BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

(Expressed in Bahamian dollars)

	Notes	2024	As Restated 2023	As Restated 2022
NON-CURRENT ASSETS				
Property, plant & equipment	11	380,299	568,370	735,525
Intangible asset	12,26	680,751	687,064	652,582
Investment property	13	7,778,607	7,778,607	6,498,221
		8,839,657	9,034,041	7,886,328
CURRENT ASSETS				
Cash at bank	6	276,193	-	4,334,359
Due from brokers	6	2,365,842	925,678	2,451,708
Investments in securities (long)	9	7,763,628	9,259,139	6,769,443
Customer advances (net)	7	1,507,700	1,711,298	1,850,316
Loans receivable (net)	8	1,121,625	1,422,578	1,450,500
Other receivables and prepayments	26	480,064	329,688	763,411
		13,515,052	13,648,381	17,619,737
CURRENT LIABILITIES				
Bank overdraft	6, 14	506,725	288,535	203,205
Accounts payable and accrued expenses	10	617,042	630,931	962,626
Due to customers	7	3,920,018	3,900,359	7,723,218
Investments in securities (short)	9	-	43,962	334,013
Bank loan - current	14	-	18,677	18,677
Loan from shareholder	14	-	100,000	-
		5,043,785	4,982,464	9,241,739
NET CURRENT ASSETS		8,471,267	8,665,917	8,377,998
NON-CURRENT LIABILITIES				
Bank loan - non-current	14	-	-	42,357
NET ASSETS		$ 17,310,924	$ 17,699,958	$ 16,221,969
EQUITY (Page 7)		$ 17,310,924	$ 17,699,958	$ 16,221,969

The consolidated financial statements were approved and authorized to be issued on June 5, 2025 by the Board of Directors, and signed on its behalf by:

Director

G. C. Culmer

Director

The accompanying notes form an integral part of these consolidated financial statements.

BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in Bahamian dollars)

	Notes	2024	2023
REVENUE			
Commission		821,295	755,227
Portfolio management and advisory fees		93,190	122,645
Dividends		230,415	206,462
Interest		52,206	11,727
Administrative and maintenance services		-	2,411
Rental income		675,621	575,597
		1,872,727	**1,674,069**
EXPENSES			
Salaries and benefits		945,747	894,687
Travel and entertainment		19,649	15,455
Investment advisory fee	17	100,000	100,000
Bank charges and interest		100,520	92,487
Commission			93,794
Professional and consultancy fees		173,536	158,565
Depreciation and amortization	11,12	204,218	187,909
Directors' and officers' fees		41,065	44,090
Computer repairs and maintenance		53,703	82,608
Cleaning, repairs and maintenance		82,896	114,646
Utilities		66,012	65,328
Corporate management fees	18	11,680	9,300
Printing and stationery		9,755	34,341
Bad debts	7, 21(a)	70,681	397,246
Public relations		-	47,213
Registrar Commission license fees		409	3,806
Business licence fees		14,015	25,366
Real property tax		44,919	27,333
Securities Commission licence fees		50,250	56,036
Bahamas International Securities Exchange fees		39,500	18,087
Security		76,427	34,120
Dues and subscription		57,214	64,134
Administrative fees		-	5,625
Miscellaneous		47,694	50,144
		2,209,890	**2,622,320**
OPERATING LOSS		**(337,163)**	**(948,251)**
Other (losses)/income:			
Net realized gain/(loss) on investments		136,372	(264,873)
Net unrealized (loss)/gain on investments		(146,624)	2,000,178
Net realized (loss)/gain on foreign exchange		(10,961)	125,203
Gain on fair valuation of investment property		-	761,779
Other income		18,472	640
		(2,741)	**2,622,927**
NET COMPREHENSIVE (LOSS)/ INCOME		**$ (339,904)**	**$ 1,674,676**
Net comprehensive (loss)/income per share	19	**$ (0.07)**	**$ 0.34**

The accompanying notes form an integral part of these consolidated financial statements.

BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DECEMBER 31, 2024

(Expressed in Bahamian dollars)

	(Note 15) Ordinary Shares	(Note 15) Preference Shares	Contributed Surplus	Retained Earnings	Total
Balance at January 1, 2023, as previously reported	49,591	5,000,000	4,056,273	7,116,105	**16,221,969**
Correction of prior period error (Note 26)	-	-	-	-	-
Balance at January 1, 2023, as restated	**49,591**	**5,000,000**	**4,056,273**	**7,116,105**	**16,221,969**
Dividends	-	-	-	(196,687)	**(196,687)**
Net comprehensive income (Page 7)	-	-	-	1,674,676	**1,674,676**
Balance at December 31, 2023	**49,591**	**5,000,000**	**4,056,273**	**8,594,094**	**17,699,958**
Dividends	-	-	-	(49,130)	**(49,130)**
Net comprehensive loss (Page 7)	-	-	-	(339,904)	**(339,904)**
Balance at December 31, 2024	**$ 49,591**	**$ 5,000,000**	**$ 4,056,273**	**$ 8,205,060**	**$ 17,310,924**

The accompanying notes form an integral part of these consolidated financial statements.

BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in Bahamian dollars)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net comprehensive (loss)/income		**(339,904)**	**1,674,676**
Adjustments for:			
Net unrealized loss/(gain) on investments in securities		146,624	(2,000,178)
Net realized (gain)/loss on investments in securities		(136,372)	264,873
Gain on fair valuation of investment property		-	(761,779)
Bad debts	7, 21(a)	70,681	397,246
Amortization	12	6,313	6,250
Depreciation	11	197,906	181,659
Net Cash (Used in) Operations before Changes in Operating Assets and Liabilities		**(54,752)**	**(237,253)**
Decrease/(increase) in customer advances (net)		132,917	(258,228)
Decrease/(increase) in loans receivables		300,953	27,922
(Increase)/decrease in other receivables and prepayments		(150,376)	433,724
Decrease in accounts payable and accrued expenses		(13,889)	(331,695)
Increase/(decrease) in due to customers		19,659	(3,822,859)
Net Cash Provided by/(Used in) Operating Activities		**234,512**	**(4,188,389)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of securities		(1,075,475)	(5,464,629)
Proceeds from sale of securities		2,516,772	4,420,187
Additions to intangible asset	12	-	(40,732)
Purchase of property, plant & equipment	11	(9,835)	(14,505)
Additions to investment property	13	-	(518,607)
Net Cash Provided by/(Used in) Investing Activities		**1,431,462**	**(1,618,286)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		(49,130)	(196,687)
(Repayment of)/addition to loan from shareholder	14(c)	(100,000)	100,000
Repayment of bank loan	14(b)	(18,677)	(42,357)
Net Cash Used in Financing Activities		**(167,807)**	**(139,044)**
NET INCREASE/(DECREASE) IN CASH		**1,498,167**	**(5,945,719)**
Cash, beginning of year		637,143	6,582,862
Cash, end of year		**$ 2,135,310**	**$ 637,143**
Cash is comprised of:			
Cash at bank		276,193	-
Due from brokers		2,365,842	925,678
Bank overdraft	14 (a)	(506,725)	(288,535)
		$ 2,135,310	**$ 637,143**

The accompanying notes form an integral part of these consolidated financial statements.

1. ORGANIZATION

Benchmark (Bahamas) Ltd. (the "Parent Company"), {the Parent}was incorporated under the laws of the Commonwealth of The Bahamas as a limited liability company on December 30, 1997 under the Companies Act 1992. The Parent functions as a public investment company and is listed on The Bahamas International Securities Exchange ("BISX"). Its primary objective is to provide a competitive return to shareholders by emphasizing a diversity of domestic instruments for capital preservation, steady income flow, and the opportunity for capital appreciation.

The Parent is 47.1% (2023: 47.1%) owned by Braun & Cie Ltd., a Bahamian company incorporated primarily to hold its investment in the Company and to provide management and advisory services to the Company. The remainder of the shares are held by members of the public.

These consolidated financial statements include the accounts of the Parent and its wholly owned subsidiaries, Benchmark Advisors (Bahamas) Ltd. ("Advisors"), Alliance Investment Management Ltd. ("Alliance"), Benchmark Properties (Bahamas) Ltd. ("Properties") and Benchmark Ventures Limited ("Ventures"), collectively "The Group," which are incorporated under the laws of the Commonwealth of The Bahamas.

