

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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D	E	V	E	L	O	P	M	E	N	T		C	O	R	P	O	R	A	T	I	O	N)						

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

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Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address sinceresec.corp@yahoo.com	Company's Telephone Number/s 638-3549	Mobile Number NA
No. of Stockholders 9	Annual Meeting Month/Day FIRST TUESDAY OF FEBRUARY	Fiscal Year Month/Day DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of the Contact Person TERESITA OCAMPO	Email Address tlocampo@yahoo.com	Telephone Number 638-3549	Mobile Number NA
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CONTACT PERSON'S ADDRESS

652 QUIRINO AVE., TAMBO, PARANAQUE CITY

NOTE 1 : In case of death, resignation or cessation of office of the designated as contact person, such incident shall be reported to the Commission within thirty (30) 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 record with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SINCERE SECURITIES CORPORATION
ANNUAL AUDITED FINANCIAL REPORT
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REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Metro Manila, Philippines

COVER PAGE

Information Required of Brokers and Dealers Pursuant to Rule 37(a) – 6 to the Revised Securities Act (RSA).

Report for the Period Beginning January 1, 2023 and Ending December 31, 2023.

IDENTIFICATION OF BROKER OR DEALER					
<p>Name of Broker/ Dealer: SINCERE SECURITIES CORPORATION (A Subsidiary of Sincere Holdings Corporation)</p> <p>Address of Principal/ Place of Business: Unit 1203 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City</p> <p>Name and Phone Number of Person to Contact in Regard to this Report</p> <table style="width: 100%; border: none;"><tr><td style="width: 50%;">Name: Liberty Famero</td><td style="width: 50%;">Tel. No. 638-3549</td></tr><tr><td></td><td>Fax No. 638-3570</td></tr></table>		Name: Liberty Famero	Tel. No. 638-3549		Fax No. 638-3570
Name: Liberty Famero	Tel. No. 638-3549				
	Fax No. 638-3570				

IDENTIFICATION OF ACCOUNTANT									
<p>Name of Independent Certified Public Accountant whose opinion is contained in this report</p> <table style="width: 100%; border: none;"><tr><td style="width: 60%;">Name: HONORATA L. PAGUIO</td><td style="width: 40%;">Tel. No. 821-0563</td></tr><tr><td>RAMON F. GARCIA AND COMPANY, CPAs</td><td>Fax No. 884-2789</td></tr></table> <p>Address: 30th Floor Burgundy Corporate Tower, 252 Sen. Gil Puyat Ave, Makati City</p> <table style="width: 100%; border: none;"><tr><td style="width: 60%;">Certificate Number: 0078850</td><td style="width: 40%;">Date Issued: January 25, 2024</td></tr><tr><td>PTR No. 10109963</td><td></td></tr></table>		Name: HONORATA L. PAGUIO	Tel. No. 821-0563	RAMON F. GARCIA AND COMPANY, CPAs	Fax No. 884-2789	Certificate Number: 0078850	Date Issued: January 25, 2024	PTR No. 10109963	
Name: HONORATA L. PAGUIO	Tel. No. 821-0563								
RAMON F. GARCIA AND COMPANY, CPAs	Fax No. 884-2789								
Certificate Number: 0078850	Date Issued: January 25, 2024								
PTR No. 10109963									



Sincere Securities Corporation

Member: Philippine Stock Exchange

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Sincere Securities Corporation is responsible for the preparation and fair presentation of financial statements, including the schedules attached therein, as of and for the years ended December 31, 2023 and 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

RAMON F. GARCIA AND CO., CPAs, the independent auditors appointed by the shareholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the shareholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



FERNANDO C. OCAMPO
Chairman of the Board



FERNANDO C. OCAMPO
President



TERESITA OCAMPO
Treasurer

Signed this day of: April 29, 2023

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
SINCERE SECURITIES CORPORATION
Unit 1203 East Tower, PSE Centre,
Exchange Road, Ortigas Center,
Pasig City

We have examined the financial statements of **SINCERE SECURITIES CORPORATION** for the years ended December 31, 2023 and 2022, on which we have rendered the attached report, dated April 29, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of two (2) shareholder owning one hundred (100) or more shares each.

RAMON F. GARCIA & COMPANY, CPAs

By:



HONORATA L. PAGUIO

Partner

CPA Certificate No. 0078850

PTR No. 10109963, January 25, 2024, Makati City

TIN 105-540-683-000

BOA/PRC Accreditation No.0207 (April 9, 2023 to October 5, 2025)

Partner's BIR Accreditation No. 08-001759-003-2023 (March 13, 2023 to March 12, 2026)

Partner's SEC Accreditation No. 78850, Group A (Valid for the audit of 2019 to 2023 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 29, 2024
Makati City

HLP-AR-SINC-SC24-45

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Shareholders and Board of Directors
SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Unit 1203 East Tower, Philippine Stock Exchange
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **SINCERE SECURITIES CORPORATION (A subsidiary of Alon Development Corporation)** as of and for the year ended December 31, 2023 and issued our report thereon dated April 29, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Supplementary Schedule of Effective Standards and Interpretations as of reporting date presented as Annex 1 to the financial statements is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Securities Regulation Code Rule 68, as amended (2011) and further clarified by the Securities and Exchange Commission in its Financial Reporting Bulletin no. 16 issued on January 24, 2013, is not part of the basic financial statements. This schedule has 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.

RAMON F. GARCIA & CO., CPAs
TIN 000-666-059

By:



HONORATA L. PAGUIO

Partner

CPA Certificate No. 0078850

PTR No. 10109963, January 25, 2024, Makati City

TIN 105-540-683-000

BOA/PRC Accreditation No.0207 (April 9, 2023 to October 5, 2025)

Partner's BIR Accreditation No. 08-001759-003-2023 (March 13, 2023 to March 12, 2026)

Partner's SEC Accreditation No. 78850, Group A (Valid for the audit of 2019 to 2023 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 29, 2024

Makati City

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors
SINCERE SECURITIES CORPORATION
Unit 1203 East Tower, PSE Centre,
Exchange Road, Ortigas Center,
Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SINCERE SECURITIES CORPORATION** ("the Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.a(2) on non-full adoption of PAS 19 - *Employee Benefits*. The Company has seven (7) employees and provided accrual of retirement based on the provision of RA 7641. Management believes that it has no material impact to the Company and that with their number of employees, using RA 7641 as the basis of computing retirement obligations and benefits approximates actual liability.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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 for 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 Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

HLP-AR-SINC-SC24-45

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

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

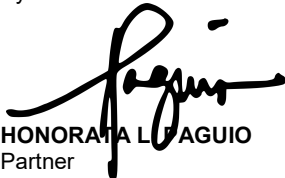
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 26 to the Financial Statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

RAMON F. GARCIA & COMPANY, CPAs

By:



HONORATA L. AGUIO

Partner

CPA Certificate No. 0078850

PTR No. 10109963, January 25, 2024, Makati City

TIN 105-540-683-000

BOA/PRC Accreditation No.0207 (April 9, 2023 to October 5, 2025)

Partner's BIR Accreditation No. 08-001759-003-2023 (March 13, 2023 to March 12, 2026)

Partner's SEC Accreditation No. 78850, Group A (Valid for the audit of 2019 to 2023 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

Makati City

April 29, 2024

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Statements of Financial Position
As at December 31, 2023 and 2022
(in Philippine Peso)

			2023		2022		
	Notes	Money Balance	Security Valuation		Money Balance	Security Valuation	
			Long	Short		Long	Short
ASSETS							
Current Assets							
Cash on hand and in banks	2c, 4	9,232,690			9,532,091		
Receivables:							
Customers, net	2c, 5	8,991,047	106,537,149		9,656,148	117,167,607	
Advances to related parties	2c, 2r, 19	10,714,244			8,891,544		
Prepaid income tax	2e, 2q	565,476			542,631		
Prepayments and other current assets	2e	385,175			351,258		
Total		29,888,632			28,973,672		
Non-Current Assets							
Financial asset at fair value through other comprehensive income	2c, 6	40,800,000	40,800,000		37,920,000	37,920,000	
Property and equipment, net	2f, 2i, 7	14,428			20,803		
Right-of-use asset	2g, 2n, 8	206,979			811,351		
Trading right	2h, 9	1,462,500			1,462,500		
Total		42,483,907			40,214,654		
TOTAL ASSETS			72,372,539		69,188,326		
Securities in Box, Transfer Offices and with Philippine Depository and Trust Corp.				362,574,650			410,562,411
LIABILITIES AND SHAREHOLDERS' EQUITY							
LIABILITIES							
Current Liabilities							
Payables:							
Customers	2c, 2j, 10	36,612	215,237,501		798,493	255,474,804	
Accrued expenses and other payables	2c, 2j, 11	985,825			1,078,580		
Advances from related party	2r, 19	1,375,861			671,932		
Lease liability	2o, 12	152,607			658,376		
Deposit for future subscription	2k	2,500,000			-		
Total		5,050,905			3,207,381		
Non-Current Liabilities							
Lease liability	2o, 12	-			164,544		
Accrued retirement liability	2p, 17	577,431			526,421		
Deferred tax liability, net	2q, 18	7,112,504			6,666,054		
Total		7,689,935			7,357,019		
TOTAL LIABILITIES			12,740,840		10,564,400		
SHAREHOLDERS' EQUITY							
Authorized - 500,000 shares @ P100 par value per share		50,000,000			50,000,000		
Share capital	2l, 13	50,000,000			50,000,000		
Accumulated losses	2l, 13	(21,708,301)			(19,740,142)		
Reserves	2l, 13	31,340,000			29,036,000		
TOTAL SHAREHOLDERS' EQUITY			59,631,699		59,295,858		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			72,372,539	362,574,650	362,574,650	69,188,326	410,562,411

(see notes to financial statements)

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(in Philippine Peso)

	Notes	2023	2022
Commission income	2m, 14	420,958	579,455
Dividend income	2m, 14	2,400,000	2,640,000
Cost of services	2n, 15	(2,697,976)	(2,353,826)
Gross profit		122,982	865,629
General and administrative expenses	2n, 16	(1,844,334)	(1,903,007)
Loss from operations		(1,721,352)	(1,037,378)
Other income (charges), net	2m, 2n, 14	(376,358)	(2,200,523)
Loss before tax		(2,097,710)	(3,237,901)
Income tax benefit (expense)	2q, 18		
Current		770,419	719,551
Deferred		(640,868)	(255,988)
Total		129,551	463,563
Net loss		(1,968,159)	(2,774,338)
Other comprehensive loss			
Fair value gain (loss)	6	2,880,000	(13,680,000)
Deferred tax benefit on fair value loss (gain)	18	(576,000)	2,736,000
Other comprehensive loss, net of tax		2,304,000	(10,944,000)
Total comprehensive income (loss)		335,841	(13,718,338)

(see notes to financial statements)

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(in Philippine Peso)

	SHARE CAPITAL Note 14	RESERVES	ACCUMULATED LOSSES	TOTAL
Balances at December 31, 2021	50,000,000	39,980,000	(16,965,804)	73,014,196
Total comprehensive loss for the year	-	(10,944,000)	(2,774,338)	(13,718,338)
Balances at December 31, 2022	50,000,000	29,036,000	(19,740,142)	59,295,858
Total comprehensive loss for the year	-	2,304,000	(1,968,159)	335,841
Balances at December 31, 2023	50,000,000	31,340,000	(21,708,301)	59,631,699

(see notes to financial statements)

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(in Philippine Peso)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(2,097,710)	(3,237,901)
Adjustments to reconcile loss before tax to net cash used in operating activities			
Depreciation - property and equipment	7	6,375	6,375
Depreciation - right-of-use assets	8	604,372	604,372
Interest income	4	(4,184)	(5,589)
Retirement expense	17	51,010	126,112
Other non-operating expenses	15	-	589,063
Interest expense	12	33,615	69,091
Provision for credit losses	5	662,684	1,550,229
Dividend income	15	(2,400,000)	(2,640,000)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(3,143,838)	(2,938,248)
Decrease (Increase) in Current Assets			
Receivables		(1,820,283)	484,391
Prepayments and other current assets		(56,763)	(83,647)
Decrease in Current Liabilities			
Accrued expenses and other payables		(854,634)	(798,591)
CASH USED IN OPERATIONS		(5,875,518)	(3,336,095)
Interest received		4,184	5,589
NET CASH USED IN OPERATING ACTIVITIES		(5,871,334)	(3,330,506)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	15	2,400,000	2,640,000
NET CASH PROVIDED BY INVESTING ACTIVITIES		2,400,000	2,640,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in capital stock	14	-	-
Advances from related party		1,375,861	-
Deposit for future subscription		2,500,000	-
Repayment of leasing liability	12	(703,928)	(703,928)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		3,171,933	(703,928)
NET DECREASE IN CASH ON HAND AND IN BANKS		(299,401)	(1,394,433)
CASH ON HAND AND IN BANKS AT THE BEGINNING OF YEAR		9,532,091	10,926,524
CASH ON HAND AND IN BANKS AT THE END OF YEAR	4	9,232,690	9,532,091

(see notes to financial statements)

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Notes to Financial Statements

As at and for the years ended December 31, 2023 and 2022
(in Philippine Peso)

Note 1 – Corporate Information

Sincere Securities Corporation (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on September 19, 1989 under SEC Reg. no. 168560 primarily to engage in the business of trading of stocks, bonds, debentures and other financial securities.

The major shareholders of the Company are Alon Development Corporation and Sincere Holdings Corporation, which owns 70.44% and 29.56% of the Company, respectively. Alon Development Corporation is a diversified commercial company while Sincere Holdings Corporation is a domestic holding corporation.

The registered office address of the Company is at Unit 1203 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City.

The financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized and approved for issue by the Board of Directors (BOD) on April 29, 2024.

Note 2 – Summary of Material Accounting Policy Information

The material accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

1. Statement of compliance with Philippine Financial Reporting Standards (PFRS)

The financial statements of the Company have been prepared in accordance with PFRS, which includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Philippine Financial and Sustainability Reporting Standards Council or FSRSC (formerly Financial Reporting Standards Council or FRSC) and Board of Accountancy (BOA) and adopted by the SEC.

2. Basis of measurement

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost basis, except for the financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value, retirement obligation presented at present value and lease liability which is presented based on present value of remaining lease payments, discounted using the Company's incremental borrowing rate.

