

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Financial Statements
For the year ended 29 February 2024

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Financial Statements For the year ended 29 February 2024

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ASIA WEALTH GROUP HOLDINGS LIMITED

Parent Company Directory At 29 February 2024

BOARD OF DIRECTORS

Richard Cayne
Peter William Upperton
John Paul Formichella

REGISTERED AGENT AND OFFICE

Harneys Corporate Services Limited
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola VG 1110
British Virgin Islands

CORPORATE ADVISOR

Peterhouse Corporate Finance Limited
New Liverpool House
15 Eldon Street
London EC2M 7LD
United Kingdom

LEGAL COUNSEL

EdwinCoe LLP
2 Stone Buildings
Lincoln's Inn
London WC2A 3TH
United Kingdom

BANKER

HSBC Bank Plc
Pall Mall
London SW1Y 5EZ
United Kingdom

REGISTRAR

Computershare Investor Services (BVI) Limited
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola VG 1110
British Virgin Islands

DEPOSITARY

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

EXCHANGE LISTING DETAILS

Aquis Stock Exchange
ISIN: VGG0540E1097
TIDM: AWLP
<http://www.aquis.eu/>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASIA WEALTH GROUP HOLDINGS LIMITED

Qualified Opinion

We have audited the consolidated financial statements of Asia Wealth Group Holdings Limited (the "Parent Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 29 February 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 29 February 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Qualified Opinion – Due from director

On 29 February 2024, the Group transferred its investment in private equity of \$32,857, which was valued using valuation techniques, to one of its Directors, payment for which remained outstanding. We were unable to obtain sufficient audit evidence as to whether the transfer value that it was carried at in the Group's financial statements represented its fair market value. As a result, we were unable to determine whether any adjustments would be necessary with regards to the resulting receivable from one of its Directors in the consolidated statement of financial position, and the related consolidated statement of comprehensive income.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the British Virgin Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

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

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Baker Tilly (BVI) Limited, trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

Other Information

This report is made solely to the Parent Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Parent Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's shareholders, as a body, for our audit work, for this report, or for the qualified opinion, we have formed.

Baker Tilly (BVI) Limited

**Chartered Accountants
Tortola, British Virgin Islands
31 July 2024**

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Statement of Financial Position

At 29 February 2024

Expressed in U.S. Dollars

	Note(s)	2024	2023
Non-current assets			
Fixed assets	3	5,185	4,635
Investment property	4,13	586,991	600,214
		<u>592,176</u>	<u>604,849</u>
Current assets			
Cash and cash equivalents		1,122,962	1,139,598
Trade receivables (net of allowance for doubtful accounts of \$8,572 (2023: \$8,572))		109,609	92,672
Financial assets at fair value through profit or loss	5	—	210,594
Loans and other receivables	6	27,891	49,459
Due from director	7	438,858	421,217
Prepaid tax		844	672
Prepayments and other assets		73,388	63,719
		<u>1,773,552</u>	<u>1,977,931</u>
Total assets		<u>\$ 2,365,728</u>	<u>\$ 2,582,780</u>
Equity			
Share capital	8	913,496	913,496
Treasury shares	8	(318,162)	(318,162)
Consolidation reserve		391,793	391,793
Translation reserve		13,937	23,582
Retained earnings		272,776	381,077
Total equity		<u>1,273,840</u>	<u>1,391,786</u>
Current liabilities			
Trade payables		1,044,686	1,139,577
Other payables and accrued expenses	7	47,202	51,417
Total liabilities		<u>1,091,888</u>	<u>1,190,994</u>
Total equity and liabilities		<u>\$ 2,365,728</u>	<u>\$ 2,582,780</u>

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Statement of Comprehensive Income

