liquidation of expenses incurred.</b>
<b>officers and employees</b>	<b>₱ 15,192,854</b>	<b>₱ 30,927,167</b>	
<b>Expenses</b>			
<b>Key management compensation</b>			<b>Will be settled in cash, payment every 15th and 30th of the month.</b>
<b>Salaries</b>		<b>₱ 15,415,939</b>	
			<b>Will be settled in cash, payment every quarter or at the last quarter of the year.</b>
<b>Short-term benefits</b>		<b>-</b>	
		<b>₱ 15,415,939</b>	

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		2023	
	Amount	Outstanding Balance	Terms and Conditions
<b>Related parties:</b>			
<i>Statement of financial position</i>			
Advances to/(from)			Unsecured; unimpaired; non-interest
officers and employees	₱ 15,172,000	₱ 15,734,313	bearing, subject for liquidation of expenses incurred.
<b>Expenses</b>			
Key management compensation			Will be settled in cash, payment every
Salaries		₱ 10,962,973	15th and 30th of the month.
			Will be settled in cash, payment every
Short-term benefits		-	quarter or at the last quarter of the
			year.
		₱ 10,962,973	

**29. Provision for Income Tax**

Provision for income tax consists of the following:

	2024	2023
<b>Current</b>		
Corporate income tax	₱ -	₱ 532,942
Final tax on interest income	503,110	440,371
<b>Deferred</b>		
Tax effect on timing difference	(590,816)	(543,831)
	₱ (87,706)	₱ 429,482

A reconciliation of income tax computed at the statutory income tax rate to the corporate for income tax reflected in the statements of profit or loss is as follows:

	2024	2023
Provision for income tax at statutory rate	₱ 536,039	₱ 846,332
Effect of items not subject to statutory tax rate		
Unallowable deductions	-	288,027
Non-taxable income	(824,478)	(50,953)
Income subject to lower tax rates	(746,406)	(550,464)
NOLCO	1,034,845	-
	₱ -	₱ 532,942

Revenue Regulation No. 10-2002 defines expenses to be classified as entertainment, amusement and recreation (EAR) expenses and sets a limit for the amount that is deductible for tax purposes, at 1% of net revenues for sellers of services.

### **30. Retirement Benefits**

The Company has a funded non-contributory defined benefit plan covering all its officers and regular employees. The benefits are based on a percentage equal to one hundred percent (100%) of latest monthly salary for every year of credited service. The plan provides retirement, separation, death and disability benefits to its members.

The following tables summarize the components of net retirement benefits cost recognized in the statements of comprehensive income and the amounts recognized in the statements of financial position.

The costs of defined benefit retirement plans, as well as the present value of the benefit obligations are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pensions for the Company were as follows:

	2024	2023
Discount rate	6.10%	6.05%
Salary increase rate	7.00%	7.00%

*The movement in the present value of defined benefit obligation is summarized as follow:*

	2024	2023
Defined benefit obligation, January 1	P 24,831,773	P 21,090,736
Interest expense	1,502,322	1,505,879
Current service cost	2,580,497	2,011,421
Benefits paid from plan assets	(7,431,700)	(522,427)
Actuarial (gain)/ loss:		
Changes in financial assumptions	(83,055)	2,816,634
Changes in demographic assumptions	17,533	(38,746)
experience	(2,076,219)	(2,031,724)
Defined benefit obligation, December 31	P 19,341,151	P 24,831,773



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*The movement in the fair value of plan asset is summarized as follows:*

	2024		2023
Fair value of pension assets, January 1	P 21,849,854	P	21,528,352
Interest income	1,097,107		1,518,474
Contributions	-		-
Benefits paid	(7,431,700)		(522,427)
Actuarial gain (loss)	-		-
Remeasurement gain/ (loss)- return on pension asset	(348,866)		(674,545)
Pension assets, December 31	P 15,166,395	P	21,849,854

*Actual return on pension assets is summarized as follows:*

	2024		2023
Interest income	P 1,097,107	P	1,518,474
Remeasurement gain/ (loss)	(348,866)		(674,545)
Actual return	P 748,241	P	843,929

*Liability / (Asset) to be recognized in the statement of financial position:*

	2024		2023
Defined benefit obligation, Ending	P 19,341,151	P	24,831,773
Fair value of pension assets, Ending	(15,166,395)		(21,849,854)
Funded status - Deficit/ (Surplus)	4,174,756		2,981,919
Effect of the asset ceiling	-		-
Net defined benefit liability/ (asset) to be recognized in profit or loss	P 4,174,756	P	2,981,919

*Defined benefit cost recognized in the profit or loss included under "Salaries and Employee Benefits":*

	2024		2023
Current service cost	P 2,580,497	P	2,011,421
Net interest on DB liability/ (asset)			
Interest expense on defined benefit obligation	1,502,322		1,505,879
Interest income on pension assets	(1,097,107)		(1,518,474)
Net interest on the DB liability / (asset)	-		2,082
Defined benefit cost in profit or loss	P 2,985,712	P	2,000,908

*Defined benefit cost recognized in the other comprehensive income:*

	2024	2023
Accumulated other comprehensive income, beginning	P 4,355,174	P 2,965,711
Actuarial (gain) loss-DBO	(2,141,741)	746,164
Remeasurement (gain) loss-pension assets	348,866	674,545
Remeasurement (gain) loss- changes in the effect of the asset ceiling	-	(31,246)
Defined benefit cost in OCI- (Income) Expense	(1,792,875)	1,389,463
Accumulated other comprehensive income, ending*	P 2,562,299	P 4,355,174

The amounts shown in the statements of changes in equity were net of income tax effect on actuarial loss. Total accumulated net actuarial losses on employees' benefit obligation amounted to P1,921,725 and P3,266,381 in 2024 and 2023, respectively.

*Summary of movement in the net defined benefit liability (asset) is summarized below:*

	2024	2023
Beginning net benefit liability	P 2,981,919	P (408,452)
Defined benefit cost-profit or loss	2,985,712	2,000,908
Defined benefit cost-other comprehensive income	(1,792,875)	1,389,463
Closing net defined benefit liability (asset)	P 4,174,756	P 2,981,919

The retirement trust fund assets are valued by the fund manager at fair value using the mark-to-market valuation. While no significant changes in asset allocation are expected in the next financial year, the plan trustee can make changes any time.

The valuation results are based on the employee data as of the valuation dates as provided by the Company. The discount rate assumption is based on the PDEs (PDST-R2) benchmark market yields on government bonds as of the valuation dates (or latest available) considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.

The Company has no specific matching strategy between the retirement fund assets and the defined benefit liabilities under the plan.

The Company did not contributed to the plan in 2024 and 2023.

*Maturity profile: weighted average duration of the defined benefit obligation is as follow:*

	2024	2023
Weighted Average Duration (years)	8.6	6.2

*Expected future contribution to:*

<i>Financial year</i>	2024	2023
Expected financial contribution in the next financial year	P -	P -

*Statistical distribution of eligible members of the benefit plan:*

	Male	Female	Combined
Number of lives covered	15	12	27
Average age in years	45.6	34.8	40.8
Average years of past service	11.9	7.2	9.8

*Maturity analysis: expected future benefit payments:*

<i>Financial year</i>	<b>2024</b>		<b>2023</b>
Year 1	<b>₱ 1,900,207</b>	<b>₱</b>	9,147,372
Year 2	<b>537,400</b>		1,850,967
Year 3	<b>674,522</b>		542,350
Year 4	<b>5,444,918</b>		713,196
Year 5	<b>6,294,051</b>		5,653,183
Year 6 - 10	<b>8,199,717</b>		11,772,373

The *sensitivity* of the defined benefit obligation to changes in the weighted principal assumptions is:

	<b>2024</b>	<b>2023</b>
Decrease in DBO if Discount Rate + 100 basis points (bps)	<b>(1,538,456) ; (8.0%)</b>	(1,104,223) ; (5.8%)
Increase in DBO if Discount Rate - 100 bps	<b>1,787,834 ; 9.2%</b>	1,660,217 ; 6.7%
Increase in DBO if Salary Increase Rate + 100 bps	<b>1,753,926 ; 9.1%</b>	1,628,017 ; 6.6%
Decrease in DBO if Salary Increase Rate - 100 bps	<b>(1,539,815) ; (8.0%)</b>	(1,440,655) ; (5.8%)
Increase in DBO if No Attrition Rates	<b>3,443,693 ; 17.8%</b>	3,024,495 ; 12.2%

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit obligation at the balance sheet date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all the other assumptions remained unchanged. The corresponding change in the defined benefit obligation was expressed as a percentage change from the base defined benefit obligation.

*Unusual Significant Risks to which the Retirement Plan Exposes the Company*

There are no unusual or significant risks to which the Plan exposes the Company. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the company to the Retirement fund.

**31. Commitments and Contingencies**

**a. Lease**

The Company is a lessee under a non-cancellable short-term lease covering its office premises. The lease has a one (1) year term renewable every year. As of December 31, 2024, and 2023, rent expense from this lease amounted to ₱2,249,758 and ₱2,389,910, respectively. (See note 24).

**b. Legal Claims**

As at December 31, 2024 and 2023, there are pending legal cases in the ordinary course of the business to which the Company is a defendant. In the opinion of the management and legal counsel, the ultimate outcome of the case will not have a material impact on the financial position and results of operations of the Company. Consequently, no provision related to these legal cases was made in 2024 and 2023.

**32. Financial Risk and Capital Risk Managements**

*Financial risk management objectives and policies*

The Company's activities expose it to a variety of financial risks which result from both its operating and investing activities. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company.

The policies for managing specific risks are summarized below.

*Market / Price risk*

Market risk is the risk that the value of an investment will decrease due to movements in market factors such as, but not limited to, equity risk or the risk that the stock prices will change; interest rate risk or the risk that interest rates will change; currency risk or the risk that foreign currency will change; equity index risk or the risk that stock and other index prices will change.

*Interest rate risk*

The Company has no significant exposure to changes in market interest rates.

*Foreign currency risk*

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in US Dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company's United States (US) dollar-denominated financial instruments, pertains only to cash in bank (savings account), translated into Philippine peso at the closing rates, amounting to ₱593,935 and ₱486,854 as of December 31, 2024 and 2023, respectively.

The exchange rates used are ₱57.845 and ₱55.37 as of December 31, 2024 and 2023, respectively.

The following table demonstrates the *sensitivity* to a reasonably possible change in the US dollar rate, with all variable held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets) and the Company's equity.