Advisors was incorporated on February 26, 2001 to provide investment advice, strategic management planning and capital market services.

Effective November 30, 2001, the Parent acquired the entire net assets of Alliance, a company operating as a securities investment advisor, broker-dealer and consultant for non-resident companies and individuals conducting business within The Bahamas.

The financial statements of Alliance have been prepared on the basis that it will continue as a going concern. Its statement of changes in equity shows an accumulated deficit of $3,277,891 as at December 31, 2024 (2023: $3,244,764), resulting from losses accumulated in prior years. As Alliance has had a history of losses in recent years, the Parent has provided a guarantee to Alliance to make sufficient funds available to enable it to meet its present and future obligations for a period including, but not limited to 12 months from the date its financial statements were approved by the Board of Directors.

Properties was incorporated on July 30, 2006 as a real estate and property investment entity.

Ventures was incorporated on August 22, 2017. Its primary objective is to assist small business ventures with start-up and expansion capital.

The address of the registered office of the Group is Gresham House, Charlotte Street South, Nassau, Bahamas and its principal place of business is Suite 201, Carmichael Commercial Centre, Carmichael Road, Nassau, Bahamas.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

The new and revised IFRSs prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions; otherwise, the adoption is accounted for as change in accounting policy under IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

2.1 New and revised IFRSs applied for the first time in 2024

The following new and revised standards have been adopted in the current year. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years, except when specifically disclosed, but may affect the accounting for future transactions or arrangements.

A. Amendments to IAS 1 - ***Classification of Liabilities as Current or Non-Current***

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

B. Amendments to IAS 1 - ***Presentation of Financial Statements: Non-current Liabilities with Covenants***

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.1 New and revised IFRSs applied for the first time in 2024 (Continued)

B. Amendments to IAS 1 - *Presentation of Financial Statements: Non-current Liabilities with Covenants* (Continued)

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

C. Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosure of Supplier Finance Arrangements*

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

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.1 New and revised IFRSs applied for the first time in 2024 (Continued)

C. Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosure of Supplier Finance Arrangements* (Continued)

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

2.2 New and revised IFRSs in issue but not yet effective

At the date of authorization of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

A. Amendments to IAS 21 - *The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability*

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 New and revised IFRSs in issue but not yet effective (Continued)

A. Amendments to IAS 21 - ***The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability*** **(Continued)**

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may not have a material impact on the group's consolidated financial statements in future periods.

B. IFRS 18 - ***Presentation and Disclosures in Financial Statements***

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 New and revised IFRSs in issue but not yet effective (Continued)

B. IFRS 18 - ***Presentation and Disclosures in Financial Statements*** **(Continued)**

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Group do not anticipate that IFRS 18 will have an impact on the Group's consolidated financial statements.

C. IFRS 19 - ***Subsidiaries without Public Accountability: Disclosures***

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 New and revised IFRSs in issue but not yet effective (Continued)

C. IFRS 19 - *Subsidiaries without Public Accountability: Disclosures* (Continued)

- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and are under the historical cost basis except for certain financial instruments that are measured either at fair value or amortized cost, and investment property measured at fair value, as explained in the accounting policies (Note 4). Historical cost is generally based on the fair value of consideration given in exchange for assets.

(b) Functional and presentation currency

The consolidated financial statements are presented in Bahamian dollars which is the Company's functional currency.

3. BASIS OF PREPARATION (Continued)

(c) Principles of consolidation

Subsidiaries are those enterprises controlled by the Parent. Control exists when the Parent has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Revenue

The Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue comprises management fees and commissions on services to external clients. Consideration received from clients is only recognized as revenue to the extent that the Group has performed its contractual obligations in respect of that consideration. Consequently, annual management fees and loan administration fees are recognized as revenue throughout the year or the period of the loan, while commissions are earned on each trade transaction.

Interest is recognized in the period in which interest is earned. The amount of revenue is measured using the effective interest rate method.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease, excluding value-added tax ("VAT").

Dividends are recorded on the ex-dividend date.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Expenses

Expenses encompass losses as well as those expenses that arise in the course of the ordinary activities of the Group. The Group recognizes expenses in the consolidated statement of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are accounted for on the accrual basis.