The Company is a holder of a secondary license issued by Securities and Exchange Commission (SEC), thus the Company is considered as a publicly accountable company and is required to adopt fully the PFRS in its preparation of financial statements except for the use of closing prices for the valuation of equity securities as required by the Securities Regulation Code (SRC). PFRS requires the use of current bid prices for valuation of equity securities held. The difference between the last trade price and the current bid price is P 1,680,000 - (2022 - nil). There is no impact on the Company's equity other than those already affecting the statement of comprehensive income.

Deferral of certain provisions of PAS 19

The Company deferred the implementation of certain provisions of PAS 19 (Revised) particularly on the actuarial valuation of retirement liability. However, the Company is computing its defined benefit obligation using the provisions of the Republic Act No. 7641 (known as the Retirement Law).

The management believes that the effect of the deferral of certain provisions of PAS 19 has no material effect on the financial statements of the Company. The Company has 7 and 8 employees as at December 31, 2023 and 2022, respectively.

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Notes to Financial Statements

As at and for the years ended December 31, 2023 and 2022
(in Philippine Peso)

Other measurement bases are more fully described in the accounting policies that follow.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

3. Functional and presentation currency

The financial statements are presented in Philippine Peso, the Company's functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

b. Changes in accounting policies and disclosures

1. Adoption of new and revised accounting standards effective in 2023

The accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following amended standard as at January 1, 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have or are not expected to have an impact on the Company's financial statements.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and

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- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
- *Q&A No. 2022-02, Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*

This Q & A discusses how does a Philippine entity apply the amendments to IAS 1 and IFRS Practice Statement 2 with regards to disclosure of accounting policies. It also discusses other examples of disclosures of material accounting policies that illustrate the application of the amendments to IAS 1 and the four-step materiality process to accounting policy information, in addition to the examples (Examples S and T) provided in IFRS Practice Statement 2, Making Materiality Judgements.

The above Q & A was issued by PIC in February 18, 2022 and approved by FSRSC in March 11, 2022.

The adoption of this PIC Q&A has a significant impact on the Parent's notes disclosures from "significant" to "material" accounting policies. Although amendments did not result in any changes to the accounting policies, it impacted the accounting policy information disclosed in the notes disclosures. Management reviewed all accounting policies and made updates in the information disclosed in Note 2 (Summary of Material Accounting Policies).

- *Amendments to PAS 12, International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted or substantively enacted to implement the Pillar Two Model Rules published by the organization for Economic Cooperation Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as "Pillar Two income taxes", respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

2. New accounting standards effective after the reporting period ended December 31, 2023

Effective beginning on or after January 1, 2024

- *Amendments to PAS 1, Classification of Liabilities as Current or Non-current*
- *Amendments to PFRS 16, Lease Liability in a Sale and Leaseback*
- *Amendments to PAS 7 and PFRS 7, Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- *PFRS 17, Insurance Contracts*
- *Amendments to PAS 21, Lack of exchangeability*

Deferred effectivity

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

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c. Financial instruments

- Financial Assets

Classification and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through OCI, and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

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

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

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

The Company's cash on hand and in banks and receivables are included in this category as at December 31, 2023.

Financial assets designated at fair value through OCI (equity instruments) (FVOCI)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

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Gains or losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the statement of comprehensive income is reclassified to 'surplus' or any other appropriate equity account upon disposal. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company's investment in 240,000 PSE shares with fair value of P 40,800,000 is classified as equity instrument designated at fair value through OCI as at December 31, 2023.

Impairment of financial assets

The Company recognizes an ECL for all debt instruments not held at fair value through profit or loss. ECLs are 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 of the 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in banks, the Company applies a general approach in calculating ECLs. The Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash since initial recognition.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 30 days past due. 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 primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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 rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

- **Financial Liabilities**

Classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

The Company's payable and other liabilities (excluding statutory payables and contract liabilities) are classified under this category as at December 31, 2023 and 2022.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

d. Determination and measurement of fair value

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets 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 date.

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

e. Prepayments and other current assets

Prepayments includes prepaid insurance, prepaid interest from PFRS 16, and prepaid income taxes.

Assets that are expected to be converted to cash within 12 months or to be realized, sold or consumed within the Company's normal operating cycle are classified as current assets in the statement of financial position, otherwise, these are classified as non-current assets. Other current assets recognized by the Company include creditable taxes and input taxes.

f. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment losses. The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing component parts of the property and equipment when the cost is incurred, if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, these parts are recognized as individual assets with specific useful life and depreciate them accordingly. The present value of the expected cost for the decommissioning of the asset after use is included in the cost of the asset if the recognition criteria for a provision are met.

Depreciation of property and equipment is provided on the straight line basis to write off the cost or valuation of each asset to its residual value over their estimated useful life as follows:

	Estimated Useful Life
Office Equipment	5 years

Depreciation begins when property and equipment is available for use and to continue depreciating until it is derecognized, even if in that period those items are idle.

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

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

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The cost of repairs and maintenance is charged to statement of comprehensive income as incurred and significant renewals and improvements are capitalized. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income of such period. The carrying amount of a part of an item of property and equipment is derecognized if that part has been replaced and included the cost of the replacement in the carrying amount of the item.

Property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of these assets is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while 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. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

g. Right-of-use asset

The right-of-use asset is recognized at the commencement date of the lease. This is initially measured at cost which includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and any estimated dismantling and restoration costs which may be incurred at commencement date or as a consequence of having used the underlying asset during the lease term.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Company shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After the commencement date, the right-of-use asset shall be measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

Depreciation of right-of-use assets are computed using the straight-line method over the lease term. The lease terms are as follows:

Category	Number of Years
Office unit	5

h. Trading right

Trading right was a result of the Philippine Stock Exchange (PSE) conversion plan to preserve the access of stockbrokerage 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. The assessment of indefinite life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change is useful life from indefinite to finite is made on a prospective basis.

Trading right is carried at the amount allocated from the original cost of the exchange membership seat less any allowance for impairment loss. The carrying value of the trading right is reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. Impairment is recognized for the amount which is calculated at the higher of the asset's value in use or its fair value less cost to sell.

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i. Impairment of non-financial assets

The Company's property and equipment and right-of-use asset are subject to impairment testing. All other individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j. Provisions and contingencies

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

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

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k. Deposit for future subscription

Deposit for future stock subscription represents the amount received that will be applied as payment in exchange for a fixed number of the Company's own equity instruments. It is classified as an equity item if there is sufficient unissued authorized capital stock, or if in case the unissued authorized capital stock is insufficient to cover the amount of deposit, (a) the BOD and stockholders have approved a proposed increase in authorized capital stock for which a deposit was received, and (b) the proposed increase was filed with the SEC as of financial reporting date; otherwise, the deposit is classified as a liability.

l. Equity

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

Revaluation reserve comprises of gains and losses due to revaluation of financial assets at FVOCI.

Accumulated losses include all current and prior period results as disclosed in the statement of comprehensive income.

m. Revenue from contracts with customers

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has concluded that it is the principal in all of its revenue arrangements except for its brokerage transactions.

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

1. *Commission* – The Company engages in stock brokerage wherein revenue is recognized on a commission basis. Commission revenue are generally recognized when control of the goods/services transferred to the customer. In the case of the Company, the control typically transfers at the trade date. Trade date is the time that the Company, as a broker, was able to buy (in a buying transaction) or sell (in a selling transaction) the shares in behalf of the customer. Commissions are computed for every trade transaction based on the percentage of the amount of trading transaction.

Securities are valued using the latest closing price at period end for securities with trading transactions at the stock exchange or in the absence thereof, the closing price nearest the year-end and if there has been no trading for quite a while, the latest bid or asked price of the securities.

2. *Interest income* - Revenue is recognized on time proportion basis, taking into account the principal, when it is determined that such revenue will accrue to the Company and presented net of applicable final tax.
3. *Dividend and other income* - Dividend and other income are recognized in the statement of comprehensive income when the Company's right to receive payment is established.

n. Cost and expense recognition

Costs and expenses are recognized in profit or loss 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.

1. *Cost of Services (COS)*. Cost of services is recognized as expense when the related revenue is recognized.
2. *Operating Expense*. Operating expenses constitute cost of administering the business. These are expensed as incurred.

o. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. Control over the use of an identified asset for a period of time is conveyed when, the customer has both of the following throughout the period of use:

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

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In identifying the leases, lease and some non-lease components shall be accounted separately under applicable standards.

Company as a lessee

The Company recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities 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 in which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use assets reflect that the Company will exercise a purchase option. In that case, the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are 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 borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

The lease liabilities are measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of cars and printers. The Company recognizes the lease payments associated with these leases as an expense

p. Employee benefits

1. Short-term benefits

These are measured at an undiscounted rate and recognized as services are rendered. Other costs, such as annual leave, are recognized as the related services are rendered if the costs accumulate, otherwise the cost is expensed when the leave is taken or used. Bonus payments are only recognized when an obligation exists and the amount can be reliably estimated.

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2. Termination benefits

These are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3. Post-employment benefits

The Company has no formal retirement plan for the benefit of its qualified employees. The Company, however, is subject to the provision of Republic Act No. 7641 (Retirement Law). The law requires that in the absence of a retirement plan agreement providing for retirement benefits of employees in private sector, an employee upon reaching the age of 60 years or more but not beyond 65 years who served at least 5 years in private company may retire and shall be entitled to retirement pay equivalent to at least 21.82 days for every year of service, or a fraction of at least 6 months being considered as one (1) whole year.

q. Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred income tax and current income tax not recognized in other comprehensive income or directly in equity, if any.

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

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

1. Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
2. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and the excess of minimum corporate income tax (MCIT) over regular corporate income tax, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and MCIT can be utilized, except:

1. Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction, affects neither the accounting profit nor taxable profit or loss; and
2. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax asset is also recognized for Net Operating Loss carry over (NOLCO).

Section 34 (D) (3) define NOLCO as the net operating loss of the enterprise for any taxable year immediately preceding the current year, which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next three (3) consecutive taxable years immediately following the year of loss.

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

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

A valuation allowance is provided when it is more likely that some portion or all of the deferred income tax assets will not be realized. Any change in the valuation allowance on deferred income tax assets is also included in the computation of the provision for deferred income tax for the year.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

r. Related party transaction and relationships

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders. Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in economically comparable market.

In considering each possible related party relationship attention is directed to the substance of the relationships and not merely legal form.

s. Value-added tax (VAT)

Revenues, expenses and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Other current assets" or "Trade and other payables" in the statement of financial position.

t. Events after the reporting period

Post year-end events that provide additional information about the Company's position at the end of the reporting period (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.

Note 3 – Significant Accounting Judgments, Estimates and Assumptions

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

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a. Critical management judgments in applying accounting policies

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

1. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of liquidity and model inputs such as correlation and volatility.

2. Leases

Judgment is used in determining whether the lease terms will not go beyond 12 months and if it contains underlying assets of low value. In making such judgment, the Company evaluates the terms and conditions of the lease arrangement.

Significant judgment was likewise exercised by the Company in determining the discount rate to be used in calculating the present value of right-of-use assets and lease liabilities due to absence of implicit interest rate in each lease contract. Discount rate used is the incremental borrowing rate.

The Company presents right-of-use assets as a separate line item in its statement of financial position.

The carrying amounts of right-of-use assets are disclosed in Note 9.

The Company presents lease liabilities in Lease Liability account in its statement of financial position.

3. Classification of financial instruments

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

The substance of a financial instrument, rather than its legal form generally governs its classification in the statement of financial position.

4. Identification of performance obligations

The Company identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or service to the customer is separately identifiable from the promises in the contract.

The Company provides stock broker services to its customers on a commission basis. The Company has no other services or any bundled goods, and variable consideration incidental in rendering its services, and therefore, brokerage services rendered is treated as a single performance obligation for each contract.

5. Principal versus agent considerations

The Company determines if it is a principal or agent in its transactions with customers. A principal controls the promised goods or service before the transfer of goods or service to customers. An agent's performance obligation is to arrange for the provision of goods or services by another party. When an agent satisfies a performance obligation, it recognizes revenue in the amount of any fee or commission it expects to be entitled in exchange for arranging for the other party to provide its goods or service.

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In assessing the principal-agent considerations, the Company applies the necessary indicators as stated in PFRS 15. For 2023 and 2022, the Company concluded that it is a principal in its revenue arrangements except brokerage services.

6. Provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are disclosed in Note 2j.

b. Key sources of estimation uncertainty

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

1. Provision for expected credit losses

Assessment for ECL on trade receivables. The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

In relation to impact of ECL on the Company's receivables, since the Company is a stock broker with secondary license, it is required to maintain an impairment loss consistent with the policy of its governing body, Capital Markets Integrity Corporation (CMIC), and hence, the management deemed that the impairment loss recognized by the Company under the CMIC policy is sufficient and that impact of assessed ECL is not material. Accordingly, no additional provision for receivables was recognized for 2023 and 2022 audit.

The carrying value of receivables from customers amounted to P 8,991,047 and P 9,656,148 as at December 31, 2023 and 2022, respectively. Allowance for Impairment losses on receivables from customers, as also shown in Note 5, amounted to P 3,089,424 in 2023 and P 2,426,739 in 2022.

The carrying value of receivables from clearing house amounted to nil for both years. No impairment loss was recognized for both years presented.

Assessment for ECL on other financial assets at amortized cost.

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

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

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

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

Other financial assets of the Company include cash in bank, non-trade receivables and advances to related parties.

2. Valuation of financial assets other than receivables

The Company carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets and liabilities would affect profit or loss and other comprehensive income.

Fair value gain on financial assets at FVOCI in 2023 amounted to P 2,880,000, (fair value loss 2022 - P 13,680,000) (Note 6).

3. Estimated useful life of property and equipment

The useful life of each of the Company's property or equipment is estimated based on the period over which the asset is expected to be available for use. The estimated useful life 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 asset. Based on management's assessment as at December 31, 2023, there are no changes in estimated useful life of property and equipment during the year.

The carrying value of property and equipment amounted to P 14,428 and P 20,803 as at December 31, 2023 and 2022, respectively (Note 7).