For the year ended 29 February 2024

Expressed in U.S. Dollars

	Note(s)	2024	2023
Revenue			
Commission income	11	<u>1,022,085</u>	<u>1,353,957</u>
		<u>1,022,085</u>	<u>1,353,957</u>
Expenses			
Commission expense	11	369,114	563,811
Directors' fees	7	301,959	303,230
Professional fees	7	237,466	252,935
Travel and entertainment		52,492	60,084
Salaries and wages		42,319	43,017
Office expenses		40,520	42,135
Insurance expense		25,120	21,275
Rent		16,711	17,949
Marketing		5,623	7,625
Depreciation	3,11	1,840	424
Impairment losses		—	22,250
Other expenses		<u>21,732</u>	<u>22,960</u>
		<u>1,114,896</u>	<u>1,357,695</u>
Net loss from operations		<u>(92,811)</u>	<u>(3,738)</u>
Other income/(expenses)			
Net foreign exchange loss		(40,568)	(205,143)
Net (loss)/gain from investments	5	(4,080)	655
Other income		<u>29,475</u>	<u>20,265</u>
		<u>(15,173)</u>	<u>(184,223)</u>
Net loss before taxation		(107,984)	(187,961)
Taxation	9,11	<u>317</u>	<u>289</u>
Total comprehensive loss		<u>\$ (108,301)</u>	<u>\$ (188,250)</u>
Total comprehensive loss attributable to equity holders of the Parent Company		<u>\$ (108,301)</u>	<u>\$ (188,250)</u>
Losses per share attributable to the equity holders of the Parent Company:			
Basic losses per share	10	\$ (0.00975)	\$ (0.01694)
Diluted losses per share	10	\$ (0.00975)	\$ (0.01694)

ASIA WEALTH GROUP HOLDINGS LIMITED

**Consolidated Statement of Changes in Equity
For the year ended 29 February 2024**

Expressed in U.S. Dollars

	2024						
	Attributable to Equity Holders of the Parent Company						
	Share Capital						
	Number	US\$	Treasury Shares	Consolidation Reserve	Translation Reserve	Retained Earnings	Equity
Balances at beginning of year	11,433,433	913,496	(318,162)	391,793	23,582	381,077	1,391,786
Translation differences	—	—	—	—	(9,645)	—	(9,645)
Total comprehensive loss	—	—	—	—	—	(108,301)	(108,301)
Balances at end of year	<u>11,433,433</u>	<u>\$ 913,496</u>	<u>\$ (318,162)</u>	<u>\$ 391,793</u>	<u>\$ 13,937</u>	<u>\$ 272,776</u>	<u>\$ 1,273,840</u>

	2023						
	Attributable to Equity Holders of the Parent Company						
	Share Capital						
	Number	US\$	Treasury Shares	Consolidation Reserve	Translation Reserve	Retained Earnings	Equity
Balances at beginning of year	11,433,433	913,496	(318,162)	405,997	16,001	569,327	1,586,659
Translation differences	—	—	—	(14,204)	7,581	—	(6,623)
Total comprehensive loss	—	—	—	—	—	(188,250)	(188,250)
Balances at end of year	<u>11,433,433</u>	<u>\$ 913,496</u>	<u>\$ (318,162)</u>	<u>\$ 391,793</u>	<u>\$ 23,582</u>	<u>\$ 381,077</u>	<u>\$ 1,391,786</u>

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Statement of Cash Flows

For the year ended 29 February 2024

Expressed in U.S. Dollars

	2024	2023
Operating activities		
Net loss before taxation	(107,984)	(187,961)
Adjustments for:		
Net foreign exchange loss	205,143	190,939
Impairment losses	—	22,250
Depreciation	1,840	424
Net loss/(gain) from investments	4,080	(655)
Interest income	(8,843)	(189)
	<u>94,236</u>	<u>24,808</u>
Net operating income before changes in operating assets and liabilities	94,236	24,808
Changes in operating assets and liabilities:		
(Increase)/decrease in trade receivables	(16,937)	5,130
Decrease in loans and other receivables	26,695	11,510
Increase in prepaid tax	(489)	(846)
(Increase)/decrease in prepayments and other assets	(9,669)	5,398
Decrease in trade payables	(94,891)	(85,502)
Decrease in other payables and accrued expenses	(4,215)	(1,451)
	<u>(5,270)</u>	<u>(40,953)</u>
Net cash flows used in operations	(5,270)	(40,953)
Interest income received	3,716	189
	<u>(1,554)</u>	<u>(40,764)</u>
<i>Net cash flows used in operating activities</i>	<u>(1,554)</u>	<u>(40,764)</u>
Investing activities		
Proceeds from sale of financial assets at fair value through profit or loss	173,657	73,385
Acquisition of fixed assets	(2,390)	(858)
	<u>171,267</u>	<u>72,527</u>
<i>Net cash flows from investing activities</i>	<u>171,267</u>	<u>72,527</u>
Financing activities		
Net advances from director	15,216	43,911
	<u>15,216</u>	<u>43,911</u>
<i>Cash flows from financing activities</i>	<u>15,216</u>	<u>43,911</u>
Net increase in cash and cash equivalents	184,929	75,674
Effects of exchange rate fluctuations on cash and cash equivalents	(201,565)	(152,833)
Cash and cash equivalents at beginning of year	<u>1,139,598</u>	<u>1,216,757</u>
Cash and cash equivalents at end of year	<u>\$ 1,122,962</u>	<u>\$ 1,139,598</u>

Cash and cash equivalents comprise cash at banks.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

1) GENERAL INFORMATION

Asia Wealth Group Holdings Limited (the “Parent Company”) was incorporated in the British Virgin Islands on 7 October 2010 under the BVI Business Companies Act, 2004. The liability of the shareholders is limited by shares. The Parent Company maintains its registered office in the British Virgin Islands. The consolidated financial statements were authorised for issue by the Board of Directors on 31 July 2024.

