powered by EZY

File Upload

All files successfully uploaded

Transaction Code:
AFS-0-8HAFK87F06HH79G5EPNXX2X3P0AL7LF898

Submission Date/Time:
Apr 24, 2025 10:10 AM

Version 1.0.2.0

powered by EZY

File Upload

All files successfully uploaded

Transaction Code:
AFS-0-QYR1TSYV07H8L9JDFNYY4MT3P08FAA7JKD

Submission Date/Time:
Apr 24, 2025 10:33 AM

ITR

Version 1.0.2.0

UOB-Kay Hian Securities (Phils.), Inc.

UOBKayHian

Unit 4B, Level 18, Tower 2,
The Enterprise Center 6766
Ayala Avenue corner Paseo de Roxas
Legaspi Village,San Lorenzo 1223
City of Makati NCR, Fourth District
Philippines

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.** (a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited) (the "Company"), is responsible for the preparation and fair presentation of the financial statements including the schedule attached therein, as at and for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co. and Roxas Tabamo & Co., the independent auditors appointed by the Stockholders as at and for the periods ended December 31, 2024 and 2023, respectively, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing and have expressed their opinion on the fairness of presentation upon completion of such audit.

LIM SENG BEE
Chairman of the Board

OH WHEE MIAN
Nominee

CHERIE Z. TORRES
Treasurer

Signed this 28th day of March 2025

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 1 9 9 6 0 9 3 4 0

COMPANY NAME

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (A wholly-owned Subsidiary of UOB-Kay Hian Holdings Limited)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

Unit 4B, Level 18, Tower 2, The Enterprise Center, 6766 Ayala Ave cor Paseo de Roxas, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
52-AR	MSRD	Broker/Dealer in Securities

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
milasanjose@uobkayhian.com	8887-973	09193512480

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	First Friday of May	December 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
Eileen del Rosario	eileendelro@uobkayhian.com	8887-7973	09274579366

CONTACT PERSON'S ADDRESS

Unit 4B, Level 18, Tower 2, The Enterprise Center, 6766 Ayala Ave cor Paseo de Roxas, Makati City

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

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

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
ANNUAL AUDITED FINANCIAL REPORT
TABLE OF CONTENTS

DECEMBER 31, 2024

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

COVER PAGE

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

Report for the Year Beginning January 1, 2024 and Ended December 31, 2024.

IDENTIFICATION OF BROKER OR DEALER			
Name of Broker/Dealer: UOB-Kay Hian Securities (Philippines), Inc.			
Address of Principal Place of Business:	Unit 4B, Level 18, Tower 2 The Enterprise Center, 6766 Ayala Ave cor Paseo de Roxas, Makati City		
Name and Phone Number of Person to Contact in Regard to this Report:			
Name: Milagros C. San Jose		Tel. No.: Fax No.:	8887-7972 8887-7973

IDENTIFICATION OF ACCOUNTANT		
Name of Independent Auditor whose opinion is contained in this report:		
Name: Reyes Tacandong & Co. SEC Registration No. PP201007009	Tel. No.: Fax No.:	(02) 8- 982-9100 (02) 8- 982-9111
Address: 16th Floor, 1 Proscenium Estrella Drive, Rockwell Center Makati City 1211, Philippines		
KARL JOSEPH N. MALVAS Partner CPA Certificate No. 110926 Tax Identification No. 940-545-217-000 BOA Accreditation No. 4782/P-020; Valid until June 6, 2026 BIR Accreditation No. 08-005144-017-2025 Valid until January 16, 2028 PTR No. 10467134 Issued January 2, 2025, Makati City		

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
Unit 4B, Level 18, Tower 2
The Enterprise Center, 6766 Ayala Ave cor
Paseo de Roxas, Makati City

Opinion

We have audited the financial statements of UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited) (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year 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 (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as at and for the year ended December 31, 2023 were audited by another auditor, whose report dated April 24, 2024, expressed an unmodified opinion on those statements. The opinion of such auditor, however, does not include the prior period adjustments discussed in Note 14 to the financial statements. As part of our audit of the 2024 financial statements, we audited the prior period adjustments as discussed in Note 14 to the financial statements, that were effected to restate the opening balances as at January 1, 2023. In our opinion, such adjustments are appropriate and have been properly effected. We were not engaged to audit, review, or perform any procedures to the opening balances as at January 1, 2023 other than with respect to the prior period adjustments nor engaged to audit, review, or apply any procedures to the December 31, 2023 financial statements of the Company. Accordingly, we do not express an opinion or any other form of assurance on the December 31, 2023 financial statements taken as a whole.

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 a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

REYES TACANDONG & CO.

KARL JOSEPH N. MALVAS
Partner
CPA Certificate No. 110926
Tax Identification No. 940-545-217-000
BOA Accreditation No. 4782/P-020; Valid until June 6, 2026
BIR Accreditation No. 08-005144-017-2025
Valid until January 16, 2028
PTR No. 10467134
Issued January 2, 2025, Makati City

March 28, 2025
Makati City, Metro Manila

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)

STATEMENTS OF FINANCIAL POSITION
December 31, 2024
(With Comparative Figures for 2023)

		December 31						January 1		
		2024			2023			2023 (As Restated – Note14)		
			Security Valuation			Security Valuation			Security Valuation	
	Note	Money Balance	Long	Short	Money Balance	Long	Short	Money Balance	Long	Short
ASSETS										
Current Assets										
Cash and cash equivalents	7	₱411,654,672			₱348,642,299			₱461,845,848		
Short-term investments		–			–			12,000,000		
Financial assets at fair value through profit or loss (FVPL)	8	70,639	₱70,639		101,079	₱101,079		108,065	₱108,065	
Receivables	9	6,929,305	1,990,075,674		–			38,724,258		
Other current assets	10	1,782,378			2,131,062			624,514		
Total Current Assets		420,436,994			350,874,440			513,302,685		
Noncurrent Assets										
Financial assets at fair value through other comprehensive income (FVOCI)	11	39,360,000	39,360,000		40,800,000	40,800,000		37,920,000	37,920,000	
Property and equipment	12	4,807,239			1,992,474			160,570		
Trading right	13	1,408,000			1,408,000			1,408,000		
Right-of-use (ROU) asset	19	3,661,508			–			–		
Other noncurrent assets	14	34,712,609			33,900,257			33,302,869		
Total Noncurrent Assets		83,949,356			78,100,731			72,791,439		
		₱504,386,350			₱428,975,171			₱586,094,124		
Securities in box and held by Philippine Depository and Trust Corp.				₱2,029,506,313			₱1,977,867,680			₱3,624,840,343
LIABILITIES AND EQUITY										
Current Liabilities										
Payable to clearing house and customers	15	₱3,504,000			₱–	1,936,966,601		₱38,349,517	3,586,812,278	
Lease liability – current portion	19	1,825,138			–			–		
Customer deposits	22	343,417,947			264,139,903			386,227,328		
Income tax payable		–			–			179,644		
Other current liabilities	16	1,044,209			240,959			639,913		
Total Current Liabilities		349,791,294			264,380,862			425,396,402		
Noncurrent Liabilities										
Lease liability – net of current portion	19	2,038,856			–			–		
Retirement benefits liability	20	4,495,917			3,139,193			2,930,608		
Net deferred tax liabilities	21	4,715,883			8,602,724			8,322,431		
Total Noncurrent Liabilities		11,250,656			11,741,917			11,253,039		
		361,041,950			276,122,779			436,649,441		
Equity										
Capital stock		81,000,000			81,000,000			81,000,000		
Retained earnings:										
Appropriated	17	4,581,964			4,581,964			4,464,315		
Unappropriated		30,217,425			38,014,428			36,884,368		
Other comprehensive income		27,545,011			29,256,000			27,096,000		
Total Equity		143,344,400			152,852,392			149,444,683		
		₱504,386,350	₱2,029,506,313	₱2,029,506,313	₱428,975,171	₱1,977,867,680	₱1,977,867,680	₱586,094,124	₱3,624,840,343	₱3,624,840,343

See accompanying Notes to Financial Statements.

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)

STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2024

(With Comparative Figures for 2023)

	Note	2024	2023 (As Restated - Note 14)
REVENUE			
Commissions	22	**₱3,792,419**	₱9,052,772
Others:			
Management fees	22	**3,382,855**	–
Dividend income	8,11	**2,400,547**	2,401,406
Interest income	7	**204,351**	208,440
		9,780,172	11,662,618
COST OF SERVICES			
Salaries, wages and employees' benefits		**1,358,257**	1,327,006
Trading charges and fees		**734,347**	733,587
		2,092,604	2,060,593
GROSS PROFIT		**7,687,568**	9,602,025
OPERATING EXPENSES			
Salaries, wages and employees' benefits		**6,453,450**	3,384,591
Postage, telephone and communications		**2,513,737**	406,823
Professional fees		**2,008,559**	849,000
Taxes and licenses		**1,062,111**	116,995
Provision for retirement costs	20	**515,405**	208,585
Membership dues and fees		**381,797**	483,250
Repairs and maintenance		**322,747**	31,186
Insurance		**183,121**	193,772
Utilities		**36,238**	123,936
Transportation and travel		**35,680**	11,793
Rent	19	**–**	1,578,658
Other expenses		**969,320**	1,203,540
		14,482,165	8,592,129
OTHER CHARGES			
Depreciation and amortization	12	**3,931,666**	89,169
Interest expense on lease liability	19	**280,714**	–
Other loss - net	18	**4,782**	8,902
		4,217,162	98,071
INCOME (LOSS) BEFORE INCOME TAX		**(11,011,759)**	911,825

(Forward)

	Note	2024	2023 (As Restated - Note 14)
INCOME (LOSS) BEFORE INCOME TAX		**(₱11,011,759)**	₱911,825
PROVISION FOR (BENEFIT FROM) INCOME TAX	21		
Current		**101,755**	103,823
Deferred		**(3,316,511)**	(439,707)
		(3,214,756)	(335,884)
NET INCOME (LOSS)		**(7,797,003)**	1,247,709
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods:			
Unrealized gains (loss) on financial assets at FVOCI - net of deferred tax	11	**(1,080,000)**	2,160,000
Remeasurement loss on retirement benefit liability - net of deferred tax	20	**(630,989)**	–
		(1,710,989)	2,160,000
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱9,507,992)**	₱3,407,709

See accompanying Notes to Financial Statements.