	US \$ Depreciates		US \$ Appreciates	
	2024	2023	2024	2023
Effect on profit before tax	\$ (10,268)	\$ (8,793)	\$ 10,268	\$ 8,793
Effect on equity	(7,701)	(6,595)	7,701	6,595

#### *Equity price risk*

The Company is exposed to equity price risk arising from financial asset at FVOCI which consists of investments in Philippine Stock Exchange (PSE) shares and The Palm Country Club shares.

The financial assets at FVOCI are revalued on each reporting period end based on quoted market prices. Any resulting fair value gains or losses arising from the revaluation of the financial asset at FVOCI are recognized directly in the statement of comprehensive income. Financial asset at FVOCI that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any impairment losses at end of each reporting period.

The year to year *sensitivity* and fluctuation in the price per share of PSE shares is summarized below:

	Number of shares held	Price per share
<b>2024</b>	<b>78,980</b>	<b>164.00</b>
2023	162,500	170.00

As of December 31, 2024, if the PSE shares price weaken by 3.53% with all other variable held constant, unrealized gain on financial asset at FVOCI recognized in equity after deferred tax would decrease by ₱12,544.

As of December 31, 2023, if the PSE shares price strengthen by 7.59% with all other variable held constant, unrealized gain on financial asset at FVOCI recognized in equity after deferred tax would decrease by ₱111,076.

The price fluctuation assumed in the sensitivity analysis represents the defined shift used by the Company to manage its equity price risk. The shift in percentage from 7.59% to (3.53%) is brought about by the totality in PSE shares.

#### *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting from financial loss to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits and investments in bonds.

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Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the statement of financial position (or in the detailed analysis provided in the notes to the financial statements) as summarized below.

	2024	2023
Cash	P 230,464,696	P 253,589,288
Financial assets at FVPL	3,960,000	17,354,760
Receivables from		
Customers	28,792,906	77,202,070
Clearing house	44,345,303	-
Other brokers	-	18,807,580
Financial assets at FVOCI	12,952,720	28,278,929
Other receivables		
Advances to officers and employees	30,927,167	15,734,313
Other non-current assets		
Refundable deposits	332,556	328,671
	P 351,775,348	P 411,295,611

Accounts receivable from BIR is lodged under prepayments and other non-current accounts are excluded.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

December 31, 2024						
	Neither Past Due Nor Specifically Impaired					
	High Grade	Standard Grade	Substandard Grade	Individually Impaired		
Cash	P 230,464,696	P -	P -	P -	P -	230,464,696
Receivables from:						
Customers	28,792,906	-	-	9,802		28,802,708
Clearing house	44,345,303	-	-	-		44,345,303
Other brokers	-	-	-	-		-
Other receivables						
Advances to officers and employees	30,927,167	-	-	-		30,927,167
Other non-current assets						
Refundable deposits	332,556	-	-	-		332,556
	334,862,628	-	-	9,802		334,872,430
Quoted equity securities						
Financial assets at FVPL	3,960,000	-	-	-		3,960,000
Financial assets at FVOCI	12,952,720	-	-	-		12,952,720
	P 351,775,348	P -	P -	P 9,802	P -	351,785,150

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December 31, 2023									
		Neither Past Due Nor Specifically Impaired							
		High Grade	Standard Grade	Substandard Grade	Individually Impaired				Total
Cash	P	253,589,288	P -	P -	P -			P	253,589,288
Receivables from:									
Customers		77,202,070	-	-	59,128				77,261,198
Clearing house		-	-	-	-				-
Other brokers		18,807,580	-	-	-				18,807,580
Other receivables									
Advances to officers and employees		15,734,313	-	-	-				15,734,313
Other non-current assets									
Refundable deposits		328,671	-	-	-				328,671
		365,661,922	-	-	59,128				365,721,050
Financial Assets at FVPL		17,354,760	-	-	-				17,354,760
Financial Assets at FVOCI									
Quoted equity securities		27,625,000	-	-	-				27,625,000
Unquoted equity securities		653,929	-	-	-				653,929
		45,633,689	-	-	-				45,633,689
	P	411,295,611	P -	P -	P 59,128	P		P	411,354,739

**Credit Quality** - In monitoring and controlling credit extended to counterparty, the Company adopts a comprehensive credit rating system based on financial and non-financial assessments of its borrowers. Financial factors being considered comprised of the financial standing of the borrower while the non-financial aspects include but not limited to the assessment of the borrower's nature of business, industry background, payment habit and both present and potential business dealings with the Company.

*Class A "High Grade"* refers to accounts with strong financial capacity and business performance and with the lowest default risk.

*Class B "Moderate Grade"* refers to accounts of satisfactory financial capability and credit standing but with some elements of risk where certain measure of control is necessary in order to mitigate risk of default.

*Class C "Low Grade"* refers to accounts which are collected on their due dates provided that the Company made a persistent effort to collect them.

#### Cash

As part of Company policy, bank deposits are only maintained with reputable financial institutions, hence, considered high grade. For the determination of credit risk, cash included in the analysis above do not include cash on hand amounting to P45,000 in both years 2024 and 2023.

### Receivables

Receivables from customers and non-customers are secured (for fully and partially secured) by shares of stock owned by the customers and non-customers but held by the Company. These are assessed to be of low credit risks due to its underlying collateral securities.

Receivables from clearing house is guaranteed to be settled following T+2 policy.

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

### Financial asset at FVOCI

Unquoted financial assets at FVOCI are unrated, while quoted financial assets are assessed as high grade based on financial status of the counterparty and its current stock price performance in the market.

### *Liquidity risk*

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

In the management of liquidity, the Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuation in cash flows.

The liability to customers and/or other brokers is matched by a corresponding receivable from customers/clearing house. Liquidity risk would arise if all loans and receivables are not settled in the usual T+2 settlement period.

As at December 31, 2024, the Company's financial liabilities have contractual maturities which are presented below:

	<u>Current</u>		<u>Non-current</u>		<u>Total</u>
	<u>Within</u>	<u>6 to 12</u>	<u>1 to 5</u>		
	<u>6 months</u>	<u>months</u>	<u>years</u>		
<b>Payable to</b>					
<b>Customers</b>	<b>P 172,432,538</b>	-	-	<b>P</b>	<b>172,432,538</b>
<b>Other broker</b>	<b>3,501,938</b>	-	-		<b>3,501,938</b>
	<b>P 175,934,476</b>	<b>P -</b>	<b>P -</b>	<b>P</b>	<b>175,934,476</b>



As at December 31, 2023, the Company's financial liabilities have contractual maturities which are presented below:

	Current		Non-current		Total
	Within 6 months	6 to 12 months	1 to 5 years		
<b>Payable to</b>					
<b>Customers</b>	<b>P 204,318,709</b>	-	-	<b>P</b>	<b>204,318,709</b>
<b>Clearing house</b>	<b>5,284,863</b>				<b>5,284,863</b>
<b>Other broker</b>	<b>9,555,988</b>	-	-		<b>9,555,988</b>
	<b>P 219,159,560</b>	<b>P -</b>	<b>P -</b>	<b>P</b>	<b>219,159,560</b>

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of the reporting period.

#### *Capital Management*

The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity.

The Philippine Stock Exchange (PSE) issued a memo 2009-0316 regarding rules governing trading rights and trading participants. 1) Trading participants shall have a minimum unimpaired paid-up capital, as defined by the Securities and Exchange Commission (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). Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due the clients of the trading participant, the government, the Exchange and to other trading participants of the Exchange and to the Securities Clearing Corporation of the Philippines. Such indebtedness to the Exchange, SCCP and other Trading Participants, shall always, and in every case, be a prior, preferred lien upon the value, or the proceeds of sale of the trading rights.

#### *Minimum Capital Management*

The Securities and Exchange Commission (SEC) passed the Amended Implementing Rules and Regulations of SEC that took effect on February 28, 2004 which provide among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows:

- a) To allow a net capital of P2.5 million or 2.5% Aggregate Indebtedness (AI), whichever is higher for broker dealers dealing only in proprietary shares and not holding securities;
- b) To allow the SEC to set a different net capital required for those authorized to use the Risk-Based Capital Adequacy (RBCA) model;
- c) To require unimpaired paid-up capital of P100.0 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; P10.0 million plus a surety bond for existing broker dealers not engaged in market-making transactions; and P2.50 million for broker dealers dealing only in proprietary shares and not holding securities.

The Company is required to comply with SEC Memorandum Circular No. 16 on the Adoption of the Risk-Based Capital Adequacy Requirement/Ratio (RBCA) for Brokers Dealers. This rule was published on November 13, 2004 by the Securities and Exchange Commission which took effect 15 days after its publication on November 29, 2004.

Under the pertinent provision of the Circular, it provides that every broker dealer shall ensure that its RBCA Ratio is greater than or equal to 1:1; the Core Equity must always be greater than the Operational Risk Requirement and that the broker dealer should maintain a Net Liquid Capital (NLC) of at least Five Million Pesos (P5,000,000) or five percent (5%) of the Aggregate Indebtedness (AI) whichever is higher. Moreover, no broker dealer shall allow its aggregate indebtedness to all other persons to exceed 2,000 percent of its NLC. If the minimum RBCA Ratio and NLC are breached, every broker dealer shall immediately cease doing business and shall notify the Securities and Exchange Commission.

The RBCA Requirement/Ratio pertains to minimal level of capital that are required to be maintained by licensed firms, considering the firm size, complexity and business risks such as operational risks, position, counterparty, large exposure, underwriting and margin financing risks.