The principal activity of the Parent Company and its subsidiaries (the “Group”) is to provide wealth management advisory services to Asian-based high net worth individuals and corporations.

The Parent Company’s shares were listed on the PLUS Stock Exchange based in London, United Kingdom. In June 2012, ICAP Plc, an interdealer broker based in London, United Kingdom, bought PLUS Stock Exchange and rebranded and relaunched it as ICAP Securities & Derivatives Exchange (“ISDX”). On 30 December 2016, ISDX was renamed NEX Exchange. In March 2020, the U.K. Financial Conduct Authority approved the acquisition of NEX Exchange Limited by Aquis Exchange PLC. Consequently, NEX Exchange changed its name to Aquis Stock Exchange (“AQSE”). The Parent Company’s shares were automatically listed to AQSE.

The Parent Company has the following subsidiaries as at 29 February 2024 and 28 February 2023:

	Incorporation Date	Country of Incorporation	Functional Currency	Ownership Interest	
				2024	2023
Meyer Asset Management Ltd. (“Meyer BVI”)	2000	British Virgin Islands	U.S. Dollars	100.00%	100.00%
Meyer International Limited (“Meyer Thailand”)	2010	Thailand	Thailand Baht	49.00%	49.00%
Nihon Wealth Management Company Limited (formerly Prime RE Limited)	2016	Thailand	Thailand Baht	49.00%	49.00%

On 13 June 2012, Meyer BVI was licensed to provide investment business services under Section 3 of the Securities and Investment Business Act, 2010 of the British Virgin Islands.

On 23 September 2016, Meyer Thailand acquired 51.00% of Nihon Wealth Management Company Limited.

On 20 October 2016, 51.00% of Meyer Thailand, owned beneficially via a trust agreement in favour of Meyer BVI, was acquired by Nihon Wealth Management Company Limited.

Therefore, the Parent Company is the indirect owner of 51.00% of the outstanding shares of Nihon Wealth Management Company Limited and Meyer Thailand, and accordingly the Parent Company has accounted for them as wholly owned subsidiaries.

2) MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the Group’s consolidated financial statements are set out below. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, unless otherwise stated.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

a) Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) applicable to companies reporting under IFRSs. The consolidated financial statements comply with IFRSs as issued by the International Accounting Standards Board.

Historical cost convention

The consolidated financial statements have been prepared on the basis of historical costs and do not take into account increases in the market value of assets except for investment property measured at fair value.

The Group’s consolidated financial statements and records are presented and maintained in U.S. Dollars, rounded to the nearest dollar.

New and amended standards

Effective 1 March 2023, the Group has applied the amendments to International Accounting Standards 1, “Presentation of Financial Statements” and IFRS Practice Statement 2, “Making Materiality Judgments”. The amendments require that the Group discloses its material accounting policies, instead of its significant accounting policies. Further, the amendments explain how the Group can identify a material accounting policy.

There are no new, revised or amended IFRSs or IFRS IC interpretations that are effective for the first time for the financial period beginning 1 March 2023 that would be expected to have a material impact on the Group’s consolidated financial statements.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2023, and have not been adopted early in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

b) Critical estimates and judgments

The preparation of consolidated financial statements requires the use of accounting estimates which may differ from actual results. Management also needs to exercise judgments in the application of policies.

Below is an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

b) Critical estimates and judgments (Cont'd)

The areas involving significant estimates or judgments are:

- Impairment of receivables
- Determination of fair value of investment property
- Estimating the useful lives of fixed assets
- Judgment on going concern

Impairment of receivables

Provision for doubtful accounts is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance for doubtful accounts is based on ageing of the accounts receivable, past collection trends and other factors that may affect collectability, including knowledge of individual customer circumstances, customer credit-worthiness and current economic trends. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the agreement.