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)

STATEMENTS OF CHANGES IN EQUITY
December 31, 2024
(With Comparative Figures for 2023)

			Other Comprehensive Income			Retained Earnings			
	Note	Capital Stock	Cumulative Unrealized Gains on Financial Assets at FVOCI (see Note 11)	Cumulative Remeasurement Loss on Retirement Benefit Liability (see Note 20)	Total	Appropriated (see Note 17)	Unappropriated	Total	
Balances as at December 31, 2023, as previously reported		**₱81,000,000**	**₱29,256,000**	**₱–**	**₱29,256,000**	**₱4,581,964**	**₱36,408,760**	**₱40,990,724**	**₱151,246,724**
Prior period adjustments	14	**–**	**–**	**–**	**–**	**–**	**1,605,668**	**1,605,668**	**1,605,668**
Balances as at December 31, 2023, as restated		**81,000,000**	**29,256,000**	**–**	**29,256,000**	**4,581,964**	**38,014,428**	**42,596,392**	**152,852,392**
Net loss		**–**	**–**	**–**	**–**	**–**	**(7,797,003)**	**(7,797,003)**	**(7,797,003)**
Other comprehensive loss:									
Unrealized loss on financial assets at FVOCI - net of deferred tax	11	**–**	**(1,080,000)**	**–**	**(1,080,000)**	**–**	**–**	**–**	**(1,080,000)**
Remeasurement loss on retirement benefits liability - net of deferred tax	20	**–**	**–**	**(630,989)**	**(630,989)**	**–**	**–**	**–**	**(630,989)**
Balances as at December 31, 2024		**₱81,000,000**	**₱28,176,000**	**(₱630,989)**	**₱27,545,011**	**₱4,581,964**	**₱30,217,425**	**₱34,799,389**	**₱143,344,400**
Balances as at December 31, 2022, as previously reported		₱81,000,000	₱27,096,000	₱–	₱27,096,000	₱4,464,315	₱35,349,924	₱39,814,239	₱147,910,239
Prior period adjustments	14	–	–	–	–	–	1,534,444	1,534,444	1,534,444
Balances as at December 31, 2022, as restated		81,000,000	27,096,000	–	27,096,000	4,464,315	36,884,368	41,348,683	149,444,683
Net income		–	–	–	–	–	1,247,709	1,247,709	1,247,709
Other comprehensive income									
Unrealized gain on financial assets at FVOCI - net of deferred tax	11	–	2,160,000	–	2,160,000	–	–	–	2,160,000
Appropriation	17	–	–	–	–	117,649	(117,649)	–	–
Balances at December 31, 2023, as restated		₱81,000,000	₱29,256,000	₱–	₱29,256,000	₱4,581,964	₱38,014,428	₱42,596,392	₱152,852,392

See accompanying Notes to Financial Statements.

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
(A Wholly-Owned Subsidiary of UOB-Kay Hian Holdings Limited)

STATEMENTS OF CASH FLOWS

December 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023 (As Restated - Note 14)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**(₱11,011,759)**	₱911,825
Adjustments for:			
Depreciation and amortization	12	**3,931,666**	89,169
Dividend income	8,11	**(2,400,547)**	(2,401,406)
Provision for retirement costs	20	**515,405**	208,585
Interest expense on lease liability	19	**280,714**	–
Interest income	7	**(204,351)**	(208,440)
Unrealized loss on financial assets at FVPL	18	**30,440**	6,987
Unrealized foreign exchange loss (gain)	18	**(20,571)**	3,207
Gain on disposal of property and equipment	12	**–**	(208)
Operating loss before working capital changes		**(8,879,003)**	(1,390,281)
Decrease (increase) in:			
Receivables		**(6,929,305)**	38,724,258
Other current assets		**250,176**	(1,197,585)
Refundable deposits		**(53,986)**	–
Increase (decrease) in:			
Customer deposits		**79,278,044**	(122,087,425)
Payable to clearing house		**3,504,000**	(38,349,517)
Other current liabilities		**803,250**	(398,954)
Net cash generated from (used for) operations		**67,973,176**	(124,699,504)
Dividends received		**2,400,547**	2,401,406
Interest received		**204,351**	208,440
Income tax paid		**(3,247)**	(591,631)
Net cash provided by (used in) operating activities		**70,574,827**	(122,681,289)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	12	**(4,915,675)**	(1,921,665)
Additions in other deposits		**(758,366)**	(597,388)
Proceeds from short-term investment		**–**	12,000,000
Net cash provided by (used in) investing activities		**(5,674,041)**	9,480,947

(Forward)

	Note	2024	2023 (As Restated - Note 14)
CASH FLOW FROM A FINANCING ACTIVITY			
Payment of lease liability	19	**(₱1,908,984)**	₱–
EFFECT OF FOREIGN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		**20,571**	(3,207)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**63,012,373**	(113,203,549)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**348,642,299**	461,845,848
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱411,654,672**	₱348,642,299
COMPONENTS OF CASH AND CASH EQUIVALENTS	7		
Cash on hand		**₱21,199**	₱1,160
Cash in banks		**278,924,029**	335,968,640
Cash equivalents		**132,709,444**	12,672,499
		₱411,654,672	₱348,642,299
SUPPLEMENTARY INFORMATION ON NONCASH ACTIVITY			
Recognition of ROU asset and lease liability	19	**₱5,492,264**	₱–

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures and Information for 2023)

1. Corporate Information

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 5, 1996. It commenced its commercial operations on March 12, 1997. The Company is primarily engaged in the stock brokerage business and to carry out everything that may be useful, directly or indirectly, in connection with such business, including but not limited to, the negotiation of purchases and sale and other transactions relative to all kinds of and every description of shares, stocks, voting trust certificates, trust certificates, bonds, debentures, mortgages, trust receipts, notes and other certificates, obligations, contracts, certificates of interest, choses in action, foreign currency and exchange, commercial papers and evidences of indebtedness and securities generally of any person, association, partnership syndicate, governmental body, agency or instrumentality, or other entity, domestic and/or foreign.

The Company is a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited (the "Parent Company"), a company incorporated in Singapore.

The Company's registered office address is located at Unit 4B, Level 18, Tower 2, The Enterprise Center, 6766 Ayala Ave cor Paseo de Roxas, Makati City.

The financial statements of the Company as at and for the year ended December 31, 2024 (with comparative figures and information for 2023) were approved and authorized for issue by the Board of Directors (BOD) on March 28, 2025.

2. Summary of Material Accounting Policy Information

The summary of material accounting policy information used in the preparation of the financial statements are summarized below.

Basis of Preparation and Statement of Compliance

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

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

Measurement Bases

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

The financial statements of the Company have been prepared on a historical cost basis, except for lease liability which are measured at present value of future lease payments, retirement benefit liability which is carried at present value of defined benefit obligation, financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss (FVPL) which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

Further information about the assumptions made in measuring fair value is included in Note 6 to financial statements.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

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

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates* - Lack of Exchangeability – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under the prevailing circumstances, the adoption of the foregoing amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as necessary.

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

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

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

Financial Assets

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

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

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

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

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

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

As at December 31, 2024 (and 2023), the Company's cash and cash equivalents, receivables, various deposits (presented as part of "Other current assets" and "Other noncurrent assets") are included under this category (see Notes 7, 9, 10 and 14).

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

Short-term Investments. Short-term investments pertain to time deposit with maturity of less than 12 months.

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

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

As at December 31, 2024 (and 2023), the Company's investment in The Philippine Stock Exchange, Inc. (PSE) shares are classified under this category (see Note 11).

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

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

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

As at December 31, 2024 (and 2023), the Company's securities held for trading are classified under this category (see Note 8).

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

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

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

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

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

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

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

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

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

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

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

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

Financial Liabilities

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

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

As at December 31, 2024 and 2023, the Company does not have financial liabilities at FVPL.

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

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

As at December 31, 2024 (and 2023), the Company's liabilities arising from its payable to clearing house, other current liabilities (excluding statutory payables), customer deposits and lease liability are under this category (see Notes 15, 16, 19 and 22).

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

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

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

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

Offsetting of Financial Assets and Liabilities

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

Other Current Assets

Other current assets include input Value-Added Tax (VAT), prepayments, creditable withholding taxes (CWT) and advances to suppliers.

VAT. VAT is a sales tax that is levied on consumption on the sale of goods, services or properties, as well as importation in the Philippines. It is an indirect tax, which may be shifted or passed to the buyer, transferee or lessee of goods, properties or services. Revenue, expenses, and assets are generally recognized net of the amount of VAT. The net amount of VAT recoverable to the taxation authority is included as part of "Input VAT" under "Other current asset" account in the statements of financial position.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments are classified in the statements of financial position as current asset when the cost of the prepayment is expected to be incurred within one year of the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

Creditable Withholding Taxes (CWT). CWT are amounts withheld from collections of revenue or receivable and are deductible from income tax payable in the same year the revenue was recognized. CWT in excess of income tax payable are carried forward to the succeeding year. These are stated at their face amounts less any impairment in value.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the items can be measured reliably.

Construction in progress represents the improvements on the building and is stated at cost. This includes cost of direct materials, labor and construction. Construction in progress is not depreciated until such time the related assets are completed and available for use. The balance of the construction in progress is reclassified to proper account once construction is completed.

Depreciation is computed using the straight-line method over the following estimated useful lives of the property and equipment:

Asset Type	Number of Years
Leasehold improvement	3 or term of lease whichever is shorter
Office furniture, fixtures and equipment	3 – 10
Computer Equipment	3 – 5

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

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statements of comprehensive income in the period of retirement and disposal.

Trading Right

Trading right is the result of the conversion plan to preserve the access of stock brokerage to the trading facilities and continue to transact business in PSE. The exchange trading right is an intangible asset that is 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 initially recognized at the amount allocated from the original cost of the exchange membership seat. Subsequently, it is carried at cost less any allowance for impairment loss. The carrying value of trading right is reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is calculated at the higher of the asset's value in use or its fair value less cost to sell.

Other Noncurrent Assets
Other noncurrent assets include other assets, refundable deposits and other deposits.

Other Assets. Other assets pertain to garnished amount by the Bureau of Internal revenue (BIR) in relation to the tax assessment of the Company. This is carried at its net realizable amount.

Refundable Deposits. Refundable deposits pertain to monthly contributions paid by the Company, as a Clearing Member to the CTGF maintained by the Securities Clearing Corporation of the Philippines (SCCP).

