



SECURITIES AND EXCHANGE COMMISSION

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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

S	E	C	U	R	I	T	I	E	S	S	P	E	C	I	A	L	I	S	T	S	I	N	C	.				

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

8	T	H		F	L	O	O	R		L	T	A		B	U	I	L	D	I	N	G								
1	1	8		P	E	R	E	A		S	T																		
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1	2	2	9																										

Department requiring the report

Secondary License Type, If Applicable

5	2	-	A	R
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C	R	M	D
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B	R	O	K	E	R
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COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

Mobile Number

info@ssionline.ph

8892-4679

0905-3041357

No. of Stockholders

Annual Meeting
Month/Day

Fiscal Year
Month/Day

7

FIRST SATURDAY OF AUGUST

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

Leslie Gwen Iris R. Alcaraz

leslie@ssionline.ph

8892-4679

0905-0267081

Contact Person's Address

8TH FLOOR LTA BUILDING, 118 PEREA ST., LEGASPI VILLAGE, MAKATI CITY 1229

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

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

SECURITIES SPECIALISTS, INC.

FINANCIAL STATEMENTS
December 31, 2024 and 2023

and

Report of Independent Auditors

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

ANNUAL AUDITED FINANCIAL REPORT

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

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

IDENTIFICATION OF BROKER OR DEALER

Name of Broker / Dealer: SECURITIES SPECIALISTS, INC.

Address of Principal Place of Business: 8th Floor LTA Building
118 Perea Street
Legaspi Village, Makati City

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

Name: DIOSDADO M. ARROYO Tel. No. 8892-4679
Fax No. 8813-1682

IDENTIFICATION OF ACCOUNTANT

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

Name: MA. ALMA C. SESE Tel. No. 8994-3984
Fax No. _____

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

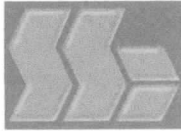
Certificate Number: 54588

PTR Number : 2093955 Date Issued: January 6, 2025

SECURITIES SPECIALISTS, INC.
TABLE OF CONTENTS

ANNUAL AUDITED FINANCIAL REPORT PACKAGE
DECEMBER 31, 2024 and 2023

	Submitted
Cover Page	<u>X</u>
Statement of Management Responsibility	<u>X</u>
Supplemental Statement of Independent Auditors	<u>X</u>
Report of Independent Auditors on Supplementary Schedules filed separately from the Basic Financial Statements	<u>X</u>
Report of Independent Auditors	<u>X</u>
Financial Statements:	
Statements of Financial Position	<u>X</u>
Statements of Comprehensive Income	<u>X</u>
Statements of Changes in Equity	<u>X</u>
Statements of Cash Flows	<u>X</u>
Notes to Financial Statements	<u>X</u>
Supplementary Schedules	
Schedule I Statement of Changes in Liabilities Subordinated to Claims of General Creditors	<u>X</u>
Schedule II Computation of Risk Based Capital Adequacy per SRC Rule 49.1-1	<u>X</u>
Schedule III Information Relating to Possession or Control Requirements Under Appendix F of SRC Rule 49.2-1	<u>X</u>
Schedule IV Computation of Determination of Reserve Requirements Under Appendix G of SRC Rule 49.2-1	<u>X</u>
Schedule V A Report Describing any Material Inadequacies Found to Exist or Found to Have Existed since the Previous Audit	<u>X</u>
Schedule VI Results of Monthly Securities count conducted pursuant to SRC Rule 52.1-10 as of the Date of the Balance Sheet Included in the Annual Audited Financial Report Package	<u>X</u>
Schedule VII Financial Soundness Indicators	<u>X</u>
Schedule VIII Reconciliation of Retained Earnings Available for Dividends Declaration	<u>X</u>



Securities Specialists, Inc.

Member: The Philippine Stock Exchange, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **SECURITIES SPECIALISTS, INC.** (the Company) 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 to do so.

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

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

PEREZ, SESE, VILLA & CO. the independent auditors appointed by the shareholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

DIOSDADO M. ARROYO

Chairman of the Board

DIOSDADO M. ARROYO

President

CATHERINE N. PALAMOS

Treasurer

Signed this 11th day of April 2025.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the MAKATI CITY Philippines, this 21 APR 2025 affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES

COMPETENT
EVIDENCE OF IDENTITY

DATE AND PLACE ISSUED

DIOSDADO M. ARROYO
CATHERINE N. PALAMOS

TIN 914-841-275
TIN 212-691-859

MA. ESMERALDA R. CUNANAN

Notary Public for and in Makati City
Until December 31, 2025
Appt. No. M-013 (2024-2025) Makati City
Attorney's Roll No. 34562

MCLE Compliance No. VIII-0001662/valid until 4-14-2028
PTR No. 10467303/1 2-2025/Makati City
IBP Lifetime Member No. 05413

G/F Dela Rosa Carpark I, Dela Rosa St
Makati City 1229

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SERIES OF 2025.

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Office Fax (632) 8813.1682

PSE Trading Floor (632) 8839-0586 / (632) 8838.2050



PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

✉ admin@psv-co.com

☎ (02) 8 994-3984

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

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS


**To the Board of Directors and Shareholders
SECURITIES SPECIALISTS, INC.**

8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company) for the year ended December 31, 2024, on which we have rendered the attached report dated April 11, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of two (2) shareholders owning one hundred (100) or more shares each of the Company's Capital stock as of December 31, 2024, as disclosed in Note 19 of the Financial Statements.

PEREZ, SESE, VILLA & CO.

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

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

SEC Accreditation No:

Partner – 54588-SEC Group B, issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements

Firm – 0222-SEC, Group B, Issued on December 1, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements

BIR Accreditation No. 06-002735-001-2024, issued on April 12, 2024,
valid for three (3) years until April 11, 2027

IC Accreditation No.

Partner -54588-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements

Firm -0222-IC, Group B, issued on December 3, 2020
valid for five (5) years covering the audit of 2020 to 2024 financial statements


BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026


Manila, Philippines
April 11, 2025



PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

 admin@psv-co.com

 (02) 8 994-3984

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

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

**To the Board of Directors and Shareholders
SECURITIES SPECIALISTS, INC.**
8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company) as at and for the year ended December 31, 2024 in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 11, 2025. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules I to VIII, as required by the Securities and Exchange Commission under the Revised Securities Regulation Code Rule 68, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: 
MA. ALMA C. SESE
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

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Manila, Philippines
April 11, 2025



REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders SECURITIES SPECIALISTS, INC.

8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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


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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: 
MA. ALMA C. SESE
MANAGING PARTNER

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

SEC Accreditation No:

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valid for five (5) years covering the audit of 2022 to 2026 financial statements

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Firm -0222-IC, Group B, issued on December 3, 2020

valid for five (5) years covering the audit of 2020 to 2024 financial statements

BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines

April 11, 2025

SECURITIES SPECIALISTS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<i>Notes</i>		<u>Security Position (2024)</u>			<u>Security Position (2023)</u>	
		<u>2024</u>	<u>Long</u>	<u>Short</u>	<u>2023</u>	<u>Long</u>	<u>Short</u>
<u>ASSETS</u>							
Current Assets							
Cash and cash equivalent	4, 5, 6	P 153,049,951	P	P	P 92,997,500	P	P
Financial asset at fair value through profit or loss	4,5,7	39,643,505	39,643,505		34,264,833	34,264,833	
Receivable from customers	4,5,8	263,015	16,187,477		691,161	11,188,196	
Receivable from clearing house	4,5,9	79,354			-		
Other receivables	4,5,10	1,050,541			1,222,429		
Prepayments and other current assets	4,5,11	751,676			1,222,387		
Total Current Assets		194,838,042	55,830,982		130,398,310	45,453,029	
Non-Current Assets							
Property and equipment, net	4,5,12	122,871			120,651		
Intangible assets, net	4,5,13	572,440			572,440		
Right of use asset	4,5,28	1,037,755			1,660,409		
Deferred tax asset, net	4,5,26	2,741,317			3,711,361		
Other non current assets	4,5,14	862,710			818,942		
Total Non-Current Assets		5,337,093			6,883,803		
TOTAL ASSETS		P 200,175,135	55,830,982		P 137,282,113	45,453,029	
Securities in Vault, Transfer Office and Philippine Depository and Trust Corp.			P -	P 2,146,596,769		P -	P 2,241,136,567
<u>LIABILITIES AND EQUITY</u>							
Current Liabilities							
Payable to customers	4,15	P 131,821,574	P 2,090,765,787	P	P 69,036,567	P 2,195,683,538	P
Payable to clearing house	4,9	-			508,595		
Other payables	4,16	124,778			1,963,337		
Lease liability-current	4,28	635,327			573,305		
Other current liabilities	4,17	541,340			700,585		
Total Current Liabilities		133,123,019	2,090,765,787		72,782,389	2,195,683,538	
Non-Current Liability							
Retirement benefit obligation	4,24	1,825,562			2,232,332		
Lease liability - non-current	4,28	476,947			1,112,274		
Deposit for future stock subscription	4,18	25,000,000			25,000,000		
Total Non-Current Liabilities		27,302,509	-		28,344,606	-	
Total Liabilities		160,425,528	-		101,126,995	-	
Equity							
Share capital	4,19	100,000,000			100,000,000		
Reserves	4,19	1,625,771			927,563		
Accumulated deficits	4,19	(61,876,164)			(64,772,445)		
Equity, net		39,749,607			36,155,118		
TOTAL LIABILITIES AND EQUITY		P 200,175,135	P 2,146,596,769	P 2,146,596,769	P 137,282,113	P 2,241,136,567	P 2,241,136,567

(See accompanying Notes to Financial Statements)

SECURITIES SPECIALISTS, INC.

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024 and 2023

	<i>Notes</i>	2024	2023
REVENUE			
Commission revenue	4,20	P 11,009,532	P 7,553,556
Dividend income	4,7	903,520	704,592
Loss on financial assets at FVTPL, net	4,7	(1,883,301)	(2,394,815)
Unrealized gain on financial assets at FVTPL, net	4,7	3,575,585	209,224
Total Income		13,605,336	6,072,557
DIRECT COSTS	4,21	(6,534,170)	(7,094,450)
GROSS PROFIT (LOSS)		7,071,166	(1,021,893)
OTHER INCOME	4,23	3,504,924	644,786
GROSS INCOME (LOSS)		10,576,090	(377,107)
OTHER LOSSES	4,23	-	(15,940)
OPERATING EXPENSES	4,22	(6,708,543)	(5,542,274)
NET OPERATING INCOME (LOSS)		3,867,547	(5,935,321)
FINANCE COST	4,28	(99,829)	(50,937)
INCOME (LOSS) BEFORE INCOME TAX		3,767,718	(5,986,258)
INCOME TAX (EXPENSE) BENEFITS	4,26		
Current		134,129	(10,642)
Deferred		737,308	1,780,920
		871,437	1,770,278
NET INCOME (LOSS) FOR THE YEAR		2,896,281	(4,215,980)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss	4,25		
Actuarial gains (losses) on defined benefit obligation		930,944	(278,107)
Tax effect		(232,736)	(69,527)
		698,208	(208,580)
TOTAL COMPREHENSIVE INCOME (LOSS)		P 3,594,489	P (4,424,560)

(See accompanying Notes to Financial Statements)

SECURITIES SPECIALISTS, INC.

STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2024 and 2023

	<i>Notes</i>	2024	2023
SHARE CAPITAL			
	<i>4,19</i>		
Balance at beginning of the year		P 100,000,000	P 100,000,000
Issuance		-	-
Balance at end of the year		100,000,000	100,000,000
RESERVES	<i>4,19</i>		
Balance at beginning of the year		927,563	1,136,143
Other comprehensive income (loss) for the year		698,208	(208,580)
Balance at end of the year		1,625,771	927,563
ACCUMULATED DEFICITS	<i>4,19</i>		
Unappropriated			
Balance at beginning of the year		(64,772,445)	(60,556,465)
Net income (loss) for the year		2,896,281	(4,215,980)
Appropriation for the year per SRC Rule 49.1		(139,642)	-
Balance at end of the year		(62,015,806)	(64,772,445)
Appropriated			
Balance at beginning of the year		-	-
Appropriation for the year per SRC Rule 49.1		139,642	-
Balance at end of the year		139,642	-
Total		(61,876,164)	(64,772,445)
EQUITY, net		P 39,749,607	P 36,155,118

(See accompanying Notes to Financial Statements)

SECURITIES SPECIALISTS, INC.

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2024 and 2023

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		P 3,767,718	P (5,986,258)
Adjustments for:			
Depreciation - right of use	4,22,28	622,653	612,242
Depreciation (PPE)	4,12,22	31,704	16,958
Interest expense - lease liabilities	4,28	99,829	50,937
Foreign currency (gains) losses	4,23	(75,556)	15,940
Gain on disposal of asset	4,23	-	(8,000)
Interest income	4,23	(1,043,791)	(538,949)
Gain from reduction of lease payments	4,23	-	(97,791)
Dividend income	4,7	(903,520)	(704,592)
Unrealized fair value loss (gain) on financial assets	4,7	(3,575,585)	(209,224)
(Gain) loss on sale of financial assets at FVTPL (net)	4,7	1,883,301	2,394,815
Operating gain (loss) before working capital changes		806,753	(4,453,922)
Decrease (increase) in:			
Financial assets at FVTPL	4,5,7	(3,686,388)	(1,944,547)
Receivable from customers	4,5,8	428,146	2,357
Receivable from clearing house	4,5,9	(79,354)	1,756,125
Other receivables	4,5,10	171,888	(188,470)
Prepayments and other current assets	4,5,11	338,808	(353,628)
Increase (decrease) in:			
Payable to customers	4,15	62,785,007	(18,955,303)
Payable to clearing house	4,9	(508,595)	508,595
Other payables	4,16	(1,838,559)	(1,374,145)
Other current liabilities	4,17	(159,245)	(770,859)
Retirement benefit obligation	4,24	524,174	426,889
Cash generated from (used in) operations		58,782,635	(25,346,908)
Interest received	4,23	1,043,791	538,949
Dividend received	4,7	903,520	704,592
Interest expense - lease liabilities	4,28	(99,829)	(50,937)
Income taxes paid	4,26	(2,225)	(25,984)
Net cash generated from (used in) operating activities		60,627,892	(24,180,288)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of asset	4,12	-	8,000
Additions to property and equipment	4,12	(33,924)	(109,018)
Additions to refundable deposits	4,14	(43,768)	(324,459)
Net cash used in investing activities		(77,692)	(425,477)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments	4,28	(573,305)	(524,406)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT		75,556	(15,940)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		60,052,451	(25,146,111)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		92,997,500	118,143,611
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		P 153,049,951	P 92,997,500

(See accompanying Notes to Financial Statements)

SECURITIES SPECIALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - GENERAL INFORMATION

SECURITIES SPECIALISTS, INC. (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 42391 dated October 1, 1970. The Company is established primarily to engage in the business of stock broker and dealer in securities including all transaction relating to the sale, transfer and exchange of equity securities. The Company is accredited with Philippine Stock Exchange (PSE) as a stock broker and dealer in securities.

The Company's registered address, which is also its principal place of business is located 8th floor LTA Building, 118 Perea Street, Legaspi Village, Makati City.

Status of operation

As at December 31, 2024 and 2023, the Company has accumulated deficit of ₱ 61,876,164 and ₱64,772,445, respectively, and reported a net income (loss) amounting to ₱ 2,896,281 and (₱4,215,980) for the years ended December 31, 2024 and 2023, respectively. The management believes that it was due to the unfavorable market conditions wherein the Company operates. Long-term management plan and implementation is at place to improve the Company's operation by looking for additional clients aside from continuously encouraging the existing customers to keep trading. Also, the Company has a plan to increase its capitalization by additional investments from stockholders to cover the deficit and for working capital purposes. Thus, the going concern basis is appropriate in the preparation of the Company's financial statements as at and for the year ended December 31, 2024.

Approval of the Financial Statements

The financial statements of the Company for the year ended December 31, 2024 including its comparative figures for the year ended December 31, 2023 were approved and authorized for issue by the Board of Directors (BOD) on April 11, 2025. The Board of Directors is empowered to make revisions even after the date of issue.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as approved by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) (formerly Philippine Financial Reporting Standards Council). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippines interpretations from International Financial Reporting Interpretations Committee (IFRIC) and adopted by the Securities and Exchange Commission (SEC), including SEC pronouncement.

Basis of Preparation and Measurement

The Company has prepared the financial statements as at and for the year ended December 31, 2024 and 2023 on a going concern basis, which assumes continuity of current business activities and the realization of assets and settlements of liabilities in the ordinary course of business.

The financial statements are presented in Philippine Peso (₱), the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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 by 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 economic best interest.

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

When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Further information about assumptions made in measuring fair values is included in the following:

- Note 5 - Significant Judgments, Accounting Estimates and Assumptions
- Note 7 – Financial Assets at Fair Value Through Profit or Loss
- Note 31 - Fair Value Measurement

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS Accounting Standards which the Company adopted effective for annual periods beginning on or after January 1, 2024.

- *Amendments to PAS 1, Presentation of Financial Statements – Non-current liabilities with covenants.*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities, and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

- *Amendments to PAS 7, Statements of Cash Flows and PFRS 7, Financial instruments: Disclosures – Supplier Finance Arrangements*

The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to a concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- a. The terms and conditions of the arrangements
- b. The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- c. The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- d. Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- e. Liquidity risk information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after January 2024. Earlier application is permitted.

- *Amendments to PFRS 16, Lease liability in a Sale and Leaseback*

The amendments to PFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in PFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying PFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with PAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied PFRS 16.

New and Amended Standards Issued but not yet Effective or Adopted

Pronouncements issued but not yet effective are listed below. The Company intends to apply the following pronouncement when they become effective. Adoption of these pronouncements is not expected to have a material impact on the Company's financial statements.

Effective beginning on or after January 1, 2025

- *PFRS 17. Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace

PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted, and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to identify financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments. Based on management assessment, this is not expected to have any material impact on the financial statements of the Company.

- Annual Improvements to PFRS Accounting Standards-Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

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

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

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

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- a) Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- b) Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

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

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures

- Guidance on aggregation and disaggregation

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

PFRS 19, Subsidiaries without Public Accountability

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities. Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

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 and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016, of the said amendments until the 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. ". Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these financial statements are summarized below. These accounting policies information is considered material because of its amounts, nature and related amounts. These are material in understanding material information in the financial statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

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

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 FVTPL, includes transaction costs.

“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 FVTPL, (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 (a) financial liabilities at FVTPL or (b) financial liabilities at amortized cost. The classification of a financial instruments largely depends on the Company’s business model and its contractual cash flow characteristics.

Financial Assets and Liabilities at FVTPL

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

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 FVTPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVTPL 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 FVTPL and held for trading financial liabilities are recognized in profit or loss.

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

As at December 31, 2024 and 2023, the Company’s financial assets or liabilities classified as FVTPL are presented in Note 7.

Financial Assets at Amortized Cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

As at December 31, 2024 and 2023, the Company's cash and cash equivalents, receivable from customers, receivable from clearing house, other receivables and rental deposits are classified under this category. (Note 6, 8, 9, 10, 14)

Cash in banks are demand deposits with banks and earn interest at prevailing bank deposit rates. Meanwhile, cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value and which have a maturity of three (3) months or less at acquisition.

Financial Assets at FVOCI.

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVTPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

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

After initial recognition, financial assets at FVOCI are presented in the financial statements at fair value with changes in fair value are recognized in Other Comprehensive Income (OCI).

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

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

As at December 31, 2024 and 2023, the Company does not have financial assets classified as FVOCI.

Financial Liabilities at Amortized Cost

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

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

As at December 31, 2024 and 2023, the Company's payable to customers, payable to clearing house, and other payables are classified under this category. (Note 15, 9 and 16).

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 FVTPL, 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 FVTPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

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

For a financial asset reclassified out of the financial assets at FVTPL 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 FVTPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of Financial Assets

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

For receivables from customers, the Company has applied the provision of SRC Rule 52.1.11 and Risk Based Capital Adequacy. The Company's Credit Losses was computed based on the classification, credit loss rate and basis specified in SRC Rule No. 52.1.11. In 2023, section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11, Series of 2023.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on

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

Derecognition of Financial Assets 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 repay.

Financial Liabilities

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

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.

Prepayments and Other Current Assets

Prepayments represent advance payments for Company expense which are expected to be consumed within one year immediately after the reporting period. Other current assets includes Prepaid income taxes and VAT Input. Prepayments and other current assets are stated in the statements of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

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

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

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

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

Intangible Assets

Intangible assets account includes trading rights. These are initially measured at cost and is presented in the statement of financial position at cost less any accumulated amortization and impairment losses.

Trading right is the result of the conversion plan to preserve the Company's access to the trading facilities and for it to continue to transact business at the PSE.

Trading right is initially measured at cost and are subsequently measured at cost less any accumulated impairment loss. The trading right is an intangible asset to be regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company.

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

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

Impairment of Non-Financial Assets

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

Any impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its net recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Company. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable amount of an asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

Other Current Liabilities

Other current liabilities include government taxes payable and statutory payables. These are presented in the statement of financial position at undiscounted amounts.

Deposit for Future Stock Subscription

Deposit for future stock subscription represents advance payment made by shareholders and prospective shareholders for future stock subscription.

This shall be presented under equity as separate account from Outstanding Capital Stock if and only if, all the following are present as of end of reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

Otherwise, the amount of deposit for future stock subscription is presented under liability.

Share Capital

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

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

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

Retained Earnings

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

Appropriated Retained Earnings

Appropriated retained earnings pertains to the restricted portion which is intended for the resource fund in compliance with SRC rule 49.1 (B). Unappropriated retained earnings represent the portion which can be declared as dividends to shareholders.

Accumulated Deficits

Accumulated deficits represent accumulated losses incurred by the Company. It includes effect of changes in accounting policy as may be required by the standard's transitional provisions and effect of correction of prior period errors.

Reserves

Other components of equity comprise of items of income and expense that are not recognized in profit or loss for the year. Other Comprehensive Income pertains to cumulative remeasurement gains (losses) on net retirement asset or liability.

Revenue

Revenue recognition

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

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

Commission

Commissions on brokerage transactions are recorded on a trade date basis as trade transactions occur.

Other income

Other income are recognized when earned.

The following specific recognition criteria must also be met for other revenues outside the scope of PFRS Accounting Standards:

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

Trading Gains or Losses on Financial Assets at FVTPL

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

Realized Gain (loss) on financial assets

Income (loss) is recognized when the ownership of the securities is transferred to the buyer (at an amount equal to the excess of selling price over the carrying amount of securities).

Unrealized Gain (loss) on financial assets

Income (loss) is recognized as a result of year-end mark-to-mark valuation of securities at FVTPL.

Interest income

Interest Income is recognized in profit or loss as it accrues, considering the effective yield of the assets.

Other Comprehensive Income (OCI)

OCI pertains to the remeasurement gains (losses) on net retirement asset or liability.

Expenses

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

Direct costs

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

Operating expense

Operating expenses are costs attributable to administrative, marketing, and other business activities of the Company which includes salaries and employee benefits, depreciation and professional fees and other costs that cannot be associated directly to the services rendered.

Income Tax

Income tax expense includes current tax expense and deferred tax expense.

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

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

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

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

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

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

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

Employee Benefits

Short-term benefits

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

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

Retirement Benefits

The Company has as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reclassified immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reclassified immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Related Parties

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

Leases

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

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

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

Company as Lessee

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

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

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

Foreign Currency Transaction

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

Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the

provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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

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

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are accounted for retrospectively.

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

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

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

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

Subsequent events

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

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgements and accounting estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate. Future events

may occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

The accounting estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Judgment

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

Assessment of Impairment of Nonfinancial Assets

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

No impairment loss of nonfinancial assets was recognized in the Company's financial statements in either 2024 or 2023.

Determination of ECL on financial assets

The Company uses a provision matrix to calculate ECL for financial assets. The provision rates are based on the provision of SRC Rule 52.1.11 and Risk Based Capital Adequacy. The Company's Credit Losses was computed based on the classification, credit loss rate and basis specified in SRC Rule No. 52.1.11. In 2023, section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11, Series of 2023.

Details about the ECL on the Company's trade and other receivables are disclosed in Note 29.

Fair Value Measurement for Financial Assets at FVTPL

The Company carries certain financial assets at fair value which requires judgment and extensive use of accounting estimates. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another financial instrument which is substantially the same or is calculated based on the expected cash flow of the underlying net base of the instrument or other more appropriated valuation techniques (Note 7).

The amount of changes in fair value would differ if the Company had utilized different valuation methods and assumptions. Any change in fair value of the financial assets and financial liabilities would affect profit. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques using the net present value computation.

The carrying values of the Group's trading and investment securities and the amounts of fair value changes recognized on those financial assets are disclosed in Note 7.

Estimates

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

Estimation of Allowance for Credit Losses

The measurement of the allowance for Credit Losses on financial assets at amortized cost and at FVOCI (debt instruments) is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring Credit Losses is further detailed in Note 29.

Estimating useful lives of property and equipment

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

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

Particulars	Useful Lives
Leasehold improvements	5 years or lease term whichever is shorter
Furniture and Fixture and Equipment	3 years
Transportation Equipment	5 years

Determination of Realizable Amount of Deferred Tax Assets/Liabilities

The Company reviews its deferred tax assets/liabilities at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets/liabilities to be utilized. Management assessed that the deferred tax assets/liabilities recognized as at December 31, 2024 and 2023 will be fully utilized/will be due in the coming years. The carrying value of deferred tax assets/liabilities as of those dates is disclosed in Note 26.

NOTE 6 - CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Cash on hand	P 15,000	P 15,000
Cash in banks	115,238,622	56,273,917
Cash equivalents	37,796,329	36,708,583
	<u>P 153,049,951</u>	<u>P 92,997,500</u>

Cash in bank generally earns interest at rates based on daily bank deposit rates. These are unrestricted and available for use in the Company's operation except for the special reserve bank account.

Cash equivalents are time deposits made for varying periods up to three months depending on the Company's immediate cash requirements and earn interest at 25% in 2024 and 2023.

Interest income from bank deposits and short-term placement recognized in the Statements of Comprehensive Income amounted to ₱1,043,791 and ₱538,949 in 2024 and 2023, respectively (Note 23).

Included in 2024 Cash in banks is USD30,578 translated to Philippine Peso at an exchange rate of ₱57.845 to a USD.

Included in 2023 Cash in banks is USD30,519 translated to Philippine Peso at an exchange rate of ₱55.370 to a USD.

Unrealized gain (loss) on USD-denominated bank deposit amounts to a gain of ₱75,556 and a loss of ₱15,940 for the years ended December 31, 2024 and 2023, respectively (Note 23).

Under Securities Regulation Code (SRC) Rule 49.2-1, The Company is required to maintain special reserve bank account for the exclusive benefit of its clients. As of December 31, 2024 and 2023, the Company is compliant with the required amount of reserve in accordance with SRC 49.2-1.

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

This account consists of:

	2024	2023
Held for trading securities		
Equities in PHISIX	₱ 19,878,030	₱ 15,046,290
Equities outside PHISIX	19,765,475	19,218,543
	<u>₱ 39,643,505</u>	<u>₱ 34,264,833</u>

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

	2024	2023
Balance at beginning of year	₱ 34,264,833	₱ 34,505,877
Additions	99,281,159	21,854,550
Disposals	(97,478,072)	(22,304,818)
Fair value adjustments	3,575,585	209,224
Balance at end of year	<u>₱ 39,643,505</u>	<u>₱ 34,264,833</u>

Financial assets at FVTPL represents equity securities held for trading. Fair values are based on the quoted market price at the PSE as at December 31, 2024 and 2023 or on the last trading day of each year.

Dividend income on financial assets at FVTPL presented in the statements of comprehensive income amounted to ₱ 903,520 and ₱704,592 in 2024 and 2023, respectively.

The Company recognizes loss on sale of financial assets at FVTPL presented as loss on sale of financial assets at FVTPL in the statements of comprehensive income amounting to ₱1,883,301 and ₱2,394,815 in 2024 and 2023, respectively.

The change in fair value of financial assets at fair value through profit or loss recognized and presented as unrealized gain (loss) on financial assets at FVTPL in the statements of comprehensive income amounted to a gain of ₱3,575,585 and ₱209,224 in 2024 and 2023, respectively.

NOTE 8 - RECEIVABLE FROM CUSTOMERS

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

	2024		2023	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Fully secured accounts:				
More than 250%	P 54,513	P 15,865,727	P 253,650	P 10,515,149
Between 200% to 250%	-	-	-	-
Between 150% to 200%	-	-	-	-
Between 100% to 150%	-	-	-	-
Less than 100%	-	-	-	-
	<u>54,513</u>	<u>15,865,727</u>	<u>253,650</u>	<u>10,515,149</u>
Partially secured accounts:				
Less than 100%	488,789	321,750	856,364	673,047
Unsecured accounts	-	-	-	-
	<u>488,789</u>	<u>321,750</u>	<u>856,364</u>	<u>673,047</u>
Less: Allowance for credit losses	(280,287)	-	(418,853)	-
	<u>P 263,015</u>	<u>P 16,187,477</u>	<u>P 691,161</u>	<u>P 11,188,196</u>

Receivables from customers are due within two (2) trading days after the consummation of the transactions.

Allowance for credit losses on trade and other receivables is computed using the formula provided by the SRC Rule No. 52.1.11 which forms part of the Risk-Based Capital Adequacy (RBCA) Report, see Note 29.

Movements in the allowance for credit losses follow:

	2024	2023
Balance at January 1	P 418,853	P 295,693
Credit losses	-	123,160
Recovery of allowance	(138,566)	-
Balance, December 31	<u>P 280,287</u>	<u>P 418,853</u>

NOTE 9 - RECEIVABLES FROM/ PAYABLES TO CLEARING HOUSE

The net balance of this account as at December 31, 2024 and 2023 relates to the trading transactions made for the last two trading days which have not yet been cleared. The outstanding balance were net receivable from clearing house amounting to P79,354 in 2024 and net payable to clearing house amounting to P508,595 in 2023.

NOTE 10 - OTHER RECEIVABLES

This account consists of:

	2024	2023
Advances to officers and employees	P 953,448	P 1,206,826
Dividends receivable	97,093	15,603
	<u>P 1,050,541</u>	<u>P 1,222,429</u>

Advances to officers and employees pertains to cash advances collectible through salary deduction.

NOTE 11 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2024	2023
Prepayments	P 70,369	P 284,394
VAT Input	-	124,783
Prepaid income tax (Note 26)	681,307	813,210
	<u>P 751,676</u>	<u>P 1,222,387</u>

Prepayments pertains to advance payment of insurance and taxes and licenses which is applicable in the succeeding period.

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

Prepaid income tax pertains to accumulated current and prior years excess tax credits, which could be applied as tax credit to the tax liability of the company in the succeeding period.

NOTE 12 - PROPERTY AND EQUIPMENT, net

A reconciliation of the carrying amounts at the beginning and end of 2024 and 2023, of property and equipment is shown below:

2024

	Leasehold Improvements	Transportation Equipment	Furniture, Fixture and Equipment	Total
Costs				
January 01, 2024	P 837,857	P 109,018	P 1,172,822	P 2,119,697
Additions	-	-	33,924	33,924
Disposals	-	-	-	-
December 31, 2024	<u>837,857</u>	<u>109,018</u>	<u>1,206,746</u>	<u>2,153,621</u>
Accumulated depreciation				
January 01, 2024	837,857	-	1,161,189	1,999,046
Depreciation expense	-	21,804	9,900	31,704
Disposals	-	-	-	-
December 31, 2024	<u>837,857</u>	<u>21,804</u>	<u>1,171,089</u>	<u>2,030,750</u>
Carrying amount				
December 31, 2024	<u>P -</u>	<u>P 87,214</u>	<u>P 35,657</u>	<u>P 122,871</u>
Carrying amount				
December 31, 2023	<u>P -</u>	<u>P 109,018</u>	<u>P 11,633</u>	<u>P 120,651</u>

2023

	Leasehold Improvements	Transportation Equipment	Furniture, Fixture and Equipment	Total
Costs				
January 01, 2023	P 837,857	P 59,731	P 1,172,822	P 2,070,410
Additions	-	109,018	-	109,018
Disposals	-	(59,731)	-	(59,731)
December 31, 2023	837,857	109,018	1,172,822	2,119,697
Accumulated depreciation				
January 01, 2023	837,857	59,731	1,144,231	2,041,819
Depreciation expense	-	-	16,958	16,958
Disposals	-	(59,731)	-	(59,731)
December 31, 2023	837,857	-	1,161,189	1,999,046
Carrying amount				
December 31, 2023	P -	P 109,018	P 11,633	P 120,651
Carrying amount				
December 31, 2022	P -	P -	P 28,591	P 28,591

As of December 31, 2024, and 2023, management believes that there is no impairment loss on its property and equipment.

The amount of depreciation is presented in the statements of comprehensive income under the operating expenses (Note 22).

In 2023, the Company disposed of its fully depreciated transportation equipment. The Company recognized gain on disposal amounting to P8,000 presented as part of miscellaneous income, (Note 23)

The Company has not entered into any contractual commitment for the acquisition of property and equipment in 2024 and 2023.

NOTE 13 - INTANGIBLE ASSETS, net

This account consists of trading right amounting to P572,440 as of December 31, 2024 and 2023.

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

The trading right is regarded as having an indefinite useful life when it was acquired because it is expected to generate net cash inflows indefinitely. Because it is regarded as having an indefinite useful life, the trading right would not be amortized but would be tested for impairment annually and whenever there is an indication that it may be impaired.

The carrying amount of trading rights presented as part of Intangible Assets in the Statements of Financial Position amounts to P572,440 as at December 31, 2024 and 2023. The last transacted price of the trading right in Philippine Pesos: Eight Million (P8,000,000) dated November 16, 2022. Considering that the market value is significantly higher than the carrying amount, no impairment loss was recognized for this account.

NOTE 14 - OTHER NON-CURRENT ASSETS

This account consists of:

	2024	2023
Garnished cash in bank	P 392,493	P 392,493
CTGF	368,227	324,459
Rental deposits	101,990	101,990
	<u>P 862,710</u>	<u>P 818,942</u>

The Bureau of Internal Revenue (BIR) issued a warrant of garnishment that freeze one of the Company's bank accounts, which is primarily used by the Company in filing their taxes electronically. The order was issued due to the unfiled and unpaid income tax and value added tax of the Company for BIR for taxable year 2006.

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

Rental deposits pertain to deposits for rental which is refundable at the end of the lease agreement. (Note 28)

NOTE 15 - PAYABLES TO CUSTOMERS

This account consists of:

	2024	2023
Payable to customers	P 131,791,080	P 69,033,843
Dividends payable-customers	30,494	2,724
	<u>P 131,821,574</u>	<u>P 69,036,567</u>

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

	2024		2023	
	Credit Balance	Security Valuation- Long	Credit Balance	Security Valuation- Long
With money balance	P 131,791,080	P 1,361,495,178	P 69,033,843	P 1,605,033,939
Without money balance	-	729,270,609	-	590,649,599
	P 131,791,080	P 2,090,765,787	P 69,033,843	P 2,195,683,538

Payables to customers are non-interest bearing and are payable within two (2) trading days after the consummation of the transactions.

NOTE 16 - OTHER PAYABLES

This account consists of:

	2024	2023
PDTC and SCCP payable	P 36,692	P 1,291,911
Accrued expenses	23,336	663,547
Others	64,750	7,879
	<u>P 124,778</u>	<u>P 1,963,337</u>

PDTC and SCCP payable pertain to transaction fees of buying and selling of stocks.

Accrued expenses represent accruals of incurred expenses on professional fees, utilities and other expenses which has not been paid as of the reporting dates.

Others pertains to withholding taxes on dividends which were not charged by the transfer office.

NOTE 17 - OTHER CURRENT LIABILITIES

This account consists of:

	2024	2023
Due to BIR	P 489,110	P 652,866
Statutory payable	52,230	47,719
	P 541,340	P 700,585

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

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

NOTE 18 - DEPOSIT FOR FUTURE STOCK SUBSCRIPTION

In a special meeting held in 2020, the Board of Directors and Shareholders approved the increase of the Company's authorized capital stock from P100,000,000 representing one million ordinary shares at par value of one hundred pesos (P100) to two hundred fifty million P250,000,000 representing two million five hundred thousand ordinary shares at par value of P100 per share. In relation to the approved increase, the Company received deposit for future stock subscription amounting to P5,000,000 from its shareholders. In October 2021, the Board of Directors approved the reclassification of the subordinated loan of P20,000,000 from the related party as additional deposit for future stock subscription.

The Company recognized the deposit for future stock subscription as liability pending actual filing of the increase in Capital Stock and approval from SEC.

NOTE 19 - EQUITY

Capital Stock

The Company is authorized to issue One Million (1,000,000) ordinary shares with par value of one hundred peso (P 100) per share.

As at December 31, 2024 and 2023, the Company's total subscribed, issued and outstanding capital stock is owned by seven (7) shareholders. Two (2) stockholders owned one hundred (100) or more shares.

A reconciliation of the outstanding share capital at the beginning and end of 2024 and 2023 is shown below:

2024

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2023	1,000,000	₱ 100,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2024	1,000,000	₱ 100,000,000

2023

	<u>Shares</u>	<u>Amount</u>
Outstanding 12/31/2022	1,000,000	₱ 100,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2023	1,000,000	₱ 100,000,000

Minimum Capital Requirement

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

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

On November 10, 2023, the Company renewed its SEC licenses and the required surety bond coverage for the period January 1, 2024 to December 31, 2024 in the amount of Twelve Million Pesos (₱12,000,000) in compliance with SRC Rule 28.1.

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

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

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

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

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

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

As at December 31, 2024 and 2023, the Company's RBCA ratio of 1.53 and 1.68, respectively, is in compliance with the minimum capital requirement set out by the RBCA framework.

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

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

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

The Company's NLC amount to ₱31,697,512 and ₱26,755,309 as of December 31, 2024 and 2023, respectively, which is more than 5% of the Company's aggregate indebtedness. As at December 31, 2024 and 2023, the Company is compliant with items A to D as prescribed by Securities and Exchange Commission (SEC).

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

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

On August 8, 2023, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

As at December 31, 2024 and 2023, the Company is in compliance with PSE's Rules Governing Trading Rights and Trading Participants.

Reserves

The reconciliation of actuarial gain (loss) on defined benefit obligation presented under Reserves in the statements of financial position and changes in equity are shown below:

	2024	2023
Balance at beginning of year	P 927,563	P 1,136,143
Actuarial gain (loss) for the year	930,944	(278,107)
Tax expense	(232,736)	(69,527)
Other comprehensive income after tax	698,208	(208,580)
Balance at end of year	P 1,625,771	P 927,563

Retained Earnings

Appropriation

In compliance with SRC Rule 49.1 (B) Reserve Fund, every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfers the same to the appropriated retained earnings. Appropriation shall be 30%, 20%, 10% of profit after tax for broker dealers with unimpaired paid up capital of P 10M to P 30M, P 30M to P 50M and above P50M, respectively.

In compliance with the above circular, the Company appropriated retained earnings amounting to P139,642 and Pnil in 2024 and 2023, respectively. The Company is in compliance with the requirement under SRC Rule 49.1(B).

NOTE 20 - COMMISSION REVENUE

The Company earns commission through stocks transaction, tender offer and initial public offering, this amounts to P11,009,532 in 2024 and P7,553,556 in 2023.

Breakdown of commission revenue recognized at point in time follows:

	2024	2023
Commission on stocks transaction	P 10,980,393	P 7,380,329
Commission on IPO and tender offer	29,139	173,227
	P 11,009,532	P 7,553,556

NOTE 21 - DIRECT COSTS

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

	2024	2023
Salaries and wages	P 4,998,068	P 5,201,545
Communication	733,139	1,147,224
Commission	306,721	281,623
Central depository fees	237,588	235,197
SSS, PHIC, HDMF contribution	217,340	194,160
Stock exchange dues and fees	41,314	34,701
	P 6,534,170	P 7,094,450

NOTE 22 - OPERATING EXPENSES

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

	2024	2023
Salaries and wages	P 1,477,951	P 1,484,323
Professional fees	1,398,419	1,316,058
Fines and penalties (Note 33)	751,967	-
Depreciation (Note 11, 28)	654,357	629,200
Retirement expense	524,174	426,889
Meeting and conferences	324,628	36,268
Transportation and travel	312,967	673,012
Representation	258,334	224,222
Taxes and Licenses (Note 33)	188,867	161,953
SSS, PHIC, HDMF contribution	160,640	149,760
Repairs and maintenance	138,020	104,763
Office Supplies	67,520	49,648
Insurance	39,925	39,925
Bank charges	4,175	6,525
Training and seminars	3,500	900
Credit losses	-	123,160
Miscellaneous expense	403,099	115,668
	<u>P 6,708,543</u>	<u>P 5,542,274</u>

NOTE 23 - OTHER INCOME AND LOSSES

Other Income

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

	2024	2023
Interest income (Note 6)	P 1,043,791	P 538,949
Recovery of allowance for credit losses (Note 8)	138,566	-
Unrealized foreign exchange gain	75,556	-
Gain on lease concessions	-	97,791
Gain on disposal of asset	-	8,000
Miscellaneous income	2,247,011	46
	<u>P 3,504,924</u>	<u>P 644,786</u>

Other Losses

This account pertains to unrealized foreign exchange loss amounting to Pnil and P15,940 in 2024 and 2023, respectively.

NOTE 24 - DEPRECIATION AND EMPLOYEE BENEFITS

Depreciation, amortization and employee benefits were presented as follows:

2024

	Direct Costs	Operating Expense	Total
Depreciation	P -	P 654,357	P 654,357
Employee benefits	5,215,408	2,162,765	7,378,173

*Employee benefits includes salaries and wages and SSS, PHIC, HDMF contribution and retirement expense

2023

	Direct Costs	Operating Expense	Total
Depreciation	P -	P 629,200	P 629,200
Employee benefits	5,395,705	2,060,972	7,456,677

*Employee benefits includes salaries and wages and SSS, PHIC, HDMF contribution and retirement expense

NOTE 25 - EMPLOYEE'S COMPENSATION AND OTHER BENEFITS

Salaries and Employee Benefits Expense

Salaries and employee benefits are presented below (Note 20 and 21).

	2024	2023
Short-term employee benefits	P 6,853,999	P 7,029,788
Post-employment benefit	524,174	426,889
	P 7,378,174	P 7,456,677

Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, tax-registered, non-contributory defined benefit plan with a single lump sum payment covering retirement based on Republic Act 7641.

The normal retirement age is sixty (60) years old with a minimum of five (5) years of credited service. The retirement plan is intended to provide employee benefits equivalent to one-half month salary per year of credited service, a fraction of at least six (6) months is considered as one year. One-half month salary is defined as fifteen (15) days salary plus one-twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves. The Company's latest actuarial valuation is December 9, 2024.

(b) Explanation of Amounts Presented in the Financial Statements

The valuation results are based on the employees dated as of the valuations dates. The discount rate was determined in accordance with the Financial Reporting Standard Council [FRSC] approved Q&A 2008-01(Revised) document, which mandates that discount rates reflect (a) benefit cash flows and (b) use of zero-coupon rates, even though theoretically derived. The procedure of bootstrapping was applied to the PHP BVAL Reference Rates on government bonds as of 30-Nov-2023 to arrive at the theoretical zero-coupon yield curve. These derived rates were then used to compute the present value of the defined benefit obligation. Finally, the single weighted discount rate was calculated as the uniform discount rate that produced the same present value. The discount rate methodology is in accordance with item 2.11 of the Actuarial Society of the Philippines Standards of Actuarial Practice in Relation to PAS 19 Employee Benefits.

The amounts of post-employment defined benefit obligation recognized in the statements of financial position are determined as follows:

	2024	2023
Present value of retirement liability	P 1,825,562	P 2,232,332
Fair value of plan assets	-	-
	<u>P 1,825,562</u>	<u>P 2,232,332</u>

The movements in the present value of the post-employment defined benefit obligation recognized in the books is shown below.

	2024	2023
Balance at beginning of year	P 2,232,332	P 1,527,336
Current service cost	381,305	309,284
Actuarial losses (gains)		
Due to changes in financial assumptions	(813,197)	288,648
Due to changes in demographic assumptions	-	-
Due to change in experience	(117,747)	(10,541)
Interest cost	142,869	117,605
Balance at end of year	<u>P 1,825,562</u>	<u>P 2,232,332</u>

The Company does not have a formal retirement plan and therefore has no plan assets.

The components of amounts recognized in profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

	2024	2023
<i>Reported in Profit or Loss</i>		
Current service cost	P 381,305	P 309,284
Net interest cost	142,869	117,605
	<u>P 524,174</u>	<u>P 426,889</u>
<i>Reported in Other Comprehensive Income</i>		
Actuarial losses (gains)		
Due to changes in financial assumptions	P (813,197)	P 288,648
Due to changes in demographic assumptions	-	-
Due to change in experience	(117,747)	(10,541)
Remeasurement loss (gain) on plan asset	-	-
	<u>P (930,944)</u>	<u>P 278,107</u>

Current service cost and net interest cost is presented in the statements of comprehensive as retirement expense as follows:

	2024	2023
Operating expenses (Note 22)	<u>P 524,174</u>	<u>P 426,889</u>

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

	<u>2024</u>	<u>2023</u>
Discount rate	6.10%	6.40%
Future salary increase rate	3.00%	7.00%

The average remaining working lives of an individual retiring at the age of 60 is 9.2 for males and 11.5 for females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The retirement plan is exposed to both financial and demographic risks.

Liquidity Risk - The inability to meet benefit obligation payout when due.

Interest Rate Risk - The present value of defined benefit obligation is relatively sensitive and inversely related to the discount rate. In particular, if the discount rate, which is referenced to government bonds, decreases then the DBO increases.

Salary Risk - The present value of defined benefit obligation is relatively sensitive and directly related to future salary increases. In particular, if the actual salary increases in the future are higher than expected then the DBO and benefits are higher as well.

Persistency Risk - The present value of defined benefit obligation is relatively sensitive and inversely related to the turnover rates. In particular, lower turnover rates, which means employees persist or stay with the Company longer, correspond to higher DBO and benefit payouts.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) *Sensitivity Analysis*

The table below summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2024 and 2023:

2024

	<u>Basis Points</u>	<u>Effect on Retirement</u> <u>Obligation</u>	
Discount rate	+100	P 1,660,188	(9%)
	-100	2,011,584	10%
Salary rate	+100	2,015,574	10%
	-100	1,653,932	(9%)

Turnover Rate	0%	2,106,138	15%
	125%	1,767,855	(3%)
	75%	1,887,605	3%

2023

	<u>Basis Points</u>	<u>Effect on Retirement Obligation</u>	
Discount rate	+100	P 2,006,122	(10%)
	-100	2,489,922	12%
Salary rate	+100	2,485,852	11%
	-100	2,005,322	(10%)
Turnover Rate	0%	2,671,519	20%
	125%	2,146,729	(4%)
	75%	2,326,156	4%

Each Sensitivity Analysis on the significant actuarial assumptions was prepared by remeasuring the DBO 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 other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

(ii) Asset-liability Matching Strategies

The Company does not have a formal retirement plan and therefore has no plan assets to match against the liabilities under the Retirement Obligation.

(iii) Funding Arrangements and Expected Contributions

Since the Company does not have a formal retirement plan, benefit claims under the Retirement Obligation are paid directly by the Company when they become due.

The maturity analysis of expected future benefit payments follows:

	<u>2024</u>	<u>2023</u>
Year 6	P 861,669	P -
Year 7	-	1,140,741
Year 8	-	-
Year 9	629,008	-
Year 10	4,537,354	936,651
Year 11-15	574,702	7,008,431
Year 16-20	886,489	2,724,755
Year 21-30	2,162,398	5,712,666

The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.8 years.

NOTE 26 - INCOME TAXES

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

	2024	2023
Current tax expense:		
MCIT	P 134,129	P 10,642
Deferred tax expense (income) arising from:		
Temporary differences	737,308	(1,780,920)
Income tax benefit	P 871,437	P (1,770,278)

Reconciliation between statutory tax and effective tax follows:

	2024	2023
Income tax at statutory rate	P 941,930	P (1,496,565)
Tax effect of income subject to final tax	(260,948)	(134,737)
Tax effect of dividend income exempt from income tax	(225,880)	(176,148)
Tax effect of non-deductible fines and penalties	187,992	-
Tax effect of non-deductible representation expense	37,060	37,172
Tax effect of non-deductible expense	80,005	-
Expired MCIT	111,278	-
Effective income tax	P 871,437	P (1,770,278)

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

	2024	2023
Regular Corporate Income Tax:		
Income (loss) before tax	P 3,767,718	P (5,986,258)
Permanent differences:		
Interest income subjected to final tax	(1,043,791)	(538,949)
Non-taxable dividend income	(903,520)	(704,592)
Non-deductible fines and penalties	751,967	-
Non-deductible representation expense	148,238	148,686
Non-deductible expenses	320,019	-
Temporary differences:		
Unrealized gain (loss) on FVTPL, net of reversals	(3,366,361)	(1,334,577)
Unrealized foreign exchange gain (loss), net of reversals	(91,497)	258,284
Recovery of allowance for credit losses	(138,566)	-
Provision for credit losses	-	123,160
Retirement expense	524,174	426,889
Rental	(673,134)	(575,343)
Depreciation expense	622,653	612,242
Interest expense	99,829	50,937
Gain from reduction of lease payments	-	(97,791)
Taxable income (loss)	17,729	(7,617,313)
Tax rate	25%	25%
	P 4,432	P (1,904,328)

Minimum Corporate Income Tax:

Taxable gross income	P 6,706,432	P 709,494
Tax rate	2%	1.5%
	134,129	10,642
Tax due (Higher of RCIT or MCIT)	P 134,129	P 10,642
Less:		
Prior Year's Excess Credit	(813,210)	(797,868)
Creditable withholding tax	(2,225)	(25,984)
Prepaid income tax (Note 12)	P (681,307)	P (813,210)

Deferred tax asset from NOLCO, arises from the taxable loss that can be charged against income of the next three taxable years except for NOLCO incurred for the year 2020 and 2021. Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of NOLCO which can be carried over as deduction from gross income for the next five (5) consecutive taxable years pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020 follows:

Year Incurred	Date of Expiration	Amount	Applied/ Adjustments	Expired	Balance
2020	December 31, 2025	<u>P10,824,533</u>	<u>-</u>	<u>-</u>	<u>P10,824,533</u>

Details of NOLCO which can be carried over as deduction from gross income for the next three (3) consecutive taxable years pursuant to Section 4 (bbbb) of Bayanihan II and as implemented follows:

Year Incurred	Date of Expiration	Amount	Applied/ Adjustments	Expired	Balance
2023	December 31, 2026	<u>P 7,617,313</u>	<u>P -</u>	<u>P -</u>	<u>P 7,617,313</u>
2022	December 31, 2025	<u>2,867,418</u>	<u>-</u>	<u>-</u>	<u>2,867,418</u>
		<u>P10,484,731</u>	<u>P -</u>	<u>P -</u>	<u>P10,484,731</u>

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment. The Minimum Corporate Income Tax (MCIT) was reduced to one percent (1%) in July 1, 2020 until June 30, 2023 pursuant to Revenue Regulation 5-2021. In July 1, 2023, the Minimum Corporate Income Tax (MCIT) was reverted back to two percent (2%).

Details of the Company's MCIT are as follows:

Year Incurred	Date of Expiration	Amount	Applied/ Adjustments	Expired	Balance
2024	December 31, 2027	<u>P 134,129</u>	<u>P -</u>	<u>P -</u>	<u>P 134,129</u>
2023	December 31, 2026	<u>10,642</u>	<u>-</u>	<u>-</u>	<u>10,642</u>
2022	December 31, 2025	<u>152,784</u>	<u>-</u>	<u>-</u>	<u>152,784</u>
2021	December 31, 2024	<u>111,278</u>	<u>-</u>	<u>111,278</u>	<u>-</u>
		<u>P 408,833</u>	<u>P -</u>	<u>P 111,278</u>	<u>P 297,555</u>

The net deferred tax assets pertain to the following as of December 31, 2024 and 2023 and the related deferred tax income (expense) for the year ended December 31, 2024 and 2023:

	Statements of Comprehensive Income					
	Statements of Financial Position		Profit or Loss		Other Comprehensive Income	
	2024	2023	2024	2023	2024	2023
Unrealized (gain) loss on FVTPL	₱ (897,882)	₱ (52,306)	₱ (845,576)	₱ (333,644)	₱ -	₱ -
Unrealized foreign exchange (gain) loss	(14,904)	3,985	(18,889)	64,571	-	-
MCIIT	297,555	274,704	22,851	10,642	-	-
Effect PFRS 16	18,629	6,292	12,337	(2,489)	-	-
Retirement benefit obligation	456,391	558,083	131,044	106,722	(232,736)	69,527
Allowance for credit losses	264,778	299,420	(34,642)	30,790	-	-
NOLCO	2,616,750	2,621,183	(4,433)	1,904,328	-	-
Net deferred tax assets (liabilities)	₱ 2,741,317	₱ 3,711,361				
Deferred tax income (expense)			₱ (737,308)	₱ 1,780,920	₱ (232,736)	₱ 69,527

NOTE 27 - RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Presented below are the specific relationship, amount of transactions, account balances, terms and conditions and the nature of the consideration to be provided in settlement, and settlement terms.

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Buying (Volume)	₱ 1,002,453,357			
	Selling (Volume)	1,048,050,722	₱(113,184,292)	(1)	(2)
(1) Non-interest bearing, payable in cash, T+2					
(2) Secured by equity securities					

2023

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Buying (Volume)	₱ 610,056,647			
	Selling (Volume)	615,011,772	₱ (6,979,466)	(1)	(2)
(1) Non-interest bearing, payable in cash, T+2					
(2) Secured by equity securities					

Buying and Selling Transaction

In the ordinary course of business, the Company acts as broker to certain shareholders. Under the Company's policy, these transactions are made substantially on the same terms as with other businesses of comparable risks. In 2024 and 2023, the Company's outstanding receivable (payable) is presented as part of Receivables from Customers (Payables to Customers) in the statement of financial position.

Key Management Compensation

The compensation of key management paid by the Company are as follows:

	2024	2023
Short-term employee benefits	P 4,142,154	P 4,239,708
Professional fees	358,333	343,333
	P 4,500,487	P 4,583,041

NOTE 28 - LEASE AGREEMENTS

Company as lessee

The Company entered into lease agreement with Lourdes T. De Arroyo Holdings, Inc. for an office in Makati City. The lease term is for a period of three (3) years commencing on September 1, 2023 to August 31, 2026. The Company has determined that all significant risks and rewards of ownership of the property remain with the lessor. The agreement provides for payment of security deposit amounting to P101,990.

28.1 Right-of-use Assets

The carrying amounts of the Company's right-of-use assets as at December 31 and the movements during the period are shown below.

	2024	2023
Balance at beginning of year	P 1,660,409	P 404,692
Additions	-	1,867,959
Depreciation and amortization	(622,653)	(612,242)
Balance at end of year	P 1,037,756	P 1,660,409

28.2 Lease Liabilities

Lease liabilities are presented in the statements of financial position as at December 31 is as follows:

	2024	2023
Current	P 635,327	P 573,305
Non-current	476,947	1,112,274
	P 1,112,274	P 1,685,579

Movement of lease liability is as follows:

	2024	2023
Balance beginning of the year	P 1,685,579	P 439,817
Additions	-	1,867,959
Payments with gain on reduction of payments	573,305	622,197
	P 1,112,274	P 1,685,579

The undiscounted maturity analysis of lease liability at December 31, 2024 and 2023 are as follows:

2024

	Within 1 year	1 to 5 Years	Total
Lease payments	₱ 693,532	₱ 489,552	₱ 1,183,084
Interest expenses	(58,205)	(12,605)	(70,810)
Net present values	₱ 635,327	₱ 476,947	₱ 1,112,274

2023

	Within 1 year	1 to 5 Years	Total
Lease payments	₱ 673,134	₱ 1,183,084	₱ 1,856,218
Interest expenses	(99,829)	(70,810)	(170,639)
Net present values	₱ 573,305	₱ 1,112,274	₱ 1,685,579

NOTE 29 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market Risk

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

A. Foreign Currency Risk

All transactions of the Company are denominated in Philippine peso, its functional currency. The Company's exposure relates primarily to its dollar denominated bank deposit amounting to ₱1,768,777 and ₱1,689,848 as at December 31, 2024 and 2023, respectively. The Company's exposure of foreign currency risk is not significant.

B. Price Risk

The Company's market price risk arises from its investments carried at fair value (i.e., financial assets classified as financial assets at FVTPL). The Company manages exposures to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

For listed equity securities, an average volatility of 15% and 14% has been observed during 2024 and 2023, respectively. The table below summarizes the sensitivity of the Company profit before tax to the observed volatility rates of the fair values.

Observed Rates	Volatility	2024		2023	
		+15.00%	-15.00%	+14.00%	-14.00%
Profit before tax		₱ 253,843	(253,843)	₱ 305,983	(305,983)

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

C. Interest Rate Risk

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2024 and 2023, these amounted to ₱153,034,951 and ₱92,982,500 respectively. The Company's exposure to changes in interest rates is not significant.

Credit Risk

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

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

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

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

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

2024

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	P 19,704	P 316,860	P (297,157)	P -	P -
T+2 to T+12 of counterparty	31,898	7,594,016	(7,562,116)	638	-
T+13 to T+30 of counterparty	-	-	-	-	-
Beyond T+30 of counterparty	491,700	3,371,006	(2,879,307)	279,649	-
	<u>P 543,302</u>	<u>P 11,281,882</u>	<u>P (10,738,580)</u>	<u>P 280,287</u>	<u>P -</u>

2023

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	P -	P -	P -	P -	P -
T+2 to T+12 of counterparty	250,578	6,845,658	(6,595,080)	5,012	-
T+13 to T+30 of counterparty	-	-	-	-	-
Beyond T+30 of counterparty	859,436	706,656	152,780	413,841	-
	<u>P 1,110,014</u>	<u>P 7,552,314</u>	<u>P (6,442,300)</u>	<u>P 418,853</u>	<u>P -</u>

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

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

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

	2024	2023
Cash and cash equivalents	P 153,034,951	P 92,982,500
Receivable from customers	543,302	1,110,014
Receivable from clearing house	79,354	-
Other receivables	1,050,541	1,222,429
CTGF	368,227	324,459
Rental deposits	101,990	101,990
	<u>P 155,178,365</u>	<u>P 95,741,392</u>

Cash excludes petty cash fund and cash on hand amounting to P15,000 in 2024 and 2023

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

(a) Cash and cash equivalents

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution.

(b) Receivables from Customers

The Company trades only with recognized and credit worthy third parties. In accordance with RBCA requirements, limits are imposed to avoid large exposures to a single client or counterparty, single debt issue and single equity issue relative to a particular issuer company and its group of companies. As a result, maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts in the statements of financial position.

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

The Company applies the provision of SRC Rules 52.1.11 and Risk Based Capital Adequacy in measuring Credit Losses. In 2023 Section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11 Series of 2023.

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

Classification

T+0 to T+1
T+2 to T+12
T+13 to T+30
T+31 up

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

<u>Classification</u>	<u>Provision</u>	<u>Base</u>
T+0 to T+0 to T+1	0	Total Receivables (TR)
T+2 to T+2 to T+12	2%	TR
T+13 to T+13 to T+30	50%	TR less collateral (net of haircut)
T+31 up	100%	TR less collateral (net of haircut)

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

(c) Receivable from Clearing House

The credit risk for receivable from clearing house is considered negligible, the amount due were collected within the T+2 term of the receivable. Securities Clearing Corporation of the Philippines (SCCP) is a wholly-owned subsidiary of The Philippine Stock Exchange, Inc. (PSE) and is under the regulatory supervision of the Securities and Exchange Commission (SEC).

(d) Other receivables

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

(e) CTGF and rental deposits

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

Liquidity Risk

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

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

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

Company's payable to customers are normally settled within two (2) days. Other payables are normally settled within one (1) year after reporting date.

The following table presents the maturity profile of the Company's financial liabilities as at December 31, 2024 and 2023 based on contractual undiscounted payments.

December 31, 2024					
	Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P 131,821,574	P -	P -	P -	P 131,821,574
Other payables	124,778	-	-	-	124,778
	<u>P 131,946,352</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 131,946,352</u>

December 31, 2023					
	Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	P 69,036,567	P -	P -	P -	P 69,036,567
Payable to clearing house	508,595	-	-	-	508,595
Other payables	1,963,337	-	-	-	1,963,337
	<u>P 71,508,499</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 71,508,499</u>

NOTE 30 - CAPITAL MANAGEMENT

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

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

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

Risk Based Capital Adequacy Requirement

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

On August 8, 2023, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

The Company's RBCA ratio as at years ended December 31, 2024 and 2023 are 153% and 168% respectively.

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

	2024	2023
Net liquid capital		
Equity eligible for net liquid capital	P 36,095,504	P 32,391,451
Ineligible assets	(4,397,992)	(5,636,142)
Total	P 31,697,512	P 26,755,309
Risk capital requirements		
Operational risk requirement	P 3,310,171	P 2,650,382
Position risk requirement	12,028,926	10,488,063
Large exposure risk	5,429,256	2,752,295
Total	P 20,768,353	P 15,890,740
Risk based capital adequacy ratio	153%	168%

Net Liquid Capital

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

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

Details of Company NLC as of years ended December 31, 2024 and 2023 are shown below:

	2024	2023
Net liquid capital	P 31,697,512	P 26,755,309
Less: Required net liquid capital, higher of:		
5% aggregate indebtedness	8,021,276	1,843,288
Minimum amount	5,000,000	5,000,000
Required net liquid capital	8,021,276	5,000,000
Net risk based capital excess (deficiency)	P 23,676,236	P 21,755,309
Ratio of aggregate indebtedness to net liquid capital	506%	138%

Total Risk Capital Requirement

Detail of TRCR follows:

A. Operational Risk

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

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

Revenue	2023	2022	2021	Average
Commission revenue	₱ 7,553,556	₱ 22,272,635	₱ 13,214,523	₱ 14,346,905
Interest income	404,212	72,771	14,968	163,984
Net Recovery from market decline of Marketable Securities Owned	209,224		595,039	268,088
Dividend income	528,444	1,296,937	425,649	750,343
Gain on Sale of Marketable Securities	-	-	2,553,242	851,081
Gain on Sale of other Assets	-	-	-	-
Other income/revenue	105,837	262,741	142,786	170,455
Total revenue/income	8,801,272	23,905,084	16,946,207	
Average of the last three year gross income				16,550,854
Operational risk factor				20%
Total operational risk requirement				₱ 3,310,171

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

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

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

B. Position/Price Risk

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

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

2024

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	₱ 19,878,030	25%	₱ 4,969,508
Other equities outside the PHISIX	19,765,475	35%	6,917,916
FX Position	1,768,777	8%	141,502
	<u>₱ 41,412,282</u>		<u>₱ 12,028,926</u>

2023

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	₱ 15,046,290	25%	₱ 3,761,573
Other equities outside the PHISIX	19,218,543	35%	6,726,490
FX Position	-	8%	-
	<u>₱ 34,264,833</u>		<u>₱ 10,488,063</u>

C. Large Exposure Risk

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

The Company has a Large Exposure to single equity relative to a particular issuer company and its group of companies amounting to ₱5,429,256 and ₱2,752,295 as of December 31, 2024 and 2023, respectively, which is not beyond the maximum permissible large exposure.

D. Counterparty Risk Exposure

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

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

The Company has no counter party exposure which results to counterparty exposure on unsettled customers trades in 2024 and 2023.

As at December 31, 2024 and 2023, the Company is in compliance with Risk Based Capital Adequacy Requirement.

NOTE 31 - FAIR VALUE MEASUREMENT

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

		2024							
		Carrying Amount		Fair Value					
Notes				Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)	
Assets measured at fair value:									
Financial asset at FVTPL	7	P	39,643,505	P	39,643,505	P	-	P	-
Assets for which fair values are disclosed:									
Cash	6		153,049,951		-		153,049,951		-
Receivables from customers	8		263,015		-		263,015		-
Receivable from clearing house	9		79,354		-		79,354		-
Other receivables	10		1,050,541		-		1,050,541		-
CTGF and rental deposit	14		470,217		-		470,217		-
		P	194,556,583	P	39,643,505	P	154,913,078	P	-
Liabilities for which fair values are disclosed:									
Payable to customers	15	P	131,821,574	P	-	P	131,821,574	P	-
Lease liability	28		1,112,274		-		1,112,274		-
Other payables	16		124,778		-		124,778		-
		P	133,058,626	P	-	P	133,058,626	P	-
		2023							
		Carrying Amount		Fair Value					
Notes				Quoted prices in active markets (Level 1)		Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)	
Assets measured at fair value:									
Financial asset at FVTPL	7	P	34,264,833	P	34,264,833	P	-	P	-
Assets for which fair values are disclosed:									
Cash	6		92,997,500		-		92,997,500		-
Receivables from customers	8		691,161		-		691,161		-
Other receivables	9		1,222,429		-		1,222,429		-
CTGF and rental deposit	13		426,449		-		426,449		-
		P	129,602,372	P	34,264,833	P	95,337,539	P	-
Liabilities for which fair values are disclosed:									
Payable to customers	14	P	69,036,567	P	-	P	69,036,567	P	-
Payable to clearing house	15		508,595		-		508,595		-
Lease liability	28		1,685,579		-		1,685,579		-
Other payables	16		1,963,337		-		1,963,337		-
		P	73,194,078	P	-	P	73,194,078	P	-

Offsetting of Financial Assets and Financial Liabilities

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

	Gross amounts recognized in the statements of financial position		Net amount presented in statements of financial position
	Financial assets	Financial Liabilities	
December 31, 2024			
Receivable from clearing house	P 179,444	P 100,090	P 79,354
December 31, 2023			
Payable to clearing house	P 280,215	P (788,810)	P (508,595)

NOTE 32 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2024

	Lease Liability (Note 28)
Balance as of January 1, 2024	P 1,685,579
Cash flow from financing activities:	
Additional Borrowing	-
Repayments of Borrowing	(673,134)
Non-cash financing activities	
Amortization of interest on lease liabilities	99,829
Balance as of December 31, 2024	P 1,112,274

2023

	Lease Liability (Note 28)
Balance as of January 1, 2023	P 439,817
Cash flow from financing activities:	
Additional Borrowing	1,867,959
Repayments of Borrowing	(575,343)
Non-cash financing activities	
Amortization of interest on lease liabilities	50,937
Gain from reduction of lease payments	(97,791)
Balance as of December 31, 2023	P 1,685,579

NOTE 33 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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

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

Revenue Regulation 15-2010

a) Output VAT

In 2024, the Company declared output VAT as follows:

	Tax Base	Output VAT
Taxable Sales	<u>P 18,470,768</u>	<u>P 2,216,492</u>

The tax bases are included as part of Income in the 2024 statements of comprehensive income.

b) Input VAT

Movement in input VAT for the year ended December 31, 2024 follow:

	Purchases	Input VAT
Balance, beginning of year	<u>P -</u>	<u>P -</u>
Domestic purchases of goods	391,442	46,973
Domestic purchases of services	<u>2,607,867</u>	<u>312,944</u>
Total available Input VAT	2,999,309	359,917
Application against VAT (as of November remittance)		<u>(359,917)</u>
Balance, end of the year		<u>P -</u>

c) Taxes and Licenses

The details of Taxes and Licenses account (Note 22) are broken down as follows:

	Amount
Business permit and licenses	<u>P 183,654</u>
Others	<u>5,213</u>
	<u>P 188,867</u>

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

d) Withholding Taxes

The details of total withholding taxes remitted for the year ended December 31, 2024 are shown below.

	Amount
Withholding tax at source (expanded)	<u>P 204,876</u>
Withholding tax on compensation	<u>829,356</u>
	<u>P 1,034,232</u>

e) Tax Assessments and Cases

In 2023, the Company received a Letter of Authority No. eLA202200043506 from the Bureau of Internal Revenue (BIR) dated November 3, 2023 for the examination of its books of accounts and accounting records for the taxable year ending 2022. The examination was settled in November 22, 2024 with the payment of P751,967. (Note 22)

f) Related Party Transaction

The Company is not covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for related party transaction, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

SCHEDULE I

**SECURITIES SPECIALISTS, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
FOR THE YEAR ENDED December 31, 2024**

The Company has no subordinated liabilities as of December 31, 2024

SECURITIES SPECIALISTS, INC.
RISK BASED-CAPITAL ADEQUACY WORKSHEET PURSUANT TO
SEC MEMORANDUM CIRCULAR NO. 16, AS AMENDED, THROUGH SEC
MEMORANDUM CIRCULAR NO. 11, SERIES OF 2023
December 31, 2024

Assets	201,087,921
Liabilities	136,338,314
Equity as per books	64,749,607
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(3,654,103)
Deposit for Future Stock Subscription (No application with SEC)	(25,000,000)
Minority Interest	
Total Adjustments to Equity per books	(28,654,103)
Equity Eligible For Net Liquid Capital	36,095,504
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	572,440
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	1,160,626
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	1,023,816
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	97,093
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	1,544,017
Total ineligible assets	4,397,992
Net Liquid Capital (NLC)	31,697,512
Less:	
Operational Risk Reqt (Schedule ORR-1)	3,310,171
Position Risk Reqt (Schedule PRR-1)	12,028,926
Counterparty Risk (Schedule CRR-1 and detailed schedules)	
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	5,429,256
Total Risk Capital Requirement (TRCR)	20,768,353
Net RBCA Margin (NLC-TRCR)	10,929,159
Liabilities	136,338,314
Add: Deposit for Future Stock Subscription (No application with SEC)	25,000,000
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	912,786
Total adjustments to AI	24,087,214
Aggregate Indebtedness	160,425,528
5% of Aggregate Indebtedness	8,021,276
Required Net Liquid Capital (> of 5% of AI or P5M)	8,021,276
Net Risk-based Capital Excess / (Deficiency)	23,676,236
Ratio of AI to Net Liquid Capital	506%
RBCA Ratio (NLC / TRCR)	153%

SCHEDULE III

SECURITIES SPECIALISTS, INC.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER APPENDIX F OF SRC RULE 49.2.1
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Market Valuation P -nil-

Numer of items P -nil-

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

Market Valuation P -nil-

Numer of items P -nil-

SCHEDULE IV

SECURITIES SPECIALISTS, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER SRC RULE 49.2
DECEMBER 31, 2024

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts.	18,148,493	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old,		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		(15,278.00)
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.		
13. Others:		79,354
Total	18,148,493	64,076
Net Credit (Debit)	18,084,417	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	18,988,638	

SCHEDULE V

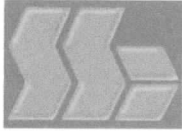
**SECURITIES SPECIALISTS, INC.
REPORT DESCRIBING MATERIAL INADEQUACIES FOUND TO EXIST
OR FOUND TO HAVE EXISTED SINCE THE PREVIOUS AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

SCHEDULE VI

**SECURITIES SPECIALISTS, INC.
REPORT OF MONTHLY SECURITIES COUNT CONDUCTED PURSUANT TO
SRC RULE 52.1-10, AS AMENDED
FOR THE YEAR ENDED DECEMBER 31, 2024**

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



Securities Specialists, Inc.

Member: The Philippine Stock Exchange, Inc.

OATH

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

I, Catherine N. Palamos, Treasurer of the SECURITIES SPECIALISTS, INC. do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2024 are true and correct to the best of my knowledge and belief.


CATHERINE N. PALAMOS
Treasurer

SUBSCRIBED AND SWORN to before me, a Notary Public, this ___ day of 21 APR, 2025
affiant exhibiting to me her TIN 212-691-859 issued at _____ on _____ and date
expired on _____.

Doc. No. 382
Page No. 78
Book No. XXVII
Series of 2025


MA. ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2025
Appt. No. M-013 (2024-2025) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VIII-0003662/valid until 4-14-2028
PTR No. 10467303/1 2-2025/Makati City
IBP Lifetime Member No. 05413
G/F Dela Rosa Carpark I, Dela Rosa St
Legaspi Village, Makati City

SECURITIES SPECIALISTS, INC.
STOCK POSITION PER LOCATION REPORT
As of December 31, 2024

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
ZGO	ZGO GROUP, INC.	1,000	13,500	-	-	-	-	-	-	1,000	13,500	-	-
AAA	ASIA AMALGAMATED HOLDINGS	250	403	-	-	250	403	-	-	-	-	-	-
AB	ATOK BIG WEDGE	7	38	-	-	7	38	-	-	-	-	-	-
ABG	ASIABEST GROUP INTERNATIONAL, INC.	14	367	17,100.00	448,020	17,114	448,387	-	-	-	-	-	-
ABS	ABS-CBN CORPORATION	304,725	1,279,845	-	-	304,725	1,279,845	-	-	-	-	-	-
AC	AYALA CORP.	31,490	18,862,510	-	-	31,490	18,862,510	-	-	-	-	-	-
ACE	ACESITE (PHILS.) HOTEL CORP.	9,047	16,104	-	-	9,047	16,104	-	-	-	-	-	-
ACEN	ACEN CORPORATION	328,331	1,313,324	-	-	328,303	1,313,212	28	112	-	-	-	-
ACR	ALSON CONSOLIDATED RESOURCES	59,000	27,140	-	-	59,000	27,140	-	-	-	-	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	163,814	5,627,011	-	-	163,814	5,627,011	-	-	-	-	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	100,000	900,000	-	-	100,000	900,000	-	-	-	-	-	-
ALCO	ARTHALAND CORPORATION	210,017,449	76,656,369	-	-	210,017,449	76,656,369	-	-	-	-	-	-
ALCPF	ARTHALAND CORP. PREF. SERIES "F"	10,000	4,900,000	-	-	10,000	4,900,000	-	-	-	-	-	-
ALI	AYALA LAND INC.	206,274	5,404,379	-	-	206,090	5,399,558	184	4,821	-	-	-	-
ALLDY	ALLDAY MART	1,488,503	197,971	-	-	1,488,503	197,971	-	-	-	-	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	270,000	459,000	-	-	270,000	459,000	-	-	-	-	-	-
ALTER	ALTERNERGY HOLDINGS CORP.	20,000	24,000	-	-	20,000	24,000	-	-	-	-	-	-
ANI	AGRINURTURE, INC.	18,700	9,537	-	-	18,700	9,537	-	-	-	-	-	-
ANS	A. SORIANO CORPORATION	39,256	537,022	-	-	39,165	535,777	91	1,245	-	-	-	-
AP	ABOITIZ POWER CORP.	61,300	2,311,010	-	-	61,300	2,311,010	-	-	-	-	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	2,105,200	8,421	-	-	2,105,200	8,421	-	-	-	-	-	-
APO	ANGLO-PHIL. OIL	5,132	2,309	-	-	5,132	2,309	-	-	-	-	-	-
APVI	ALTUS PROPERTY VENTURES, INC.	927	7,713	-	-	927	7,713	-	-	-	-	-	-
APX	APEX MINING CO., INC.	15,768	54,400	50,000.00	172,500	65,268	225,175	500	1,725	-	-	-	-
AR	ABRA MNG. & IND'L. CORP.	55,520,000	255,392	-	-	55,520,000	255,392	-	-	-	-	-	-
ARA	ARANETA PROPERTIES, INC.	128,950	65,765	-	-	128,950	65,765	-	-	-	-	-	-
AREIT	AREIT, INC.	560,950	21,288,053	-	-	560,950	21,288,053	-	-	-	-	-	-
ASLAG	RASLAG CORP.	165,000	169,950	-	-	165,000	169,950	-	-	-	-	-	-
AT	ATLAS CONS. MINING & DEV.	9,777	42,823	-	-	5,819	25,487	3,958	17,336	-	-	-	-
ATN	ATN HOLDINGS	929,200	483,184	96,000.00	49,920	1,024,200	532,584	1,000	520	-	-	-	-
ATNB	ATN HOLDINGS-B	435,800	226,616	-	-	435,800	226,616	-	-	-	-	-	-
AUB	ASIA UNITED BANK	86,977	5,349,086	-	-	86,977	5,349,086	-	-	-	-	-	-
AXLM	AXELUM RESOURCES CORP.	212,000	549,080	-	-	212,000	549,080	-	-	-	-	-	-
BALAI	BALAI NI FRUTAS, INC.	400,000	144,000	-	-	400,000	144,000	-	-	-	-	-	-
BC	BENGUET CORP.	1,167	4,633	-	-	1,143	4,538	24	95	-	-	-	-
BCB	BENGUET CORP. - B	285	1,123	-	-	285	1,123	-	-	-	-	-	-
BDO	BDO UNIBANK, INC.	265,442	38,223,648	-	-	265,442	38,223,648	-	-	-	-	-	-
BEL	BELLE CORP.	1,121,798	1,862,185	-	-	1,121,798	1,862,185	-	-	-	-	-	-
BF	BANCO FILIPINO SAVINGS & MORTGAGE B	336	-	-	-	336	-	-	-	-	-	-	-
BHI	BOULEVARD HOLDINGS, INC.	500,000	37,000	-	-	500,000	37,000	-	-	-	-	-	-
BKR	BRIGHT KINDLE RES & INVESTMENTS	800,000	792,000	-	-	800,000	792,000	-	-	-	-	-	-
BLOOM	BLOOMBERRY RESORTS CORP.	2,114,300	9,683,494	-	-	2,114,300	9,683,494	-	-	-	-	-	-
BNCOM	BANK OF COMMERCE	3,422,400	23,101,200	-	-	3,422,400	23,101,200	-	-	-	-	-	-
BPI	BANK OF PHIL. ISLANDS	456,065	55,639,930	59,570.00	7,267,540	515,635	62,907,470	-	-	-	-	-	-
BRN	A. BROWN CO., INC.	511,277	286,315	-	-	511,277	286,315	-	-	-	-	-	-
BSC	BASIC CONSOLIDATED, INC.	251,262	35,177	-	-	247,922	34,709	3,340	468	-	-	-	-
C	CHELSEA LOGISTICS & INFRASTRUCTURE	1,100,400	1,441,524	115,000.00	150,650	1,215,400	1,592,174	-	-	-	-	-	-
CAL	CALATA CORP.	3,360	6,854	-	-	-	-	-	-	3,360	6,854	-	-
CAT	CENTRAL AZUCARERA DE TARLAC	100	1,120	-	-	100	1,120	-	-	-	-	-	-
CBC	CHINA BANKING CORPORATION	214,562	13,624,687	-	-	214,562	13,624,687	-	-	-	-	-	-
CEB	CEBU AIR	33,030	933,098	-	-	33,030	933,098	-	-	-	-	-	-
CEBCP	CEBU AIR INC CONV'TIBLE PREF SHARES	5,437	187,577	-	-	5,437	187,577	-	-	-	-	-	-
CEI	CROWN EQUITIES, INC.	220,000	12,320	-	-	220,000	12,320	-	-	-	-	-	-

SECURITIES SPECIALISTS, INC.
STOCK POSITION PER LOCATION REPORT
As of December 31, 2024

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	378,392	673,538	-	-	378,392	673,538	-	-	-	-	-	-
CLI	CEBU LANDMASTERS, INC.	529,620	1,403,493	-	-	529,620	1,403,493	-	-	-	-	-	-
CNPF	CENTURY PACIFIC FOOD, INC.	705,700	29,604,115	-	-	705,700	29,604,115	-	-	-	-	-	-
CNVRG	CONVRG & INFO & COMM TECH SOL	72,200	1,165,308	-	-	72,200	1,165,308	-	-	-	-	-	-
COAL	COAL ASIA HOLDINGS INCORPORATED	1,662,000	255,948	-	-	1,662,000	255,948	-	-	-	-	-	-
COSCO	COSCO CAPITAL, INC.	302,400	1,626,912	-	-	302,400	1,626,912	-	-	-	-	-	-
CPG	CENTURY PROPERTIES GROUP, INC.	138,446	58,147	-	-	138,446	58,147	-	-	-	-	-	-
CPM	CENTURY PEAK HOLDINGS CORPORATION	1,669,000	4,172,500	504,000.00	1,260,000	2,173,000	5,432,500	-	-	-	-	-	-
CREIT	CITICORE ENERGY REIT CORP.	478,000	1,457,900	-	-	478,000	1,457,900	-	-	-	-	-	-
CROWN	CROWN ASIA CHEMICALS CORPORATION	2,282,000	3,902,220	-	-	2,282,000	3,902,220	-	-	-	-	-	-
CYBR	CYBER BAY CORPORATION	2,050,000	676,500	-	-	2,050,000	676,500	-	-	-	-	-	-
DD	DOUBLE DRAGON CORP.	91,180	930,036	-	-	91,180	930,036	-	-	-	-	-	-
DDMPR	DDMP REIT, INC.	1,997,385	2,057,307	-	-	1,997,385	2,057,307	-	-	-	-	-	-
DELM	DEL MONTE PACIFIC LIMITD	62,391	243,325	-	-	62,391	243,325	-	-	-	-	-	-
DFNN	DFNN INC.	25,000	71,250	-	-	25,000	71,250	-	-	-	-	-	-
DHI	DOMINION HOLDINGS INCORPORATED	10,400	16,640	-	-	10,400	16,640	-	-	-	-	-	-
DITO	DITO CME HOLDINGS CORP	3,677,023	6,030,318	-	-	3,676,736	6,029,847	287	471	-	-	-	-
DIZ	DIZON COPPER-SILVER MINES	56	114	-	-	56	114	-	-	-	-	-	-
DMC	DMCI HOLDINGS INC.	102,500	1,109,050	-	-	102,500	1,109,050	-	-	-	-	-	-
DMW	D.M. WENCESLAO & ASSOCIATES, INC.	184,200	1,016,784	-	-	184,200	1,016,784	-	-	-	-	-	-
DNL	D & L INDUSTRIES, INC.	907,700	5,527,893	-	-	907,700	5,527,893	-	-	-	-	-	-
ECP	EASYCALL COMMUNICATIONS, INC.	6,000	13,260	-	-	6,000	13,260	-	-	-	-	-	-
ECVC	EAST COAST VULCAN MINING CORP.	160,452	49,740	-	-	160,452	49,740	-	-	-	-	-	-
EEL	ENGINEERING EQUIPMENT INC.	940,318	3,385,145	-	-	938,522	3,378,679	1,796	6,466	-	-	-	-
EG	IP E-GAME VENTURES, INC.	200,000	1,880	-	-	200,000	1,880	-	-	-	-	-	-
EIBA	EXPORT AND INDUSTRY BANK	180,214	-	-	-	180,214	-	-	-	-	-	-	-
ELI	EMPIRE EAST LAND HOLDINGS, INC.	1,157,235	138,868	-	-	1,150,235	138,028	7,000	840	-	-	-	-
ENEX	ENEX ENERGY CORP.	679	3,395	-	-	679	3,395	-	-	-	-	-	-
EVER	EVER-GOTESCO RES. & HLDG., INC.	50,000	12,750	-	-	50,000	12,750	-	-	-	-	-	-
EW	EAST WEST BANKING CORP.	2,174,874	21,422,509	-	-	2,174,874	21,422,509	-	-	-	-	-	-
FB	SAN MIGUEL FOOD AND BEVERAGE INC	2,639,260	139,220,965	-	-	2,639,260	139,220,965	-	-	-	-	-	-
FDC	FILINVEST DEV. CORP.	21,087	104,170	-	-	21,087	104,170	-	-	-	-	-	-
FERRO	FERRONOUX HOLDINGS, INC.	27,000	144,450	-	-	27,000	144,450	-	-	-	-	-	-
FGEN	FIRST GEN CORPORATION	711,000	11,461,320	-	-	711,000	11,461,320	-	-	-	-	-	-
FILRT	FILINVEST REIT CORP.	2,016,629	5,949,056	-	-	2,016,629	5,949,056	-	-	-	-	-	-
FLI	FIL-INVEST LAND, INC.	1,657,849	1,210,230	-	-	1,657,849	1,210,230	-	-	-	-	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	6,403	6,659	-	-	6,403	6,659	-	-	-	-	-	-
FOOD	ALLIANCE SELECT FOODS INT'L., INC.	22,634	8,601	-	-	22,634	8,601	-	-	-	-	-	-
FPH	FIRST PHIL. HOLDINGS CORP.	5,893	347,687	-	-	5,352	315,768	541	31,919	-	-	-	-
FPI	FORUM PACIFIC, INC.	40,000	9,840	-	-	40,000	9,840	-	-	-	-	-	-
FRUIT	FRUITAS HOLDINGS INC	596,000	381,440	30,000.00	19,200	626,000	400,640	-	-	-	-	-	-
FYN	FILIPINAS SYNTHETIC FIBER	902	1,894	-	-	902	1,894	-	-	-	-	-	-
GEO	GEOGRACE RES. PHILS., INC.	67,618	5,950	-	-	67,618	5,950	-	-	-	-	-	-
GERI	GLOBAL-ESTATE RESORTS, INC.	28,170	18,029	-	-	27,000	17,280	1,170	749	-	-	-	-
GLO	GLOBE TELECOM, INC.	333	727,272	-	-	333	727,272	-	-	-	-	-	-
GMA7	GMA NETWORK, INC.	897,900	5,486,169	-	-	897,900	5,486,169	-	-	-	-	-	-
GMAP	GMA HOLDINGS, INC.	35,000	219,100	-	-	35,000	219,100	-	-	-	-	-	-
GO	GOTESCO LAND, INC.	5,000	700	-	-	-	-	5,000	700	-	-	-	-
GREEN	GREENERGY HOLDINGS, INC.	89,600	17,024	-	-	89,600	17,024	-	-	-	-	-	-
GSMI	GINEBRA SAN MIGUEL INC.	1,000	275,000	-	-	1,000	275,000	-	-	-	-	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	10,782	7,094,556	-	-	10,782	7,094,556	-	-	-	-	-	-
GTTPB	GT CAPITAL HOLDGS INC. PREF. S-B	1,000	990,000	-	-	1,000	990,000	-	-	-	-	-	-
HI	HOUSE OF INVESTMENTS, INC.	2,000	6,760	-	-	2,000	6,760	-	-	-	-	-	-

SECURITIES SPECIALISTS, INC.
STOCK POSITION PER LOCATION REPORT
As of December 31, 2024

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
HLCM	HOLCIM PHILIPPINES, INC.	3,334	12,903	-	-	3,334	12,903	-	-	-	-	-	-
HOME	ALLHOME CORP	30,000	19,200	-	-	30,000	19,200	-	-	-	-	-	-
HTI	HAUS TALK, INC.	36,000	37,800	-	-	36,000	37,800	-	-	-	-	-	-
I	IREMIT, INC.	3,403	793	-	-	3,403	793	-	-	-	-	-	-
ICT	INTL CONT TERMINAL SERV INC	23,811	9,191,046	-	-	23,811	9,191,046	-	-	-	-	-	-
IDC	ITALPINAS DEVELOPMENT CORP.	631,161	820,509	-	-	631,161	820,509	-	-	-	-	-	-
IMI	INTEGRATED MICO-ELECTRONICS, INC.	359,905	536,258	-	-	359,905	536,258	-	-	-	-	-	-
IMP	IMPERIAL RES., INC.	39,120	24,646	-	-	39,120	24,646	-	-	-	-	-	-
INFRA	PHIL. INFRADEV HOLDINGS, INC.	742,200	222,660	50,000.00	15,000	783,500	235,050	8,700	2,610	-	-	-	-
ION	IONICS, INC.	55,000	46,200	-	-	55,000	46,200	-	-	-	-	-	-
IPO	IPEOPLE, INC.	1,138	7,727	-	-	1,138	7,727	-	-	-	-	-	-
IS	ISLAND INFORMATION & TECHNOLOGY, INC	50,000	7,200	-	-	50,000	7,200	-	-	-	-	-	-
ISM	ISM COMMUNICATIONS CORPORATION	0	0	-	-	0	0	-	-	-	-	-	-
JFC	JOLLIBEE FOODS CORP.	89,394	24,046,986	-	-	89,394	24,046,986	-	-	-	-	-	-
JGS	JG SUMMIT HOLDINGS, INC.	24,362	500,639	-	-	24,362	500,639	-	-	-	-	-	-
KEEPR	KEEPRS HOLDINGS, INC.	414,356	924,014	-	-	414,356	924,014	-	-	-	-	-	-
KPPI	KEPWEALTH PROPERTY PHILS., INC.	3,600	4,536	15,000.00	18,900	18,600	23,436	-	-	-	-	-	-
LBC	LBC EXPRESS HOLDINGS, INC.	19,800	234,036	-	-	19,800	234,036	-	-	-	-	-	-
LC	LEPANTO CONS. MNG.	7,526,235	504,258	-	-	7,524,604	504,148	1,631	109	-	-	-	-
LCB	LEPANTO CONS. MNG. - B	473,751	31,741	-	-	465,828	31,210	7,923	531	-	-	-	-
LODE	LODESTAR INVESTMENT HOLDINGS CORP	978,000	273,840	850,000.00	238,000	1,828,000	511,840	-	-	-	-	-	-
LOTO	PACIFIC ONLINE SYSTEMS CORP.	190,300	504,295	-	-	190,300	504,295	-	-	-	-	-	-
LPZ	LOPEZ HOLDINGS CORPORATION	30,980	83,646	-	-	28,780	77,706	2,200	5,940	-	-	-	-
LSC	LORENZO SHIPPING CORPORATION	5,000	4,300	-	-	5,000	4,300	-	-	-	-	-	-
LTG	LT GROUP, INC.	4,130,700	43,372,350	574,500.00	6,032,250	4,705,200	49,404,600	-	-	-	-	-	-
MAB	MANILA MINING CORP. - B	66,299,079	198,897	-	-	66,299,079	198,897	-	-	-	-	-	-
MAC	MACROASIA CORPORATION	31,806	173,025	-	-	31,786	172,916	20	109	-	-	-	-
MARC	MARCVENTURES HOLDINGS, INC.	920	690	-	-	920	690	-	-	-	-	-	-
MAXS	MAX'S GROUP, INC.	213,700	570,579	-	-	213,700	570,579	-	-	-	-	-	-
MBT	METRO BANK & TRUST CO.	1,060,021	76,321,512	-	-	1,060,021	76,321,512	-	-	-	-	-	-
MC	MARSTEEL CONS. INC. "A"	151,500	3,030	-	-	151,500	3,030	-	-	-	-	-	-
MCB	MARSTEEL CONS. INC. - B	2,338,500	46,770	-	-	2,138,500	42,770	200,000	4,000	-	-	-	-
MED	MEDCO HOLDINGS	130,000	15,600	-	-	130,000	15,600	-	-	-	-	-	-
MEDIC	MEDILINES DISTRIBUTORS INC.	95,000	29,450	-	-	95,000	29,450	-	-	-	-	-	-
MEG	MEGAWORLD PROP. & HOLDINGS, INC	864,028	1,771,257	-	-	864,028	1,771,257	-	-	-	-	-	-
MER	MANILA ELECTRIC CO.	163,169	79,626,472	13,480.00	6,578,240	176,590	86,175,920	59	28,792	-	-	-	-
MFC	MANULIFE FINANCIAL CORP.	2	3,520	-	-	2	3,520	-	-	-	-	-	-
MGH	METRO GLOBAL HOLDINGS CORP.	24,000	-	-	-	21,000	-	3,000	-	-	-	-	-
MHC	MABUHAY HOLDINGS CORP.	10,000	1,610	-	-	10,000	1,610	-	-	-	-	-	-
MJC	MANILA JOCKEY CLUB, INC.	25,987	33,003	-	-	25,987	33,003	-	-	-	-	-	-
MJIC	MJC INVESTMENT CORP.	500	500	-	-	500	500	-	-	-	-	-	-
MM	MERRYMART CONSUMER CORP.	15,000	9,000	-	-	15,000	9,000	-	-	-	-	-	-
MONDE	MONDE NISSIN CORP.	54,000	464,400	-	-	54,000	464,400	-	-	-	-	-	-
MPI	METRO PACIFIC INVESTMENT CORP.	12	62	-	-	-	-	12	62	-	-	-	-
MRC	MRC ALLIED, INC.	387,000	325,080	-	-	387,000	325,080	-	-	-	-	-	-
MREIT	MREIT, INC.	814,300	10,862,762	-	-	814,300	10,862,762	-	-	-	-	-	-
MRP	MELCO RESORTS & ENTERTAINMENT	1,562	11,325	-	-	-	-	1,562	11,325	-	-	-	-
MRSGL	METRO RETAIL STORES GROUP, INC.	701,240	841,488	-	-	701,240	841,488	-	-	-	-	-	-
MWC	MANILA WATER CO., INC.	29,900	807,300	-	-	29,900	807,300	-	-	-	-	-	-
MWIDE	MEGAWIDE CONSTRUCTION CORP.	75,000	182,250	-	-	75,000	182,250	-	-	-	-	-	-
MWP4	MEGAWIDE CONST. CORP. PREF SERIES4	55,010	5,388,230	-	-	55,010	5,388,230	-	-	-	-	-	-
MWP5	MEGAWIDE CONST. CORP. PREF SERIES 5	19,020	1,917,216	-	-	19,020	1,917,216	-	-	-	-	-	-
NI	NIHAO MINERAL RESOURCES INTL., INC.	20,800	8,008	-	-	20,800	8,008	-	-	-	-	-	-

SECURITIES SPECIALISTS, INC.
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		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
NIKL	NICKEL ASIA CORP.	368,713	1,286,808	-	-	368,713	1,286,808	-	-	-	-	-	-
NOW	NOW CORP.	596,500	351,935	-	-	596,500	351,935	-	-	-	-	-	-
NRCP	NATIONAL REINSURANCE CORP.	36,000	24,840	-	-	36,000	24,840	-	-	-	-	-	-
NXGEN	NEXTGENESIS CORPORATION	16,100	-	-	-	16,100	-	-	-	-	-	-	-
OM	OMICO CORPORATION	141,859	18,867	-	-	134,359	17,870	7,500	998	-	-	-	-
OPM	ORIENTAL PETROLEUM	9,778,687	72,362	-	-	9,665,356	71,524	113,331	839	-	-	-	-
OPMB	ORIENTAL PETROLEUM - B	9,757	73	-	-	9,757	73	-	-	-	-	-	-
ORE	ORIENTAL PENINSULA RESOURCES GROUP	60,000	26,400	-	-	60,000	26,400	-	-	-	-	-	-
OV	PHIL. OVERSEAS	25,716,647	192,875	-	-	25,604,600	192,035	112,047	840	-	-	-	-
PA	PACIFICA HOLDINGS, INC.	141,750	226,800	-	-	140,750	225,200	1,000	1,600	-	-	-	-
PAL	PAL HOLDINGS, INC.	9,042	44,758	37,000.00	183,150	44,355	219,557	1,687	8,351	-	-	-	-
PBB	PHIL. BUSINESS BANK	1,874	18,178	-	-	1,874	18,178	-	-	-	-	-	-
PCOR	PETRON CORP.	26,019,002	63,226,175	-	-	26,019,002	63,226,175	-	-	-	-	-	-
PCP	PAPER INDS. CORP.	435	89	-	-	350	72	85	17	-	-	-	-
PERC	PETROENERGY RESOURCES CORP.	1,720	5,934	-	-	1,720	5,934	-	-	-	-	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	88,000	2,714,800	-	-	88,000	2,714,800	-	-	-	-	-	-
PHA	PREMIERE HORIZON ALLIANCE CORP.	90,000	15,660	50,000.00	8,700	140,000	24,360	-	-	-	-	-	-
PHC	PHILCOMSAT HOLDINGS, CORP.	3,600	5,040	-	-	3,600	5,040	-	-	-	-	-	-
PHN	PHINMA CORPORATION	88	1,672	-	-	88	1,672	-	-	-	-	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC	360,200	194,508	60,000.00	32,400	420,200	226,908	-	-	-	-	-	-
PIP	PEPSI-COLA PRODUCTS PHILS., INC.	5,000	8,500	-	-	-	-	5,000	8,500	-	-	-	-
PIZZA	SHAKEY'S PIZZA ASIA VENTURES, INC.	99,600	795,804	-	-	99,600	795,804	-	-	-	-	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	2,933,800	79,652,670	384,500.00	10,439,175	3,318,300	90,091,845	-	-	-	-	-	-
PNB	PHIL. NATIONAL BANK	738,799	20,464,732	-	-	738,788	20,464,428	11	305	-	-	-	-
PNC	PHIL. NATIONAL CONSTRUCTION	2,672	13,093	-	-	2,672	13,093	-	-	-	-	-	-
PNX	PHOENIX PETROLEUM PHILS., INC.	13,700	57,129	-	-	13,700	57,129	-	-	-	-	-	-
PNX3B	PHOENIX PETROLEUM PHILS, INC. 3B	2,500	62,375	-	-	2,500	62,375	-	-	-	-	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	40,260	85,754	-	-	38,257	81,487	2,003	4,266	-	-	-	-
PSB	PHIL. SAVINGS BANK	1,671	97,252	-	-	1,671	97,252	-	-	-	-	-	-
PSE	THE PHILIPPINE STOCK EXCHANGE, INC.	3,326,156	545,489,584	-	-	3,326,154	545,489,256	2	328	-	-	-	-
PTT	PT&T CORP.	108,333	35,750	-	-	108,333	35,750	-	-	-	-	-	-
PX	PHILEX MNG. CORP. "A"	1,417,822	3,955,723	-	-	1,415,771	3,950,001	2,051	5,722	-	-	-	-
PXP	PXP ENERGY CORPORATION	150,969	433,281	-	-	150,969	433,281	-	-	-	-	-	-
RCB	RIZAL COMMERCIAL BANKING CORP.	17,501	417,399	-	-	17,501	417,399	-	-	-	-	-	-
RCI	ROXAS AND COMPANY, INC.	2,570	6,990	121,000.00	329,120	121,300	329,936	2,270	6,174	-	-	-	-
RCR	RL COMMERCIAL REIT, INC.	1,380,000	8,073,000	-	-	1,380,000	8,073,000	-	-	-	-	-	-
REDC	REPOWER ENERGY DEVT CORP.	3,000	15,300	-	-	3,000	15,300	-	-	-	-	-	-
REG	REPUBLIC GLASS CORP.	593	1,631	-	-	593	1,631	-	-	-	-	-	-
RFM	RFM CORPORATION	184,800	715,176	-	-	184,800	715,176	-	-	-	-	-	-
RLC	ROBINSONS LAND CORP.	57,490	764,617	-	-	57,490	764,617	-	-	-	-	-	-
RLT	PHIL. REALTY & HOLDINGS CORP.	2,071,930	248,632	-	-	2,064,280	247,714	7,650	918	-	-	-	-
ROCK	ROCKWELL LAND CORP.	6,006	9,069	-	-	6,006	9,069	-	-	-	-	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	85,490	3,077,640	-	-	85,490	3,077,640	-	-	-	-	-	-
SBS	SBS PHILIPPINES CORPORATION	2,323	11,499	-	-	2,323	11,499	-	-	-	-	-	-
SCC	SEMIRARA MINING AND POWER CORP.	166,300	5,803,870	-	-	166,300	5,803,870	-	-	-	-	-	-
SECB	SECURITY BANK CORP.	602,790	52,442,730	70,600.00	6,142,200	673,390	58,584,930	-	-	-	-	-	-
SFI	SWIFT FOODS, INC.	50,199	2,912	-	-	50,199	2,912	-	-	-	-	-	-
SFIP	SWIFT FOODS, INC. CONV. PREF.	34	57	-	-	34	57	-	-	-	-	-	-
SGP	SYNERGY GRID & DEVT. PHILS., INC.	1,635,220	16,025,156	-	-	1,635,220	16,025,156	-	-	-	-	-	-
SHLPH	SHELL PILIPINAS CORP.	2,056,432	15,423,240	-	-	2,056,432	15,423,240	-	-	-	-	-	-
SHNG	SHANG PROPERTIES, INC.	957	3,771	-	-	957	3,771	-	-	-	-	-	-
SM	SM INVESTMENTS CORPORATION	3,120	2,804,880	-	-	3,120	2,804,880	-	-	-	-	-	-
SMB	SAN MIGUEL BREWERY, INC.	1,000	29,300	-	-	1,000	29,300	-	-	-	-	-	-

SECURITIES SPECIALISTS, INC.
STOCK POSITION PER LOCATION REPORT
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		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
SMC	SAN MIGUEL CORP.	2,422,931	208,372,066	-	-	2,422,690	208,351,340	241	20,726	-	-	-	-
SMC2F	SMC SERIES "2" PREF. SHRS	206,690	15,150,377	-	-	206,690	15,150,377	-	-	-	-	-	-
SMC2I	SAN MIGUEL CORP PREF SHRS SERIES 2I	27,520	1,988,320	-	-	27,520	1,988,320	-	-	-	-	-	-
SMC2J	SMC PREF. SERIES 2-J	1,000	70,500	-	-	1,000	70,500	-	-	-	-	-	-
SMC2K	SAN MIGUEL CORP. PREF. SERIES 2K	60,340	4,223,800	-	-	60,340	4,223,800	-	-	-	-	-	-
SMC2N	SMC PREF. SERIES 2N	3,820	304,454	-	-	3,820	304,454	-	-	-	-	-	-
SMC2O	SAN MIGUEL CORP. PREF. SERIES 2O	182,010	14,979,423	-	-	182,010	14,979,423	-	-	-	-	-	-
SMPH	SM PRIME HOLDINGS, INC.	91,185	2,293,303	-	-	91,185	2,293,303	-	-	-	-	-	-
SPM	SEAFRONT PET. "A"	30,880	46,629	-	-	24,361	36,785	6,519	9,844	-	-	-	-
SPNEC	SP NEW ENERGY CORP.	560,812	572,028	-	-	560,812	572,028	-	-	-	-	-	-
SSI	SSI GROUP, INC.	27,100	86,178	-	-	27,100	86,178	-	-	-	-	-	-
STI	STI EDUCATION SYSTEMS HOLDINGS, INC.	3,019,000	4,045,460	-	-	3,019,000	4,045,460	-	-	-	-	-	-
STN	STENIEL MANUFACTURING CORP.	25,525	40,074	-	-	25,525	40,074	-	-	-	-	-	-
STR	VISTAMALLS, INC	70,524	103,670	46,000.00	67,620	116,524	171,290	-	-	-	-	-	-
SUN	SUNTRUST HOME DEVELOPERS, INC.	91,939	82,745	130,000.00	117,000	221,000	198,900	939	845	-	-	-	-
SWM	SANITARY WARES MFG., CORP.	8,000	1,600	-	-	8,000	1,600	-	-	-	-	-	-
T	TKC METALS CORPORATION	3,000	879	-	-	3,000	879	-	-	-	-	-	-
TBGI	TRANSPACIFIC BROADBAND GROUP INC.	103,000	13,905	-	-	103,000	13,905	-	-	-	-	-	-
TECH	CIRTEK HOLDINGS PHILS. CORPORATION	287,000	378,840	56,000.00	73,920	343,000	452,760	-	-	-	-	-	-
TEL	PLDT, INC.	148,243	191,974,685	-	-	148,229	191,956,555	14	18,130	-	-	-	-
TFHI	TOP FRONTIER INVESTMENT HOLDINGS, INC.	22,312	1,407,887	-	-	22,312	1,407,887	-	-	-	-	-	-
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	10,000	6,200	-	-	10,000	6,200	-	-	-	-	-	-
UBP	UNION BANK OF THE PHILS.	16,907	608,652	-	-	16,907	608,652	-	-	-	-	-	-
UNI	UNIOIL RESOURCES HOLDINGS CO., INC.	141,500	34,809	-	-	-	-	-	-	141,500	34,809	-	-
UP	UNIVERSAL RIGHTFIELD	111,000	4,218	-	-	111,000	4,218	-	-	-	-	-	-
UPM	UNITED PARAGON MINING CORP.	550,000	1,540	-	-	550,000	1,540	-	-	-	-	-	-
URC	UNIVERSAL ROBINA CORP.	11,010	869,790	-	-	11,010	869,790	-	-	-	-	-	-
UW	UNIWIDE HOLDINGS, INC.	3,000	-	-	-	-	-	3,000	-	-	-	-	-
V	VANTAGE EQUITIES, INC.	2,876	2,013	-	-	2,876	2,013	-	-	-	-	-	-
VITA	VITARICH CORP.	300,000	162,000	-	-	300,000	162,000	-	-	-	-	-	-
VLL	VISTA LAND & LIFESCAPES, INC.	205,000	303,400	-	-	205,000	303,400	-	-	-	-	-	-
VMC	VICTORIAS MILLING CO., INC.	2,444	4,888	-	-	2,328	4,656	116	232	-	-	-	-
VVT	VIVANT CORPORATION	312	5,622	-	-	312	5,622	-	-	-	-	-	-
WEB	PHILWEB CORPORATION	12,957,202	18,140,083	-	-	12,957,202	18,140,083	-	-	-	-	-	-
WIN	WELLEX INDUSTRIES, INC.	5,270	1,112	-	-	4,620	975	650	137	-	-	-	-
WLCON	WILCON DEPOT, INC.	11,100	158,730	-	-	11,100	158,730	-	-	-	-	-	-
WPI	WATERFRONT PHILS. INC.	2,200	825	-	-	2,200	825	-	-	-	-	-	-
X	XURPAS INC.	1,275,300	232,105	-	-	1,275,300	232,105	-	-	-	-	-	-
XG	NEXGEN ENERGY CORP.	10,000	24,700	-	-	10,000	24,700	-	-	-	-	-	-
ZHI	ZEUS HOLDINGS, INC.	13,000	936	-	-	13,000	936	-	-	-	-	-	-
Total		508,877,056	2,106,953,264	3,329,750	39,643,505	511,544,804	2,146,331,890	516,142	209,716	145,860	55,163	-	-

SCHEDULE VII

SECURITIES SPECIALISTS, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
AMENDED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2024 and 2023

Current / Liquidity Ratio

	2024	2023
Total current assets	P 194,838,042	P 130,398,310
Total current liabilities	133,123,019	72,782,389
Current ratio	1.464:1	1.792:1

Quick Ratio

	2024	2023
Total liquid asset	P 194,086,366	P 129,175,923
Total current liabilities	133,123,019	72,782,389
Liquidity ratio	1.458:1	1.775:1

Working Capital to Total Asset

	2024	2023
Working capital	P 61,715,023	P 57,615,921
Total Assets	200,175,135	137,282,113
Working capital ratio	0.308:1	0.42:1

Solvency Ratio

	2024	2023
Total assets	P 200,175,135	P 137,282,113
Total liabilities	160,425,528	101,126,995
Solvency ratio	1.248:1	1.358:1

Debt-to-equity Ratio

	2024	2023
Total liabilities	P 160,425,528	P 101,126,995
Total equity	39,749,607	36,155,118
Debt-to-equity ratio	4.036:1	2.797:1

SCHEDULE VII

SECURITIES SPECIALISTS, INC. SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE AMENDED SRC RULE 68 FINANCIAL SOUNDNESS INDICATORS For The Years Ended December 31, 2024 and 2023

Asset-to-equity Ratio

	2024	2023
Total assets	P 200,175,135	P 137,282,113
Total equity	39,749,607	36,155,118
Asset to equity ratio	5.036:1	3.797:1

Interest Rate Coverage Ratio

	2024	2023
Pre-tax profit (loss) before interest	P 3,867,547	P (5,935,321)
Interest expense	99,829	50,937
Interest rate ratio	38.742:1	-116.523:1

Profitability Ratio

	2024	2023
Net profit (loss) after tax	P 2,896,281	P (4,215,980)
Total equity	39,749,607	36,155,118
	0.073:1	-0.117:1

a.) Return on asset ratio

	2024	2023
Net income (loss) after tax	P 2,896,281	P (4,215,980)
Average assets	168,728,624	148,814,870
	0.017:1	-0.028:1

b.) Return on equity ratio

	2024	2023
Net profit (loss) after tax	P 2,896,281	P (4,215,980)
Average equity	37,952,363	38,367,398
	0.076:1	-0.11:1

SCHEDULE VII

SECURITIES SPECIALISTS, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE
AMENDED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2024 and 2023

c.) Gross Profit Margin Ratio

	<u>2024</u>	<u>2023</u>
Net profit (loss) before tax	P 3,767,718	P (5,986,258)
Gross profit (loss)	<u>7,071,166</u>	<u>(1,021,893)</u>
	<u>0.533:1</u>	<u>5.858:1</u>

d.) Profit margin

	<u>2024</u>	<u>2023</u>
Net profit (loss) after tax	P 2,896,281	P (4,215,980)
Revenue	<u>13,605,336</u>	<u>6,072,557</u>
	<u>0.213:1</u>	<u>-0.694:1</u>

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2024

SECURITIES SPECIALISTS, INC.
8th Floor LTA Building, 118 Perea Street, Legaspi Village, Makati City

Unappropriated Retained Earnings, beginning of reporting period	(P64,085,347)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
• Reversal of Retained Earnings Appropriation/s	-
• Effect of restatements or prior-period adjustments	-
• Others	-
	<hr/>
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
• Dividends declaration during the reporting period	-
• Retained Earnings appropriated during the reporting period	-
• Effect of restatements or prior-period adjustments	-
• Others	-
	<hr/>
Unappropriated Retained Earnings, as adjusted	(64,085,347)
Add/Less: Net Income (Loss) for the current year	2,896,281
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
•	
Equity in net income of associate/joint venture, net of dividends declared	-
• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(2,681,689)
• Unrealized fair value gain of Investment Property	-
•	
Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-
• Sub-total	<hr/> (2,681,689)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
• Realized fair value gain of Investment Property	-
•	
Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-
• Sub-total	<hr/> -

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2024

SECURITIES SPECIALISTS, INC.
8th Floor LTA Building, 118 Perea Street, Legaspi Village, Makati City

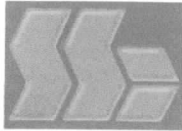
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)	
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
•	
• Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	156,918
• Reversal of previously recorded fair value gain of Investment Property	-
• Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-
• Sub-total	<u>156,918</u>
Adjusted Net Income (Loss)	<u>371,510</u>
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
• Depreciation on revaluation increment (after tax)	-
• Sub-total	<u>-</u>
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP	
• Amortization of the effect of reporting relief	-
• Total amount of reporting relief granted during the year	-
• Others	-
• Sub-total	<u>-</u>
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution	
• Net movement of treasury shares (except for reacquisition of redeemable shares)	-
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
• Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
• Others	-
• Sub-total	<u>-</u>
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION	(P63,713,837)

SECURITIES SPECIALISTS, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2024 and 2023

		Current Year	Prior Year
Total Audit Fees	P	85,000	80,000
Non-audit services fees:			
Other assurance services		-	-
Tax services		-	-
All other services		-	-
Total Non-audit Fees		-	-
Total Audit and Non-audit Fees	P	85,000	80,000

Audit and Non-audit fees of other related entities

		Current Year	Prior Year
Audit fees		-	-
Non-audit services fees:			
Other assurance services		-	-
Tax services		-	-
All other services		-	-
Total Audit and Non-audit Fees of other related entities		-	-



Securities Specialists, Inc.

Member: The Philippine Stock Exchange, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN


The Management of **SECURITIES SPECIALISTS, INC.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

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

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

BY:
SECURITIES SPECIALISTS, INC.



DIOSDADO M. ARROYO
President



DIOSDADO M. ARROYO
Chairman of the Board



CATHERINE N. PALAMOS
Treasurer



PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

 admin@psv-co.com

 (02) 8 994-3984

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

**REPORT OF INDEPENDENT AUDITOR
TO ACCOMPANY FINANCIAL STATEMENT FOR
FILING WITH THE BUREAU OF INTERNAL REVENUE**

**To the Board of Directors and Shareholders
SECURITIES SPECIALISTS, INC.**

8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company) for the year ended December 31, 2024, on which we have rendered the attached report dated April 11, 2025.

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

1. The taxes paid and accrued by the above Company for the year ended December 31, 2024 are shown in the Schedule of Taxes and Licenses.
2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal shareholders of the Company.

PEREZ, SESE, VILLA & CO.

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

CPA License No. 0054588

Tax Identification No. 212-955-173-000

PTR No. 2093955, Issued on January 6, 2025, Manila City

SEC Accreditation No:

Partner – 54588-SEC Group B, issued on December 1, 2022,

valid for five (5) years covering the audit of 2022 to 2026 financial statements

Firm – 0222-SEC, Group B, Issued on December 1, 2022,

valid for five (5) years covering the audit of 2022 to 2026 financial statements

BIR Accreditation No. 06-002735-001-2024, issued on April 12, 2024,

valid for three (3) years until April 11, 2027

IC Accreditation No.

Partner -54588-IC, Group B, issued on December 3, 2020

valid for five (5) years covering the audit of 2020 to 2024 financial statements

Firm -0222-IC, Group B, issued on December 3, 2020

valid for five (5) years covering the audit of 2020 to 2024 financial statements

BOA/PRC Cert. of Reg. No. 0222, issued on October 13, 2023 valid until October 12, 2026

Manila, Philippines
April 11, 2025