*The Company is in compliant with RBCA ratio, AI to NLC and NLC requirements as of December 31, 2024 and 2023 as shown below:*

	2024	2023
Equity eligible for net liquid capital	P 297,999,839	P 281,762,695
Less: Ineligible assets	147,804,390	156,999,306
Net Liquid Capital	150,195,449	124,763,389
Operational risk	46,496,284	45,495,326
Position risk	2,149,507	5,438,577
Total Risk Capital Requirement	48,645,791	50,933,903
Aggregate Indebtedness	P 184,888,753	P 227,356,451
5% of Aggregate Indebtedness	9,244,438	11,367,823
Required Net Liquid Capital	9,244,438	11,367,823
Net Risk-Based Capital Excess	140,951,011	113,395,566
Ratio of Aggregate Indebtedness to Net Liquid Capital	123%	182%
Risk Based Capital Adequacy Ratio	309%	245%

*Ineligible asset*

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

*Operational risk*

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

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

	2023	2022	2021	Average
Commission income	₱ 188,132,772	₱ 235,582,854	₱ 267,958,021	₱ 230,557,882
Interest income	2,201,856	411,342	493,837	1,035,678
Dividend income	203,812	203,796	203,796	203,801
Other income	499	1,272,187	779,490	684,059
	₱ 190,538,939	₱ 237,470,179	₱ 269,435,144	₱ 232,481,421
Average of last 3 years gross income				₱ 232,481,421
Operational risk factor				20%
Total operational risk requirement				₱ 46,496,284

	2022	2021	2020	Average
Commission income	₱ 235,582,854	₱ 267,958,021	₱ 173,434,933	₱ 225,658,603
Interest income	411,342	493,837	1,175,967	693,715
Net recovery from market decline of				
Marketable Securities owned	-	-	140,000	46,667
Dividend income	203,796	203,796	203,796	203,796
Other income	1,272,187	779,490	569,866	873,848
	₱ 237,470,179	₱ 269,435,144	₱ 175,524,562	₱ 227,476,628
Average of last 3 years gross income				₱ 227,476,628
Operational risk factor				20%
Total operational risk requirement				₱ 45,495,326

*Position risk*

The risk in which a Broker Dealer is exposed to and arising from securities held by it as principal or in its proprietary or dealer account.

Below is the manual computation of position risk requirement as of December 31, 2024 and 2023:

2024	Total Market Value of Instrument	Position Risk Factors	PRR
Other equities outside the PHISIX	₱ 3,960,000	35.00%	₱ 1,386,000
FX Position	9,543,834	8.00%	763,507
	₱ 13,503,834		₱ 2,149,507

**PAPA SECURITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2024 and 2023*

2023		Total Market Value of Instrument	Position Risk Factors	PRR
Equities in the PHISIX	₱	13,592,760	25.00%	₱ 3,398,190
Other equities outside the PHISIX		3,762,000	35.00%	1,316,700
FX Position		9,046,089	8.00%	723,687
	₱	26,400,849		₱ 5,438,577

*Aggregate Indebtedness*

This is the total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities that the broker dealer failed to receive, the market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from non-customers), customers and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short positions in securities, but subject to certain exclusions.

**33. Categories and Fair Values of Financial Assets and Liabilities**

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2024.

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Assets:</b>				
Cash	₱ -	₱ -	₱ 230,509,696	₱ 230,509,696
Financial assets at FVPL	3,960,000	-	-	3,960,000
Trade receivables				
Customers	-	-	28,792,906	28,792,906
Clearing house	-	-	44,345,303	44,345,303
Financial assets at FVOCI				
<i>Quoted equity securities</i>				
The Philippine Stock Exchange	12,952,720	-	-	12,952,720
Other receivables				
Advances to officers and employees	-	-	30,927,167	30,927,167
Security deposits-other assets	-	-	332,556	332,556
	₱ 16,912,720	₱ -	₱ 334,907,628	₱ 351,820,348

**PAPA SECURITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2024 and 2023*

	Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)		Total
<b>Liabilities:</b>							
Trade payables							
Customers	P	-	P	-	P	172,432,538	P 172,432,538
Other brokers		-		-		3,501,938	3,501,938
	P	-	P	-	P	175,934,476	P 175,934,476

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2023.

	Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)		Total
<b>Assets:</b>							
Cash	P	-	P	-	P	253,634,288	P 253,634,288
Financial assets at FVPL		17,354,760		-		-	17,354,760
Trade receivables							
Customers		-		-		77,202,070	77,202,070
Clearing house		-		-		-	-
Other brokers		-		-		18,807,580	18,807,580
Financial assets at FVOCI							
Quoted equity securities							
The Philippine Stock Exchange		27,625,000		-		-	27,625,000
Unquoted equity securities							
The Palm Country Club		-		-		653,929	653,929
Other receivables							
Advances to officers and employees		-		-		15,734,313	15,734,313
Security deposits-other assets		-		-		328,671	328,671
	P	44,979,760	P	-	P	366,360,851	P 411,340,611

**PAPA SECURITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2024 and 2023*

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Liabilities:				
Trade payables				
Customers	P -	P -	P 204,318,709	P 204,318,709
Clearing house	-	-	5,284,863	5,284,863
Other brokers	-	-	9,555,988	9,555,988
	P -	P -	P 219,159,560	P 219,159,560

There are no financial instruments carried at fair value under Level 2 during the year.

During the year ended December 31, 2024 and 2023, there were no transfers among levels 1, 2, and 3 of fair value measurements.

For fair value measurements categorized within level 3 of value hierarchy, quantitative information about the significant unobservable inputs used in the fair value measurement (with some exceptions)

The carrying amounts of Cash, Trade Receivables - Customers, Trade Receivables - Clearing House, Other Receivables - Advances to Officers and employees and security deposit - Other Assets and Trade payables -Customers and Other brokers, which are all subject to normal trade credit terms and are short-term in nature, approximate their fair values.

Since financial asset at FVOCI-The Palm Country Club is not quoted in the PSE index price; its cost approximates its fair value.

For fair value measurements categorized within level 3 of the fair value hierarchy, a description of the valuation processes used by the entity.

In carrying out their valuation responsibilities, the Company is required to consider the availability and quality of the external market data or third-party information to provide justification and rationale for their fair value estimates; Valuation techniques is reviewed by the finance control division; and Responsibility for the measurement of financial instruments resides with the next immediate finance officer.

*Financial assets at amortized cost*

Cash, Trade Receivables - Customers, Trade Receivables – Clearing House, Trade Receivable - Other Brokers, Other Receivables - Advances to officers and employees, and Security deposits - Other Assets.

Fair values are estimated using discounted cash flow methodology. Management believes that the effect of discounting cash flows from these instruments using the prevailing market rates is not significant.

*Financial asset at FVOCI- The Palm Country Club*

The unquoted security is carried at cost net of impairment since there is insufficient information available to determine its fair value.

For recurring fair value measurements categorized within level 3 of the fair value hierarchy

*Sensitivity of the fair value measurement to changes in unobservable inputs if change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.*

The significant unobservable inputs used in the fair value measurement of the Company's assets and liabilities that are categorized in level 3 of the fair value hierarchy are the probability of default and loss severity in the event of default.

Significant increase (decrease) in these inputs in isolation would result in a significantly lower (higher) fair value measurement.

For financial assets and financial liabilities, if changing one or more unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, an entity shall state that act and disclose the effect of those changes. The entity shall disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated.

The Management believes that there is no changing from one or more unobservable inputs in financial assets and liabilities that would change fair value significantly.

**Categorization and the related requirements of PFRS 13 for Fair Value Through Profit or Loss.**

As at December 31, 2024 and 2023, financial asset at FVPL amounting ₱3,960,000 and ₱17,354,760, respectively is categorized under level 1 (quoted prices in active markets)

**Categorization and the related requirements of PFRS 13 for Trading Rights.**

Trading rights is valued based on the latest selling price of membership stock exchange seat, as provided by the PSE amounts to ₱8.00 million. (significant unobservable inputs).

**34. Summary of Non-Cash Transactions Arising from Investing and Financing Activities**

The Company has no noncash transactions arising from investing and financing activities in 2024 and 2023.

**35. Other Matters**

During the financial year ended December 31, 2024, the Company recognized a gain of ₱14,788,003 on financial assets classified as Fair Value through Other Comprehensive Income (FVOCI) in the income statement instead of Other Comprehensive Income (OCI), as required by PFRS 9 – Financial Instruments.

Under PFRS 9, unrealized and realized gains or losses on equity instruments designated as FVOCI should be recorded directly in OCI not recycled to profit or loss upon disposal. However, the management opted to recognize and recycle the disposed equity securities to profit and loss, thereby resulting to overstatement of profit before tax amounting to ₱14,788,003 and net income amounting to ₱15,499,520.

**36. Supplementary Information Required by the Bureau of Internal Revenue**

*Revenue Regulation No. 15-2010*

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 15-2010 which took effect on December 29, 2010 which provides for additional information required to be disclosed in the notes to financial statements regarding taxes, duties and license fee, paid or accrued, during the taxable year. Specifically, the disclosure should include the following: (a) amount of Value-Added Tax (VAT) output taxes declared during the year with account title and amount/s; (b) amount of VAT Input taxes claimed; (c) landed cost of imports and the amount of customs duties and tariff fees; (d) amount of excise taxes, classified per major product category; (e) documentary stamp tax (DST) on loan instruments and other transactions; (f) all other taxes, local and national, license and permit fees lodged under taxes and licenses account both under the Cost of sales and operating expense accounts; (g) amount of withholding taxes; (h) periods covered and amounts of deficiency assessments; and (i) tax cases and amounts involved.

In compliance with the requirements set forth by RR 15-2010, the following taxes are either paid or accrued by the Company.

1. The following table shows the Company's Sales and VAT output declared as of December 31, 2024 and 2023:

	2024	2023
Gross Sales	P 159,867,135	P 188,132,771
Add: Other Vatable sales	-	-
Less: Exempt Sales	-	-
VATABLE Sales	159,867,135	188,132,771
VAT Output	P 19,184,056	P 22,575,933

2. The amount VAT Input taxes claimed are broken down as follows:

	2024	2023
Beginning of the year		
Current year's purchases		
I. Goods and services	P 7,426,485	P 8,330,785
Application against output VAT	7,426,485	8,330,785
Balance at the end of the year	P -	P -

3. Landed Cost, Customs' Duties and Tariff Fees

The Company did not have any importations in 2024 and 2023 that would require for the payment of customs duties and tariff fees.

4. Excise Tax

The Company did not have any transactions in 2024 and 2023 which are subject to excise tax.

5. Documentary Stamp Tax



The Company has paid documentary stamps tax amounted to ₱60,500 in 2023 for the shares of stock issued.

**6. Capital Gains Tax**

The Company did not have any transaction that would require for the payment of capital gain tax in 2024 and 2023.