Other Deposits. Other deposits consist of security deposits for the lease agreements, construction bonds for the Company's office and utility deposits. These deposits are carried at amortized cost and expected to be refunded to the Company upon termination of the related contracts/services.

Impairment of Non-financial Assets
The carrying amounts of non-financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. If any such indication exists, and if the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Customer Deposits
Customer deposits pertain to advances received by the Company for services to be fulfilled within the next twelve (12) months after the reporting period. These deposits are debited to the customer when transfer of control of the trade execution performance obligation occurs or upon trade date.

Equity

Capital Stock. Capital stock is determined using the par value of shares that have been issued.

Retained Earnings. Retained earnings include all current and prior period results as disclosed in the statements of changes in equity. Unappropriated retained earnings include all current and prior period result of operations, which is free of any restriction and can be declared as dividends to shareholders. Appropriated retained earnings represent that portion which has been restricted for a particular purpose and, therefore, not available for dividend declaration.

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

Revenue Recognition

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

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

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

Management fees. Management fees is recognized when earned.

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

Dividend Income. Dividend from investment is recognized when the shareholder's right to receive payment has been established.

Interest Income. Interest income is recognized as the interest accrues on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

Other Income. Other income is recognized when earned.

Cost and Expense Recognition

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

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

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

Employee Benefits

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

Retirement Benefits. Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

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

Remeasurements of the retirement benefit liability, which comprise actuarial gains and, are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods. Cumulative remeasurement loss are included under "Other comprehensive income" account in the statements of financial position.

The retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefits obligation. The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Leases

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

- the contract involves an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substation right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company has the right to direct the use of the asset of either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Company as Lessee. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

The ROU asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

The ROU asset is subsequently depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term of three (3) years.

In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments option renewal period if the Company is reasonably to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. It is remeasured when there is a change in future lease payments or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents its ROU assets that do not meet the definition of investment property as a separate line item and a separate line item for its lease liabilities in the statements of financial position.

Short-term leases. The Company applies the short-term lease recognition exemption to its short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Related Party Transactions

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

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

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

Income Taxes

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

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

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

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

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

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

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

Foreign Currency Translations

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

Nonmonetary assets and nonmonetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Nonmonetary items in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the statements of comprehensive income, except for differences arising on the translation of financial assets at FVOCI, a financial liability designated as an effective hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognized in OCI.

Provisions and Contingencies

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

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

Events After the Financial Reporting Date

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

There are no other subsequent events after the reporting date that requires adjustments or disclosures in the financial statements.

---

3. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

Judgments

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

Determination Whether an Arrangement Contains a Lease. The Company assesses whether an arrangement contains a lease based on PFRS 16, as disclosed in Note 2. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The details of these lease agreement are disclosed in Note 19.

Determination of Incremental Borrowing Rate (IBR) on Leases. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Company estimates the IBR using available observable inputs adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Company has applied IBR of 5.9% for the calculation of ROU asset and lease liability. The carrying amounts of ROU asset and lease liability as at December 31, 2024 are disclosed in Note 19 to the financial statements.

Evaluating Tax Liabilities. In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Classifying Financial Instruments. The Company exercises judgments in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

The classification of the Company's financial assets and liabilities are set out in Note 4.

Estimates and Assumptions

The key estimates and assumptions used in the financial statements are based upon the Company's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates:

Fair Value Measurements. A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that such valuations meet the requirements of PFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Company uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (see Note 6).

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

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

The methods and assumptions used to estimate the fair values for both financial and non-financial assets and liabilities are discussed in Note 6.

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

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

The Company has assessed that there is no need to provide for any allowance for ECL on its receivables as at December 31, 2024. The Company is following the T+2 settlement rule. The carrying amounts of receivables are disclosed in Note 9.

Estimated Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recorded costs and expenses and decrease non-current assets.

The estimated useful lives of property and equipment disclosed in Note 2 has no changes during the year. The carrying amount of property and equipment is disclosed in Note 12.

Impairment of Trading Rights with Indefinite Useful Lives. The Company determines whether trading are impaired at least annually. This requires the estimation of value in use of the trading rights. Estimating value in use requires management to make an estimate of the expected future cash flows from the trading rights and to choose a suitable discount rate to calculate the present value of those cash flows.

The Company assessed that its trading rights is not impaired (see Note 13). The carrying amount and market value of trading right is disclosed in Note 13.

Impairment of Other Financial Assets. Provisions are made for specific and groups of accounts, where objective evidence of credit loss exists. The Company evaluates these accounts on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the counterparties, the current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience. The amount and timing of the recorded expenses for any period would differ if the Company made different judgments or utilized different methodologies. An increase in the allowance for impairment would increase the recorded costs and expenses and decrease current assets.

No impairment loss on other financial assets was recognized in 2024 (and 2023). The carrying amounts of other financial assets are disclosed in Notes 10 and 14.

Impairment of Nonfinancial Assets. PFRS Accounting Standards requires that an impairment review be performed on property and equipment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

No impairment loss on non-financial assets was recognized in 2024 (and 2023). The carrying amount of nonfinancial assets is disclosed in Notes 10, 12 and 14.

Leases - Estimating the Incremental Borrowing Rate - The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimating Retirement Liability. The determination of the obligation and cost of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 20 to the financial statements and include, among others, discount rates, and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and recognized as part of equity.

Retirement benefits cost in 2024 (and 2023) and the carrying amounts of retirement benefits liability as at December 31, 2024 (and 2023) are disclosed in Note 20 to the financial statements.

Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of MCIT and NOLCO is based on the projected taxable income in the following periods.

The Company's deferred tax asset as at December 31, 2024 (and 2023) are disclosed in Note 21 to financial statements.

4. Financial Risk Management Objectives and Policies

The Company is exposed to variety of financial risks arising from its operating and investing activities. The Company's principal financial instruments comprise of cash and cash equivalent, financial assets at FVPL, receivables, deposits, financial asset at FVOCI, payable to clearing house, customer deposits, other current liabilities (excluding statutory payables) and lease liability. The main purpose of these financial instruments is to raise finance for the Company's operations.

Risk Management Structure

The BOD has overall responsibility for the Company's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The BOD created the risk management committee to closely monitor and evaluate the Company's financial risk in line with the strategies, policies and limits set by the BOD. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Company's financial performance and financial position due to unpredictability of financial market.

Financial risk management by the Company is coordinated with its Parent company, in close cooperation with the local management. Company policies and guidelines cover credit risk and liquidity risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's results and financial position. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

The main risks arising from the Company's use of financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligation. This includes risk of non-payment by clients of their securities transactions and by related parties of their outstanding account balance.

In the normal course of business, the Company's activities include trade execution for its clients. These activities may expose the Company to risk arising from price volatility which can reduce the client's ability to meet its obligation. To the extent client is unable to meet its commitments to the Company, the latter may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations.

In accordance with the industry practice, client trades are settled generally in two (2) business days after trade date. Should either the client or the counterparty fails to perform, the Company may be required to complete the transaction at prevailing market prices. In addition, receivable from customers/clearing house balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts.

For broker/dealers in securities, credit risk comprises counterparty risk and large exposure risk.

The carrying amount of financial assets represents the maximum credit exposures. The maximum exposure to credit risk at the financial reporting date is as follows:

	2024			
	12-month ECL	**Lifetime ECL – not credit-impaired**	**Lifetime ECL – credit impaired**	**Total**
Financial assets at amortized cost:				
Cash and cash equivalents*	**₱411,633,473**	**₱–**	**₱–**	**₱411,633,473**
Receivables	**–**	**6,929,305**	**–**	**6,929,305**
Refundable deposits	**1,659,654**	**–**	**–**	**1,659,654**
Other deposits	**1,284,530**	**–**	**–**	**1,284,530**
	₱414,577,657	**₱6,929,305**	**₱–**	**₱421,506,962**

***Excluding cash on hand.**

	2023			
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Financial assets at amortized cost:				
Cash and cash equivalents*	₱348,641,139	₱–	₱–	₱348,641,139
Refundable deposits	1,605,668		–	1,605,668
Security deposits	394,664	–	–	394,664
Other deposits	526,164	–	–	526,164
	₱351,167,635	₱–	₱–	₱351,167,635

**Excluding cash on hand.*

The Company does not have financial guarantees and loan commitments and other credit related liabilities.

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

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

Counterparty exposure is computed based on the rules provided by SRC 52.1-11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

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

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

Collaterals related to receivables from customers pertain to quoted equity securities amounting to ₱1,990,075,674 as at December 31, 2024 (see Note 9). The fair values of these securities are based on prevailing quoted market prices, which is usually the closing prices, from active markets as at reporting date.

Other Financial Assets at Amortized Cost
The Company's other financial assets at amortized cost consist of cash in banks and cash equivalents, nontrade receivables, refundable deposits and other deposits.

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

The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments. For refundable deposits and other receivables, credit risk is low since the Company only transacted with reputable companies with respect to these financial assets. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2024 (and 2023).

The following table shows the aging analyses and credit quality of financial assets.

	2024				
	Neither Past Due nor Impaired				
	High Grade	**Standard Grade**	**Past Due but not Impaired**	**Impaired**	**Total**
Financial assets at amortized cost:					
Cash and cash equivalents*	**₱411,633,473**	**₱–**	**₱–**	**₱–**	**₱411,633,473**
Receivables	**6,929,305**	**–**	**–**	**–**	**6,929,305**
Refundable deposits	**1,659,654**	**–**	**–**	**–**	**1,659,654**
Other deposits	**1,284,530**	**–**	**–**	**–**	**1,284,530**
	₱421,506,962	**₱–**	**₱–**	**₱–**	**₱421,506,962**

**Excluding cash on hand.*

	2024				
	Neither Past Due nor Impaired				
	High Grade	Standard Grade	Past Due but not Impaired	Impaired	Total
Financial assets at amortized cost:					
Cash and cash equivalents*	₱348,641,139	₱–	₱–	₱–	₱348,641,139
Refundable deposits	1,605,668	–	–	–	1,605,668
Security deposits	394,664	–	–	–	394,664
Other deposits	526,164	–	–	–	526,164
	₱351,167,635	₱–	₱–	₱–	₱351,167,635

**Excluding cash on hand.*

The credit quality of the Company's financial assets that are neither past due nor impaired is considered to be of good quality and expected to be collectible without incurring any credit losses.