Determination of fair value of investment property

The Group obtains independent valuations for its investment property at least annually. At the end of each reporting period, the Directors update their assessment of the fair value, taking into account the most recent independent valuations. The Directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Directors consider information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Estimating the useful lives of fixed assets

The useful lives of the Group's fixed assets are estimated based on the period which they are expected to be available for use. The estimated useful lives of fixed assets are reviewed and updated if expectations differ materially from previous estimates.

Judgment on going concern

A key assumption in the preparation of the consolidated financial statements is that the Group will continue as a going concern. The going concern assumption assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

b) Critical estimates and judgments (Cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

c) Principles of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries for the year ended 29 February 2024. Details of the Group are set out in note 1.

Subsidiaries are all entities (including structured entities) over which the Parent Company has control. The Parent Company controls an entity where the Parent Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financial statements.

Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

c) Principles of consolidation (Cont'd)

Acquisitions (Cont'd)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If these investments are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

d) Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is charged to the consolidated statement of comprehensive income on a straight line basis over the estimated useful lives of the fixed assets.

The annual rates of depreciation in use are as follows:

Leasehold improvements	20%
Office equipment	20-33%
Vehicles	20%

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

e) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation and is not occupied by the Group, is measured initially at cost, including transaction costs.

Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the consolidated statement of comprehensive income in the period in which they arise.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the reporting date by professional independent appraisers who hold recognised and relevant professional qualifications and have recent experience in the location and category of investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property, which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the consolidated statement of comprehensive income in the period in which the property is derecognised.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property.

Investment property comprises condominium units.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

f) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include current deposits with banks and other short-term highly liquid financial instruments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and bank overdrafts.

g) Financial assets at amortised cost

Financial assets at amortised cost comprise trade receivables, loans and other receivables and due from director. Financial assets are recognised initially at the amount of consideration that is unconditional, unless they contain a significant financing component, in which case they are recognised at fair value plus transaction costs that are directly attributable to their acquisition. These financial assets are held for collection of contractual cash flows representing solely payments of principal and interest, if any, and therefore are measured subsequently at amortised cost using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of comprehensive income.

Regular way purchases and sales are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

For trade receivables, loans and other receivables and due from director, the Group applies the general approach which requires expected credit losses ("ECL") to be recognised based on the full three-stage model as follows:

- Stage 1: Items that have not deteriorated significantly in credit quality since initial recognition. A loss allowance equal to 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the financial asset.
- Stage 2: Items that have deteriorated significantly in credit quality since initial recognition, but do not have objective evidence of a credit loss event. A loss allowance equal to lifetime ECL is recognised, but interest income is still calculated on the gross carrying amount of the asset.
- Stage 3: Items that have objective evidence of impairment at the reporting date. A loss allowance equal to lifetime ECL is recognised and interest income is calculated on the net carrying amount.

The Group considers a receivable in default when contractual payments are over 365 days past due. However, in certain cases, the Group may also consider a receivable to be in default when internal and external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

g) Financial assets at amortised cost (Cont'd)

Receivables for which an impairment provision was recognised, are written off against the provision when there is no expectation of recovering additional cash. Subsequent recoveries of amounts previously written off are credited against impairment losses.

h) Financial liabilities at amortised cost

Financial liabilities are non-derivative contractual obligations to deliver cash or another financial asset to another entity and comprise trade payables and other payables and accrued expenses.

These financial liabilities are initially recognised at fair value on the date the Group becomes a party to the contractual provisions of an instrument and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the obligation specified in a contract is discharged, cancelled or expired.

i) Equity

Share capital represents the nominal value of shares that have been issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Where any Group company purchases the Parent Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Group as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Group.

Retained earnings represent the cumulative balance of periodic net income/loss, dividend distributions and prior period adjustments, if any.

Other components of equity include the following:

- consolidation reserve – comprises differences in the valuation bases and post-acquisition reserves of investment in subsidiaries.
- translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into the reporting currency.

j) Income and expense recognition

In relation to the rendering of professional services, the Group recognises fee income as time is expended and costs are incurred, provided the amount of consideration to be received is reasonably determinable and there is reasonable expectation of its ultimate collection.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) **MATERIAL ACCOUNTING POLICIES** (Cont'd)

j) **Income and expense recognition** (Cont'd)

Rental income arising from operating leases on investment property is recognised in the consolidated statement of comprehensive income on a straight line basis over the term of the lease.

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

All expenses are recognised in the consolidated statement of comprehensive income on the accrual basis.

k) **Leases**

The Group assessed and applied the short-term lease recognition exemption under IFRS 16, "Leases". Lease payments are recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

l) **Impairment**

The Group's other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at the end of each reporting period.