4. Impairment of non-financial assets other than trading rights

PFRS requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets is discussed in Note 2i. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There is no impairment loss recognized on non-financial assets as at December 31, 2023 and 2022.

5. Impairment of trading rights

Trading rights which are carried at cost less any allowance for impairment loss. Impairment is recognized for the amount which is calculated at the higher of the asset's value in use or its fair value less cost to sell. Exchange trading rights are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading rights are deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

There is no impairment loss recognized on trading rights as at December 31, 2023 and 2022.

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6. Retirement benefits

The Company's retirement benefit cost is reviewed at every reporting date to reflect proper estimate based on the existing number of qualified employees and in accordance with R.A. 7641, otherwise known as *The Retirement Pay Law*.

Under PAS 19, *Employee Benefits*, the cost of defined retirement benefits, including those mandated under R.A. 7641, should be determined using an accrued benefit actuarial valuation method or a projected unit credit actuarial valuation method.

Management believes that the effect on the financial statements of the difference between the retirement benefit cost recognized by the Company and the retirement benefit cost that could be determined using the projected unit credit actuarial valuation method is not significant.

Accrued retirement benefits as at December 31, 2023 and 2022 amounted to P 577,431 and P 526,421, respectively (Note 17).

7. Realizable amount of deferred income tax assets

The carrying amount of deferred income tax asset is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient deductible loss will be available to allow or part of the net deferred tax liability to be utilized.

The carrying value of deferred income tax asset is P 763,892 and P 755,216 as at December 31, 2023 and 2022, respectively (Note 18).

Note 4 – Cash on Hand and in Banks

This account consists of:

	2023	2022
Cash on hand	25,210	25,210
Cash in banks	9,207,480	9,506,881
Total	9,232,690	9,532,091

Cash in banks earn interest based on the banks' average deposit rates. Interest income earned in 2023 and 2022 amounted to P 4,184 and P 5,589, respectively.

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Note 5 – Receivable from Customers, net

This account consists of:

	2023			2022		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
Cash and fully secured accounts						
More than 250%	2,190,354	96,394,737	-	2,191,492	106,228,801	-
Between 200% and 250%	-	-	-	-	-	-
Between 150% and 200%	180	327	-	-	-	-
Between 100% and 150%	9,886,277	10,142,085	-	9,886,133	10,938,806	-
Cash and unsecured accounts						
Less than 100%	-	-	-	-	-	-
Unsecured	3,660	-	-	5,262	-	-
Total	12,080,471	106,537,149	-	12,082,887	117,167,607	-
Less: Allowance for impairment loss	(3,089,424)	-	-	(2,426,739)	-	-
	8,991,047	106,537,149	-	9,656,148	117,167,607	-

This account pertains to the amount due from customers resulting from brokerage services rendered, including value of securities bought in behalf of customers, commission, and other charges on cash accounts.

The Company's receivables from customers were reviewed for indications of impairment. Allowance for doubtful accounts were recorded accordingly for impaired accounts.

Details of movement of allowance for impairment:

	2023	2022
January 1	2,426,739	876,510
Provision during the year (Note 15)	662,685	1,550,229
Total	3,089,424	2,426,739

In 2013, a change in an accounting estimate on the provision for credit losses was made to effect the computation of Specific and General Provisions for overdue account in accordance with Schedule for Part 4 of SEC Memorandum 16 – 2004 as follows:

Current (T+3 – T+13)	-General provision of 2% of the total receivables – current
Past Due (T+14 – T+30)	-Accounts within this period are considered as doubtful
	-50% of unsecured accounts net of collateral
Beyond 30 days	-Considered as losses
	-100% of unsecured accounts net of collateral

Allowance for impairment loss on receivables is being computed on a per customer or individual accounts.

The collateral for the secured accounts represents the equivalent market value of shares pledged to secure the amount of securities and other property purchased or held by the Company for its customers. The Company is authorized to pledge, repledge or loan, either to itself or to others, from time to time and without need of notice to its customers for any liability which may exist in favor of it. It is further authorized at its own discretion and at any time to sell all or part of such securities and property without prior notice to the customers whenever in its judgment the liabilities are adequately secured.

Consideration is also given if the shares are inside or outside PSE index. PSE index is composed of top largest 30 corporations that are most active in trading. When a share of stock is within PSE index, the allowable collateral is equivalent to 75% of the total market value of a share of stock. However, if the stock is outside PSE index, the allowable collateral is only 65% of the market value of the stock. Providing haircut for the market value of shares is for the protection for the exposure of the brokers.

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Note 6 – Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)

This consists of the following:

	2023	2022
Investment in shares of stock, at cost	1,650,000	1,650,000
Accumulated fair value gain	39,150,000	36,270,000
Total	40,800,000	37,920,000

The following are the movements of the investment in shares of stock:

	2023	2022
January 1	37,920,000	51,600,000
Increase (Decrease) in market value	2,880,000	(13,680,000)
December 31	40,800,000	37,920,000

Equity security mainly consists of investment in the 240,000 shares of Philippine Stock Exchange (PSE). The fair value has been determined directly by reference to published last traded price in active markets amounting to P 170 per share in 2023 and P 158 per share in 2022.

Total fair value gain net of tax recognized in the statements of comprehensive income for 2023 and fair value loss 2022 amounted to P 2,304,000 and P 10,944,000, respectively (Note 13).

Note 7 – Property and Equipment, net

This account consists of:

	2023	2022
Cost		
Beginning	320,958	320,958
Additions	-	-
Disposals/Retirements/Adjustments	-	-
Ending	320,958	320,958
Accumulated Depreciation		
Beginning	300,155	293,780
Depreciation for the year	6,375	6,375
Disposals/Retirements/Adjustments	-	-
Ending	306,530	300,155
Carrying Value	14,428	20,803

No additions were made in 2023 and 2022. Total depreciation recognized by the Company from its property and equipment amounted to P 6,375 (2022 - P 6,375), charged entirely to admin expense. (Note 16)

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Note 8 – Right-of-Use (ROU) Assets

This account consists of:

	2023	2022
Cost		
Beginning balance, as adjusted	3,222,216	3,222,216
New lease contracts	-	-
Ending	3,222,216	3,222,216
Accumulated Depreciation		
Beginning	2,410,865	1,806,493
Provision	604,372	604,372
Ending	3,015,237	2,410,865
Carrying Value	206,979	811,351

Right-of-use asset pertains to capitalized office unit rented by the Company from its parent company.

This lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Lease contain an option to extend for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. At the end of the lease term, all improvements shall transfer to the lessor in accordance with the agreements

Total depreciation for the year recognized by the Company from its ROU assets amounted to P 604,372 for both years of which P 423,061 (2022 – P 423,061) was charged to cost of sales and P 181,311 (2022 - P 181,311) was charged to admin expense.

Note 9 – Trading Right

This account represents the Exchange trading right of the Company with carrying value of P 1,462,500 for 2023 and 2022. The market value of the trading right is P 8,500,000 as of December 31, 2023 and 2022.

Effect of the Philippine Stock Exchange (PSE) Demutualization on the Accounting Treatment of the Investment in PSE Shares of Stocks and the PSE Trading Right

Under the PSE rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts due to the other members of the exchange arising out of or in connection with the present or future members' contracts. Accordingly, the PSE maintains a Trade Guarantee Fund to ensure the performance of its members.

The demutualization of the PSE, which was approved by the SEC in August 2001, has resulted in the conversion of the Company's PSE membership seat into 50,000 shares of PSE common stock (with P 1 par value), as well as a PSE trading right. The Company's ownership of the PSE shares of stock is deemed legally separate from its ownership of the PSE trading right. Accordingly, the PSE shares of stock can be transferred independently of the PSE trading rights without any restriction.

On April 1, 2004, the Philippine Stock Exchange, Inc. prepared guidelines for consistency and uniformity on the values to use for the purpose of cost allocation of carried over investment in the Exchange from Membership Seat to Trading Rights and PSE shares by Trading Participants after the demutualization of the PSE.

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The account exchange membership seat in the books of the Company was reclassified and changed to the new account titles "Trading Right" and "Available-for-Sale Equity Securities", under non-current assets in the statements of financial position. Below is the allocation basis:

- Investments (under financial assets of fair value through OCI) – 53%
- Trading right – 47%

Note 10 – Payable to Customers

This account consists of:

	2023			2022		
	Money Balance	Security Valuation Long	Short	Money Balance	Security Valuation Long	Short
With money balances	36,612	16,388,376	-	798,493	69,448,900	-
No money balances	-	198,849,125	-	-	186,025,904	-
Total	36,612	215,237,501	-	798,493	255,474,804	-

Payable to customers represents the amount due to customers arising from brokerage services rendered, including value of securities sold in behalf of customers, commission, and other charges.

Note 11 – Accrued Expenses and Other Payables

This consists of:

	2023	2022
Accrued expenses and others	913,295	988,150
Payable to government agencies	72,530	90,430
Total	985,825	1,078,580

Included in accrued expenses and others are dividend payable to customers, accruals and other liabilities. Accrued expense represents accruals for communication, transportation, utilities and professional fees incurred but unpaid as at year end which are expected to be paid within twelve (12) months after the reporting date.

Payable to government agencies includes payables for withholding taxes, SSS and HDMF loan and contributions, and PHIC contributions.

Note 12 – Lease Liabilities

Movement of lease liabilities is as follows:

Particulars	2023	2022
Beginning balance	822,920	1,457,757
Addition	-	-
Accretion of interest	33,615	69,091
Payments	(703,928)	(703,928)
Ending balance	152,607	822,920

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Lease liabilities are presented in the statements of financial position as follows:

	2023	2022
Current	152,607	658,376
Non-current	-	164,544
Total	152,607	822,920

Maturity analysis:

Particulars	2023	2022
Not later than 1 year	152,607	658,376
Later than 1 year and not later than 5 years	-	164,544
Later than 5 years	-	-
Total	152,607	822,920

Payment of the lease liability in 2023 and 2022 amounted to P 703,929 and P 703,929. Finance cost on lease liability recognized by the Company in its statements of comprehensive income amounted to P 33,615 and P 69,091 in 2023 and 2022. (Note 14).

Note 13 – Equity

a. Authorized and subscribed share capital as at 2023 and 2022:

	No. of Shares		Amount	
	2023	2022	2023	2022
Authorized share capital				
Common shares @ P 100 par value	500,000	500,000	50,000,000	50,000,000
Total	500,000	500,000	50,000,000	50,000,000

	No. of Shares		Paid-up Capital	
	2023	2022	2022	2021
Subscribed shares and paid-up capital				
Balance at the beginning of year	500,000	500,000	50,000,000	50,000,000
Shares subscribed and amount paid during the year	-	-	-	-
Balance at the end of year	500,000	500,000	50,000,000	50,000,000

b. As at December 31, 2023 and 2022, the Company has two (2) shareholders owning 100 or more shares each of the Company's share capital.

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c. Accumulated losses

SRC Rule 49.1 Reserve Fund under SEC Memo 16 - 2004 states that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to the Appropriated Accumulated Profits account in accordance with the following schedule:

Unimpaired Paid Up Capital	Minimum percentage or profit after tax to be placed in the Appropriated Retained Earnings
Between 10 million to 30 million	30%
Between 30 million to 50 million	20%
More than 50 million	10%

The rule further states that:

- 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 Accumulated Profits to the capital account an amount equivalent to the impairment. Such amount so transferred out shall not be available for payment of dividend;
- Consistent with the general usage under SRC Rule 28.1 (E) (v), the term "Unimpaired Paid Up Capital" shall refer to the firm's Total Paid Up Capital less any deficiency in the Accumulated Profits account;
- A Broker Dealer may submit to the Commission for approval its own capital build-up plan in lieu of the requirements of this provision
- Notwithstanding the requirements of this section, the Commission may prescribe a different capital build up plan for all Broker Dealers, specifically those incurring net losses during the period, which may include the programmed infusion of fresh capital

No appropriation was made as the Company has an accumulated losses balance amounting to P 21,708,301 and P 19,740,142 as at December 31, 2023 and 2022, respectively.

d. Reserves on investments under financial assets at FVOCI

Balance at December 31, 2021	39,980,000
Movements	
Fair value loss – 2022	(13,680,000)
Related deferred tax at 20%	2,736,000
Subtotal	(10,944,000)
Balance at December 31, 2022	29,036,000
Movements	
Fair value gain – 2023	2,880,000
Related deferred tax at 20%	(576,000)
Subtotal	2,304,000
Balance at December 31, 2023	31,340,000

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Note 14 – Commission Income and Other Income (Loss), net

This account consists of:

	2023	2022
Revenue		
Commission Income	420,958	579,455
Other income (loss), net		
Provision for credit losses (Note 5)	(662,684)	(1,550,229)
Interest expense from lease liability (Note 12)	(33,615)	(69,091)
Interest income (Note 4)	4,184	5,589
Other income	315,757	2,271
Other non-operating expenses (Note 18)	-	(589,063)
Subtotal	(376,358)	(2,200,523)
Total	44,600	(1,621,068)

Commission income came from the Company's stock brokerage services. This is accounted under PFRS 15.

Net against the other income accounts is the other non-operating expenses which pertains to expired NOLCO and MCIT during the period (Note 18).

Interest expense pertains to amortization of lease liability.

Set out below is the disaggregation of the Company's revenues from contracts with customers and revenues not covered under PFRS 15 for the year ended December 31, 2023:

	Services transferred at a point in time	Revenues outside the scope of PFRS 15	Total
Commission income	420,958	-	420,958
Dividend income	2,400,000	-	2,400,000
Interest income	-	4,184	4,184
	2,820,958	4,184	2,825,142

Note 15 – Cost of Services

This account consists of:

	2023	2022
Salaries, wages and other employee benefits	1,784,229	1,548,800
Depreciation - ROU asset (Note 8)	423,061	423,061
SSS, Medicare and Pag-ibig	149,622	126,333
Communication expense	34,090	44,903
Transportation and travel	14,328	-
Others	292,646	210,729
Total	2,697,976	2,353,826

Commission expense represents the amount paid, aside from the regular basic salary, to an authorized agent who is an employee of the Company.

Other costs include stock exchange dues and fees, Philippine Depository and Trust Corp. (PDTC) fees, and Securities Clearing Corporation of the Philippines (SCCP) expenses.