Credit quality per class of financial assets

The Company's bases in grading its financial assets are as follows:

- *High Grade.* These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).
- *Standard Grade.* These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but have been outstanding for a certain period of time.
- *Substandard Grade.* These are receivables that can be collected provided the Company makes persistent effort to collect them.

Liquidity Risk

Liquidity risk is the risk from inability to meet obligations when they become due, because of an inability to liquidate assets or obtain adequate funding. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity ratio of 1.20:1 is sufficient to cover current liabilities.

Liquidity risk is managed on the basis of maturity dates of both the financial assets and financial liabilities.

Special reserve requirements for the customer accounts are maintained by the Company with a bank (see Note 7).

Exposure to liquidity risk

The following table summarizes the maturity profile of the Company's financial assets and liabilities based on the contractual undiscounted payments:

		2024			
	Note	**On Demand**	**Less than a year**	**1 to 5 years**	**Total**
Assets					
Cash and cash equivalents	7	**₱278,945,228**	**₱132,709,444**	**₱–**	**₱411,654,672**
Financial assets at FVPL	8	–	**70,639**	–	**70,639**
Receivables	9	–	**6,929,305**	–	**6,929,305**
Financial asset at FVOCI	11	–	–	**39,360,000**	**39,360,000**
Refundable deposits	14	–	–	**1,659,654**	**1,659,654**
Deposits	14	–	–	**1,284,530**	**1,284,530**
		278,945,228	**139,709,388**	**42,304,184**	**460,958,800**
Liabilities					
Customer deposits	22	–	**343,417,947**	–	**343,417,947**
Payable to clearing house	15	–	**3,504,000**	–	**3,504,000**
Lease liability	19	–	**2,004,433**	**2,104,655**	**4,109,088**
Other current liabilities*	16	–	**775,070**	–	**775,070**
		–	**349,701,450**	**2,104,655**	**351,806,105**
Net liquidity excess (gap)		**₱278,945,228**	**(₱209,992,062)**	**₱40,199,529**	**₱109,152,695**

**Excluding statutory payables.*

		2023			
	Note	On Demand	Less than a year	1 to 5 years	Total
Assets					
Cash and cash equivalents	7	₱335,969,800	₱12,672,499	₱–	₱348,642,299
Financial assets at FVPL	8	–	101,079	–	101,079
Financial asset at FVOCI	11	–	–	40,800,000	40,800,000
Refundable deposits	14	–	–	1,605,668	1,605,668
Deposit	10,14	–	–	920,828	920,828
		335,969,800	12,773,578	43,326,496	392,069,874
Liabilities					
Customer deposits		–	264,139,903	–	264,139,903
Other current liabilities*	16	–	195,068	–	195,068
		–	264,334,971	–	264,334,971
Net liquidity excess (gap)		₱335,969,800	(₱251,561,393)	₱43,326,496	₱127,734,903

**Excluding statutory payables.*

Market Risk

The Company is exposed to market risks, primarily relating to equity price risk, interest rate risk and foreign currency risk. Management actively monitors this exposure as follows:

Equity Price Risk. Equity price risk is the risk that the fair values of quoted equity securities would decrease as the result of the adverse changes in the quoted equity prices is affected by both rational and irrational market forces. The Company is exposed to equity price risk with investment in equity securities of listed companies classified as financial assets at FVPL and financial asset at FVOCI.

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

The table below sets forth the impact of changes in PSEi in the Company's unrealized gain or loss on its financial assets at FVPL and FVOCI:

	2024		2023	
Changes in PSEi	**15.34%**	**(15.34%)**	14.07%	(14.07%)
Effect on profit or loss	**₱8,147**	**(₱8,147)**	₱10,264	(₱10,264)
Effect on OCI	**₱3,596,606**	**(₱3,596,606)**	₱3,255,655	(₱3,255,655)

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

Foreign Currency Risk. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Information on the Company's foreign currency denominated monetary asset and its Philippine peso equivalent are as follows:

	2024		2023	
	US Dollar	**PHP Equivalent**	US Dollar	PHP Equivalent
Cash in banks	**$8,197**	**₱475,758**	$8,298	₱461,160

Exchange rate used is ₱58.04 per 1USD in 2024 (and ₱55.57 per 1USD in 2023).

As at December 31, 2024 (and 2023), the Company's exposure to foreign currency risk is not significant.

Interest Rate Risk. Interest rate risk refers to risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is not exposed to any significant interest rate risk as its instruments are non-interest sensitive, except for the bank deposits and cash equivalents which are mainly short-term in nature and at market interest rates.

5. Capital Risk Management Objectives and Policies

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern; to maintain a strong credit rating and quality ratios; to ensure compliance with PSE and SEC regulations; and to provide returns and benefits to its shareholders.

The BOD is responsible for managing the Company's capital structure and makes the necessary adjustments to address the risks and adopt to changes in economic conditions and regulatory requirements.

There were no changes made in the objectives, policies and processes in 2024 (and 2023).

Required Capitalization for Broker/Dealers

In compliance with SRC Rule 28 of the 2015 *Implementing Rules and Regulations of SRC*, trading participants are required to have an unimpaired paid-up capital of ₱100,000,000 for those who will be participating in a registered clearing agency. However, other broker/dealers not meeting the ₱100,000,000 capitalization and not seeking authorization to engage in market making transaction shall maintain a ₱30,000,000 unimpaired paid-up capital and file surety bond not less than ₱10,000,000 for brokers and not less than ₱2,000,000 for dealers.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱81,000,000 as at December 31, 2024 (and 2023). The Company's surety bond amounted to ₱12,000,000 as at December 31, 2024 (and 2023).

As at December 31, 2024 (and 2023), the Company is compliant with the capital requirements.

Reserve Fund

The Company shall annually appropriate 10% of its audited income after tax and transfer the same to "Appropriated retained earnings" in compliance with SRC Rule 49.1 (B). No appropriation was made in 2024 due to net loss position of the Company. The Company appropriated ₱117,649 for reserve fund in 2023.

The total amount of appropriated retained earnings amounted to ₱4.6 million as at December 31, 2024 (and 2023) for reserve fund.

Net Liquid Capital (NLC)

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

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

a. Equity per books;

b. Liabilities subordinated to the claims of creditors in conformity with SRC Rule 49.1 and in accordance with a prescribed schedule; and

c. Deposits for future stock subscription for which an application for increase in capital stock or request for exemption for registration has been filed with SEC.

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

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

a. Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;

b. Deducting fixed assets and assets which cannot be readily converted into cash (less any aggregate indebtedness in accordance with SRC Rule 49.1);

c. Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by SEC; and

d. Deducting long and short securities differences.

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

The Company's NLC met the minimum prescribed amounts as at December 31, 2024 (and 2023).

Details are as follows:

	2024	2023
NLC:		
Equity eligible for NLC	**₱138,659,114**	₱150,085,812
Less: Ineligible assets	**92,731,678**	78,626,125
	45,927,436	71,459,687
Required NLC:		
Higher of:		
5% of AI	**17,582,498**	13,376,003
Minimum amount	**5,000,000**	5,000,000
	17,582,498	13,376,003
Net risk-based capital excess	**₱28,344,938**	₱58,083,684

Ratio of AI to NLC

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

The Company's AI over NLC ratio is 766% as at December 31, 2024 (and 374% as at December 31, 2023.

As at December 31, 2024 (and 2023), the Company is in compliance with the required ratio of AI to NLC.

RBCA Requirement/Ratio

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

The TRCR is the sum of:

a. Operational risk requirement (ORR);

b. Credit risk requirement which includes requirements for counterparty risk, settlement risk, large exposure risk, and margin lending/financing risk; and

c. Position or market risk requirement.

Management also ensures that all required reserves and ratios are met. These requirements are being monitored on a daily basis.

The risk-based capital adequacy ratios as at December 31, 2024 (and 2023) are as follows:

	2024	2023
NLC	**₱45,927,436**	₱71,459,687
Total risk capital requirement (TRCR)	**2,838,159**	2,424,497
Total aggregate indebtedness (AI)	**351,649,950**	267,520,055
RBCA	**1,618%**	2,947%

NLC and TRCR are computed based on the existing provision of SRC. NLC consists of total equity adjusted for allowance for market decline, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription with no SEC application, minority interest, if any, contingencies and guarantees, and the total ineligible assets.

As at December 31, 2024 (and 2023), the Company is in compliance with the required RBCA ratio.

Ratio of Core Equity to Operational Risk Requirement (ORR)
The Company's Core equity shall be at all times greater than its ORR.

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 financial asset at FVOCI).

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

	2024	2023
Paid-up capital stock	**₱81,000,000**	₱81,000,000
Beginning retained earnings	**42,596,392**	41,348,683
Core equity	**123,596,392**	122,348,683
Divided by ORR	**2,774,446**	2,355,377
Ratio of core equity to ORR	**4,455%**	5,194%

6. Fair Value Measurement

Classification and fair value of financial instruments are as follows:

The following table sets forth the carrying amounts and estimated fair values of the Company's financial assets and financial liabilities:

Financial assets	Note	**2024**	2023
at FVPL	8	**₱70,639**	₱101,079
at FVOCI	11	**39,360,000**	40,800,000
at amortized cost:			
Cash and cash equivalents	7	**411,654,672**	348,642,299
Receivables	9	**6,929,305**	–
Refundable deposits	14	**1,659,654**	1,605,668
Deposits	10,14	**1,284,530**	920,828
		460,958,800	392,069,874
Financial liabilities			
At amortized cost:			
Customer deposits	22	**₱343,417,947**	₱264,139,903
Other current liabilities*	16	**775,070**	195,068
		₱344,193,017	₱264,334,971

** Excluding statutory payables.*

The fair value of financial assets at FVPL and FVOCI is determined by reference to their quoted market price at the financial reporting date.

The carrying amounts of financial assets and liabilities at amortized cost approximate their fair values due to the relatively short-term maturities of the financial statements.

Financial instruments measured at fair value

The table below analyzes financial instruments carried at fair value by valuation method.

	Fair value measurements as at December 31, 2024 using		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Financial assets at FVPL	**₱70,639**	**₱ –**	**₱ –**
Financial asset at FVOCI	**39,360,000**	**–**	**–**
Total	**₱39,430,639**	**₱ –**	**₱ –**

	Fair value measurements as at December 31, 2023 using		
	Level 1	Level 2	Level 3
Financial assets			
Financial assets at FVPL	₱101,079	₱–	₱–
Financial asset at FVOCI	40,800,000	–	–
Total	₱40,901,079	₱–	₱–

There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2024 (and 2023).