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the consolidated statement of comprehensive income.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m) **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position whenever the Group has a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) MATERIAL ACCOUNTING POLICIES (Cont'd)

n) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the functional currency of the primary economic environment in which the Group operates.

The subsidiaries' functional currencies are disclosed in note 1 to the financial statements. The consolidated financial statements are presented in U.S. Dollars, rounded to the nearest dollar.

Transactions and balances

Foreign currency transactions are converted into U.S. Dollars using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

2) **MATERIAL ACCOUNTING POLICIES** (Cont'd)

n) **Foreign currency transactions** (Cont'd)

Translation reserve

Assets and liabilities of the Group's non-U.S. Dollar functional currency subsidiaries are translated into U.S. Dollars at the closing exchange rates at the reporting date. Revenues and expenses are translated at the average exchange rates for the year. All cumulative differences from the translation of the equity of foreign subsidiaries resulting from changes in exchange rates are included in a separate caption within equity without affecting income.

o) **Related parties**

Related parties are individuals and entities where the individual or entity has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

p) **Segment reporting**

The Group's operating businesses are organised and managed separately according to geographical area, with each segment representing a strategic business unit that serves a different market. Financial information on business segments is presented in note 11 of the consolidated financial statements.

q) **Taxation**

Taxation on net profit before taxation for the year comprises both current and deferred tax.

Current tax is the expected income tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years in the countries where the Parent Company and its subsidiaries operate and generate taxable income.

The Group accounts for income taxes in accordance with IAS 12, "Income Taxes," which requires that a deferred tax liability be recognised for all taxable temporary differences and a deferred tax asset be recognised for an enterprise's deductible temporary differences, operating losses, and tax credit carry-forwards. A deferred tax asset or liability is measured using the marginal tax rate that is expected to apply to the last dollars of taxable income in future years. The effects of enacted changes in tax laws or rates are recognised in the period that includes the enactment date.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

3) FIXED ASSETS

	Leasehold improvements	Office equipment	Vehicles	Total
Cost:				
At 28 February 2023	20,281	45,646	55,392	121,319
Additions	—	2,390	—	2,390
At 29 February 2024	20,281	48,036	55,392	123,709
Depreciation				
At 28 February 2023	20,281	41,011	55,392	116,684
Charge for the year	—	1,840	—	1,840
At 29 February 2024	20,281	42,851	55,392	118,524
Net book value:				
At 29 February 2024	\$ —	\$ 5,185	\$ —	\$ 5,185
At 28 February 2023	\$ —	\$ 4,635	\$ —	\$ 4,635

4) INVESTMENT PROPERTY

	2024	2023
Balance at beginning of year	600,214	644,943
Effects of translations	(13,223)	(44,729)
Balance at end of year	<u>\$586,991</u>	<u>\$600,214</u>

Investment property comprises condominium units at The Prime 11 Condominium in Bangkok, Thailand. As at 29 February 2024, it had a fair value of THB 21,000,000 (2023: THB 21,000,000).

5) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
Investment in Philip Investment Fund	—	168,245
Investment in private equity	—	<u>42,349</u>
	\$ —	<u>\$210,594</u>

In 2024, the 215,024.30 units (2023: 95,584.02 units) in Philip Money Market Fund were sold, resulting in a gain of \$5,412 (2023: \$3,155). Total unrealised gain amounted to \$nil (2023: \$1,049).

On 25 August 2021, the Company acquired 180,000 Class A Common Shares of BRM Agri Cambodia Limited, a company incorporated in Canada. During the year, loss on revaluation of investment in private equity amounted to \$9,492 (2023: \$3,549). On 29 February 2024, one of the Directors bought the shares from the Company for \$32,857.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

6) LOANS AND OTHER RECEIVABLES

On 24 August 2021, Meyer Thailand entered into a Loan Agreement with First Aid Training Bangkok Co. Ltd. ("FATB") amounting to THB 1,500,000. The loan earns interest at a rate of 1% per annum.

The loan was due on 24 August 2023 and secured by 100% of FATB's shares. The loan was issued by Meyer BVI on behalf of Meyer Thailand.

During the year, the loan was paid in full. The related intercompany balances were eliminated during consolidation.

Other receivables pertain to employee advances and accrued interest from third parties.

7) RELATED PARTY TRANSACTIONS

The Group was charged \$31,591 (2023: \$40,555) in accounting fees by Administration Outsourcing Co., Ltd, a company related by way of common directorship, of which \$2,414 (2023: \$2,866) remained outstanding as at year end.