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Note 16 – General and Administrative Expenses

This account consists of:

	2023	2022
Salaries, wages and other employee benefits	689,598	598,200
Membership, association dues and other fees	221,340	221,340
Depreciation - ROU asset (Note 8)	181,311	181,311
Communication, light and water	180,367	197,721
Professional fees	136,000	103,500
Taxes and licenses	90,301	92,395
SSS, Medicare and Pag-ibig	64,124	54,143
Office supplies	62,679	27,462
Retirement expense (Note 17)	51,010	126,112
Insurance expense	39,372	39,372
Repair and maintenance	29,500	5,000
Transportation and travel	6,140	17,612
Depreciation - property equipment (Note 7)	6,375	6,375
Bank charges	1,300	1,100
Other expenses	84,917	231,364
Total	1,844,334	1,903,007

Other expenses include petty cash reimbursements, stock exchange dues and fees, PCD fees and various penalties paid to CMIC and SEC.

Note 17 – Retirement Liability

The Company has no formal retirement benefit plan. The Company accrues all the retirement benefits of its employee in accordance with the provision of R.A. No. 7641.

R.A No. 7641 mandates all private employers to provide retirement benefits to employees who upon reaching the age of sixty years (60) or more, but not beyond sixty-five (65) years, have served at least five (5) years in the said establishment.

The amount of retirement was defined as "...At least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year". The one-half month salary" was further defined to include the following:

- Fifteen (15) days salary of the employee based on his latest salary rate;
- Cash equivalent of five (5) days of service incentive leave;
- One-twelfth (1/12) of the 13th month pay due to the employee, and
- All other benefits that the employers and the employee may agree upon that should be included in the computation of the employee's retirement pay.

In compliance with RA 7641, the Company provides retirement liability as follows:

	2023	2022
Retirement liability – January 1	526,421	400,309
Accrual during the year	51,010	126,112
Retirement liability – December 31	577,431	526,421

Additional accrued retirement during the year amounted to P 51,010 (P 126,112 - 2022) which are reported under general and administrative expense (Note 16).

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Note 18 – Income Taxes

a. Income Tax Benefit

The components of tax benefit as reported in the statements of comprehensive income:

Reported in profit or loss

	2023	2022
<u>Current tax</u>		
Taxable loss at 20%	770,419	719,551
<u>Deferred tax</u>		
Reversal of provision for bad debts	132,537	310,046
Excess of lease payments over depreciation and interest expense	(13,188)	(6,093)
Accrual of retirement liability	10,202	25,223
Other adjustments	-	134,387
Set up of valuation allowance for NOLCO	(770,419)	(719,551)
Subtotal	(640,868)	(255,988)
Total	129,551	463,563

Reported in other comprehensive income

	2023	2022
Deferred tax (expense) benefit relating to:		
Unrealized (gain) loss on financial assets at FVOCI	(576,000)	2,736,000
Total	(576,000)	2,736,000

A reconciliation of tax computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income is as follows:

	2023	2022
Tax on pretax loss at 20%	419,542	647,580
Tax effect of:		
Non-deductible expenses	(409)	(121,573)
Non-taxable income	480,837	529,118
Set up of valuation allowance	(770,419)	(719,551)
Other adjustment	-	127,989
Total	129,551	463,563

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b. Net Deferred Tax Liabilities

The net deferred tax liabilities relate to the following as at December 31:

	Statements of Financial Position		Statements of Comprehensive Income	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for impairment losses	617,885	485,348	132,537	310,046
Retirement benefits	115,486	105,284	10,202	25,223
NOLCO – 2023	770,419	-	-	-
NOLCO – 2022	719,551	719,551	-	-
NOLCO – 2021	454,435	454,435	-	-
NOLCO – 2020	485,392	485,392	-	-
Excess of lease payments over PFRS 16, net	30,521	164,584	(13,188)	(6,093)
Interest from prepaid rent pad in advance	-	-	-	-
Valuation allowance	(2,429,797)	(1,659,378)	-	(719,551)
Adjustment on income tax provision – CREATE	-	-	-	-
Other adjustments	-	-	-	134,387
Subtotal	763,892	755,216	129,551	(255,988)
Deferred tax liability				
Impact of PFRS 16 (DTL)	(41,396)	(162,270)	-	-
Unrealized loss on financial assets at FVOCI	(7,835,000)	(7,259,000)	(576,000)	2,736,000
Subtotal	(7,876,396)	(7,421,270)	(576,000)	2,736,000
Net deferred tax liability	(7,112,504)	(6,666,054)		-

During the year, DTA on NOLCO for 2023 amounted to P 770,419, and P 589,063 from 2019 had expired on 2022. Such expiration was charged to non-operating expenses (Note 14). 2021 NOLCO will expire on 2026; 2020 in 2025.

Under Republic Act No. 8424, “An Act Amending the National Internal Revenue Code, As Amended, and for Other Purposes”, the net operating loss of a business for any taxable year immediately preceding the current taxable year, which had not been previously offset as deduction from gross income shall be carried over as a deduction from gross income for the next three (3) consecutive taxable years immediately following the year of such loss. However, pursuant to Revenue Regulation 25-2020 “Bayanihan to Recover as One Act”, NOLCO incurred in taxable year 2020 and 2021 can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years.

Valuation allowance for NOLCO was provided by effective for year 2020. Management assess that the Company may not be able to utilize the NOLCO.

c. Optional Standard Deduction

Effective July 2008, Republic Act (RA) 9504 was approved giving corporate taxpayers an option to claim itemized deduction or optional standard deduction (OSD) equivalent to 40% of gross income. Once the option to use OSD is made, it shall be irrevocable for the taxable year for which the option was made.

In 2023 and 2022 the Company opted to claim itemized deductions.

d. Enactment of CREATE

On March 26, 2021, the President of the Philippines signed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. The Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. The bill was published in a newspaper of general circulation on March 27, 2021, and became effective on April 11, 2021, which is 15 days after its publication.

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The key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company is that effective July 1, 2020, the regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

The income tax rate used in preparing the financial statements for the years ended December 31, 2023 and 2022 is 20%.

Note 19 – Related Party Disclosures

The summary and nature of accounts with the related parties as of December 31, 2023 and 2022 and for the years then ended are the following:

a. Key Management Personnel

2023	Nature of Transactions	Amount of Transactions	Outstanding Balance	Remarks
Officers / Directors	Commission income from directors	300,000	-	3 business days after trade date

2022	Nature of Transactions	Amount of Transactions	Outstanding Balance	Remarks
Officers / Directors	Commission income from directors	300,000	-	3 business days after trade date

b. Alon Development Corporation (Parent company)

Nature of Transactions	2023		2022		Remarks
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance	
Advances made (Non-trade receivables)	-	3,607,582	-	3,607,582	Unsecured; Non-interest bearing, to be settled in cash
Advances from (Other payables)	(703,929)	(1,375,861)	(671,932)	(671,932)	Unsecured; Non-interest bearing, to be settled in cash
Deposit for future subscription	2,500,000	2,500,000	-	-	

Deposit for future stock subscription

In 2023, a deposit for future subscription received by the Company from Alon Development Corporation amounting to P 2,500,000. The company has yet to submit its application for increase in authorized capital stock to the SEC; hence the deposit remains as part of liabilities.

c. Shareholders with significant influence over the Company

Nature of Transactions	2023		2022		Remarks
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance	
Advances made (Non-trade receivables)	2,526,629	7,106,662	1,119,368	5,283,962	Unsecured; Non-interest bearing, to be settled in cash

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The Management believes that all of the receivables are collectible, thus, no provision for impairment was recognized.

The outstanding balances of receivables from related parties disclosed above are non-interest bearing and no fixed term. No asset was used as collateral.

Note 20 – Financial Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks such as Market Risks, Credit Risk and Liquidity Risk. The Company's policies and objective in managing these risks are summarized below:

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on two market risk areas such as price risk and interest rate risk. The objective and management of these risks are discussed below.

- a. Price risk – The Company is exposed to equity securities' price risk because of investments it holds at fair value. The Company's policy is not to engage in proprietary trading which is considered to be riskier and leads to more volatile profits.
- b. Interest rate risk – refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed in significant interest rate risk as its investments are non-interest sensitive, except for the bank deposits which are mainly short-term in nature and at market interest rates. Furthermore, the Company has no short-term borrowings which are subject to variable interest rates.

Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligations. This includes risk of non-payment by clients arising from their business operations, by employees of their loans and by related parties of their outstanding account balance.

In the normal course of business, the Company's activities may expose the Company to risk arising from price volatility which can reduce the client's ability to meet their obligations. To the extent clients are unable to meet their commitments to the Company, it may be required to purchase or sell financial instruments at prevailing market prices in order to fulfil the client's obligation.

In accordance with the industry practice, client trades are settled generally three (3) business days after trade date. Should either the client or the counterparty fail to perform, the Company may be required to complete the transaction at prevailing market prices. Individual clients maintain their securities position with the Company in its scripless form and are usually sufficient to cover debit balances. The Company monitors concentration of credit risks and limits the risk through consideration of factors which includes the credit worthiness of the client, its financial strength, and the size of its position or commitments. The Company provides margin financing facility to customer's subject to credit approval and is monitored regularly for compliance with margin limit and collateral requirement.

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

	2023	2022
Cash in banks	9,207,480	9,506,881
Receivables, net	19,705,291	18,547,692
Total	28,912,771	28,054,573

With respect to credit risks from other financial assets of the Company, which mainly comprise of cash and receivables from related companies, the exposure of the Company to credit risks arises from default of counterparty, with a maximum exposure equal to the carrying amount of these instruments.

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The Company did not have any significant concentration of credit risk.

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

Credit quality per class of financial asset

The credit quality of financial assets is being managed by the Company by grouping its financial assets into two: (a) High grade financial assets are those that are current and collectible; (b) Standard grade financial assets need to be consistently followed up but are still collectible.

The table below shows the credit quality by class of financial asset based on the Company's credit rating system. A financial asset is past due when a counter-party has failed to make payment when contractually due.

	Neither past due nor impaired		Past due or Individually Impaired	2023
	High grade	Standard grade		Total
Cash on hand and in banks	9,232,690	-	-	9,232,690
Receivable from customers	64,432	8,926,615	3,089,424	12,080,471
Advances to related parties	-	10,714,244	-	10,714,244
Total	9,297,122	19,640,859	3,089,424	32,027,404

	Neither past due nor impaired		Past due or Individually Impaired	2022
	High grade	Standard grade		Total
Cash on hand and in banks	9,532,091	-	-	9,532,091
Receivable from customers	111,170	9,539,536	2,432,181	12,082,887
Advances to related parties	-	8,891,544	-	8,891,544
Total	9,643,261	18,431,080	2,426,739	30,506,522

The table below shows the aging analysis of receivables per class as at December 31, 2023 and 2022.

	T to T+2	T+3 to T+13	T+14 to T+30	Beyond T+31	2023
Receivable from customers	64,432	-	139,520	11,876,519	12,080,471
Receivable from clearing house	-	-	-	-	-
Total	64,431	-	139,520	11,876,519	12,080,471

	T to T+2	T+3 to T+13	T+14 to T+30	Beyond T+31	2022
Receivable from customers	111,170	43,547	8,994	11,919,176	12,082,887
Receivable from clearing house	-	-	-	-	-
Total	111,170	43,547	8,994	11,919,176	12,082,887

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective of managing liquidity risk 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.

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

The table below analyzes assets and liabilities of the Company into their relevant monitoring authority; monitors compliance with liquidity risk policy and maturity groups based on the remaining period at the end of the reporting period to their contractual maturities or expected repayment dates.

	On demand or less than 1 year	1-5 years	Total 2023
Cash on hand and in banks	9,232,690	-	9,232,690
Trade and other receivables	203,952	8,787,095	8,991,047
Advances to related parties	-	10,714,244	10,714,244
Payables to customers	(36,612)	-	(36,612)
Accrued expenses and other payables*	(808,574)	-	(808,574)
Advances from related party	(1,375,861)	-	(1,375,861)
Lease liability	(152,607)	-	(152,607)
Net	7,062,988	19,501,339	26,564,327

*Payable to government agencies were excluded from the balance above because they are non-financial liabilities, which amounted to P 72,530.

	On demand or less than 1 year	1-5 years	Total 2022
Cash on hand and in banks	9,532,091	-	9,532,091
Trade and other receivables	2,191,312	7,464,836	9,656,148
Advances to related parties		8,891,544	8,891,544
Payables to customers	(798,493)	-	(798,493)
Accrued expenses and other payables*	(988,150)	-	(988,150)
Lease liability	(658,376)	(164,544)	(822,920)
Net	9,278,384	16,191,836	25,470,220

*Payable to government agencies were excluded from the balance above because they are non-financial liabilities, which amounted to P 90,430.

The Company did not have any significant concentration of liquidity risk.

Financial Soundness Indicators

The following are the Company's financial soundness ratio indicators:

	2023	2022
a. Current ratio	5.92	9.03
b. Debt-to-equity ratio	0.21	0.18
c. Asset-to-equity ratio	1.21	1.17

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Note 21 – Categories and Fair Values of Financial Assets and Liabilities

a. Comparison of carrying amounts and fair values

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

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Cash on hand and in banks (Note 4)	9,232,690	9,232,690	9,532,091	9,532,091
Receivables, net	19,705,291	19,705,291	18,547,692	18,547,692
Financial assets at FVOCI (Note 7)	40,800,000	40,800,000	37,920,000	37,920,000
Total	69,737,981	69,737,981	65,999,783	65,999,783
Payables*	4,978,375	4,978,375	3,281,495	3,281,495

*Payable to government agencies were excluded from the balance above because they are non-financial liabilities, which amounted to P 72,530 and P 90,430 as of 2023 and 2022, respectively.

The fair values of the financial assets and liabilities are approximately equal to their carrying amounts except for available-for-sale financial assets which changes due to fluctuation in investments quoted price.

b. Fair value hierarchy

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

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Cash on hand and in banks	9,232,690	-	-	9,232,690
Financial assets at FVOCI	40,800,000	-	-	40,800,000
Total	50,032,690	-	-	50,032,690
December 31, 2022				
Cash on hand and in banks	9,532,091	-	-	9,532,091
Financial assets at FVOCI	37,920,000	-	-	37,920,000
Total	47,452,091	-	-	47,452,091

The different levels have been defined as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i. e. derived from prices).