**7. Taxes and Licenses**

The details of taxes and licenses are shown as part of expenses follows:

	2024	2023
Local		
Mayor's permit	₱ 2,078,655	₱ 2,454,669
Documentary stamp tax	-	60,500
National		
BIR Annual Registration	-	500
	₱ 2,078,655	₱ 2,515,669

**8. Withholding Taxes**

The details of total withholding taxes for the year ended December 31, 2024 and 2023 are as follows:

	2024	2023
National Internal Revenue Taxes		
Withholding taxes		
Withholding Tax on Compensation	₱ 7,864,348	₱ 6,892,453
Expanded Withholding Tax	6,157,849	6,752,113
Final Withholding Tax on interest income	503,110	440,371
	₱ 14,525,307	₱ 14,084,937

**9. Deficiency Tax Assessments and Tax Cases**

The Company has no pending final tax assessment with BIR for the year ended December 31, 2024.

**PAPA SECURITIES CORPORATION**

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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No liabilities are deemed subordinated to general creditors  
for the period audited

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*Schedule I*

**PAPA SECURITIES CORPORATION**  
**RISK-BASED CAPITAL ADEQUACY**  
**DECEMBER 31, 2024**

Assets	P 486,339,462
Liabilities	188,339,623
Equity	297,999,839
Adjustments to equity	
Add (Deduct):	
Allowance for market decline	-
Unrealized gain (loss) in proprietary accounts	
Deferred tax assets	-
Revaluation Reserves	
Total adjustments to equity	-
Equity Eligible for Net Liquid Capital	297,999,839
Less: Ineligible Assets	
Trading rights	8,000,000
Property and equipment, net	4,399,073
Other current and non-current assets	122,452,597
Plan assets	-
Securities not readily marketable	-
Negative exposure (SCCP)	
Other assets, including equity investment in PSE shares	12,952,720
Total : Other assets, including equity investment in PSE shares	147,804,390
<b>NET LIQUID CAPITAL (NLC)</b>	<b>P 150,195,449</b>
Less:	
Operational Risk Requirement	46,496,284
Position Risk Requirement	2,149,507
Counterparty Risk Requirement	-
Total Risk Capital Requirement	48,645,791
Net Risk Capital Adequacy Requirement	101,549,658
Liabilities	188,339,623
Less: Exclusions from Aggregate Indebtedness	
Deferred tax liabilities	(3,450,870)
<b>AGGREGATE INDEBTEDNESS</b>	<b>P 184,888,753</b>
<b>REQUIRED NET LIQUID CAPITAL</b>	<b>9,244,438</b>
<b>NET RISK-BASED CAPITAL EXCESS</b>	<b>P 140,951,011</b>
<b>RATIO OF AGGREGATE INDEBTEDNESS TO NLC</b>	<b>123%</b>
<b>RISK BASED CAPITAL ADEQUACY RATIO</b>	<b>309%</b>

*Schedule II*

**PAPA SECURITIES CORPORATION**

**INFORMATION RELATING TO THE POSSESSION OR CONTROL  
REQUIREMENTS UNDER ANNEX F OF SRC RULE 49.2-1  
DECEMBER 31, 2024**

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Customers' fully paid securities and excess margin securities not in the broker's or dealer's possession or control as of the report date but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2-1:

Market Valuation	NIL
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Number of items	NIL
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Customer's fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as part of the report date, excluding items arising from "temporary lags which result from normal business operation" as permitted under SRC Rule 49.2-1:

Market Valuation	NIL
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Number of items	NIL
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*Schedule III*

# PAPA SECURITIES CORPORATION

## COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS

### UNDER ANNEX G OF SRC RULE 49.2

**DECEMBER 31, 2024**

PARTICULARS	CREDITS	DEBITS
1. Free credit balance and other credit balance in cutomers'security accounts.	₱ 172,144,099	
2. Monies borrowed collateralized by securities carried for the account of customers.	-	
3. Monies payable against customers' securities loaned.	-	
4. Customers' securities failed to receive.	-	
5. Customer balances in firm accounts which are attributable to principal sales to customer.	-	
6. Market value of stocks dividend, stock splits and similar distributions receivable outstanding over 30 calendar days old.	-	
7. Market value of securities count differences over 30 calendar days old.	-	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days	-	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer agent or the issuer during the 40 days.	-	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱ 28,286,483
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		-
12. failed to deliver customers' securities not older than 30 calendar days.		44,345,303
13. Others:		
Total	172,144,099	72,631,786
Net Credit (Debit)	99,512,313	
Required reserve (100% of net credit if making a weekly computation and 105% if monthly)	99,512,313	

As at December 31, 2024, The Company maintains a special reserve requirement fund amounting to ₱101,284,074  
(See Note 4, page 36)

*Schedule IV*

**PAPA SECURITIES CORPORATION**

**A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR  
FOUND TO HAVE EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT  
DECEMBER 31, 2024**

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The management of **PAPA SECURITIES CORPORATION** maintains a system of accounting and reporting for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use of disposition and liabilities are recognized.

In this regard, no inadequacies were found to exist or found to have existed since the date of the previous audit.

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*Schedule V*

**PAPA SECURITIES CORPORATION**  
**RESULTS OF QUARTERLY SECURITIES COUNT**  
**CONDUCTED PURSUANT TO SRC RULE 52.1-10**  
**DECEMBER 31, 2024**

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

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*Schedule VI*

**PAPA SECURITIES CORPORATION**

**STOCK POSITION REPORT**

December 31, 2024

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
APC GROUP, INC. - 25% PD	70,000	3,241.00	-	-	70,000	3,241		
ASIA AMALGAMATED HLDGS. CORP.	127,600	-	127,600	-				
ATOK-BIG WEDGE CO., INC. - "A"	620,204	3,373,909.76	620,204	3,373,910				
ABACORE CAPITAL HOLDINGS, INC.	41,085,473	21,775,300.69	41,085,473	21,775,301				
ABACUS 25% PD SUBS. RIGHTS	323,750	42,896.88	323,750	42,897				
ASIABEST GROUP INTERNATIONAL INC.	281,920	-	281,920	-				
ABS-CBN CORPORATION	446,431	1,875,010.20	446,431	1,875,010				
ABS-CBN HLDGS. CORP. (PDR)	1,334,633	5,071,605.40	1,334,633	5,071,605				
ABS VOTING PREF (WILL NOT BE LISTED)	12,440	-		-	12,440	-	1,555	931,445
AYALA CORPORATION	474,754	284,377,646.00	471,819	282,619,581	1,380	826,620		
ACESITE (PHILS.) HOTEL CORPORATION	4,000	7,120.00	4,000	7,120				
ACEN CORPORATION	41,952,394	167,809,576.00	41,948,196	167,792,784			4,198	16,792
ACEN CORP SERIES A PREFERRED SHARES	18,000	18,900,000.00	18,000	18,900,000				
ACEN CORP SERIES B PREFERRED SHARES	18,650	19,694,400.00	18,650	19,694,400				
AYALA CORP. CLASS A PREFERRED SHARE	18,175	46,346,250.00	18,175	46,346,250				
AYALA CORP. CLASS B PREF	2,000	4,104,000.00	2,000	4,104,000				
ALSONS CONS. RES., INC.	104,117,583	47,894,088.18	104,117,583	47,894,088				
ACR MINING CORPORATION	455,747	-		-	455,747	-		
AYALA CORP. VOTING PREF.	69,646	-		-	69,646	-		
ABOITIZ EQUITY VENTURES, INC.	333,645,205	11,460,712,791.75	333,279,214	11,448,141,001			358,391	12,310,731
ALLIANCE GLOBAL, INC.	15,864,100	142,776,900.00	15,864,100	142,776,900	7,600	261,060		
ARTHALAND CORPORATION	1,179,406	430,483.19	1,179,406	430,483				
ARTHALAND CORP. SERIES D PREF	60,160	27,938,304.00	60,160	27,938,304				
ARTHALAND CORP. SERIES F PREF.	15,600	7,839,000.00	15,600	7,839,000				
AYALA LAND, INC.	9,710,224	254,407,868.80	9,709,618	254,391,992	606	15,877		
ALLDAY MARTS, INC.	32,069,394	4,265,229.40	32,069,394	4,265,229				
AYALALAND LOGISTICS HOLDINGS CORP	8,445,916	14,358,057.20	8,445,916	14,358,057				
ALTERNERGY HOLDINGS CORPORATION	8,622,000	10,346,400.00	8,622,000	10,346,400				
AGRINURTURE, INC.	512,961	261,610.11	512,961	261,610				
A. SORIANO CORPORATION	873,411	11,948,262.48	873,411	11,948,262				
ABOITIZ POWER CORP.	295,610,513	11,144,516,340.10	295,610,513	11,144,516,340				
APC GROUP, INC.	144,805,000	26,788,925.00	144,805,000	26,788,925				
APOLLO GLOBAL CAPITAL, INC.	2,988,972,279	11,955,889.12	2,988,972,279	11,955,889				
<b>Subtotal</b>	<b>4,031,819,569</b>	<b>₱ 23,739,821,105</b>	<b>4,030,838,006</b>	<b>₱ 23,725,455,339</b>	<b>617,419</b>	<b>₱ 1,106,798</b>	<b>364,144</b>	<b>₱ 13,258,968</b>



NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
ANGLO-PHIL. HLDGS. CORP.	12,460,644	5,607,289.80	12,460,644	5,607,290				
ALTUS PROPERTY VENTURES, INC.	141,654	1,178,561.28	141,654	1,178,561				
APEX MINING COMPANY, INC.	89,801,166	309,814,022.70	89,801,166	309,814,023				
ABRA MINING & INDITL CORP.	489,250,000	-	484,250,000	-			5,000,000	-
ARANETA PROPERTIES, INC.	444,748	226,821.48	444,748	226,821				
AREIT, INC.	4,865,585	184,648,950.75	4,854,585	184,231,501				
RASLAC CORP.	3,793,000	3,906,790.00	3,793,000	3,906,790				
ATLAS CONS MNG & DEVT CORP.	8,460,975	37,059,070.50	8,460,975	37,059,071				
ASIAN TERMINALS, INC.	123,299	2,096,083.00	123,299	2,096,083				
ATN HOLDINGS, INC. - "A"	855,000	444,600.00	855,000	444,600				
ATN HOLDINGS, INC. - "B"	270,000	140,400.00	270,000	140,400				
ASIA UNITED BANK CORP.	906,710	55,762,665.00	906,710	55,762,665				
AXELUM RESOURCES CORPORATION	195,568,082	506,521,332.38	195,568,082	506,521,332				
BALAI NI FRUTAS INC.	385,000	138,600.00	385,000	138,600				
BENGUET CORPORATION "A"	1,491,263	5,920,314.11	1,491,263	5,920,314				
BENGUET CORPORATION "B"	14,823	58,402.62	14,823	58,403				
BENGUET CORP.-CONV. PREF "A"	86	1,999.50	86	2,000				
BDO UNIBANK, INC.	11,811,291	1,700,825,904.00	11,810,338	1,700,688,672	953	137,232		
BELLE CORPORATION	12,708,559	21,096,207.94	12,708,559	21,096,208				
BANCO FILIPINO SAVINGS MORTGAGE	8	-		-			8	-
BHI HOLDINGS, INC.	5,695	3,872,600.00	5,695	3,872,600				
BOULEVARD PROP. HLDGS. INC.	188,510,000	13,949,740.00	188,510,000	13,949,740				
BRIGHT KINDLE RES.& INVESTMENTS INC	261,500	258,885.00	261,500	258,885				
BLOOMBERRY RESORTS CORPORATION	39,905,000	182,764,900.00	39,905,000	182,764,900				
BANK OF COMMERCE	494,600	3,338,550.00	494,600	3,338,550				
BANK OF THE PHIL. ISLANDS	1,342,315	163,762,430.00	1,340,489	163,539,658				
A. BROWN COMPANY, INC.	1,914,823	1,072,300.88	1,914,823	1,072,301				
A. BROWN CO., INC. SERIES A PREF.	20,000	1,930,000.00	20,000	1,930,000				
A. BROWN CO., INC. SERIES B PREF.	10,000	1,040,000.00	10,000	1,040,000				
BASIC ENERGY CORP.	15,244,588	2,134,242.32	15,244,588	2,134,242				
CHELSEA LOGISTICS AND INFRASTRUCTURE	1,493,000	1,955,830.00	1,493,000	1,955,830				
CONCRETE AGG. CORP. "A"	568,955	22,815,095.50	568,955	22,815,096				
CONCRETE AGG. CORP. "B"	7,280	313,404.00	7,280	313,404				
CENTRAL AZUCARERA DE TARLAC	128,800	1,442,560.00	128,800	1,442,560				
CHINA BANKING CORPORATION	5,894,495	374,300,432.50	5,894,495	374,300,433				
CITYLAND DEVT. CORP. "A"	12,138	8,253.84	12,138	8,254				
CEBU AIR, INC.	2,604,145	73,567,096.25	2,604,145	73,567,096				
					76	9,272	1,750	213,500
<b>Subtotal</b>	<b>1,091,769,227</b>	<b>₱ 3,683,974,335</b>	<b>1,086,755,440</b>	<b>₱ 3,683,196,881</b>	<b>1,029</b>	<b>₱ 146,504</b>	<b>5,012,758</b>	<b>₱ 630,950</b>

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CEBU AIR INC. CONVERTIBLE PREF SHS	819,791	28,282,789.50	819,791	28,282,790				
CROWN EQUITIES, INC.	2,860,800	160,204.80	2,860,800	160,205				
CENTRO ESCOLAR UNIVERSITY	83,489	1,152,148.20	83,489	1,152,148				
CEMEX HOLDINGS PHILS., INC.	14,632,452	26,045,764.56	14,632,452	26,045,765				
CONCEPCION INDUSTRIAL CORP.	981,977	13,138,852.26	981,977	13,138,852				
CEBU LANDMASTERS, INC.	1,725,030	4,571,329.50	1,725,030	4,571,330				
CEBU LANDMASTERS SERIES A-1 PREF	1,000	1,000,000.00	1,000	1,000,000				
CENTURY PACIFIC FOOD, INC.	260,456	10,926,129.20	260,456	10,926,129				
CONVERGE INFORMATION AND COM TECH	3,566,300	57,560,082.00	3,566,300	57,560,082				
COAL ASIA HOLDINGS, INC.	5,568,000	863,040.00	5,568,000	863,040				
COL FINANCIAL GROUP, INC.	15,000	24,750.00	15,000	24,750				
COSCO CAPITAL, INC.	2,853,364	15,351,098.32	2,853,364	15,351,098				
CENTURY PROPERTIES GROUP INC.	31,150,885	13,083,371.70	31,150,885	13,083,372				
CENTURY PEAK HOLDINGS CORP.	2,207,200	5,518,000.00	2,207,200	5,518,000				
CITICORE ENERGY REIT CORP.	7,241,000	22,085,050.00	7,241,000	22,085,050				
CROWN ASIA CHEMICALS CORP.	2,617,000	4,475,070.00	2,617,000	4,475,070				
CITYSTATE SAVINGS BANK, INC.	2,400	30,048.00	2,400	30,048				
CTS GLOBAL EQUITY GROUP, INC.	1,060,000	689,000.00	1,060,000	689,000				
CYBER BAY CORPORATION	49,615,710	-	49,615,710	-				
DOUBLEDRAGON CORP.	997,368	10,173,153.60	997,368	10,173,154				
DDMP REIT, INC.	20,480,000	21,094,400.00	20,480,000	21,094,400				
DOUBLEDRAGON PROP. PREF.	340,680	33,114,096.00	340,680	33,114,096				
DEL MONTE PACIFIC LIMITED	56,625	225,933.75	56,625	225,934				
DFNN, INC.	226,500	645,525.00	226,500	645,525				
DOMINION HOLDINGS, INC.	7,115,095	11,384,152.00	7,115,095	11,384,152				
DITO CME HOLDINGS CORP.	133,297,456	218,607,827.84	133,297,456	218,607,828				
DIZON COPPER-SILVER MINES, INC.	578,702	1,209,487.18	578,702	1,209,487				
DMCI HOLDINGS, INC.	14,154,164	153,148,054.48	14,154,164	153,148,054				
D.M. WENCESLAO AND ASSO INC	71,000	391,920.00	71,000	391,920				
PHILAB HOLDINGS CORP.	10,097,932	-	10,097,732	-			200	-
D & L INDUSTRIES	3,863,227	23,527,052.43	3,863,227	23,527,052				
DISCOVERY WORLD CORP	343,000	418,460.00	343,000	418,460				
EASYPOLL COMM PHILS. INC.- COMMON	8,649	19,114.29	8,649	19,114				
EAST COAST VULCAN MINING CORP.	18,565,210	5,755,215.10	18,565,210	5,755,215				
EEI CORPORATION	12,134,505	43,684,218.00	12,134,505	43,684,218				
EEI CORP. SERIES A PREF.	34,200	3,385,800.00	34,200	3,385,800				
EEI CORP. SERIES B PREF	247,600	24,376,220.00	247,600	24,376,220				
<b>Subtotal</b>	<b>349,873,767</b>	<b>756,117,358</b>	<b>349,873,567</b>	<b>756,117,358</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>-</b>

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
IP E-GAME VENTURES, INC.	125,510,000	-	125,510,000	-				
EXPORT INDUSTRY BANK	10,758,224	-	10,758,224	-				
EXPORT INDUSTRY BANK "B"	1,050,000	-	1,050,000	-				
EMPIRE EAST LAND HOLDINGS, INC.	5,005,193	600,623.16	5,003,193	600,383	2,000	240		
EMPERADOR, INC.	737,500	13,319,250.00	737,500	13,319,250				
ENEX ENERGY CORP.	474,802	2,374,010.00	474,802	2,374,010				
ETON PROPERTIES PHILS INC	208,000	-	208,000	-				
EURO-MED LABORATORIES PHIL. INC.	340	278.80	340	279				
EVER GOTESCO RES. & HLDGS. CORP.	4,070,000	1,037,850.00	4,000,000	1,020,000	70,000	17,850		
EAST WEST BANKING CORP	6,080,279	59,890,748.15	6,080,279	59,890,748				
FIRST ABACUS FINANCIAL HLDGS. CORP.	28,000	18,200.00	28,000	18,200				
SAN MIGUEL FOOD AND BEVERAGE, INC.	960,111	50,645,855.25	956,311	50,445,405				
FIGARO COFFEE GROUP, INC.	9,904,000	8,517,440.00	9,904,000	8,517,440				
FILINVEST DEVELOPMENT CORP.	338,175	1,670,584.50	338,175	1,670,585			3,800	200,450
FERRONOUX HOLDINGS, INC.	140,000	-	140,000	-				
FAR EASTERN UNIVERSITY, INC.	55,111	40,506,585.00	55,111	40,506,585				
FILIPINO FUND, INC.	28,466	182,751.72	28,466	182,752				
FIRST GEN CORPORATION	4,128,600	66,553,032.00	4,128,600	66,553,032				
FILINVEST REIT CORP.	15,079,175	44,483,566.25	15,079,175	44,483,566				
FJ PRINCE HOLDINGS CORP.	32,000	80,000.00	32,000	80,000				
FILINVEST LAND, INC.	18,273,228	13,339,456.44	18,273,228	13,339,456				
FIRST METRO PHIL. EQUITY EXCHANGE	3,599	380,054.40	3,599	380,054				
GLOBAL FERRONICKEL HOLDINGS, INC.	704,628	732,813.12	704,295	732,467			333	346
ALLIANCE SELECT FOODS INTL INC.	196,843	74,800.34	196,843	74,800				
FORUM PACIFIC, INC. 50% PD	8,000	840.00		-	8,000	840		
FIRST PHIL. HLDGS. CORP.	754,080	44,490,720.00	751,978	44,366,702	2,102	124,018		
FORUM PACIFIC, INC.	482,000	101,220.00	482,000	101,220				
FRUITAS HOLDINGS, INC.	205,000	131,200.00	205,000	131,200				
FIRST SOUTHERLAND DEV. CORP.	58,130	-		-	58,130	0		
FWBC HOLDINGS, INC.	257,644	-		-	257,644	0		
GEOGRACE RESOURCES PHILS., INC.	27,627,834	2,873,294.74	27,627,834	2,873,295				
GLOBAL-ESTATE RESORTS, INC.	2,183,005	1,397,123.20	2,163,506	1,384,644	19,499	12,479		
GLOBE TELECOM, INC.	82,995	181,261,080.00	82,995	181,261,080				
GMA NETWORK, INC.	5,437,290	33,221,841.90	5,437,290	33,221,842				
GMA HOLDINGS, INC. PDR	289,100	1,809,766.00	289,100	1,809,766				
GRAND PLAZA HOTEL CORP. - COMMON	28,021	165,604.11	4,752	28,084			23,269	137,520
GREENERY HOLDINGS INC.	3,206,302	609,197.38	3,206,302	609,197				
<b>Subtotal</b>	<b>244,385,675</b>	<b>570,469,786</b>	<b>243,940,898</b>	<b>569,976,043</b>	<b>417,375</b>	<b>155,427</b>	<b>27,402</b>	<b>338,316</b>