(c) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than the Bahamian dollar are translated into Bahamian dollars at the rate of exchange in effect at the date of the consolidated statement of financial position. Income and expenses transacted in currencies other than Bahamian dollars are translated into Bahamian dollars at the rates of exchange prevailing at the transaction dates.

Unrealized foreign exchange differences arising on translation of assets and liabilities, and realized foreign exchange differences on income and expenses transacted in foreign currencies are both recognized in the consolidated statement of comprehensive income.

(d) Property, plant & equipment

Property, plant & equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized in the consolidated statement of comprehensive income on the straight-line basis over the estimated useful lives of each item of property, plant & equipment.

The estimated useful lives of the assets are as follows:

Leasehold improvements	5 years
Furniture, fixtures & equipment	3 - 5 years
Vehicles	5 years

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Gains or losses on disposal are included in the consolidated statement of comprehensive income.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Investment property

This is comprised of land and buildings held for appreciation or rental. The Group has elected to use the fair value model for subsequent measurement. Appreciation or decrease arising from changes in the fair value of investment property is included in the consolidated statement of comprehensive income for the period in which it arises.

(f) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at the date of each consolidated statement of financial position to determine if there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized in prior years.

Provision for impairment losses is maintained at a level believed to be adequate by management to absorb potential losses.

(g) Net comprehensive income/(loss) per share

Net comprehensive income/(loss) per share is calculated by dividing the net comprehensive income/(loss) by the weighted average number of shares outstanding.

(h) Intangible asset

Intangible assets acquired separately are initially carried at cost. Subsequently, intangible assets with definite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on the straight-line basis over its maximum 40 years' estimated useful life.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Financial instruments

Recognition and Classification

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognized when the Group becomes a party to the contractual provisions of the instrument. When initially recognized, all financial assets are further grouped as subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI"), or at fair value through profit or loss ("FVTPL"), while financial liabilities are classified as subsequently measured at amortized cost or at FVTPL.

Measurement

Financial instruments are initially measured at fair value (which is usually the cost) plus transaction costs that are directly attributable to the acquisition or issuance of the financial instrument, except for financial assets and liabilities that are classified as at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs.

Subsequent to initial recognition, all recognized financial instruments are measured at either amortized cost or fair value, depending on their respective classification.

Derecognition

Financial instruments are derecognized on the trade date when the Company is no longer a party to the contractual provisions of the instrument.

Financial assets

All *regular way purchase or sale* of financial assets that are under a contract whose terms require delivery of such within the timeframe established by the market concerned are initially recognized on the trade date. The financial assets are classified as follows:

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

At Amortized Cost

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

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

(ii) 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.

Amortized cost and effective interest rate method

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of effective interest rate.

The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating finance income over the relevant period. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at amortized cost are:

Cash at bank

For the purpose of the consolidated statement of cash flows, cash at bank includes balances which are available for withdrawal on demand.

Due from brokers

The Company maintains brokerage accounts with certain brokers locally and internationally. Due from brokers account in the consolidated statement of financial position consists of both client and Company's funds that are either deposited for future transactions or resulted from sales proceeds, dividends or other transactions, which remain held at the brokers at the end of the period.

Due from brokers are stated at amortized cost net of allowance for any doubtful accounts. These balances are available for withdrawal on demand.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

At Amortized Cost (Continued)

Financial assets at amortized cost are:

Customer advances

Customer advances are carried at the principal amount outstanding less any provision for impairment and doubtful debts. A provision for doubtful debts is made when collection of the full amount is considered no longer probable and the estimated value of the underlying collateral is insufficient to cover advances made to the customer. Amounts deemed to be irrecoverable are written off.

Other receivables

Other receivables are stated at amortized cost net of any provision for doubtful debts.

Related party balances

Related parties include all individuals or close members of those individuals' family, who have the ability to control or exercise significant influence over the Group in making financial and operating decisions, or are members of the key management personnel of the Group. Related parties include its shareholders, directors, and key management personnel of the Group.

They also include entities that are members of the same group with whom the Group is affiliated, and the entities controlled by the individuals identified above.

Related party balances are stated at amortized cost.

At Fair Value Through OCI ("FVTOCI")

Financial assets, are subsequently measured at FVTOCI if the following conditions are met:

(i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(ii) 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.