Level 3 : Technique on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Note 22 – Capital Management Objectives, Policies and Procedures

The Company manages its capital to ensure compliance with regulatory requirements and adequately sustain its business operations.

The Company's compliance with regulatory capital requirement is monitored through the Risk-Based Capital Adequacy (RBCA) report which mandates the minimum capital level after considering the risk requirements associated with its business operations.

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The Amended Implementing Rules and Regulations of the SRC effective March 6, 2004 include, among others, revisions in the terms and conditions for the registration and subsequent renewal of license applicable to both exchange trading participants and non – exchange broker dealer as follows: (a) to allow a net capital of P 2.5 million or 2.5% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities, (b) to allow the SEC to set a different net capital requirement for those authorized to use the RBCA model, and (c) to require unimpaired paid – up capital of P 100 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; P 10 million plus a surety bond for existing broker dealers not engaged in market making transactions; and P 2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

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

RBCA ratio of a broker dealer, computed by dividing the Net Liquid Capital (NLC) by the Total Risk Capital Requirement (TRCR), should not be less than 110%. NLC and TRCR are computed based on the existing SRC. NLC consists of total equity less allowance for credit losses, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the Aggregate Indebtedness (AI) of every shareholder should not exceed two thousand percent (2,000%) of its NLC and at all times shall have and maintain NLC of at least P 5 million or five percent of the AI, whichever is higher.

The Company's RBCA ratio as at December 31, 2023 and 2022, comply with the required RBCA ratio of 110% as shown in the table below:

	2023	2022
Equity eligible for net liquid capital	61,367,806	57,688,777
Less: Ineligible assets	52,772,940	50,009,171
Net Liquid Capital (NLC)	8,594,866	7,679,606
Operational risk requirement	755,402	755,402
Position risk requirement	-	-
Counterparty risk requirement	39,912	7,911
Total Risk Capital Requirement (TRCR)	795,314	763,313
Net RBCA Margin (NLC-TRCR)	7,904,272	6,916,293
Liabilities	9,628,871	11,508,633
Less: Adjustment to aggregate indebtedness	7,876,395	7,421,270
Aggregate Indebtedness (AI)	1,752,475	4,087,363
5% of AI	87,624	204,368
Required net liquid capital (> of 5% of AI or P5M)	5,000,000	5,000,000
Net risk-based capital excess/(deficiency)	3,594,866	2,679,606
Ratio of AI to net liquid capital	20%	53%
RBCA Ratio (NLC/TRCR)	1081%	1006%

Net Liquid Capital (NLC) represents the Equity Eligible for NLC of a Trading Participant, adjusted for non-allowable current and non-current assets.

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

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Counterparty risk requirement means the amount necessary to accommodate a given level of its counterparty risk. Counterparty risk is the risk of a counterparty defaulting on its financial obligation to a trading participant.

Aggregate Indebtedness (AI) is the total money liabilities of a trading participant arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, the market value of securities borrowed to the extent 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' account having short positions in securities, except those mentioned in SEC Memorandum Circular 16, Series of 2004.

On May 28, 2009, the SEC approved the PSE's Rules Governing Trading Rights and Trading Participants, which supersede the Membership Rules of the PSE. Section 8(c) of Article III of the said rules requires trading participants to have a minimum unimpaired paid-up capital, as defined by the SEC, of P 20 million effective December 31, 2009 and P 30 million effective December 31, 2011 and onwards. In 2018 and 2017, the Company is compliant with this capital requirement.

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide adequate return to shareholders by pricing services commensurate with level of risks.

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting period under review is summarized as follows:

	2023	2022
Total liabilities	12,740,840	10,564,400
Total equity	59,631,699	59,295,858
Debt-to-equity ratio	0.21	0.18

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risks characteristics of the underlying assets.

No changes were made in the objectives, policies and procedures for both years.

Note 23 – Significant Contract Commitment

The Company house its operation on a leased space from its parent company, Alon Development Corporation. Lease agreement has an irrevocable term of 10 (ten) years from May 16, 2014 to May 15, 2024. Under this agreement, the Company shall pay the lessor an amount equivalent to P 62,714 per month, inclusive of taxes. The rent due to the lessor shall be subject to an annual review two months before anniversary of the lease and the increase or decrease in rent is no more than 10% from the previous year's rental charges subject to mutual agreement of both parties. At the end of the lease contract, any and all permanent improvements introduced by the Company into the leased premises shall pertain in ownership to the lessor and shall for part of the lessor's property without the need of any reimbursement.

Rentals paid in 2023 and 2022 amounted to P 703,929 for both years.

Note 24 – Notes to Cash Flow Statements

The Company had no material non – investing and financing activity related transactions for the years December 31, 2023 and 2022 except for the following:

1. Property and equipment

The Company purchased property and equipment amounting to nil for 2023 and 2022, respectively.

2. Reconciliation of liabilities arising from financing activities

The Company paid lease liability amounting to P 703,929. Interest recognized amounted to P 33,615.

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Notes to Financial Statements

As at and for the years ended December 31, 2023 and 2022
(in Philippine Peso)

Note 25 – Reclassification of Accounts

Reclassification was made in 2022 balances to conform with current year presentation. Advances from related party amounting to P 671,932 was reclassified from receivable to payable as there is no existing offsetting rights.

Note 26 – Supplementary Information Required by Bureau of Internal Revenue's Revenue Regulations

a. RR 15-2020

In compliance with the issued Bureau of Internal Revenue (BIR) Revenue Regulation No. 15-2010 (issued last November 25, 2010) "Amending Certain Provisions of Revenue Regulations No. 21-2002, As Amended, Implementing Section 6 (H) of the Tax Code of 1997, Authorizing the Commissioner of Internal Revenue to Prescribe Additional Procedural and/or Documentary Requirements in connection with the preparation and submission of financial statements accompanying the tax returns", the following were the taxes, duties and licenses paid or accrued during the taxable year:

1. Output Vat declared in the Company's VAT returns for years 2023 and 2022 are summarized below:

	2023		2022	
	Tax base	Tax base	Tax base	Output tax
Vatable gross receipts	597,379	71,685	579,435	69,532

Difference in receipts per financial statements and per VAT returns were due to the difference in recognition of sales of services. Sale of services per VAT returns was based on collection.

2. Input tax claimed during the year

	2023		2022	
Beginning balance		209,314		141,792
Current purchases:				
Goods other than for resale		-		-
Services lodged under other accounts	509,297	61,116	1,056,199	126,744
Adjustments:				
Total output VAT closed against input VAT		(71,685)		(69,532)
Total VAT payments during the year		10,310		10,310
Balance at the end of the year		209,055		209,314

3. Taxes on importations

The Company does not have importations in 2023 and 2022.

4. Excise tax

The Company does not have excise tax in 2023 and 2022.

5. Taxes and licenses

	2023	2022
Business license fees	56,946	60,555
SEC	32,855	31,340
BIR annual registration fees	500	500
Total	90,301	92,395

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
Notes to Financial Statements

As at and for the years ended December 31, 2023 and 2022
(in Philippine Peso)

6. Withholding taxes

	2023	2022
Withholding taxes on compensation and benefits	18,287	18,768
Expanded withholding taxes	10,483	41,089
Total	28,770	59,857

7. Deficiency tax assessment and tax cases

The Company does not have any deficiency tax assessment or any other tax cases outstanding or pending in any open years.

b. RR 34-2020

In compliance with BIR RR 34-2020 (issued last December 8, 2020) in prescribing Guidelines and Procedures for the Submission of BIR Form 1709, Transfer Pricing Documentation (TPD) and offer supporting documents to allow the BIR to verify that taxpayers are reporting their related party transactions at arm's length prices, the Company is required to submit BIR Form 1709 based on the criteria set under the said revenue regulation.

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2023

There are no liabilities subordinated to claims of general creditors.

SINCERE SECURITIES CORPORATION
RISK-BASED CAPITAL ADEQUACY WORKSHEET
December 31, 2023

Assets	71,760,569.00
Liabilities	9,628,871.00
Equity as per books	62,131,698.00
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(763,892.00)
Revaluation Reserves	(31,340,000.00)
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(32,103,892.00)
Equity Eligible For Net Liquid Capital	30,027,806.00
Contingencies and Guarantees	
Deduct: <u>Contingent Liability</u>	
<u>Guarantees or indemnities</u>	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	1,462,500.00
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	221,405.00
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	10,023,881.00
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. <u>Ineligible Insurance claims</u>	
k. <u>Ineligible Deposits</u>	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	41,065,153.00
Total ineligible assets	52,772,940.00
Net Liquid Capital (NLC)	(22,745,134.00)
Less:	
Operational Risk Reqt (Schedule ORR-1)	755,402.00
Position Risk Reqt (Schedule PRR-1)	
Counterparty Risk (Schedule CRR-1 and detailed schedules)	39,912.00
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	795,314.00
Net RBCA Margin (NLC-TRCR)	(23,540,449.00)
Liabilities	9,628,871.00
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
<u>Subordinated Liabilities</u>	
<u>Loans secured by securities</u>	
<u>Loans secured by fixed assets</u>	
<u>Others</u>	7,876,395.00
Total adjustments to AI	(7,876,395.00)
Aggregate Indebtedness	1,752,475.00
5% of Aggregate Indebtedness	87,624.00
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000.00
Net Risk-based Capital Excess / (Deficiency)	(27,745,134.00)
Ratio of AI to Net Liquid Capital	-8%
RBCA Ratio (NLC / TRCR)	-2860%

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER SRC RULE 49.2-1
DECEMBER 31, 2023

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

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 of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under SRC Rule 49.2-1:

Market Valuation	NIL
Number of Items	NIL

SINCERE SECURITIES CORPORATION
RESERVE FORMULA WORKSHEET
December 31, 2023

1 . Free Credit balances and Other Credit Balances in Customer Securities Accounts	
Unadjusted trial balance amount	36,612.28
A . Additions:	
1. Bank Account Overdrafts/1	
2. Credit balances in customer omnibus accounts	
3. Any other customer credit balance not accounted for elsewhere (explain nature) Dividends Payable Others	249,285.78
Subtotal	249,285.78
B . Deductions:	
1. Credit Balances in the accounts of non customers such as general partners and principal officers	3,878.14
2. Credit balances in customers' cash accounts arising from the sale of a security not delivered if the securities are purchased by the broker-dealer for its own account and have not been resold	
Subtotal	3,878.14
Adjusted total line item #1	282,019.92
2 . Monies Borrowed Collateralized by Securities carried for the Accounts of Customers	
Unadjusted trial balance amount customer loan	
Unadjusted trial balance amount commingled loan/2	
Adjusted total line item #2	-
3 . Monies Payable Against Securities Loaned	
Unadjusted trial balance amount	
A . Additions:	
1. The amount by which the market value of customers securities loaned exceed the collateral value received from lending os such securities	
Adjusted total line item #3	-
4 . Customer Securities Failed to Receive (as Determined by Allocation or Specific Identification)	
Unadjusted Balance:	
A . Additions:	
1. The amount by which the market value by which fails to receive outstanding for more than 34 calendar days exceed their contract value/3	
2. Clearing Accounts with net credit balances attributable to customers transactions. (Clearing Corporations)	-
3. Unsecured customer short positions which allocate to customer long positions/4	
4. Any other credit not accounted for elsewhere in the formula	
Subtotal	-
Adjusted total line item #4	-

5 . Credit balances in Firm Accounts which are Attributable to Principal Sales to Customers/5	
6 . Market Value of Stock Dividends and Splits Outstanding Over 30 Calendar days / 5 / 6	
7 . Market Value of Short Security Count Differences over 30 calendar days old (not to be offset by long count differences)	
8 . Market Value of Short Securities and Credits (not to be offset by loans or debits) in all Suspense Accounts over 30 calendar days old	
1. Credit Balances Only	
2. Security Positions Only / 5	
3. Security Positions with Related Balances / 5 / 7	
Adjusted total line item #8	-
9 . Market Value of Securities in Transfer in Excess of 40 Calendar Days which have not been confirmed to be in transfer by the Transfer Agent of the issuer during 40 days	
Aggregate Credit Items	282,019.92
10 . Debit Balances in customers' cash and margin accounts excluding Unsecured Accounts and Accounts Doubtful of Collection	
Unadjusted trial balance	12,211,013.12
A . Additions:	
1. Debit balance in customer omnibus accounts	
2. Any other customer debit balance not accounted for elsewhere (explain nature)	
Others	
Subtotal	-
B . Deductions:	
1. Unsecured balances and accounts doubtful of collection	3,660.58
2. Debit balances in the accounts of non-customers such as general partners and principal officers	9,886,276.55
3. Reduction of margin debits for undue concentration of collateral/8	
4. Deficits in customer-related omnibus accounts/9	
5. Debit Balances in accounts of household members and affiliated members/10	
6. Reduction if unduly concentrated margin account balances/11	
7. Reduction of debit balances of accounts jointly owned by customers and non-customers/12	
8. Reduction for partly secured cash accounts	
Subtotal	9,889,937.13
Subtotal of Adjusted Total Debits	2,321,075.99
Reduce Subtotal by 1%	1%
Adjusted total line item #10	2,297,865.23

11 . Prepayment from Client for Early Settlement of Account	
12 . Securities Borrowed to Effectuate Short Sales by Customers and Securities Borrowed to make delivery on Customers' Securities Failed to Deliver	
13 . Fails to Deliver of Customer Securities not older than 30 calendar days (as determined by Allocation or Specific Identification)	
Unadjusted Balance	
A . Additions	
1. Clearing Accounts with net debit balances attributable to customer transactions (Clearing Corporations)	-
2. Drafts receivable outstanding less than 30 calendar days related to customer transaction / 13	
Subtotal	-
B . Deductions	
1. Securities which are in the firm's physical possession and control and in excess of the broker-dealer's possession and control requirements for three business days past settlement.	
2. Others (explain nature)	
Subtotal	-
Adjusted line item # 13	-
Aggregate Debit items	2,297,865.23
B . Determination of Requirements	
Aggregate Credit Items	282,019.92
Aggregate Debit Items	2,297,865.23
Net Credit/(Debit)	(2,015,845.31)
Required Reserve (100% of Net Credit if making a weekly computation or 105% if monthly)	-

C . Frequency of Computation

Monthly, if:

<input checked="" type="checkbox"/>	Aggregate Indebtedness: Net Capital Ratio <	-8%
	AND	
<input checked="" type="checkbox"/>	Aggregate Customer Funds <	282,019.92

D . Special Reserve Bank Account Balance

Special Reserve Account balance Prior to Computation	11,243.42
Less: Deposit Required	-
Additional Deposit Required	-
Note: Deposit should be made no later than 10 a.m. on the second banking day following computation date.	