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
GINEBRA SAN MIGUEL, INC.	276,780	76,114,500.00	276,780	76,114,500				
GT CAPITAL HOLDINGS, INC.	224,546	147,751,268.00	224,546	147,751,268				
GT CAPITAL SERIES B	69,329	68,635,710.00	69,329	68,635,710				
GT CAPITAL HOLDINGS VOTING PREF	40,074	-			40,074			
HOUSE OF INVESTMENTS, INC.	893,065	3,018,559.70	893,065	3,018,560				
ALLHOME CORP.	25,641,962	16,410,855.68	25,641,962	16,410,856				
8990 HOLDINGS, INC.	85,777,588	779,718,274.92	85,777,588	779,718,275				
HAUS TALK INC.	38,000	39,900.00	38,000	39,900				
GOLDEN MV HOLDINGS, INC.	13,867,635	31,202,178,750.00	5,123,380	11,527,605,000			8,744,255	19,674,573,750
I-REMIT, INC.	248,768	59,704.32	248,768	59,704				
INTL. CONT. TERMINAL SERV INC.	2,515,066	970,815,476.00	2,515,066	970,815,476				
ITALPINAS DEVELOPMENT CORP	204,345	265,648.50	204,345	265,649				
INTEGRATED MICRO-ELECTRONICS, INC.	6,486,578	9,665,001.22	6,486,578	9,665,001				
IMPERIAL RESOURCES, INC. "A"	622,410	392,118.30	622,410	392,118				
PHILIPPINE INFRADEV HOLDINGS, INC.	3,215,514	1,028,964.48	3,215,514	1,028,964				
IONICS CIRCUITS, INC.	10,634,376	8,932,875.84	10,634,376	8,932,876				
IPM HOLDINGS, INC.	96,700	290,100.00	96,700	290,100				
IPEOPLE, INC. "A"	266,971	1,812,733.09	266,971	1,812,733				
ISLAND INFORMATION & TECHNOLOGY IN	25,055,000	-	25,055,000	-				
JOLIBEE FOODS CORP.	534,487	143,777,003.00	534,487	143,777,003				
JOLIBEE SERIES B PREF	16,200	15,940,800.00	16,200	15,940,800				
JG SUMMIT HOLDINGS, INC.	1,457,635	29,954,399.25	1,457,135	29,944,124	500	10,275		
JOLLIVILLE HOLDINGS CORP.	3,642,000	24,729,180.00	3,642,000	24,729,180				
KALAHY REALTY, INC.	35,884	-			35,884	-		
THE KEEPERS HOLDINGS, INC.	401,299	894,896.77	401,299	894,897				
KENRAM (PHILS.), INC. "A"	4,510	-			4,510	0		
KENRAM (PHILS.), INC. "B"	2,431	-			2,431	0		
KEPPEL PHILS. PROPERTIES, INC.	75,495	210,631.05	75,495	210,631				
KEPPEL PHIL. HLDGS. "A"	86,340	1,421,156.40	86,340	1,421,156				
KEPPEL PHIL. HLDGS. "B"	195,500	3,683,220.00	195,500	3,683,220				
KEPWEALTH PROPERTY PHILS., INC.	83,100	104,706.00	83,100	104,706				
CITY & LAND DEVELOPERS, INC.	45,354	30,840.72	45,354	30,841				
LBC EXPRESS HOLDINGS, INC.	4,586,800	54,215,976.00	4,586,800	54,215,976				
LEPANTO CONS MNG. CO. "A"	84,619,589	5,669,512.46	84,619,589	5,669,512				
LEPANTO CONS MNG. CO. "B"	39,126,487	2,621,474.63	39,126,487	2,621,475				
LIBERTY FLOUR MILLS, INC.	933,289	16,724,538.88	933,289	16,724,539				
LIBERTY TELECOMS HLDGS. INC.	3,000	-	3,000	-				
<b>Subtotal</b>	<b>312,024,107</b>	<b>P 33,587,108,775</b>	<b>303,196,453</b>	<b>P 13,912,524,750</b>	<b>83,399</b>	<b>P 10,275</b>	<b>8,744,255</b>	<b>P 19,674,573,750</b>

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
LMG CORP	500,000	109,000.00	500,000	109,000				
LODESTAR INVESTMENT HOLDINGS CORP	2,234,140,000	625,559,200.00	2,234,140,000	625,559,200				
PACIFIC ONLINE SYSTEMS CORP.	27,492,226	72,854,398.90	27,492,226	72,854,399				
LFM PROPERTIES CORPORATION	25,313,961	1,139,128.25	25,313,961	1,139,128				
LOPEZ HOLDINGS CORPORATION	107,107,483	289,190,204.10	107,106,483	289,187,504	1,000	2,700		
LORENZO SHIPPING CORP.	111,750	107,280.00	111,750	107,280				
LT GROUP, INC.	1,440,247	15,122,593.50	1,440,247	15,122,594				
MANILA MINING CORP. "A"	749,087,824	2,247,263.47	749,087,824	2,247,263				
MANILA MINING CORP. "B"	202,961,252	608,883.76	202,961,252	608,884				
MACROASIA CORPORATION	1,800,270	9,793,468.80	1,800,270	9,793,469				
MACAY HOLDINGS, INC.	26,684,217	200,665,311.84	26,684,215	200,665,297	2	15		
METRO ALLIANCE HLDGS. "A"	18,472,157	15,331,890.31	18,472,157	15,331,890				
METRO ALLIANCE HLDGS. "B"	300,260	255,221.00	300,260	255,221				
MARCVENTURES HOLDINGS INC.	24,651,020	18,488,265.00	24,651,020	18,488,265				
MAXS GROUP, INC.	1,574,758	4,204,603.86	1,574,758	4,204,604				
MANILA BULLETIN PUBLISHING CORP.	452,187	90,437.40	440,048	88,010			12,139	2,428
MANILA BROADCASTING CO.	5,800	37,120.00	5,800	37,120				
METROPOLITAN BANK & TRUST CO.	4,300,936	309,667,392.00	4,296,016	309,313,152	4,920	354,240		
MEDCO HOLDINGS, INC.	13,200,000	1,584,000.00	13,200,000	1,584,000				
MEDILINES DISTRIBUTORS INC.	8,968,000	2,780,080.00	8,968,000	2,780,080				
MEGAWORLD CORPORATION	21,433,677	43,939,037.85	21,431,677	43,934,938	2,000	4,100		
MANILA ELECTRIC CO.	243,817	118,982,696.00	243,817	118,982,696				
MANULIFE FINANCIAL CORP.	529	1,056,413.00	529	1,056,413				
MAKATI FINANCE CORPORATION	941,430	1,873,445.70	941,430	1,873,446				
MILLENNIUM GLOBAL HOLDINGS, INC.	2,839,000	266,866.00	2,839,000	266,866				
METRO GLOBAL HOLDINGS CORPORATION	607,350	607,350.00	607,350	607,350				
MABUHAY HOLDINGS CORP.	255,000	41,055.00	255,000	41,055				
MANILA JOCKEY CLUB, INC.	139,620	-	139,620	-				
MJC INVESTMENTS CORP.	125,000	-	125,000	-				
MERRYMART CONSUMER CORP.	8,724,000	5,234,400.00	8,724,000	5,234,400				
MARCOPPER MINING CORP.	5,560	-		-			5,560	0
MONDRAGON INTL PHILS. INC.	697,350	-	4,140	-			693,210	0
MONDE NISSIN CORPORATION	5,135,501	44,165,308.60	5,135,501	44,165,309				
MRC ALLIED INC.	3,757,203	3,156,050.52	3,757,203	3,156,051				
MREIT, INC.	5,261,218	70,184,648.12	5,261,218	70,184,648				
METRO RETAIL STORES GROUP	3,721,900	4,466,280.00	3,721,900	4,466,280				
<b>Subtotal</b>	<b>3,502,452,503</b>	<b>P 1,863,809,293</b>	<b>3,501,733,672</b>	<b>P 1,863,445,810</b>	<b>7,922</b>	<b>P 361,055</b>	<b>710,909</b>	<b>P 2,428</b>

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
MABUHAY VINYL CORP.	7,600	40,964.00	7,600	40,964				
MANILA WATER COMPANY, INC.	15,160,890	409,344,030.00	15,160,890	409,344,030				
MEGAWIDE CONSTRUCTION CORP.	1,112,280	2,702,840.40	1,112,280	2,702,840				
MEGAWIDE CONS. CORP. SERIES 4 PREF.	791,004	77,478,841.80	791,004	77,478,842				
MEGAWIDE CONS. CORP. SERIES 5 PREF.	18,960	1,911,168.00	18,960	1,911,168				
NIHAO MINERAL RES. INTL. INC.	5,030,973	1,936,924.61	5,030,973	1,936,925				
NICKEL ASIA CORPORATION	3,913,378	13,657,689.22	3,913,378	13,657,689				
NOW CORPORATION	3,955,291	2,333,621.69	3,955,291	2,333,622				
NATIONAL REINSURANCE CORP.	418,350	288,661.50	418,350	288,662				
NEXTGENESIS CORPORATION	251,950	-	251,950	-				
OCEANAGOLD PHILIPPINES INC	36,300	508,926.00	36,300	508,926				
OMICO CORPORATION	2,201,739	336,866.07	2,201,739	336,866				
ORIENTAL PET. & MIN. CORP.-A	1,865,150,987	13,802,117.30	1,865,150,987	13,802,117				
ORIENTAL PET. & MIN. CORP.-B	554,772,685	4,160,795.14	554,772,685	4,160,795				
ORIENTAL PENINSULA RES. GROUP, INC.	555,400	244,376.00	555,400	244,376				
THE PHILODRILL CORP.	4,895,494,095	36,716,205.71	4,895,494,095	36,716,206				
ORIENTAL PET. - A 50% PD @ .01	50,000	185.00		-	50,000	185		
ORIENTAL PET. - A 50% PD @ .02	1,158,320	4,285.78		-	1,158,320	4,286		
PHIL. REALTY HOLDINGS 25% PD	943,370	29,527.48		-	943,370	29,527		
PACIFICA HOLDINGS, INC.	162,825	260,520.00	162,825	260,520				
PAL HOLDINGS, INC.	129,806	642,539.70	129,806	642,540				
PAXYS, INC.	53,785	91,434.50	53,785	91,435				
PHILIPPINE BUSINESS BANK	2,022,237	19,615,698.90	2,022,237	19,615,699				
PHIL. BANK OF COMMUNICATIONS	16,030	254,877.00	16,030	254,877				
PETRON CORPORATION	160,383,464	389,731,817.52	160,375,664	389,712,864	4,800	11,664	3,000	7,290
PICOP RESOURCES, INC.	22,125,548	-	22,125,548	-				
PNOC EXPLORATION CORP. B	25,100	-		-	25,100	0		
PETROENERGY RESOURCES CORP.	675,527	2,431,897.20	675,527	2,431,897				
PHIL. GLOBAL COM	145,002	-		-	145,002	0		
PUREGOLD PRICE CLUB, INC.	1,601,628	49,410,223.80	1,601,628	49,410,224				
PREMIERE HORIZON ALLIANCE CORP.	7,627,000	1,327,098.00	7,627,000	1,327,098				
PHILCOMSAT HOLDINGS CORP.	56,500	79,100.00	56,500	79,100				
PHILIPPINE ESTATES CORP.	141,000	35,955.00	141,000	35,955				
PHINMA CORPORATION	332,490	6,317,310.00	332,490	6,317,310				
PH RESORTS GROUP HOLDINGS, INC.	127,508,781	68,854,741.74	127,508,781	68,854,742				
PHILIPPINE INDEX FUND, CORP.	60	-		-	60	0		
SHAKEYS PIZZA ASIA VENTURES, INC.	17,442,462	139,365,271.38	17,442,462	139,365,271				
<b>Subtotal</b>	<b>7,691,472,817</b>	<b>P 1,243,916,510</b>	<b>7,689,143,165</b>	<b>P 1,243,863,558</b>	<b>2,326,652</b>	<b>P 45,662</b>	<b>3,000</b>	<b>P 7,290</b>