During the year, the Group incurred directors' fees, inclusive of school fees and accommodation allowance, amounting to \$301,959 (2023: \$303,230).

As at 29 February 2024, due from director amounted to \$438,858 (2023: \$421,217).

All amounts are unsecured, interest-free and repayable on demand.

8) SHARE CAPITAL AND TREASURY SHARES

Share capital

Authorised

The Parent Company is authorised to issue an unlimited number of no par value shares of a single class.

	2024	2023
<i>Issued and fully paid</i>		
11,433,433 (2023: 11,433,433) shares of no par value per share.	<u>\$913,496</u>	<u>\$913,496</u>

Each share of the Parent Company confers upon the shareholder:

- a) the right to one vote on any resolution of shareholders;
- b) the right to an equal share in any dividend paid by the Parent Company; and
- c) the right to an equal share in the distribution of the surplus assets of the Parent Company on its liquidation.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

8) SHARE CAPITAL AND TREASURY SHARES (Cont'd)

The following was agreed by the parties under the Settlement Agreement:

- a) the Group consented and ratified the transfer of Ray Alliance shares;
- b) return of 322,000 shares of the Parent Company previously issued as consideration for the Ray Alliance shares;
- c) payment of SGD 350,000 to the Parent Company for claims on costs and damages.

Treasury shares recognised by the Group for the return of the Parent Company's shares amounted to \$318,162 (2023: \$318,162).

9) TAXATION

There is no mainstream taxation in the British Virgin Islands. The Parent Company and Meyer BVI are not subject to any forms of taxation in the British Virgin Islands, including income, capital gains and withholding taxes.

Meyer Thailand and Nihon Wealth Management Company Limited are subject to Thailand graduated statutory income tax at a rate of 0-15% (2023: 0-15%) on profit before tax.

The current tax expense included in the consolidated statement of comprehensive income relates to the following subsidiary:

	2024	2023
Meyer Thailand	<u>\$317</u>	<u>\$289</u>

The Group had no deferred tax assets or liabilities as at the reporting date.

The Group's total income tax differs from the amount determined by multiplying net (loss)/income before taxation by the weighted average tax rate of 0.29% (2023: 0.15%) as follows:

	2024	2023
Net loss before taxation	\$(<u>107,984</u>)	\$(<u>187,961</u>)
Tax calculated at weighted average tax rate	314	282
Expenses not deductible for tax purposes	—	1
Meyer BVI net profit not subject to tax	(322)	(118)
Parent Company's net loss not subject to tax	645	376
Other differences	(<u>320</u>)	(<u>252</u>)
	<u>\$317</u>	<u>\$289</u>

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

10) EARNINGS PER SHARE

a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of shares in issue during the year, excluding treasury shares.

	2024	2023
Losses attributable to equity holders of the Parent Company	\$(<u>108,301</u>)	\$(<u>188,250</u>)
Weighted average number of shares in issue	11,433,433	11,433,433
Adjusted for weighted average number of: - treasury shares	(<u> 322,000</u>)	(<u> 322,000</u>)
Weighted average number of shares in issue and for basic earnings for share	<u>11,111,433</u>	<u>11,111,433</u>
Basic losses per share	\$(<u>0.00975</u>)	\$(<u>0.01694</u>)

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. As at 29 February 2024 and 28 February 2023, the Parent Company had no share warrants or share options as potential dilutive shares. For the share options and warrants, if any, a calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options and warrants. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options and warrants.

	2024	2023
Earnings attributable to equity holders of the Parent Company	\$(<u>108,301</u>)	\$(<u>188,250</u>)
Weighted average number of shares in issue and for diluted earnings per share	<u>11,111,433</u>	<u>11,111,433</u>
Diluted losses per share	\$(<u>0.00975</u>)	\$(<u>0.01694</u>)

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

11) SEGMENTAL INFORMATION

The Group has two reportable segments based on geographical areas where the Group operates and these were as follows:

British Virgin Islands (“BVI”) – where the Parent Company and Meyer BVI are domiciled. The Parent Company serves as the investment holding company of the Group and Meyer BVI provides wealth management and advisory services.

Thailand – where Meyer Thailand is domiciled and provides marketing and economic consulting services to the Group and where Nihon Wealth Management Company Limited is domiciled and provides property rental services.

The reportable segmental revenue, other profit and loss disclosures, assets and liabilities were as follows:

Revenue

	2024			2023		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
BVI	1,018,868	—	1,018,868	1,349,910	—	1,349,910
Thailand	<u>188,047</u>	<u>(184,830)</u>	<u>3,217</u>	<u>203,530</u>	<u>(199,483)</u>	<u>4,047</u>
Total	<u>\$1,206,915</u>	<u>\$(184,830)</u>	<u>\$1,022,085</u>	<u>\$1,553,440</u>	<u>\$(199,483)</u>	<u>\$1,353,957</u>

The revenue between segments is carried out at arm’s length. Revenues from two customers of the BVI segment represent approximately 57% (2023: 28%) of the Group’s total revenues.

Other profit and loss disclosures

	2024			2023		
	Commission expense	Depreciation	Income tax	Commission expense	Depreciation	Income tax
BVI	365,789	516	—	560,240	1,173	—
Thailand	<u>3,325</u>	<u>1,324</u>	<u>317</u>	<u>3,571</u>	<u>(749)</u>	<u>289</u>
Total	<u>\$369,114</u>	<u>\$1,840</u>	<u>\$317</u>	<u>\$563,811</u>	<u>\$ 424</u>	<u>\$289</u>

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

11) SEGMENTAL INFORMATION (Cont'd)

Assets

	2024		2023	
	Total assets	Additions to non-current assets	Total assets	Additions to non-current assets
BVI	1,707,645	1,846	1,907,205	536
Thailand	<u>658,083</u>	<u>544</u>	<u>675,575</u>	<u>322</u>
Total	<u>\$2,365,728</u>	<u>\$2,390</u>	<u>\$2,582,780</u>	<u>\$858</u>

Intersegment assets amounting to \$1,132,485 (2023: \$1,117,979) were already eliminated in the total assets per segment above.

Liabilities

	2024	2023
BVI	1,078,932	1,171,831
Thailand	<u>12,956</u>	<u>19,163</u>
Total	<u>\$1,091,888</u>	<u>\$1,190,994</u>

Intersegment liabilities amounting to \$1,312,029 (2023: \$1,284,174) were already eliminated in the total liabilities per segment above.

12) FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of financial risks that are associated with its financial instruments. The most important types of financial risk to which the Group is exposed are market risk, credit risk and liquidity risk.

The Group's overall risk management program is established to identify and analyse this risk, to set appropriate risk limits and controls, and to monitor risks and adherence to limits in an effort to minimise potential adverse effects on the Group's financial performance.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors which includes interest rate risk and currency risk.

Interest rate risk

The financial instruments exposed to interest rate risk comprise cash and cash equivalents. The Group is exposed to interest rate cash flow risk on these financial instruments, which earn interest at floating interest rates that are reset as market rates change.

A sensitivity analysis was performed with respect to the interest-bearing financial instruments and management noted that the anticipated interest rate changes would have no material impact on the net assets of the Group.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

12) FINANCIAL RISK MANAGEMENT (Cont'd)

a) Market risk (Cont'd)

Foreign currency risk

The Group may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Group is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse affect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the U.S. Dollar.

	2024		2023	
	Fair value	% of net assets	Fair value	% of net assets
Thailand Baht	1,106,987	86.90	1,091,379	78.42
Japanese Yen	357,264	28.05	693,984	49.86
United Kingdom Pound	319,007	25.04	146,069	10.50
Euro	14,969	1.18	14,388	1.03
Singaporean Dollar	—	—	<u>210,594</u>	15.13
	<u>\$1,798,227</u>		<u>\$2,156,414</u>	

The amounts in the above table are based on the net carrying value of monetary assets and liabilities.

The following below summarises the sensitivity of the net assets to changes in foreign exchange movements at 29 February 2024 and 28 February 2023. The analysis is based on the assumption that the relevant foreign exchange rate increased/decreased against the U.S. Dollar by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	2024	2023
Thailand Baht	55,349	54,569
Japanese Yen	17,863	34,699
United Kingdom Pound	15,950	7,303
Euro	748	719
Singaporean Dollar	—	<u>10,530</u>
	<u>\$89,910</u>	<u>\$107,820</u>

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if financial instrument counterparties failed to perform as contracted.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

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12) FINANCIAL RISK MANAGEMENT (Cont'd)

b) Credit risk (Cont'd)

As at 29 February 2024 and 28 February 2023, the Group's financial assets exposed to credit risk amounted to the following:

	2024	2023
Cash and cash equivalents	1,122,962	1,139,598
Trade receivables (net of allowance for doubtful accounts of \$8,572 (2023: \$8,572))	109,609	92,672
Financial assets at fair value through profit or loss	—	210,594
Due from director	438,858	421,217
Loans and other receivables	<u>27,891</u>	<u>49,459</u>
	<u>\$1,699,320</u>	<u>\$1,913,540</u>

i) Risk management

The extent of the Group's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Group's consolidated statement of financial position.

The Group invests available cash and cash equivalents with various banks. The Group is exposed to credit-related losses in the event of non-performance by such counterparties to financial instruments, but given their reasonable credit ratings, management does not expect any such counterparty to fail to meet its obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To reduce exposure to credit risk, the Group may perform ongoing credit evaluations on the financial condition of its customers, but generally does not require collateral. The Group has significant exposure to a small number of customers, the two largest owing \$40,615 (2023: \$23,327) as at year end, which represents 34% (2023: 23%) of gross trade receivables. The Group is exposed to credit-related losses in the event of non-performance by these customers. The exposure to credit risk is reduced as these customers have a good working relationship with the Group and management does not expect any significant customer to fail to meet its obligations.

The Group is exposed to credit risk on due from director to the extent that the counterparty to this financial instrument may not be able to fulfil his obligations. However, the Group does not expect this counterparty to fail to meet his obligations.

ii) Security

For some trade receivables, the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of their agreement.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

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12) FINANCIAL RISK MANAGEMENT (Cont'd)

b) Credit risk (Cont'd)

iii) Impairment of financial assets

The Group applies the IFRS 9, "Financial Instruments" general approach to measuring ECL based on the full three-stage model.

The Group determined the ECL based on probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions. The assessment also considered borrower specific information.

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenues over a period of 36 months before 29 February 2024 or 28 February 2023, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 29 February 2024 and 28 February 2023 were determined as follows:

	Balance at 29 February 2024	Expected Credit Loss Rate	Loss Allowance at 29 February 2024
Trade receivables	\$118,181	7.25%	\$8,572

	Balance at 28 February 2023	Expected Credit Loss Rate	Loss Allowance at 28 February 2023
Trade receivables	\$101,244	8.47%	\$8,572

The closing loss allowance for trade receivables as at 29 February 2024 and 28 February 2023 reconcile to the opening loss allowance as follows:

	2024	2023
Opening balance	8,572	8,572
Change in loss allowance	<u>—</u>	<u>—</u>
Closing balance	<u>\$8,572</u>	<u>\$8,572</u>

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

12) FINANCIAL RISK MANAGEMENT (Cont'd)

b) Credit risk (Cont'd)

iii) *Impairment of financial assets* (Cont'd)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

While cash and cash equivalents, due from director and loans and other receivables are also subject to the impairment requirements, the identified impairment loss was immaterial.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational needs as they arise.

The Group's financial liabilities are expected to be settled within a year from the reporting date.

13) FAIR VALUE INFORMATION

The fair value of assets and liabilities in active markets is based on quoted market prices on the reporting date.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

For certain other financial instruments, including cash and cash equivalents, trade receivables, loans and other receivables, due from director, trade payables and other payables and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Non-financial assets

At the end of each reporting period, the Directors update their assessment of the fair value, taking into account the most recent independent valuation. The Directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

ASIA WEALTH GROUP HOLDINGS LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 29 February 2024

Expressed in U.S. Dollars

13) FAIR VALUE INFORMATION (Cont'd)

The Group engages an external, independent and qualified appraiser to determine the fair value of investment property. As at 29 February 2024 and 28 February 2023, the fair value of investment property has been based on an independent valuation report by American Appraisal (Thailand) Ltd. dated 15 June 2021.

The fair value estimate for investment property is included in Level 2 and has been derived using the sales comparison approach. The key inputs under this approach are the price per square metre from recent sales and listings of comparable properties in the area (location and size). Adjustments were made for the differences between the Group's investment property and the recent sales and listings of properties regarded as comparable.

The following table shows the carrying amounts and fair values of non-financial assets, including their levels in the fair value hierarchy at 29 February 2024 and 28 February 2023:

	2024	2023
<i>Non-financial asset – Level 2</i>		
Investment property	<u>\$586,991</u>	<u>\$600,214</u>

The Group did not hold any non-financial assets measured at fair value under the Levels 1 and 3 hierarchies as at 29 February 2024 and 28 February 2023.

There were no significant investments transferred between Levels 1, 2 and 3.

14) CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern; and
- to provide adequate returns to its shareholders.

In order to maintain or balance its overall capital structure to meet its objectives, the Group is continually monitoring the level of share issuance and any dividend declaration and distributions to shareholders in the future.

15) COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform with the current year's presentation.