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR
FOUND TO HAVE EXISTED SINCE THE DATE OF PREVIOUS AUDIT
DECEMBER 31, 2023

We noted no matters involving the Company's internal control structure and its operation that we consider to be material weakness.

SINCERE SECURITIES CORPORATION
(A Subsidiary of Alon Development Corporation)
RESULT OF QUARTERLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10
DECEMBER 31, 2023

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



Sincere Securities Corporation

Member: Philippine Stock Exchange

SINCERE SECURITIES CORPORATION

Schedule of Stock Position

As of December 31, 2023

CODE	ISSUES	MARKET PRICE	PCD	STOCK POSITION	MARKET VALUE
AAA	ASIA AMALGAMATED HOLDINGS	1.6100	100,200	100,200	161,322.00
ABA	ABACORE CAPITAL HOLDINGS, INC.	0.9800	859,500	859,500	842,310.00
ABG	ASIABEST GROUP INT'L INC.	3.0100	11,200	11,200	33,712.00
ABS	ABS-CBN CORPORATION	4.5900	1,000	1,000	4,590.00
AC	AYALA CORPORATION	706.0000	305	305	215,330.00
ACEN	ACEN CORPORATION	4.3500	3,338,331	3,338,331	14,521,739.85
ACR	ALSONS CONSOLIDATED RES. INC.	0.5700	120,000	120,000	68,400.00
AEV	ABOITIZ EQUITY VENTURES, INC.	49.0000	2,000	2,000	98,000.00
AGI	ALLIANCE GLOBAL GROUP, INC.	11.3200	16,300	16,300	184,516.00
ALCO	ARTHALAND CORPORATION	0.4600	80,000	80,000	36,800.00
ALHI	ANCHOR LAND HLDGS., INC.	5.6900	30,000	30,000	170,700.00
ALI	AYALA LAND INC.	34.2500	71,878	71,878	2,461,821.50
ALLDY	ALLDAY MARTS, INC.	0.1580	4,706,000	4,706,000	743,548.00
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP	1.7600	14,000	14,000	24,640.00
ALTER	ALTERNERGY HOLDINGS CORP	0.7800	1,254,000	1,254,000	978,120.00
ANI	AGRINURTURE, INC.	0.7900	96,240	96,240	76,029.60
ANS	A. SORIANO CORP.	12.0000	31,448	31,448	377,376.00
AP	ABOITIZ POWER CORP.	37.8000	15,800	15,800	597,240.00
APC	APC GROUP, INC.	0.2290	1,223,000	1,223,000	280,067.00
APL	APOLLO GLOBAL CAPITAL INC	0.0140	4,000,000	4,000,000	56,000.00
APO	ANGLO PHIL. HOLDINGS CORP.	0.4500	1,045,000	1,045,000	470,250.00
APVI	ALTUS PROPERTY VENTURES	9.2900	500	500	4,645.00
APX	APEX MINING COMPANY "A"	3.0400	2,000	2,000	6,080.00
AR	ABRA MINING & INDUSTRIAL CORP.	0.0046	708,000,000	708,000,000	3,256,800.00
ARA	ARANETA PROPERTIES, INC.	0.9900	360,000	360,000	356,400.00
AREIT	AREIT, INC	33.4000	427,300	427,300	14,271,820.00
ASLAG	RASLAG CORPORATION	1.2300	500,000	500,000	615,000.00
AT	ATLAS CONS. MINING	3.5900	192,000	192,000	689,280.00
ATN	ATN HOLDINGS, INC.	0.3800	20,000	20,000	7,600.00
ATNB	ATN HOLDINGS, INC. "B"	0.3800	170,000	170,000	64,600.00
AUB	ASIA UNITED BANK CORPORATION	32.5000	59,625	59,625	1,937,812.50
AXLM	AXELUM RESOURCES CORP	2.3000	1,309,300	1,309,300	3,011,390.00
BALAI	BALAI NI FRUITAS INC.	0.3900	300,000	300,000	117,000.00
BC	BENGUET CORPORATION "A"	4.8500	30,000	30,000	145,500.00
BDO	BDO UNIBANK, INC.	126.2000	56,552	56,552	7,136,862.40
BEL	BELLE CORPORATION	1.1700	185,800	185,800	217,386.00
BHI	BOULEVARD HOLDINGS, INC.	0.0620	12,250,000	12,250,000	759,500.00
BKR	BRIGHT KINDLE RES. & INV.	1.4100	1,333,000	1,333,000	1,879,530.00
BLOOM	BLOOMBERRY RESORTS CORP.	10.0600	821,100	821,100	8,260,266.00
BNCOM	BANK OF COMMERCE	6.8400	200,000	200,000	1,368,000.00
BPI	BANK OF THE PHIL. ISLANDS	103.5000	124,932	124,932	12,930,462.00
BRN	A. BROWN CO. INC.	0.6500	1,164,000	1,164,000	756,600.00
BSC	BASIC ENERGY CORP.	0.1850	2,223,233	2,223,233	411,298.11
C	CHELSEA LOGISTICS HOLDINGS CORP	1.4600	812,500	812,500	1,186,250.00
CA	CONCRETE AGGREGATES	56.8500	8,270	8,270	470,149.50
CAT	CENTRAL AZUCARERA DE TARLAC	11.5000	9,300	9,300	106,950.00
CEB	CEBU AIR, INC.	32.7500	17,801	17,801	582,982.75
CEI	CROWN EQUITIES, INC.	0.0650	2,150,000	2,150,000	139,750.00
CHIB	CHINA BANKING CORPORATION	30.9500	282,168	282,168	8,733,099.60
CHP	CEMEX HOLDINGS PHILS	0.9300	199,687	199,687	185,708.91

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SINCERE SECURITIES CORPORATION

Schedule of Stock Position

As of December 31, 2023

CODE	ISSUES	MARKET PRICE	PCD	STOCK POSITION	MARKET VALUE
CLI	CEBU LANDMASTERS INC	2.5500	661,548	661,548	1,686,947.40
CNVRG	CONVERGE INFORMATION AND COMMUNICATIONS	8.5100	337,900	337,900	2,875,529.00
COAL	COAL ASIA HOLDINGS INC.	0.1200	13,089,000	13,089,000	1,570,680.00
COSCO	COSCO CAPITAL INC.	4.7600	390,000	390,000	1,856,400.00
CPG	CENTURY PROPERTIES GROUP INC.	0.2800	2,054,890	2,054,890	575,369.20
CPM	CENTURY PEAK METALS HLDG.	3.2200	2,910,000	2,910,000	9,370,200.00
CREIT	CITICORE ENERGY REIT CORP	2.5600	3,347,000	3,347,000	8,568,320.00
CROWN	CROWN ASIA CHEMICALS CORP.	1.5500	111,000	111,000	172,050.00
CTS	CTS GLOBAL EQUITY GROUP INC	0.7700	800,000	800,000	616,000.00
CYBR	CYBER BAY CORPORATION	0.3300	5,252,000	5,252,000	1,733,160.00
DD	DOUBLE DRAGON PROPERTIES CORP.	7.9200	16,300	16,300	129,096.00
DDMPR	DDMP REIT, INC.	1.2100	9,522,000	9,522,000	11,521,620.00
DELM	DEL MONTE PACIFIC LIMITED	6.1800	12,664	12,664	78,263.52
DFNN	DFNN INC.	3.2500	1,000	1,000	3,250.00
DITO	DITO CME HOLDINGS CORP	2.3600	234,061	234,061	552,383.96
DIZ	DIZON COPPER SILVER MINES INC.	3.0000	130,400	130,400	391,200.00
DMC	DMCI HOLDINGS INC	9.9200	39,600	39,600	392,832.00
DMW	DM WENCESLAO AND ASSOCIATES INC	5.1600	24,500	24,500	126,420.00
DNA	PHILAB HOLDINGS INC	2.8600	104,740	104,740	299,556.40
DNL	DNL INDUSTRIES, INC	6.3600	70,000	70,000	445,200.00
DWC	DISCOVERY WORLD CORP.	1.4100	325,000	325,000	458,250.00
ECP	EASYCALL COMM. PHILS INC	2.5200	2,800	2,800	7,056.00
ECVC	EAST COAST VULCAN CORP	0.6200	18,548,000	18,548,000	11,499,760.00
EG	IP E-GAME VENTURES, INC.	0.0094	44,830,000	44,830,000	421,402.00
EIBA	EXPORT AND INDUSTRY BANK, INC.A	0.2600	2,820,200	2,820,200	733,252.00
EIBB	EXPORT AND INDUSTRY BANK, INC.B	0.2600	510,000	510,000	132,600.00
ELI	EMPIRE EAST LAND HOLDINGS	0.1200	16,462,285	16,462,285	1,975,474.20
ENEX	ENEX ENERGY CORPORATION	5.2600	30,000	30,000	157,800.00
EURO	EURO-MED LAB. PHILS. INC.	0.7200	20,000	20,000	14,400.00
EVER	EVER GOTESCO RES. & HLDG.	0.2900	1,000,000	1,000,000	290,000.00
EW	EAST WEST BANKING CORPORATION	8.6000	15,982	15,982	137,445.20
FAF	FIRST ABACUS FINANCIAL	0.6000	350,000	350,000	210,000.00
FB	SAN MIGUEL FOOD AND BEVERAGE INC	50.8000	1,530	1,530	77,724.00
FCG	FIGARO COFFEE GROUP	0.6200	1,488,000	1,488,000	922,560.00
FDC	FILINVEST DEVT. CORP.	5.3500	4,932	4,932	26,386.20
FFI	FILIPINO FUND, INC.	4.2000	22	22	92.40
FILRT	FILINVEST REIT, INC.	2.5800	1,000,000	1,000,000	2,580,000.00
FLI	FILINVEST LAND, INC.	0.6100	807,382	807,382	492,503.02
FNI	GLOBAL FERRONICKEL HLDGS.	2.0700	70,267	70,267	145,452.69
FOOD	ALLIANCE SELECT FOODS INT'L., INC.	0.4600	137,778	137,778	63,377.88
FPH	FIRST PHIL. HOLDINGS CORP.	62.7000	1,500	1,500	94,050.00
FPI	FORUM PACIFIC, INC.	0.2000	950,000	950,000	190,000.00
GEO	GEOGRACE RES. PHILS.	0.0270	20,045,000	20,045,000	541,215.00
GERI	GLOBAL-ESTATE RESORTS, INC.	0.8400	162,370	162,370	136,390.80
GLO	GLOBE TELECOMS, INC.	1,723.0000	445	445	766,735.00
GMA7	GMA NETWORK INC.	8.6300	2,000	2,000	17,260.00
GMAP	GMA PHIL. DEPOSITORY RECEIPTS	8.3300	3,000	3,000	24,990.00
GOB	GOTESCO LAND, INC. "B"	0.1700	10,000	10,000	1,700.00
GREEN	GREENERGY HOLDINGS	0.2310	59,450	59,450	13,732.95
HOME	ALLHOME CORP	1.1900	330,000	330,000	392,700.00
HOUSE	8990 HOLDINGS INC	9.2300	2,000	2,000	18,460.00
I	I REMIT INC.	0.4850	60,031	60,031	29,115.04