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
DIGIPLUS INTERACTIVE CORP	6,342,102	172,188,069.30	6,342,102	172,188,069				
PANASONIC MFG. PHILS., CORP.	10,159	55,671.32	10,159	55,671				
PRIMETOWN PROP. GROUP, INC.	654,000	-	654,000	-				
PHIL. NATIONAL BANK	2,043,866	56,615,088.20	2,043,866	56,615,088				
PHIL. NATL. CONST. CORP.	35,010	-	35,010	-				
PHOENIX PETROLEUM PHILS., INC.	6,341,086	-	6,341,086	-				
PHOENIX PET. PREF. SERIES 3B	18,860	-	18,860	-				
PHOENIX PET. PHILS. SERIES 4 PREF	7,860	-	7,860	-				
GLOBALPORT 900 INC.	19,500	-	19,500	-				
PRYCE CORPORATION	1,509,331	16,119,655.08	1,509,331	16,119,655				
PHILTOWN PROPERTIES, INC.	116,137	-	60	-	116,077	0		
PHIL. RACING CLUB, INC.	28,622	200,354.00	28,622	200,354				
PREMIERE ISLAND POWER REIT CORP.	137,000	302,770.00	137,000	302,770				
PETRON PERPETUAL PREF 3B	5,750	5,922,500.00	5,750	5,922,500				
PETRON SERIES 4A PREF.	350	351,750.00	350	351,750				
PETRON SERIES 4B PREF.	3,200	3,264,000.00	3,200	3,264,000				
PETRON SERIES 4C PREF.	2,500	2,607,500.00	2,500	2,607,500				
PETRON SERIES 4D PREF.	2,990	3,139,500.00	2,990	3,139,500				
PETRON SERIES 4E PREF.	3,085	3,239,250.00	3,085	3,239,250				
PRIME MEDIA HOLDINGS, INC.	609,755	1,298,778.15	609,755	1,298,778				
PRIMEX CORPORATION	3,272,800	5,923,768.00	3,272,800	5,923,768				
PHILIPPINE SAVINGS BANK	11,387	662,723.40	11,387	662,723				
PAMPANGA SUGAR DEVT. CO.	19	-		-	19	0		
PHILIPPINE STOCK EXCHANGE, INC.	122,264	20,051,296.00	122,260	20,050,640	4	656		
PT AND T CORP.	1,070,998	-	1,070,998	-				
PHILEX MINING CORP.	20,210,770	56,388,048.30	20,210,575	56,387,504	195	544		
PXP ENERGY CORPORATION	2,426,301	6,963,483.87	2,426,107	6,962,927	194	557		
RIZAL COMMERCIAL BANKING CORP	43,270,731	1,075,277,665.35	43,270,731	1,075,277,665				
ROXAS & COMPANY, INC.	78,316	213,019.52	78,316	213,020				
RL COMMERCIAL REIT INC.	16,587,100	97,034,535.00	16,587,100	97,034,535				
REPUBLIC GLASS HLDGS. CORP.	681,021	1,872,807.75	327,021	899,308				
RFM CORPORATION	1,126,994	4,361,466.78	1,126,994	4,361,467			354,000	973,500
ROBINSONS LAND CORP.	9,627,467	128,045,311.10	9,627,467	128,045,311				
PHIL. REALTY & HLDGS CORP.	2,667,295	333,411.88	2,667,295	333,412				
PHIL. REALTY & HOLDINGS 75% PD SUBS	25,632	2,404.28		-	25,632	2,404		
ROCKWELL LAND CORPORATION	11,919,610	17,998,611.10	11,919,610	17,998,611				
<b>Subtotal</b>	<b>130,989,868</b>	<b>P 1,680,433,438</b>	<b>130,493,747</b>	<b>P 1,679,455,777</b>	<b>142,121</b>	<b>P 4,161</b>	<b>354,000</b>	<b>P 973,500</b>

NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
ROXAS HOLDINGS, INC.	3,601,101	-	3,601,101	-				
REYNOLDS PHILIPPINES CORP.	316,569	-	28,570	-			287,999	0
ROBINSONS RETAIL HOLDINGS, INC.	524,002	18,864,072.00	524,002	18,864,072				
TRAVELLERS INT'L HOTEL GROUP, INC.	10,000	-	10,000	-				
SOUTH CHINA PET. - 25% PD	50,000	2,300.00			50,000	2,300		
SBS PHILIPPINES CORPORATION	133,653	661,582.35	133,653	661,582				
SEMIRARA MINING AND POWER CORP.	2,634,494	91,943,840.60	2,634,494	91,943,841				
SECURITY BANK CORP.	1,949,734	169,626,858.00	1,949,734	169,626,858				
SECURITY BANK VOTING PREF	16,077	-			16,077	0		
PHILIPPINE SEVEN CORP.	21,914	1,485,769.20	21,914	1,485,769				
SWIFT FOODS, INC.	3,534,485	205,000.13	3,534,485	205,000				
SWIFT FOODS, INC.-CONVERTIBLE PREF.	36,314	63,186.36	36,314	63,186				
SOLID GROUP, INC.	1,937,000	1,995,110.00	1,937,000	1,995,110				
SYNERGY GRID DEV. PHILS., INC.	18,848,270	184,713,046.00	18,848,270	184,713,046				
SHELL PILIPINAS CORPORATION	10,286,563	77,149,222.50	10,286,563	77,149,223				
SHANGH PROPERTIES, INC.	4,023,153	15,851,222.82	4,023,153	15,851,223				
SUN LIFE FINANCIAL INC.	2,380	8,092,000.00	2,380	8,092,000				
STA. LUCIA LAND, INC.	711,000	2,061,900.00	711,000	2,061,900				
SM INVESTMENT CORPORATION	215,209	193,472,891.00	215,209	193,472,891				
SAN MIGUEL CORP.	5,282,118	454,262,148.00	4,955,104	426,138,944	318,246	27,369,156	8,768	754,048
SAN MIGUEL CORP. SERIES 2-F PREF.	1,172,900	85,973,570.00	1,172,900	85,973,570				
SAN MIGUEL CORP. SERIES 2-I PREF.	932,120	67,345,670.00	932,120	67,345,670				
SAN MIGUEL CORP. SERIES 2-J PREF.	90,900	6,535,710.00	90,900	6,535,710				
SAN MIGUEL CORP. SERIES 2-K PREF.	4,733,230	331,326,100.00	4,733,230	331,326,100				
SAN MIGUEL CORP. SERIES 2L PREF.	4,020,490	312,191,048.50	4,020,490	312,191,049				
SAN MIGUEL CORP. SERIES 2-N PREF.	1,833,370	146,119,589.00	1,833,370	146,119,589				
SAN MIGUEL CORP. SERIES 2-O PREF	1,688,690	138,979,187.00	1,688,690	138,979,187				
SM PRIME HOLDINGS, INC.	9,616,416	241,852,862.40	9,616,416	241,852,862				
SOC RESOURCES, INC.	140,000	25,760.00	140,000	25,760				
SPC POWER CORPORATION	344,000	3,099,440.00	344,000	3,099,440				
SEAFRONT RESOURCES CORP.	282,926	537,559.40	282,537	536,820			389	739
SP NEW ENERGY CORPORATION	34,143,971	34,826,850.42	34,143,971	34,826,850				
SPECIAL PURPOSE TRUST	327,000	-			327,000	0		
SSI GROUP, INC.	9,287,500	29,534,250.00	9,287,500	29,534,250				
STI EDUCATION SYSTEMS HOLDINGS, INC	15,134,540	20,280,283.60	15,134,540	20,280,284				
STENIEL MANUFACTURING CORP.	117,014	183,711.98	117,014	183,712				
<b>Subtotal</b>	<b>137,999,103</b>	<b>2,639,261,741</b>	<b>136,990,624</b>	<b>2,611,135,498</b>	<b>711,323</b>	<b>27,371,456</b>	<b>297,156</b>	<b>754,787</b>