7. Cash and Cash Equivalents

This account consists of the following:

	2024	2023
Cash on hand	**₱21,199**	₱1,160
Cash in banks	**278,924,029**	335,968,640
Cash equivalents	**132,709,444**	12,672,499
	₱411,654,672	₱348,642,299

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents pertain to placement in time deposit that have maturity of less than 90 days with interest rate of 0.125% to 3.10% in 2024 (and 0.125% to 0.25% in 2023).

Interest income earned from these placements and regular bank savings accounts amounted to ₱204,351 in 2024 (and ₱208,440 in 2023).

Cash and cash equivalents as at December 31, 2024 (and December 31, 2023) include amounts received as advance payments from related parties amounting to ₱343.4 million as at December 31, 2024 (₱264.1 million as at December 31, 2023), to be applied on the succeeding future trading purchase transactions. The Company maintains sufficient liquidity to satisfy all obligations related to these advance payments when they become due for application.

Unrealized foreign exchange gain (loss) in 2024 (and in 2023) is disclosed in Note 18.

In compliance with Securities Regulation Code Rule (SRC) 49.2-1 covering customer protection reserve and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers. The Company's reserve requirement is determined on a weekly basis based on the SEC prescribed computations. The Company's special reserve bank account included in cash in banks amounted to ₱30.0 million as at December 31, 2024 (₱10.5 million as at December 31, 2023). As at December 31, 2024 (and 2023), the Company's reserve accounts are adequate to cover its reserve requirements.

8. Financial Assets at FVPL

The Company's financial assets at FVPL pertain to securities held for trading amounting to ₱70,639 as at December 31, 2024 (and ₱101,079 as at December 31, 2023). The net decrease in fair value in 2024 (and in 2023) is disclosed in Note 18.

These assets are held for trading and are stated at their fair market values determined directly by reference to the prescribed price quotations in an active market.

Dividend income recognized amounted to ₱547 in 2024 (and ₱1,406 in 2023).

9. Receivables

This account consists of the following:

	Note	2024
Receivables from customers	22	₱3,508,450
Nontrade receivables - related party	22	3,382,855
Others		38,000
		₱6,929,305

Receivables from customers as at December 31, 2024 are due within two (2) business days from the transaction date. These receivables are fully secured as at December 31, 2024.

Collaterals related to receivables from customers pertain to quoted equity securities amounting to ₱1,990,075,674. The fair values of these securities are based on prevailing quoted market prices, which is usually the closing prices, from active markets as at reporting date.

Nontrade receivables pertain to management fees charged by the Company to its related party for the services provided.

10. Other Current Assets

This account consists of the following:

	Note	**2024**	2023
Input VAT		**₱1,273,662**	₱310,898
Prepayments		**299,060**	342,055
CWT		**209,656**	308,164
Advances to supplier		**–**	735,246
Security deposit	19	**–**	394,664
Other		**–**	40,035
		₱1,782,378	₱2,131,062

Prepayments pertain to payments for SEC license fee, accident, life and fire insurance and healthcare benefits of its employees.

Advances to supplier pertain to payment for construction bond in relation to the construction-in progress and payment for reservation fee related to new office space.

Security deposit pertain to rent deposits for the lease of its office unit.

11. Financial Assets at FVOCI

In compliance with the guidelines issued by the SEC and the PSE in 2004, the Company has allocated the cost of Exchange Membership of ₱3,200,000 between the PSE shares and the trading right as follows: (a) 56% as the value of the 50,000 PSE shares; and (b) 44% as the value of the trading right.

The Market value of the PSE share as at December 31 follows:

	2024	2023
PSE shares, at cost	**₱1,792,000**	₱1,792,000
Accumulated unrealized gain	**37,568,000**	39,008,000
	₱39,360,000	₱40,800,000

Movements in the account are as follows:

	2024	2023
Balance at beginning of year	**₱40,800,000**	₱37,920,000
Change in fair value of financial asset at FVOCI	**(1,440,000)**	2,880,000
Balance at end of year	**₱39,360,000**	₱40,800,000

The movements of the net unrealized gain on financial asset at FVOCI as presented in the statements of financial position are as follows:

	2024	2023
Balance at beginning of year	**₱29,256,000**	₱27,096,000
Change in fair value of financial asset at FVOCI	**(1,440,000)**	2,880,000
Deferred tax on change in fair value	**360,000**	(720,000)
	(1,080,000)	2,160,000
Balance at end of year	**₱28,176,000**	₱29,256,000

Dividend income received from this investment amounted to ₱2.4 million in 2024 (and ₱2.4 million in 2023).

12. Property and Equipment

The composition of and movements in this account are as follows:

	2024				
	Leasehold Improvement	**Office Furniture, Fixtures and Equipment**	**Computer Equipment**	**Construction in Progress**	**Total**
Cost					
Balances at beginning of year	**₱–**	**₱716,119**	**₱3,302,789**	**₱1,664,076**	**₱5,682,984**
Additions	**3,920,726**	**994,949**	**–**	**–**	**4,915,675**
Reclassification	**1,664,076**	**–**	**–**	**(1,664,076)**	**–**
Balances at end of year	**5,584,802**	**1,711,068**	**3,302,789**	**–**	**10,598,659**
Accumulated Depreciation					
Balances at beginning of year	**–**	**398,323**	**3,292,187**	**–**	**3,690,510**
Depreciation	**1,861,600**	**233,485**	**5,825**	**–**	**2,100,910**
Balances at end of year	**1,861,600**	**631,808**	**3,298,012**	**–**	**5,791,420**
Carrying Amounts	**₱3,723,202**	**₱1,079,260**	**₱4,777**	**₱–**	**₱4,807,239**

	2023			
	Computer Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	Total
Cost				
Balances at beginning of year	₱3,302,789	₱857,455	₱–	₱4,160,244
Additions	–	257,589	1,664,076	1,921,665
Disposals	–	(398,925)	–	(398,925)
Balances at end of year	3,302,789	716,119	1,664,076	5,682,984
Accumulated Depreciation				
Balances at beginning of year	3,286,362	713,312	–	3,999,674
Depreciation	5,825	83,344	–	89,169
Disposals	–	(398,333)	–	(398,333)
Balances at end of year	3,292,187	398,323	–	3,690,510
Carrying Amounts	₱10,602	₱317,796	₱1,664,076	₱1,992,474

In 2023, gain on disposal of furniture, fixtures and equipment amounted to ₱208, recoded as part of "Others" in the "Other income" account in the financial statements (see Note 18).

The cost of fully depreciated assets still in use amounted to ₱3.6 million as at December 31, 2024 (₱3.6 million as at December 31, 2023).

The management, after due consideration of the assessment of its assets for any indication of impairment, believes that there are no indications that the Company's property and equipment as at December 31, 2024 (and December 31, 2023) are impaired.

Depreciation and amortization are recognized from the following:

	Note	**2024**	2023
Property and equipment		**₱2,100,910**	₱89,169
ROU asset	19	**1,830,756**	–
		₱3,931,666	₱89,169

13. Trading Right

Under the PSE rules, exchange trading right is pledged at its full value to the PSE to secure the payment of all debts to other members of the PSE arising out of or in connection with the present or future members' contracts. The carrying value of the Company's trading right amounted to ₱1.4 million as at December 31, 2024 (₱1.4 million as at December 31, 2023).

The market value of the trading rights is ₱8.0 million based on the most recent sale approved by the PSE Board of Directors.

Management reviewed the carrying value of intangible asset as at December 31, 2024 (and December 31, 2023) for any impairment and believes that there are no indicators of impairment on its trading right.

14. **Other Noncurrent Assets**

The account consists of the following:

	2024	2023 (As Restated)
Other asset	**₱31,750,925**	₱31,750,925
Refundable deposits	**1,659,654**	1,605,668
Other deposits	**1,284,530**	526,164
Other investments	**17,500**	17,500
	₱34,712,609	₱33,900,257

Other asset pertains to the garnished amount by the BIR in 2022 in relation to the deficiency tax assessment for the period covered 2017. The BIR has filed its Answer to the petition for refund insisting that the petition has no merit and will proceed to pre-trial conference, and thereafter, trial on the merits where the parties will present their respective witnesses. The trial in Court of Tax Appeals was scheduled on March 20, 2025. As at report date, decision to be rendered after trial on merits is still pending.

No provision for impairment loss was provided in 2024 (and in 2023).

Refundable deposit from Clearing Trade Guarantee Fund (CTGF) pertains to the monthly contributions paid by the Company, as a Clearing Member, to the CTGF maintained by the Securities Clearing Corporation of the Philippines (SCCP). The monthly contribution is equivalent to 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag. The deposit is refundable upon the cessation of the business and/or termination of the membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

The Company restated the statements of financial position, statements of comprehensive income, statements of changes in equity, as at and for the year ended December 31, 2023, and January 1, 2023. This restatement was due to the recognition of its refundable contributions from the CTGF. The effect of the adjustment on the Company's previously reported financial statements is an increase in total assets and equity by ₱1.6 million as at December 31, 2023, and ₱1.5 million as at January 1, 2023 and increase in the Company's net income by ₱71,224 for the year 2023. The restatement had no impact in the statements of cash flows as at December 31, 2023.

Other deposits pertain to its rental deposits, construction bond and utility deposits to the suppliers.

15. **Payable to Clearing House and Customers**

Payable to clearing house amounting to ₱3.5 million as at December 31, 2024 is due after two business days from the transaction date. Accordingly, balances as at December 31, 2024 were fully paid on January 3, 2025.

In 2023, security valuation of the trade payables to customer without money balance amounted to ₱1,936,966,601.

16. Other Current Liabilities

The account consists of the following:

	2024	2023
Accrued expenses	**₱775,070**	₱193,893
Statutory payables	**269,139**	45,891
Transaction fee payable	**–**	1,175
	₱1,044,209	₱240,959

Accrued expenses consist mainly of accrual for contractors' fees, professional fees and stock transaction fees.

Statutory payables pertain to liabilities for withholding taxes and SSS/PHIC/HDMF and stock transaction tax.

17. Appropriation of Retained Earnings

In accordance with Rule 49.1 (B) of the SEC Memorandum Circular No. 16, Series of 2004, Adoption of the Risk-Based Capital Adequacy Requirement/Ratio for Broker dealers, every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to the appropriated retained earnings account in accordance with the schedule set in the said Rule. The amount appropriated shall not be available for payment of dividends. Where in any financial year, the broker dealer's paid-up capital is impaired, the broker dealer is required to transfer from the appropriated retained earnings account to the capital account an amount equivalent to the impairment. Such amount so transferred out shall not be available for payment of dividend.

On November 10, 2006, Memo for Brokers No. 377-2006, Position paper of the Market Regulation Department (MRD) of the SEC relative to the Interpretation and Implementation of RBCA Rules, was issued. MRD position on rule 49.1 (B) states that the appropriation is meant to force the poorly capitalized broker-dealers to gradually increase their capital by retaining their earnings in the business, until they reach the minimum level of ₱100.0 million in unimpaired paid-up capital prescribed by SEC for the new broker-dealers or any other amount that the Commission may determine.

When retained earnings is in deficit, all current and future earnings (and not just a percentage) should be used to wipe out the deficit, before any available surplus is used to determine the minimum size of the dividends/reserve.

The Company appropriated nil in 2024 due to its net loss position. Appropriation amounting to ₱117,649 was recognized in 2023.

The balance of appropriated retained earnings amounted to ₱4.6 million as at December 31, 2024 (₱4.6 million as at December 31, 2023) are appropriated for reserve fund in compliance with SEC Memorandum Circular No. 16, series of 2004.

18. **Other Gain (Loss)** - Net

This account is composed of the following:

	2024	2023
Unrealized loss on financial assets at FVPL	**(₱30,440)**	(₱6,987)
Unrealized foreign exchange gain (loss)	**20,571**	(3,207)
Others	**5,087**	1,292
	(₱4,782)	(₱8,902)

19. **Leases**

In 2021, the Company entered into a lease agreement with a third party for the lease of space for a period of two (2) years commencing on January 1, 2021 to December 31, 2022.

In 2023, the Company renewed the lease contract for a period of one (1) year commencing on January 1, 2023 to December 31, 2023. Rental expense recognized in 2023 amounted to ₱1.6 million.

In October 2023, the Company entered into a new lease agreement with another lessor third party for a period of three (3) years, from January 1, 2024 to December 31, 2026. The Company paid a reservation fee of ₱526,164. In addition, the Company paid in 2023 the security deposit related to the lease amounting to ₱526,164.

The deposit related to the lease of unit space amounting to ₱1.1 million as at December 31, 2024 are recorded as part of "Other deposits" in the "Other noncurrent asset" account (and ₱394,664 as at December 31, 2023 recorded under "Other current assets) in the statements of financial position.

Set out below are the carrying amount of ROU asset and the movement during the year as at December 31, 2024.

	Note	
Recognition of ROU assets		₱5,492,264
Amortization	12	(1,830,756)
		₱3,661,508

Set out below are the carrying amount of lease liability and the movements during the year:

	2024
Recognition of lease liability	₱5,492,264
Accretion of interest	280,714
Payments	(1,908,984)
Balance at end of year	₱3,863,994

The current and noncurrent portion of the lease liability as at December 31, 2024 is as follows:

Current	₱1,825,138
Noncurrent	2,038,856
	₱3,863,994

The Company recognized the following lease related expenses in 2024:

Depreciation of ROU assets	₱1,830,756
Interest expense on lease liability	280,714
	₱2,111,470

The total cash flows for leases amounted to ₱1.9 million in 2024 (and ₱1.6 million in 2023).

Future minimum rental payments under existing non-cancellable lease agreement as at December 31, 2024 are as follows:

Within one (1) year	₱2,004,433
After one (1) year but not more than five (5) years	2,104,655
	₱4,109,088

20. **Retirement Liability**

The Company has an unfunded and non-contributory defined benefit plan covering all of its qualified employees. The benefits to be received by the employees under the defined benefit retirement plan shall not be less than the minimum mandated benefit under Republic Act (RA) No. 7641, *The Retirement Pay Law*. In 2024, the Company engaged the services of an independent actuary for the valuation of its retirement benefit liability as at December 31, 2024.

The present value of the retirement benefits liability, and the related current service cost, were measured using the projected unit credit method.

The changes in the present value of the retirement benefits liability:

	2024	2023
Balance at beginning of year	**₱3,139,193**	₱2,930,608
Current service cost	**324,856**	208,585
Interest expense	**190,549**	–
Remeasurement loss (gain) from:		
Change in financial assumptions	**950,585**	–
Experience adjustments	**(109,266)**	–
Balance at end of year	**₱4,495,917**	₱3,139,193

The balances and movements of retirement benefits liability recognized in the statement of financial position are as follows:

	2024	2023
Balance at beginning of year	**₱3,139,193**	₱2,930,608
Remeasurement loss recognized in OCI	**841,319**	–
Retirement expense recognized in profit or loss	**515,405**	208,585
Balance at end of year	**₱4,495,917**	₱3,139,193

The cumulative remeasurement gain recognized in other comprehensive income as at December 31 is as follow:

	2024		
	Cumulative Remeasurement Loss	**Deferred Tax**	**Net**
Balance at beginning of year	**₱ –**	**₱–**	**₱–**
Remeasurement loss	**841,319**	**(210,330)**	**630,989**
Balance at end of year	**₱841,319**	**(₱210,330)**	**₱630,989**

The assumptions used to determine retirement benefits are as follows:

	2024
Discount rate	6.07%
Salary increase rate	5.00%

The sensitivity analysis based on reasonably possible changes of the assumptions are as follows:

	Change in Assumption	Effect on Defined Benefit Liability
Discount rate	+100 bps	(₱88,838)
	-100 bps	98,068
Salary increase rate	+100 bps	98,137
	-100 bps	(90,522)

The maturity analysis of the undiscounted retirement benefit liability as at December 31, 2024 are as follows:

	Amount
Less than 1 year	₱4,566,658
More than 1 year but not more than 5 years	526,044
	₱5,092,702

The average duration of the retirement benefit liability is 2.1 years as at December 31, 2024.

21. **Income Taxes**

The Company's provision for income tax pertains to MCIT in 2024 (and in 2023).

The provision for income tax consists of:

	2024	2023
Current	**₱101,755**	₱103,823
Deferred	**(3,316,511)**	(439,707)
	(₱3,214,756)	(₱335,884)

The components of the Company's net deferred tax liabilities are as follows:

	2024	2023
Deferred tax assets:		
NOLCO	**₱3,305,107**	₱271,491
Retirement benefit liability	**1,123,979**	784,797
Excess of MCIT over RCIT	**205,578**	103,823
Effect of PFRS Accounting Standards 16	**50,622**	–
Unrealized foreign exchange loss	**–**	801
	4,685,286	1,160,912
Deferred tax liabilities:		
Unrealized gain on financial asset at FVOCI	**9,392,000**	9,752,000
Unrealized foreign exchange gain	**5,143**	–
Unrealized gain on financial assets at FVPL	**4,026**	11,636
	9,401,169	9,763,636
Net deferred tax liabilities	**(₱4,715,883)**	(₱8,602,724)

Deferred tax assets as at December 31, 2023 amounting to ₱1,160,912 were reclassified and netted against the "Deferred tax liabilities" in the 2024 financial statements to conform with current year presentation.

The carryforward benefits of NOLCO as at December 31, 2024 which can be claimed against future taxable income are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiry Year
2024	₱–	₱12,134,465	₱–	₱–	₱12,134,465	2027
2023	1,085,962	–	–	–	1,085,962	2026
	₱1,085,962	₱12,134,465	₱–	₱–	₱13,220,427	

The carryforward benefits of excess MCIT over RCIT as at December 31, 2024 which can be claimed against income tax payable are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiry Year
2024	₱–	₱101,755	₱–	₱–	₱101,755	2027
2023	103,823	–	–	–	103,823	2026
	₱103,823	₱101,755	₱–	₱–	₱205,578	

The reconciliation between the income tax expenses (benefit) based on statutory tax rate and effective tax rate is as follows:

	2024	2023
Income tax at statutory tax rate	**(₱2,752,940)**	₱227,956
Increase (decrease) in income tax resulting from:		
Dividend income	**(600,137)**	(600,352)
Nondeductible expenses	**189,409**	88,622
Interest income subjected to final tax	**(51,088)**	(52,110)
Income tax at effective tax rate	**(₱3,214,756)**	(₱335,884)

Under the Corporate Recovery and Tax Incentives for Enterprises Act, domestic corporations are subject to 25% or 20% regular corporate income tax (RCIT) depending on the amount of total assets and total amount of taxable income. In addition, MCIT is computed at 1% of gross income for a period of three (3) years. However, MCIT will be computed at 2% of gross income effective July 1, 2023 under Revenue Memorandum Circular No. 69-2023. Revenue Memorandum Circular No. 36-2024 issued on March 11, 2024 clarifies the manner of computing the Minimum Corporate Income Tax (MCIT). Effective July 1, 2023, the MCIT rate returned to its old rate of two percent (2%) based on the gross income of the corporation.

The income tax rates used in determining RCIT is 25% in 2024 (and in 2023), while the income tax rates used in determining MCIT are 2.0% in 2024 (and 1.5% in 2023).

22. Related Party Transactions

In the ordinary course of its business, the Company receives buy and sell orders from UOB Kay Hian (Hong Kong) Limited, UOB Kay Hian Malaysia and UOB Kay Hian Private Limited, fellow subsidiaries. The primary function of the Company is to act as a channel of its fellow subsidiaries, for those who are willing to buy shares of stocks.