SINCERE SECURITIES CORPORATION

Schedule of Stock Position

As of December 31, 2023

CODE	ISSUES	MARKET	PCD	STOCK	MARKET
		PRICE		POSITION	VALUE
ICT	INTERNATIONAL CONTAINER	249.8000	720	720	179,856.00
IDC	ITALPINAS DEVELOPMENT CORP.	0.6800	20,358	20,358	13,843.44
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	3.1900	50	50	159.50
IMP	IMPERIAL RESOURCES, INC. "A"	0.5500	120,000	120,000	66,000.00
ION	IONICS CIRCUITS	1.0000	6,000	6,000	6,000.00
IPM	IPM HOLDINGS, INC.	3.5000	76,000	76,000	266,000.00
IS	ISLAND INFORMATION	0.1440	5,485,000	5,485,000	789,840.00
JFC	JOLLIBEE FOODS CORPORATION	254.6000	2,354	2,354	599,328.40
JGS	JG SUMMIT HOLDINGS	40.0000	2,899	2,899	115,960.00
KEEPR	THE KEEPER HOLDINGS, INC	1.4500	2,498,900	2,498,900	3,623,405.00
KPPI	KEPWEALTH PROPERTY PHILS	1.5300	16,000	16,000	24,480.00
LAND	CITY & LAND DEVELOPERS INC	0.7600	19,900	19,900	15,124.00
LBC	LBC EXPRESS HOLDINGS INC.	17.0000	9,900	9,900	168,300.00
LC	LEPANTO CONS. MINING CO. "A"	0.0820	2,463,569	2,463,569	202,012.66
LCB	LEPANTO CONS. MINING CO. "B"	0.0800	718,703	718,703	57,496.24
LIHC	LODESTAR INVT HOLDINGS	0.3950	445,000	445,000	175,775.00
LOTO	PACIFIC ONLINE SYSTEMS CORP.	4.8000	45,000	45,000	216,000.00
LT	LT GROUP INC	9.0800	39,000	39,000	354,120.00
MA	MANILA MINING CORP. "A"	0.0047	478,684,157	478,684,157	2,249,815.54
MAB	MANILA MINING CORP. "B"	0.0043	116,934,831	116,934,831	502,819.77
MAC	MACROASIA CORPORATION	3.9500	361,860	361,860	1,429,347.00
MACAY	MACAY HOLDINGS INC.	6.3500	21,460	21,460	136,271.00
MAH	METRO ALLIANCE HOLDINGS	0.3950	25,000	25,000	9,875.00
MARC	MARCVENTURES HOLDINGS, INC.	1.0800	111,080	111,080	119,966.40
MAXS	MAX'S GROUP, INC.	3.4200	34,300	34,300	117,306.00
MB	MANILA BULLETIN PUBLISHING CORP.	0.2300	128,191	128,191	29,483.93
MBT	METROPOLITAN BANK & TRUST	53.0500	15,215	15,215	807,155.75
MED	MEDCO HOLDINGS, INC.	0.0860	1,635,000	1,635,000	140,610.00
MEDIC	MEDILINES DISTRIBUTORS INC.	0.3200	530,000	530,000	169,600.00
MEG	MEGAWORLD CORPORATION	1.9800	295,000	295,000	584,100.00
MER	MANILA ELECTRIC CO.	394.0000	5,597	5,597	2,205,218.00
MFC	MANULIFE FINANCIAL CORP.	1,130.0000	860	860	971,800.00
MFIN	MAKATI FINANCE CORP	1.9000	20,432	20,432	38,820.80
MG	MILLENNIUM GLOBAL HOLDINGS INC.	0.0940	3,386,000	3,386,000	318,284.00
MHC	MABUHAY HOLDINGS CORP.	0.1120	160,000	160,000	17,920.00
MJIC	MJC INVESTMENTS CORPORATION	1.0000	3,800	3,800	3,800.00
MONDE	MONDE NISSIN CORPORATION	8.5500	35,000	35,000	299,250.00
MM	MERRYMART CONSUMER CORP	1.0200	280,000	280,000	285,600.00
MRC	MRC ALLIED, INC.	1.3900	2,005,000	2,005,000	2,786,950.00
MREIT	MREIT, INC.	12.3000	1,011,000	1,011,000	12,435,300.00
MRSGL	METRO RETAIL STORES GROUP, INC.	1.2800	814,000	814,000	1,041,920.00
MWC	MANILA WATER COMPANY INC.	18.6800	2,400	2,400	44,832.00
MWIDE	MEGAWIDE CONSTRUCTION CORP.	3.0800	7,800	7,800	24,024.00
MWP4	MEGAWIDE CONSTRUCTION CORP. PREF	91.9500	48,000	48,000	4,413,600.00
MWP5	MEGAWIDE CONSTRUCTION CORP. PREF	101.3000	4,000	4,000	405,200.00
NI	NIHAO MINERAL RES. INT'L	0.5500	853,600	853,600	469,480.00
NIKIL	NICKEL ASIA CORPORATION	5.2500	101,027	101,027	530,391.75
NOW	NOW CORPORATION	1.1100	93,600	93,600	103,896.00
NRCP	NAT'L REINSURANCE CORP.	0.3950	463,000	463,000	182,885.00
NXGEN	NEXT GENESIS CORP	7.0000	121,400	121,400	849,800.00
OM	OMICO CORPORATION	0.2750	7,060,000	7,060,000	1,941,500.00

SINCERE SECURITIES CORPORATION

Schedule of Stock Position

As of December 31, 2023

CODE	ISSUES	MARKET	PCD	STOCK	MARKET
		PRICE		POSITION	VALUE
OPM	ORIENTAL PET. & MIN. CORP. "A"	0.0080	107,084,019	107,084,019	856,672.15
OPMB	ORIENTAL PET. & MIN. CORP. "B"	0.0082	146,485,600	146,485,600	1,201,181.92
ORE	ORIENTAL PENINSULA RESOURCES	0.6300	626,100	626,100	394,443.00
OV	THE PHILODRILL CORP. "A"	0.0080	196,300,000	196,300,000	1,570,400.00
PA	PACIFICA, INC.	1.3800	65,250	65,250	90,045.00
PBB	PHILIPPINE BUSINESS BANK	8.7000	48,525	48,525	422,167.50
PBC	PHIL. BANK OF COMMUNICATION	14.1200	5,000	5,000	70,600.00
PCOR	PETRON CORPORATION	3.5000	76,363	76,363	267,270.50
PCP	PICOP RESOURCES, INC.	0.2050	7,371,060	7,371,060	1,511,067.30
PERC	PETROENERGY RESOURCES	4.9000	56,076	56,076	274,772.40
PF	PUREGOLD PRICE CLUB INC	27.2000	2,000	2,000	54,400.00
PHA	PREMIERE HORIZON ALLIANCE CORP.	0.1650	590,000	590,000	97,350.00
PHC	PHILCOMSAT HLDGS., CORP.	1.4000	107,500	107,500	150,500.00
PHES	PHIL. ESTATE CORPORATION	0.3200	1,093,000	1,093,000	349,760.00
PHR	PH RESORTS GROUP HOLDINGS	0.8800	511,350	511,350	449,988.00
PIZZA	SHAKEYS PIZZA ASIA VENTURES	9.8600	100	100	986.00
PLC	PREMIUM LEISURES CORP.	0.6800	500,000	500,000	340,000.00
PLUS	DIGIPLUS INTERACTIVE CORP	8.3100	686	686	5,700.66
PMPC	PANASONIC MFG PHIL CORP	5.6500	32,500	32,500	183,625.00
PMT	PRIMETOWN PROPERTY GROUP, INC.	0.3700	1,000	1,000	370.00
PNB	PHILIPPINE NATIONAL BANK	18.4800	33,472	33,472	618,562.56
PNX	PHOENIX PETROLEUM PHILS	4.9000	13,698	13,698	67,120.20
PORT	GLOBALPORT 900, INC.	7.3000	26,300	26,300	191,990.00
PPC	PRYCE CORPORATION	5.2500	3,000	3,000	15,750.00
PRIM	PRIME MEDIA HOLDINGS, INC.	2.8300	300,000	300,000	849,000.00
PSB	PHILIPPINE SAVINGS BANK	55.7500	1,666	1,666	92,879.50
PSE	PHIL. STOCK EXCHANGE	177.0000	5,760	5,760	1,019,520.00
PTT	PHILIPPINE TELEGRAPH	0.3300	228,000	228,000	75,240.00
PX	PHILEX MINING CORP.	3.2800	153,058	153,058	502,030.24
PXP	PXP ENERGY CORPORATION	3.7700	101,945	101,945	384,332.65
RCB	RIZAL COMMERCIAL BANKING CORP.	23.0000	1,000	1,000	23,000.00
ROR	RL COMMERCIAL REIT	4.8900	3,020,000	3,020,000	14,767,800.00
RFM	RFM CORPORATION	3.0000	1,318	1,318	3,954.00
RLT	PHIL. REALTY & HOLDINGS CORP.	0.1350	2,930,000	2,930,000	395,550.00
ROCK	ROCKWELL LAND CORP.	1.3700	9,582	9,582	13,127.34
RPC	REYNOLDS PHILIPPINE CORP.	0.1500	30,000	30,000	4,500.00
RRHI	ROBINSONS RETAIL HOLDINGS INC.	40.4000	950	950	38,380.00
SCC	SEMIRARA MINING AND POWER	30.3000	10,000	10,000	303,000.00
SECB	SECURITY BANK CORPORATION	71.5500	845	845	60,459.75
SFI	SWIFT FOODS, INC.	0.0540	6,380,328	6,380,328	344,537.71
SFIP	SWIFT FOODS, INC. CONVERTIBLE	1.8800	57	57	107.16
SGP	SYNERGYGRID	6.5400	1,174,800	1,174,800	7,683,192.00
SHLPH	SHELL PILIPINAS CORP	10.8800	85,500	85,500	930,240.00
SHNG	SHANG PROP. INC.	3.6900	43,658	43,658	161,098.02
SLI	STA LUCIA LAND, INC.	3.4000	50,000	50,000	170,000.00
SM	SM INVESTMENTS CORPORATION	879.0000	800	800	703,200.00
SMC	SAN MIGUEL CORPORATION	110.0000	201,891	201,891	22,208,010.00
SMC2J	SMC PREF. SERIES "J"	67.9500	158,300	158,300	10,756,485.00
SMC2K	SMC PREF. SERIES "K"	68.0000	208,300	208,300	14,164,400.00
SMC2L	SMC PREF. SERIES "L"	77.0000	300,000	300,000	23,100,000.00
SMPH	SM PRIME HOLDINGS, INC.	32.2500	45,229	45,229	1,458,635.25

SINCERE SECURITIES CORPORATION

Schedule of Stock Position

As of December 31, 2023

CODE	ISSUES	MARKET PRICE	PCD	STOCK POSITION	MARKET VALUE
SOC	SOC RESOURCES INC	0.3550	1,274,000	1,274,000	452,270.00
SPC	SPC POWER CORP.	7.0100	151,000	151,000	1,058,510.00
SPNEC	SP NEW ENERGY CORP	1.3400	1,175,625	1,175,625	1,575,337.50
SSI	SSI GROUP, INC.	2.4800	196,000	196,000	486,080.00
SSP	SFA SEMICON PHILIPPINES CORP	2.3600	433,000	433,000	1,021,880.00
STI	STI HOLDINGS	0.4900	2,500,000	2,500,000	1,225,000.00
STN	STENIEL MANUFACTURING CORP	0.2600	320,400	320,400	83,304.00
STR	VISTAMALLS INC	2.4100	20,900	20,900	50,369.00
SUN	SUNTRUST HOME DEV. INC.	0.8000	1,569,900	1,569,900	1,255,920.00
T	TKC STEEL CORP.	0.4000	474,000	474,000	189,600.00
TBGI	TRANSPACIFIC BROADBAND GROUP	0.1330	319,000	319,000	42,427.00
TECH	CIRTEK HOLDINGS PHILS CORP	1.6200	11,500	11,500	18,630.00
TEL	PHIL. LONG DISTANCE CO.	1,272.0000	950	950	1,208,400.00
TFHI	TOP FRONTIER INVESTMENT	101,900.0000	2,274	2,274	231,720,600.00
TUGS	HARBOR STAR SHIPPING SERVICES INC.	0.7700	47,000	47,000	36,190.00
UBP	UNION BANK OF THE PHILS.	48.6000	4,621	4,621	224,580.60
UNI	UNIOIL RESOURCES & HOLDINGS			3,570,000	
UP	UNIVERSAL RIGHTFIELD PROPERTY	0.0380	370,000	370,000	14,060.00
UPM	UNITED PARAGON MINING CORP.	0.0044	65,000,000	65,000,000	286,000.00
UPSON	UPSON INTERNATIONAL CORP	1.6600	200,000	200,000	332,000.00
VITA	VITARICH CORPORATION	0.5000	170,000	170,000	85,000.00
VLL	VISTA LAND & LIFESCAPES INC.	1.6700	3,000	3,000	5,010.00
VMC	VICTORIAS MIL	3.1000	40,000	40,000	124,000.00
VREIT	VISTAREIT, INC.	1.6700	4,065,000	4,065,000	6,788,550.00
WEB	PHILWEB COM INC.	1.6800	164,900	164,900	277,032.00
WIN	WELLEX INDUSTRIES, INC.	0.2300	3,530,000	3,530,000	811,900.00
WPI	WATERFRONT PHILIPPINES, INC.	0.3800	1,045,000	1,045,000	397,100.00
X	XURPAS, INC.	0.2200	225,100	225,100	49,522.00
ZHI	ZEUS HOLDINGS, INC.	0.0710	3,630,000	3,630,000	257,730.00
SUBTOTAL			2,090,024,566	2,093,594,566	559,562,522

HELD AS AVAILABLE FOR SALE

PSE	PHILIPPINE STOCK EXCHANGE	177.0000	240,000	240,000	42,480,000.00
TOTAL			2,090,264,566	2,093,834,566	602,042,521.66

CERTIFIED CORRECT:


MRS. TERESITA OCAMPO

VP/TREASURER

From: Sincere Corp [mailto:sinceresec.corp@yahoo.com]
Sent: Tuesday, April 30, 2024 10:15 AM
To: Chinnih D. Alcantara <chinnih.alcantara@crowe.ph>; Myka Eunice Yumul <mykaeunice.yumul@crowe.ph>
Subject: Fw: Your BIR AFS eSubmission uploads were received

Thanks.

SINCERE SECURITIES CORPORATION

----- Forwarded Message -----

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
To: "sinceresec.corp@yahoo.com" <sinceresec.corp@yahoo.com>
Cc: "angelannalagon@gmail.com" <angelannalagon@gmail.com>
Sent: Tuesday, April 30, 2024 at 01:19:04 AM GMT+8
Subject: Your BIR AFS eSubmission uploads were received

Hi SINCERE SECURITIES CORPORATION,

Valid files

- EAFS000338426TCRTY122023-01.pdf
- EAFS000338426AFSTY122023.pdf
- EAFS000338426ITRTY122023.pdf
- EAFS000338426OTHTY122023.pdf
- EAFS000338426RPTTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-433WPVPM0N2X4VVVR3QYZNSV2Z0NV3RYQ1P**
Submission Date/Time: **Apr 30, 2024 01:18 AM**
Company TIN: **000-338-426**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

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

This is a system-generated e-mail. Please do not reply.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-338-426-000
Name	: SINCERE SECURITIES CORPORATION
RDO	: 043
Form Type	: 1702
Reference No.	: 462400059163667
Amount Payable (Over Remittance)	: -565,476.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 04/13/2024
Tax Type	: IT

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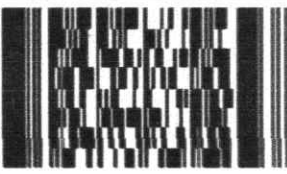


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Date Filed : April 13, 2024 10:32 PM
Batch Number : 0



Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

BIR Form No. 1702-RT January 2018(ENCS) Page 1		Annual Income Tax Return For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal	3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No	4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No	5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/>		
2 Year Ended (MM/20YY) 12 <input checked="" type="radio"/> 2023					

Part I - Background Information					
6 Taxpayer Identification Number (TIN)		000 - 338 - 426 - 000		7 RDO Code 043	
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) SINCERE SECURITIES CORPORATION					
9A Registered Address (Indicate complete registered address) #1203-A EAST TOWER PSEC EXCHANGE ROAD SAN ANTONIO PASIG CITY					
				9B ZipCode 1605	
10 Date of Incorporation/Organization (MM/DD/YYYY)				09/19/1989	
11 Contact Number 6346826		12 Email Address tlcampo02@yahoo.com			
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					

Part II - Total Tax Payable (Do NOT enter Centavos)	
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)	0
15 Less: Total Tax Credits/Payments (From Part IV Item 55)	565,476
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)	(565,476)
Add Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties (Sum of Items 17 to 19)	0
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)	(565,476)
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable)	
<input checked="" type="radio"/> To be refunded <input type="radio"/> To be issued as Tax Credit Certificate (TCC) <input type="radio"/> To be carried over as tax credit next year/quarter	