NAME OF STOCKS	CUSTOMERS ACCOUNT		PHIL. CENTRAL DEPOSITORY		VAULT		DUE FROM TRANSFER OFFICE	
	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
VISTAMALLS, INC.	115,600	187,272.00	115,600	187,272				
SUNTRUST RESORT HOLDINGS, INC.	2,412,595	2,171,335.50	2,412,595	2,171,336				
SANITARY WARES MFTG. CORP.	20,800	-		-			20,800	0
TKC METALS CORPORATION	513,250	184,770.00	513,250	184,770				
TRANSPACIFIC BROADBAND GROUP INTL	4,065,000	548,775.00	4,065,000	548,775				
CIRTEK HLDGS PHILS PREF B-2 2C	52,400	2,439,220.00	52,400	2,439,220				
CIRTEK HLDGS PHILS PREF B-2 2D	41,000	1,890,100.00	41,000	1,890,100				
CIRTEK HOLDINGS PHILS. CORP.	2,415,928	3,189,024.96	2,415,928	3,189,025				
PLDT, INC.	223,764	289,774,380.00	223,464	289,385,880	300	388,500		
PLDT (10% PREF) SERIES S	350	-		-	350	0		
PTFC REDEVELOPMENT CORPORATION	405,306	22,291,830.00	405,306	22,291,830				
TOP FRONTIER INVESTMENT HOLDINGS	195,673	12,346,966.30	170,750	10,774,325	24,863	1,568,855	60	3,786
HARBOR STAR SHIPPING SERVICES, INC.	10,615,500	6,581,610.00	10,615,500	6,581,610				
UNION BANK OF THE PHILS.	151,880,147	5,467,685,292.00	150,126,152	5,404,541,472	224,432	8,079,552	1,529,563	55,064,268
UNI HOLDINGS INC.	90	17,010.00	90	17,010				
UNIVERSAL RIGHTFIELD PROP. & HLDGS.	29,057,951	-		-			29,057,951	0
UNITED PARAGON MINING CORP.	135,990,450	462,367.53	135,990,450	462,368				
UPSON INTERNATIONAL CORP	43,000	29,240.00	43,000	29,240				
UNIVERSAL ROBINA CORP.	1,239,604	97,928,716.00	1,239,604	97,928,716				
UNIWIDE HOLDINGS, INC.	1,010,000	-	1,010,000	-				
VANTAGE EQUITIES, INC.	14,557,512	11,500,434.48	14,557,512	11,500,434				
VITARICH CORPORATION	1,261,750	681,345.00	1,261,750	681,345				
VISTA LAND LIFESCAPES, INC.	122,822,949	181,777,964.52	122,822,949	181,777,965				
VISTA LAND SERIES 2A PREF.	234,330	23,901,660.00	234,330	23,901,660				
VICTORIAS MILLING CO., INC.	1,968,782	4,036,003.10	1,968,762	4,035,962	20	41		
VISTAREIT, INC.	5,896,000	11,143,440.00	5,896,000	11,143,440				
VIVANT CORPORATION	2,737	49,484.96	2,737	49,485				
PHILWEB CORPORATION	4,468,438	6,255,813.20	4,468,438	6,255,813				
WISE HOLDINGS, INC.	1,114	-		-			1,114	-
WELLEX INDUSTRIES, INC.	1,007,089	213,502.87	1,007,089	213,503				
WILCON DEPOT	460,000	6,578,000.00	460,000	6,578,000				
WATERFRONT PHILS., INC.	1,230,200	461,325.00	1,230,200	461,325				
XURPAS INC.	19,163,100	3,487,684.20	19,163,100	3,487,684				
NEXGEN ENERGY CORP.	179,000	442,130.00	179,000	442,130				
ZEUS HOLDINGS, INC.	2,585,000	186,120.00	2,585,000	186,120				
<b>Subtotal</b>	<b>516,136,409</b>	<b>P 6,158,442,817</b>	<b>485,276,956</b>	<b>P 6,093,337,814</b>	<b>249,965</b>	<b>P 10,036,948</b>	<b>30,609,488</b>	<b>P 55,068,054</b>
<b>GRAND TOTAL</b>	<b>18,008,923,045</b>	<b>P 75,923,355,160</b>	<b>17,958,242,528</b>	<b>P 56,138,508,830</b>	<b>4,557,205</b>	<b>P 39,238,287</b>	<b>46,123,312</b>	<b>P 19,745,608,043</b>

**PAPA SECURITIES CORPORATION**  
**FINANCIAL RATIO ANALYSIS**  
**For the years ended December 31, 2024 and 2023**

		<b>2024</b>		<b>2023</b>	
Asset Turnover	Net income	2,231,863	<b>0.46%</b>	2,955,845	<b>0.55%</b>
	Total assets	486,339,462		539,732,317	
Fixed asset turnover	Net income	2,231,863	<b>0.51</b>	2,955,845	<b>0.52</b>
	FFE	4,399,073		5,706,202	
Debt-to-equity ratio	Total liabilities	188,339,623	<b>0.63</b>	234,539,689	<b>0.77</b>
	Equity	297,999,839		305,192,628	
Equity-to-asset ratio	Equity	297,999,839	<b>0.61</b>	305,192,628	<b>0.57</b>
	Asset	486,339,462		539,732,317	
Current ratio	Current assets	460,655,113	<b>2.55</b>	497,418,515	<b>2.22</b>
	Current liabilities	180,713,997		224,374,532	
Gross profit margin	Gross margin	57,190,584	<b>0.35</b>	75,435,808	<b>0.40</b>
	Revenue	162,851,846		187,241,787	
Operating profit margin	Income before income tax	2,144,157	<b>0.01</b>	3,385,327	<b>0.02</b>
	Revenues	162,851,846		187,241,787	
Return on equity	Net income	2,231,863	<b>0.01</b>	2,955,845	<b>0.01</b>
	Total equity	297,999,839		305,192,628	
Return on assets	Net income	2,231,863	<b>0.00</b>	2,955,845	<b>0.01</b>
	Total assets	486,339,462		539,732,317	
Net profit margin	Net income	2,231,863	<b>0.01</b>	2,955,845	<b>0.02</b>
	Revenue	162,851,846		187,241,787	
Assets to equity	Assets	486,339,462	<b>1.63</b>	539,732,317	<b>1.77</b>
	Total equity	297,999,839		305,192,628	
Debt ratio	Total liabilities	188,339,623	<b>0.39</b>	234,539,689	<b>0.43</b>
	Total assets	486,339,462		539,732,317	
Solvency	Income after tax+ Depreciation	3,781,311	<b>0.02</b>	4,664,267	<b>0.02</b>
	Total liabilities- deferred tax liabilities	184,888,753		227,356,451	
Quick acid ratio	Cash + Receivables	334,575,072	<b>1.85</b>	346,570,671	<b>1.54</b>
	Current liability	180,713,997		224,374,532	

*Schedule VIII*



**MAM & Co.**

**M. A. MERCADO & Co.**

*Certified Public Accountants*

2109 Cityland 10 Tower 1

156 H.V. Dela Costa Street Cor.

6815 Ayala Avenue North

1226 Makati City, Philippines

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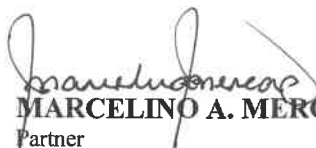
## **INDEPENDENT AUDITORS' REPORT**

The Shareholders and Board of Directors  
**PAPA SECURITIES CORPORATION**  
6F S & L Bldg. Dela Rosa St. cor. Esteban St.  
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Papa Securities Corporation** as of and for the year ended December 31, 2024, on which we have issued our attached report dated April 10, 2025.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above company has six (6) stockholders each owning more than hundred (100) or more shares.

**M. A. MERCADO & CO., CPAs**



**MARCELINO A. MERCADO**

Partner

CPA License No. 066885

Tax Identification No. 102-921-222

P.T.R. No. 10471448; Issued on January 9, 2025, Makati City

BOA Accreditation No. 5658 / P-001

Issued on December 19, 2023; Valid until November 20, 2026

SEC Accreditation No. 66885-SEC (Group B)

Issued on January 25, 2022;

Valid until 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-006173-001-2025

Issued on March 12, 2025; Valid until March 11, 2028

IC Accreditation No. 66885-IC (Group A)

Issued on January 26, 2021;

Valid until 2024 financial statements of SEC covered institutions

Firm's BOA/PRC Cert. of Reg. No. 5658

Issued on December 19, 2023; Valid until November 20, 2026

Firm's SEC Accreditation No. 5658-SEC (Group B)

Issued on January 25, 2022;

Valid until 2025 financial statements of SEC covered institutions

Firm's BIR Accreditation No. 08-006173-000-2024

Issued on March 5, 2024; Valid until March 4, 2027

Firm's IC Accreditation No. 5658-IC (Group A)

Issued on January 26, 2021;

Valid until 2024 financial statements of SEC covered institutions

April 10, 2025



**MAM & Co.**

**M. A. MERCADO & Co.**

*Certified Public Accountants*

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Website: [mamercado.com](http://mamercado.com)

## **INDEPENDENT AUDITORS' REPORT**

### **Securities and Exchange Commission**

The SEC Headquarters

7907 Makati Avenue, Salcedo Village,

Bel-Air, Makati City, 1209

We have audited the financial statements of **Papa Securities Corporation** as at and for the year ended December 31, 2024, and have issued our report thereon dated April 10, 2025.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of retained earnings available for dividend declaration as of December 31, 2024 is the responsibility of the Company's management.

This supplementary information is presented for the purpose of complying with the Revised Securities and Regulation Code Rule 68, and is not part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **M. A. MERCADO & CO., CPAs**

  
**MARCELINO A. MERCADO**

Partner

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Issued on March 5, 2024; Valid until March 4, 2027

Firm's IC Accreditation No. 5658-IC (Group A)

Issued on January 26, 2021;

Valid until 2024 financial statements of SEC covered institutions

April 10, 2025

**PAPA SECURITIES CORPORATION**  
**6F S & L Bldg. Dela Rosa St. cor Esteban St.**  
**Makati City**

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**SCHEDULE OF RETAINED EARNINGS**  
**AVAILABLE FOR DIVIDEND DECLARATION**  
**DECEMBER 31, 2024**

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning		P 138,519,398
Add: Net income actually earned/realized during the period		
Net income during the period closed to Retained Earnings	2,231,863	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate / joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment (M2M gains)	-	
Fair value adjustment of Investment Property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP - gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the FPRS	-	
Sub-total	<u>2,231,863</u>	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP - losses	-	
Deferred tax assets	-	
Effect of change in accounting for employee benefits (PAS 19)	-	
Loss on fair value adjustment of investment property (after tax)	<u>-</u>	
Net income actually earned during the period		2,231,863
Add(Less):		
Dividend declarations during the period	-	
Legal reserve fund	(223,186)	
Effects of prior period adjustments	-	
Treasury shares	<u>(34,146,197)</u>	<u>(34,369,383)</u>
<b>TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND</b>		<b><u>P 106,381,878</u></b>

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Hi PAPA SECURITIES CORPORATION,

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Company TIN: **000-215-520**

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

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