Details of significant related party transactions are as follows:

Related parties	Nature of Relationship	Nature of Operation	Country of Incorporation
UOB Kay Hian Private Limited	Fellow Subsidiary	Securities brokers	Singapore
UOB Kay Hian (Hong Kong) Limited	Fellow Subsidiary	Securities brokers	Hong Kong, People's Republic of China
UOB Kay Hian Malaysia	Fellow Subsidiary	Securities brokers	Malaysia
United Overseas Bank Philippines	Affiliate	Banking	Philippines
Key management personnel	Management	N/A	N/A

a. The Company has transactions and balances with its related parties as follows:

	Note	At January 1, 2024	Additions	Settlements	At December 31, 2024
Receivable from customers					
UOB Kay Hian Private Limited		₱–	₱713,596,496	₱710,418,465	₱3,178,031
UOB Kay Hian (Hong Kong) Limited		–	301,669,861	301,339,442	330,419
	9	₱–	₱1,015,266,357	₱1,011,757,907	₱3,508,450
Nontrade receivables					
UOB Kay Hian Private Limited		₱–	3,382,855	–	₱3,382,855
Payable to customers					
UOB Kay Hian Private Limited		₱–	₱2,001,994,363	₱2,001,994,363	₱–
UOB Kay Hian (Hong Kong) Limited		–	19,874,826	19,874,826	–
United Overseas Bank Philippines		–	6,511,720	6,511,720	–
		₱–	₱2,028,380,909	₱2,028,380,909	₱–

(Forward)

	Note	At January 1, 2024	Additions	Settlements	At December 31, 2024
Customer deposits					
UOB Kay Hian Private Limited		**₱236,933,884**	**₱2,135,899,702**	**₱2,051,365,595**	**₱321,467,991**
UOB Kay Hian (Hong Kong) Limited		**27,099,206**	**28,648,108**	**33,797,358**	**21,949,956**
UOB Kay Hian Malaysia		**106,813**	**–**	**106,813**	**–**
		₱264,139,903	**₱2,164,547,810**	**₱2,085,269,766**	**₱343,417,947**
Commission income					
UOB Kay Hian Private Limited		**₱–**	**₱3,305,850**	**₱3,305,850**	**₱–**
UOB Kay Hian (Hong Kong) Limited		**–**	**420,251**	**420,251**	**–**
United Overseas Bank Philippines		**–**	**66,318**	**66,318**	
		₱–	**₱3,792,419**	**₱3,792,419**	**₱–**

	Note	At January 1, 2023	Additions	Settlements	At December 31, 2023
Receivable from customers	9				
UOB Kay Hian Private Limited		₱–	₱981,457,353	₱981,457,353	
UOB Kay Hian (Hong Kong) Limited		2,373,007	19,839,926	22,212,933	–
		₱2,373,007	₱1,001,297,279	₱1,003,670,286	₱–
Payable to customers					
UOB Kay Hian Private Limited		₱40,722,524	₱2,576,741,195	₱2,617,463,719	₱–
UOB Kay Hian (Hong Kong) Limited		–	1,803,487	1,803,487	–
		₱40,722,524	₱2,578,544,682	₱2,619,267,206	₱–
Customer deposits					
UOB Kay Hian Private Limited		₱368,216,029	₱2,102,360,960	₱2,233,643,105	₱236,933,884
UOB Kay Hian (Hong Kong) Limited		17,904,486	20,144,536	10,949,816	27,099,206
UOB Kay Hian Malaysia		106,813	–	–	106,813
		₱386,227,328	₱2,122,505,496	₱2,244,592,921	₱264,139,903
Commission income					
UOB Kay Hian Private Limited		₱–	₱8,998,909	₱8,998,909	₱–
UOB Kay Hian (Hong Kong) Limited		–	53,863	53,863	–
		₱–	₱9,052,772	₱9,052,772	₱–

Transactions between related parties are accounted for at terms similar to those offered to non-related entities in an economically comparable market.

Receivable from customers arise mainly from trading transactions which are due within two (2) business days from the transaction date and settled in cash. These receivables are non-interest bearing and fully secured. There were no allowance nor provision for expected credit loss provided in 2024 (and in 2023).

Payable to customers arise mainly from trading transactions which are due within two (2) business days from the transaction date and settled in cash or through application of customer deposits. These payables are non-interest bearing.

The customer deposits from the related parties pertain to advance payments received to be applied on the succeeding trading purchases transactions.

Commission income pertains to trading transactions executed for related parties. These are recorded on trade date basis as trade transactions occur.

b. *Management fees*

Management fees represent charges under an agreement between the Company and UOB Kay Hian Private Limited, a related party. Under this agreement, the Company provides services including business strategy and knowledge for wealth management business development. The transactions and outstanding balances of management fees with related parties amounted to ₱3,382,855 in 2024. This nontrade receivable is non-interest bearing, unsecured and settled in cash within 30 days upon billing.

c. *Key management compensation*

The Company paid salaries and other benefits to key management personnel amounting to ₱2,910,862 in 2024 (and ₱1,608,090 in 2023).

Revenue Regulation (RR) No. 34-2020

RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents. Section 2 of the RR enumerated the taxpayers required to file and submit the RPT Form, together with the Annual Income Tax Return.

The Company is not covered by the requirements and procedures for related party transactions provided under RR 34-2020 for the year ended December 31, 2024 (and December 31, 2023).

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

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

The Stockholders and the Board of Directors
UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
Unit 4B, Level 18, Tower 2
The Enterprise Center, 6766 Ayala Ave cor
Paseo de Roxas, Makati City

We have audited the accompanying financial statements of UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited) (the "Company") as at and for the year ended December 31, 2024, on which we have rendered our report dated March 28, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has a total number of one (1) stockholder owning more than one hundred (100) shares.

REYES TACANDONG & CO.

KARL JOSEPH N. MALVAS
Partner
CPA Certificate No. 110926
Tax Identification No. 940-545-217-000
BOA Accreditation No. 4782/P-020; Valid until June 6, 2026
BIR Accreditation No. 08-005144-017-2025
Valid until January 16, 2028
PTR No. 10467134
Issued January 2, 2025, Makati City

March 28, 2025
Makati City, Metro Manila

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
Unit 4B, Level 18, Tower 2
The Enterprise Center, 6766 Ayala Ave cor
Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of UOB-KAY HIAN SECURITIES (PHILIPPINES), INC. (a wholly-owned subsidiary of UOB-Kay Hian Holdings Limited) (the "Company") as at and for the year ended December 31, 2024, on which we have rendered our report dated March 28, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Company's management. These supplementary schedules include the following:

Schedule I	Statement of Changes in Liabilities Subordinated to Claims of General Creditors
Schedule II	Computation of Risk-Based Capital Adequacy Requirement Pursuant to SEC Memorandum Circular No. 16
Schedule III	Information Relating to the Possession or Control Requirements Under SRC Rule 49.2
Schedule IV	Computation for Determination of Reserve Requirements Under SRC Rule 49.2
Schedule V	A Report Describing Any Material Inadequacies Found to Exist or Found to have Existed Since the Date of the Previous Audit
Schedule VI	Results of Year-end Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended
Schedule VII	Supplementary Schedule of External Auditor Fee Related Information

The supplementary schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

KARL JOSEPH N. MALVAS
Partner
CPA Certificate No. 110926
Tax Identification No. 940-545-217-000
BOA Accreditation No. 4782/P-020; Valid until June 6, 2026
BIR Accreditation No. 08-005144-017-2025
Valid until January 16, 2028
PTR No. 10467134
Issued January 2, 2025, Makati City

March 28, 2025
Makati City, Metro Manila

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

DECEMBER 31, 2024

The Company has no subordinated liability.

SCHEDULE II

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16

DECEMBER 31, 2024

Assets	₱504,386,350
Liabilities	361,041,950
Equity as per books	143,344,400
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liability	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(4,685,286)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(4,685,286)
Equity Eligible For Net Liquid Capital (NLC)	138,659,114
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	1,408,000
b. Intercompany Receivables	6,891,305
c. Fixed Assets, net of accumulated and excluding those used as collateral	4,807,239
d. All Other Current Assets	1,891,017
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	77,734,117
Total ineligible assets	92,731,678
NLC	45,927,436
Less:	
Operating Risk Requirement	2,774,446
Position Risk Requirement	63,713
Counterparty Risk	
Large Exposure Risk	
LERR to a single client	
LERR to a single debt	
LERR to a single issuer and group of companies	
Total Risk Capital Requirement (TRCR)	2,838,159
Net RBCA Margin (NLC-TRCR)	43,089,277
Liabilities	361,041,950
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liability	
Loans and secured securities	
Loans secured by fixed assets	
Others	9,392,000
Aggregate Indebtedness (AI)	351,649,950
5% of Aggregate Indebtedness (AI)	17,582,498
Required NLC (> of 5% of AI or ₱5M)	17,582,498
Net Risk-based Capital Excess	₱28,344,938
Ratio of AI to Net Liquid Capital	766%
RBCA Ratio (NLC/TRCR)	1,618%

SCHEDULE III

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER SRC RULE 49.2

DECEMBER 31, 2024

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

Market Valuation	NIL
Number of items	NIL

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

Market Valuation	NIL
Number of items	NIL

SCHEDULE IV

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER SRC RULE 49.2
DECEMBER 31, 2024

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱–	₱–
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.	3,504,000	–
5. Credit balances in firm accounts which are attributable to principal sales to customer.	–	–
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	–	–
7. Market value of the short security count differences over 30 calendar days old.	–	–
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	–	–
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	–	–
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.	–	–
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.	–	–
12. Failed to deliver customers' securities not older than 30 calendar days.		
13. Others due from clearing house	–	–
Total	₱3,504,000	₱–
Net Credit	₱3,504,000	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱3,504,000	

SCHEDULE V

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT

DECEMBER 31, 2024

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

SCHEDULE VI

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

RESULTS OF YEAR-END SECURITIES COUNT CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED

DECEMBER 31, 2024

There is no discrepancy in the results of the securities count conducted. Refer to pages 61-62 for the results of year-end securities count conducted for the year ended December 31, 2024.

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SEC RULE 52.1-10
DECEMBER 31, 2024

		Per Records		Per Count		Unlocated Difference	
CODE	NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
BRN	A. BROWN COMPANY INC	300,000	₱168,000	300,000	₱168,000	–	–
AEV	Aboitiz Equity Ventures, Inc	463,500	15,921,225	463,500	15,921,225	–	–
ANI	Agrinurture, Inc	16,126,900	8,224,719	16,126,900	8,224,719	–	–
APC	APC Group Inc.	70,000	12,950	70,000	12,950	–	–
APVI	Altus Property Ventures, Inc	304	2,529	304	2,529	–	–
ATI	Asian Terminals, Inc.	2,952,400	50,190,800	2,952,400	50,190,800	–	–
ATNB	ATN Holdings Inc B	52,386,000	27,240,720	52,386,000	27,240,720	–	–
AC	Ayala Corporation	3,490	2,090,510	3,490	2,090,510	–	–
ALI	Ayala Land	55,399	1,451,454	55,399	1,451,454	–	–
ALLHC	Ayala Land Logistics Holdings Corp.	100,000	170,000	100,000	170,000	–	–
BEL	Belle Corporation	249,333	413,893	249,333	413,893	–	–
BLOOM	Bloomberry Resorts Corp	359,300	1,645,594	359,300	1,645,594	–	–
CEB	Cebu Air, Inc	10,000	282,500	10,000	282,500	–	–
CEI	Crown Equities, Inc	25,718,000	1,440,208	25,718,000	1,440,208	–	–
CHP	Cemex Holdings Phils Inc	10,000	17,800	10,000	17,800	–	–
CBC	China Banking Corporation	137,811	8,750,999	137,811	8,750,999	–	–
COL	COL Financial Group, Inc	547,500	903,375	547,500	903,375	–	–
CIC	Concepcion Industrial Corp	567,040	7,586,995	567,040	7,586,995	–	–
COSCO	Cosco Capital Inc	281,000	1,511,780	281,000	1,511,780	–	–
DMC	DMCI Holdings	7,025,000	76,010,500	7,025,000	76,010,500	–	–
DELM	Del Monte Pacific Limited	30,000	119,700	30,000	119,700	–	–
DITO	DITO CME Holdings Corp	200,000	328,000	200,000	328,000	–	–
EW	East West Banking Corp	95,900	944,615	95,900	944,615	–	–
ECP	Easycall Comm Phils	26,725	59,062	26,725	59,062	–	–
EMI	Emperador, Inc	10,000,000	180,600,000	10,000,000	180,600,000	–	–
FPH	First Phil Holdings Corp	132,920	7,842,280	132,920	7,842,280	–	–
GEO	Geograce Resources Phils Inc	7,490,000	778,960	7,490,000	778,960	–	–
GSMI	Ginebra San Miguel	920,440	253,121,000	920,440	253,121,000	–	–
GERI	Global-Estate Resorts, Inc	95,565	61,162	95,565	61,162	–	–
FNI	Global Ferronickel Holdings Inc	54,847,398	57,041,294	54,847,398	57,041,294	–	–
GLO	Globe Telecoms Inc	5,904	12,894,336	5,904	12,894,336	–	–
GMAP	GMA Holdings, Inc (PDR)	900,000	5,634,000	900,000	5,634,000	–	–
HI	House of Investment	598,050	2,021,409	598,050	2,021,409	–	–
ICT	International Container Terminal	1,300	501,800	1,300	501,800	–	–
ION	Ionics, Inc	1,400,000	1,176,000	1,400,000	1,176,000	–	–
JGS	JG Summit	15,305,311	314,524,141	15,305,311	314,524,141	–	–
JFC	Jollibee Foods Corporation	6,950	1,869,550	6,950	1,869,550	–	–
KEEPR	Keepers Holdings Inc	64,088,000	142,916,240	64,088,000	142,916,240	–	–
KPHB	Keppel Phils. Holdings B	83,180	1,567,111	83,180	1,567,111	–	–
KEP	Keppel Phils Properties, Inc	167,246	466,616	167,246	466,616	–	–
LCB	Lepanto Cons Mng Co "B"	2,137	143	2,137	143	–	–
LTG	LT Group, Inc	151,000	1,585,500	151,000	1,585,500	–	–
MHC	Mabuhay Holdings Corp	985,000	158,585	985,000	158,585	–	–
MVC	Mabuhay Vinyl Corporation	71,000	382,690	71,000	382,690	–	–
MAC	Macro Asia Corp	252,000	1,370,880	252,000	1,370,880	–	–
MER	Manila Electric Co.	5,090	2,483,920	5,090	2,483,920	–	–
MEG	Megaworld Corporation	90,574	185,677	90,574	185,677	–	–
MBT	Metrobank & Trust Com	28,213	2,031,336	28,213	2,031,336	–	–
MGH	Metro Global Holdings Corp (former Fil Estate)	390,000	390,000	390,000	390,000	–	–
MONDE	Monde Nissin Corporation	40,447,790	347,850,994	40,447,790	347,850,994	–	–
MRC	MRC Allied Industries	2,000	1,680	2,000	1,680	–	–
NXGEN	NextGenesis Corporation	1,719,400	12,035,800	1,719,400	12,035,800	–	–
NIKL	Nickel Asia Corporation	108,000	376,920	108,000	376,920	–	–
PAL	PAL Holdings, Inc	3,600	17,820	3,600	17,820	–	–

CODE	NAME	Per Records No. of Shares	Per Records Market Value	Per Count No. of Shares	Per Count Market Value	Unlocated Difference No. of Shares	Unlocated Difference Market Value
PIP	Pepsi-Cola Products Phils Inc	650,000	₱1,105,000	650,000	₱1,105,000	–	–
DNA	Philab Holdings	9,970,000	28,514,200	9,970,000	28,514,200	–	–
PBB	Philippine Business Bank	138,300	1,341,510	138,300	1,341,510	–	–
TEL	Phil Long Distance Corp	15,200	19,684,000	15,200	19,684,000	–	–
PLUS	Digiplus Interactive Corp	585,000	15,882,750	585,000	15,882,750	–	–
PNB	Phil National Bank	44,100	1,221,570	44,100	1,221,570	–	–
PRC	Phil Racing Club	152,100	1,064,700	152,100	1,064,700	–	–
PSB	Phil Savings Bank	43,123	2,509,759	43,123	2,509,759	–	–
PSE	Phil Stock Exchange	337,900	55,415,600	337,900	55,415,600	–	–
PX	Philex Mining Corp	3,136,896	8,751,940	3,136,896	8,751,940	–	–
PXP	PXP Energy Corporation	33,403	95,867	33,403	95,867	–	–
PCP	Picop Resources Inc	13,707,080	2,809,951	13,707,080	2,809,951	–	–
RFM	RFM Corporation	45,000	174,150	45,000	174,150	–	–
RLC	Robinsons Land Corp	22,570	300,181	22,570	300,181	–	–
RRHI	Robinsons Retails Holdings Inc	105,000	3,780,000	105,000	3,780,000	–	–
ROCK	Rockwell Land Corp	475,000	717,250	475,000	717,250	–	–
SSI	SSI Group Inc	18,880,000	60,038,400	18,880,000	60,038,400	–	–
SMC	San Miguel Corporation	1,134	97,524	1,134	97,524	–	–
FB	San Miguel Food & Beverage	989,400	52,190,850	989,400	52,190,850	–	–
SECB	Security Bank "B"	5,112	444,744	5,112	444,744	–	–
PIZZA	Shakeys Pizza Asia Ventures, Inc	4,147,500	33,138,525	4,147,500	33,138,525	–	–
SHNG	Shang Properties, Inc	27,391,299	107,921,718	27,391,299	107,921,718	–	–
SHLPH	Pilipinas Shell Petroleum Corp	8,160,800	61,206,000	8,160,800	61,206,000	–	–
SM	SM Investment Corp	550	494,450	550	494,450	–	–
SMPH	SM Prime Holdings Inc	37,000	930,550	37,000	930,550	–	–
SGI	Solid Group Inc	1,300	1,339	1,300	1,339	–	–
TFHI	Top Frontier Investment Hldgs Inc	112	7,067	112	7,067	–	–
TBGI	Trans Pacific Broadbank Group	11,870,000	1,602,450	11,870,000	1,602,450	–	–
UBP	Union Bank of the Phils	176,441	6,351,876	176,441	6,351,876	–	–
URC	Universal Robina Corp	37,000	2,923,000	37,000	2,923,000	–	–
VMC	Victorias Milling Company, Inc	80,000	164,000	80,000	164,000	–	–
WPI	Waterfront Philippines Inc	3,330,000	1,248,750	3,330,000	1,248,750	–	–
PHA	Premiere Horizon	5,000	870	5,000	870	–	–
		412,586,990	₱2,029,506,313	412,586,990	₱2,029,506,313		

SCHEDULE VII

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE RELATED INFORMATION

DECEMBER 31, 2024

	2024
Total Audit Fees	₱200,000
Non-audit service fees:	
Other assurance services	–
Tax services	–
All other services	–
Total Non-Audit Fees	–
Total Audit and Non-Audit Fees	₱200,000

SCHEDULE VIII

UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS UNDER REVISED SRC RULE 68

DECEMBER 31, 2024

	2024	2023
Current/Liquidity Ratio	**1.20**	1.33
Current assets	**₱420,436,994**	₱350,874,440
Current liabilities	**349,791,294**	264,380,862
Acid Test Ratio	**1.20**	1.32
Quick assets	**₱418,583,977**	₱348,743,378
Current liabilities	**349,791,294**	264,380,862
Solvency Ratio	**(0.01)**	0.00
Net income (loss)	**(₱7,797,003)**	₱1,247,709
Add: Depreciation	**3,931,666**	89,169
Net income (loss) before depreciation	**(3,865,337)**	1,336,878
Total liabilities	**361,041,950**	276,122,779
Debt-to-Equity Ratio	**2.52**	1.81
Total liabilities	**₱361,041,950**	₱276,122,779
Total equity	**143,344,400**	152,852,392
Asset-to-Equity Ratio	**3.52**	2.81
Total assets	**₱504,386,350**	₱428,975,171
Total equity	**143,344,400**	152,852,392
Interest Rate Coverage Ratio	**(40.23)**	–
Pretax income before interest	**(₱11,292,473)**	₱840,601
Interest expense	**280,714**	–
Return on Equity	**(0.05)**	0.01
Net income (loss)	**(₱7,797,003)**	₱1,247,709
Average equity	**148,098,396**	151,148,538
Return on Assets	**(0.02)**	0.00
Net income (loss)	**(₱7,797,003)**	₱1,247,709
Average assets	**466,680,761**	507,534,648
Gross Margin	**0.79**	0.82
Gross profit	**₱7,687,568**	₱9,602,025
Revenue	**9,775,390**	11,653,716
Net Profit Margin	**(0.80)**	0.11
Net income (loss)	**(₱7,797,003)**	₱1,247,709
Total revenue	**9,775,390**	11,653,716

SECURITIES AND EXCHANGE COMMISSION

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

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: April 24, 2025 02:52:54 PM

Company Information

SEC Registration No.: A199609340
Company Name: UOB-KAY HIAN SECURITIES (PHILIPPINES), INC.
Industry Classification: J66930
Company Type: Stock Corporation

Document Information

Document ID: OST10424202583200806
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

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