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)

TERESITA L. OCAMPO		22 Number of Attachments	
Signature over printed name of President/Principal Officer/Authorized Representative		Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory	Vice - President	TIN	201-202-327
Title of Signatory		TIN	

Part III - Details of Payment				
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo				0

24 Check					0
25 Tax Debit Memo					0
26 Others (Specify Below)					0
					0

Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)	Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

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BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Taxpayer Identification Number (TIN)</td> <td style="width: 60%;">Registered Name</td> </tr> <tr> <td>000 - 338 - 426 - 000</td> <td>SINCERE SECURITIES CORPORATION</td> </tr> </table>			Taxpayer Identification Number (TIN)	Registered Name	000 - 338 - 426 - 000	SINCERE SECURITIES CORPORATION
Taxpayer Identification Number (TIN)	Registered Name					
000 - 338 - 426 - 000	SINCERE SECURITIES CORPORATION					
Part IV - Computation of Tax (Do NOT enter Centavos)						
27 Sales/Receipts/Revenues/Fees		420,958				
28 Less: Sales Returns, Allowances and Discounts		0				
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		420,958				
30 Less: Cost of Sales/Services		2,274,915				
31 Gross Income from Operation (Item 29 Less Item 30)		(1,853,957)				
32 Add: Other Taxable Income Not Subjected to Final Tax		315,757				
33 Total Taxable Income (Sum of Items 31 and 32)		(1,538,200)				
Less: Deductions Allowable under Existing Law						
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	1,507,293					
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0					
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0					
37 Total Deductions (Sum of Items 34 to 36)	1,507,293					
OR [in case taxable under Sec 27(A) & 28(A)(1)]						
38 Optional Standard Deduction (40% of Item 33)	0					
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)	(3,045,493)					
40 Applicable Income Tax Rate	20 %					
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)	0					
42 MCIT Due (2% of Item 33)	0					
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)	0					
Less: Tax Credits/Payments (attach proof)						
44 Prior Year's Excess Credits Other Than MCIT	542,631					
45 Income Tax Payment under MCIT from Previous Quarter/s	0					
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0					
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)	0					
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0					
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	22,845					
50 Foreign Tax Credits, if applicable	0					
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0					
52 Special Tax Credits (To Part V Item 58)	0					
Other Credits/Payments (Specify)						
53	0					
54	0					
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)	565,476					
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)	(565,476)					
Part V - Tax Relief Availment						

57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)	0
58 Add: Special Tax Credits (From Part IV Item 52)	0
59 Total Tax Relief Availment (Sum of Items 57 and 58)	0

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BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN) 000 - 338 - 426 - 000		Registered Name SINCERE SECURITIES CORPORATION

Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	6,375
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	0
9 Losses	0
10 Pension Trust	0
11 Rental	0
12 Research and Development	0
13 Salaries, Wages and Allowances	638,598
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	64,124
15 Taxes and Licenses	90,301
16 Transportation and Travel	6,140
17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s), if necessary]	
a Janitorial and Messengerial Services	0
b Professional Fees	42,500
c Security Services	0
d UTILITIES	165,758
e OFFICE SUPPLIES	62,679
f EMPLOYEE BENEFITS	51,000
g INSURANCE	39,372
h REPAIRS AND MAINTENANCE	29,500
i OTHERS	310,946
L1 POSTAGE, TELEPHONE, AND COMMUNICATIONS	
L2 BANK CHARGES	
L3 OTHER EXPENSE	

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18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17i) (To Part IV Item 34)	1,507,293
--	-----------

Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)

Description	Legal Basis	Amount
1		0
2		0
3		0
4		0


		Add	Delete	Add Attachment
5 Total Special Allowable Itemized Deductions <i>(Sum of Items 1 to 4) (To Part IV Item 35)</i>				0

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BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN) 000 - 338 - 426 - 000		Registered Name SINCERE SECURITIES CORPORATION

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	(1,538,200)
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	1,507,293
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(3,045,493)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)		
Year Incurred	A) Amount	B) NOLCO Applied Previous Year
4 2023	3,045,493	0
5 2022	3,597,754	0
6 2021	2,272,174	0
7 2020	2,426,961	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4 0	0	3,045,493
5 0	0	3,597,754
6 0	0	2,272,174
7 0	0	2,426,961
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	0
2 0	0	0	0
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	(1,303,993)
Add: Non-deductible Expenses/Taxable Other Income	
2 NON TAXABLE IMPAIRMENT INCOME	662,684
3	0

		Add	Delete	Add Attachment
4 Total (Sum of Items 1 to 3)		(641,309)		
Less: A) Non-Taxable Income and Income Subjected to Final Tax				
5	DIVIDEND INCOME	2,400,000		
6	INTEREST INCOME	4,184		
		Add	Delete	Add Attachment
B) Special Deductions				
7		0		
8		0		
		Add	Delete	Add Attachment
9 Total (Sum of Items 5 to 8)		2,404,184		
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)		(3,045,493)		

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BIR Email Notification (eFiling of Tax Return)

From: no-reply@bir.gov.ph
To: tlocampo02@yahoo.com
Date: Monday, April 29, 2024 at 05:29 PM GMT+8

Good Day SINCERE SECURITIES CORPORATION,

Thank you for filing your Return through eFPS.

This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,

Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-338-426-000
Name	: SINCERE SECURITIES CORPORATION
RDO	: 043
Form Type	: 1702
Reference No.	: 462400059447920
Amount Payable / (Over Remittance)	: -565476.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 04/29/2024
Tax Type	: IT

PLEASE DO NOT REPLY TO THIS E-MAIL



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Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR
Use Only: BCS/
Item:

BIR Form No. 1702-RT January 2018(ENCS) Page 1		Annual Income Tax Return For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal 2 Year Ended (MM/20YY) 12 <input type="text" value="2023"/>		3 Amended Return? <input checked="" type="radio"/> Yes <input type="radio"/> No 4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		5 Alphanumeric Tax Code (ATC) IC055 <input type="text"/> Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/>	
Part I - Background Information					
6 Taxpayer Identification Number (TIN) 000 - 338 - 426 - 000		7 RDO Code 043			
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) SINCERE SECURITIES CORPORATION					
9A Registered Address (Indicate complete registered address) #1203-A EAST TOWER PSEC EXCHANGE ROAD SAN ANTONIO PASIG CITY					
				9B Zip Code 1605	
10 Date of Incorporation/Organization (MM/DD/YYYY) 09/19/1989					
11 Contact Number 6346826		12 Email Address tlcampo02@yahoo.com			
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
Part II - Total Tax Payable (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				0	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				565,476	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(565,476)	
Add Penalties					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(565,476)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable)					
<input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative Teresita L. Ocampo				Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory VP - Treasurer		TIN 201-202-327		Title of Signatory TIN	
				22 Number of Attachments 4	
Part III - Details of Payment					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

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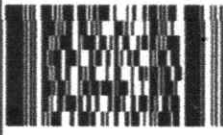


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Reference No : 462400059447920
Date Filed : April 29, 2024 05:29 PM
Batch Number : 0

BIR Form No. 1702-RT January 2018(ENCS) Page 2		Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate		 1702-RT 01/18ENCS P2	
Taxpayer Identification Number (TIN)			Registered Name		
000 - 338 - 426 - 000			SINCERE SECURITIES CORPORATION		
Part IV - Computation of Tax (Do NOT enter Centavos)					
27 Sales/Receipts/Revenues/Fees			420,958		
28 Less: Sales Returns, Allowances and Discounts			0		
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)			420,958		
30 Less: Cost of Sales/Services			2,274,915		
31 Gross Income from Operation (Item 29 Less Item 30)			(1,853,957)		
32 Add: Other Taxable Income Not Subjected to Final Tax			315,757		
33 Total Taxable Income (Sum of Items 31 and 32)			(1,538,200)		
Less: Deductions Allowable under Existing Law					
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)			2,313,894		
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)			0		
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)			0		
37 Total Deductions (Sum of Items 34 to 36)			2,313,894		
OR (in case taxable under Sec 27(A) & 28(A)(1))					
38 Optional Standard Deduction (40% of Item 33)			0		
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)			(3,852,094)		
40 Applicable Income Tax Rate			20 %		
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)			0		
42 MCIT Due (2% of Item 33)			0		
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)			0		
Less: Tax Credits/Payments (attach proof)					
44 Prior Year's Excess Credits Other Than MCIT			542,631		
45 Income Tax Payment under MCIT from Previous Quarter/s			0		
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s			0		
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)			0		
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307			0		
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter			22,845		
50 Foreign Tax Credits, if applicable			0		
51 Tax Paid in Return Previously Filed, if this is an Amended Return			0		
52 Special Tax Credits (To Part V Item 58)			0		
Other Credits/Payments (Specify)					
53			0		
54			0		
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)			565,476		
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)			(565,476)		
Part V - Tax Relief Availment					
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)			0		
58 Add: Special Tax Credits (From Part IV Item 52)			0		
59 Total Tax Relief Availment (Sum of Items 57 and 58)			0		

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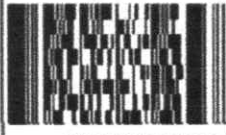
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Batch Number : 0

BIR Form No. 1702-RT January 2018(ENCS) Page 3		Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate		 1702-RT 01/18ENCS P3	
Taxpayer Identification Number (TIN) 000 - 338 - 426 - 000			Registered Name SINCERE SECURITIES CORPORATION		
Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)					
1 Amortizations				0	
2 Bad Debts				0	
3 Charitable Contributions				0	
4 Depletion				0	
5 Depreciation				6,375	
6 Entertainment, Amusement and Recreation				0	
7 Fringe Benefits				0	
8 Interest				0	
9 Losses				0	
10 Pension Trust				0	
11 Rental				703,929	
12 Research and Development				0	
13 Salaries, Wages and Allowances				638,598	
14 SSS, GSIS, Philhealth, HDMF and Other Contributions				64,124	
15 Taxes and Licenses				90,301	
16 Transportation and Travel				6,140	
17 Others (Deductions Subject to Withholding Tax and Other Expenses) (Specify below; Add additional sheet/s, if necessary)					
a Janitorial and Messengerial Services				0	
b Professional Fees				136,000	
c Security Services				0	
d UTILITIES				165,758	
e OFFICE SUPPLIES				62,679	
f EMPLOYEE BENEFITS				51,000	
g INSURANCE				39,372	
h REPAIRS AND MAINTENANCE				29,500	
i OTHERS				320,118	
i.1 POSTAGE, TELEPHONE AND COMMUNICATIONS				14,610	
i.2 BANK CHARGES				1,300	
i.3 OTHER EXPENSES				304,208	
				Add Delete Add Attachment	
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17i) (To Part IV Item 34)				2,313,894	
Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)					
Description		Legal Basis		Amount	
1				0	
2				0	
3				0	
4				0	
				Add Delete Add Attachment	
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)				0	

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Date Filed : April 29, 2024 05:29 PM
Batch Number : 0

BIR Form No. 1702-RT January 2018 (ENCS) Page 4		Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate			
Taxpayer Identification Number (TIN) 000 - 338 - 426 - 000		Registered Name SINCERE SECURITIES CORPORATION			
Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)					
1 Gross Income (From Part IV Item 33)				1,538,280	
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)				2,313,894	
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)				(3,852,094)	
Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Continues; 49 Continues or Less drop down; 50 or more scroll up)					
Net Operating Loss		B) NOLCO Applied Previous Year			
Year Incurred	A) Amount				
4 2023	3,852,094	0			
5 2022	3,597,754	0			
6 2021	2,272,174	0			
7 2020	2,426,961	0			
Continuation of Schedule IIIA (Item numbers continue from table above)					
C) NOLCO Expired		D) NOLCO Applied Current Year		E) Net Operating Loss (Unapplied) (E = A Less (B + C + D))	
4	0	0	3,852,094		
5	0	0	3,597,754		
6	0	0	2,272,174		
7	0	0	2,426,961		
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)		0			
Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)					
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax		
1	0	0	0		
2	0	0	0		
3	0	0	0		
Continuation of Schedule IV (Item numbers continue from table above)					
D) Excess MCIT Applied/Used in Previous Years		E) Expired Portion of Excess MCIT		F) Excess MCIT Applied this Current Taxable Year	
G) Balance of Excess MCIT Allowable as Tax Credit for Successing Years (G = C Less (D + E + F))					
1	0	0	0	0	
2	0	0	0	0	
3	0	0	0	0	
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0			
Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheets, if necessary)					
1 Net Income (Loss) per books				(2,937,310)	
Add: Non-deductible Expenses/Debitable Other Income				662,594	
2 NON TAXABLE IN-PARTMENT INCOME				662,594	
3 OTHERS				691,945	
3.1 NON DEDUCTIBLE DEPRECIATION/ROI				864,372	
3.2 NON DEDUCTIBLE RETIREMENT BENEFITS EXPENSE				51,010	
3.3 NON DEDUCTIBLE AMORTIZATION OF INTEREST EXPENSE				33,615	
3.4 DISALLOWED EXPENSES				2,048	
Add Delete Add Attachment					
4 Total (Sum of Items 1 to 3)				(743,801)	
Less: A) Non-Taxable Income and Income Subjected to Final Tax					
5 DIVIDEND INCOME				2,405,959	
6 OTHERS				768,113	
6.1 ACTUAL PAYMENT OF RENTAL				767,929	
6.2 INTEREST INCOME				4,184	
Add Delete Add Attachment					
B) Special Deductions				0	
7				0	
8				0	
Add Delete Add Attachment					
8 Total (Sum of Items 5 to 8)				3,108,113	
9 Net Taxable Income (Loss) (Item 4 Less Item 8)				(2,552,094)	

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Re: AUDITED ANNUAL FINANCIAL STATEMENT CY 2023

From: ICTD Submission (ictdsubmission+canned.response@sec.gov.ph)

To: sinceresec.corp@yahoo.com

Date: Tuesday, April 30, 2024 at 12:13 PM GMT+8

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

NOTICE TO**COMPANIES**

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS - Consolidated

For the submission and processing of compliance in the filing of
Memorandum Circular No. 22 Series of 2020, please visit this link: