ECICS Limited

Company Registration No:
198901301C

Annual Financial Statements
31 December 2025

ECICS Limited

General information

Directors

Lim Hua Min
Lim Wah Tong
Ng Choong Tiang, Andrew (Resigned 15 October 2025)
Jonathan Mark Chai (Joined 10 October 2025)

Company Secretaries

Chionh Yi Chian
Angeline Ng Ching Loo

Registered Office

10 Eunos Road 8
#09-04A Singapore Post Centre
Singapore 408600

Auditor

Ernst & Young LLP

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The directors are pleased to present their statement to the member of ECICS Limited (the "Company") the audited financial statements for the financial year ended 31 December 2025.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are as follows:

Lim Hua Min
Lim Wah Tong
Jonathan Mark Chai (Joined 10 October 2025)

Director's interests in shares and debentures

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures and share options in the Company and in related corporations other than wholly owned subsidiaries are as follows:

	Holdings in the name of the director, spouse or infant children		**Other holdings in which the director is deemed to have an interest**	
Name of directors	**At beginning of the year**	**At end of the year**	**At beginning of the year**	**At end of the year**
Ultimate holding company **Philip Assets Pte. Ltd.**				
Lim Hua Min	39,100,000	39,100,000	–	–
Immediate holding company **IFS Capital Limited**				
Lim Hua Min	–	–	226,949,029	252,722,309
Lim Wah Tong	2,463,000	2,463,000	–	–

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the year, there were:

(a) no options granted by the Company to any person to take up unissued shares in the Company; and

(b) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditor

Ernst & Young LLP has expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Jonathan Mark Chai
Director

Lim Wah Tong
Director

Singapore
21 April 2026

Independent auditor's report to the member of ECICS Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ECICS Limited (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises the general information and directors' statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Independent auditor's report to the member of ECICS Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

21 April 2026

ECICS Limited

Statement of financial position
As at 31 December 2025

	Notes	2025 S$	2024 S$
Assets			
Cash and bank deposits	6	13,834,439	6,018,296
Other financial assets	7	27,599,753	22,641,119
Other assets	10	1,243,803	512,413
Reinsurance contract assets	8	8,356,128	6,887,653
Deferred tax assets	9	503,867	503,867
Property, plant and equipment	11	34,026	27,169
Intangible assets	12	19,875	27,327
Total assets		51,591,891	36,617,844
Liabilities			
Other payables	15	1,231,466	180,756
Insurance contract liabilities	8	33,364,177	24,235,596
Total liabilities		34,595,643	24,416,352
Equity			
Share capital	16	52,000,000	45,000,000
Accumulated losses		(35,003,752)	(32,798,508)
Total equity		16,996,248	12,201,492
Total liabilities and equity		51,591,891	36,617,844

The accompanying notes form an integral part of the financial statements.

ECICS Limited

Statement of comprehensive income
For the financial year ended 31 December 2025

	Notes	2025 S$	2024 S$
Insurance revenue	8	21,685,182	13,768,695
Insurance service expense	5	(24,117,343)	(25,141,902)
Insurance service results before reinsurance contracts held		(2,432,161)	(11,373,207)
Allocation of reinsurance premiums	8	(7,600,324)	(5,897,041)
Reinsurance acquisition income	8	1,825,367	2,401,480
Amount recoverable from reinsurers from incurred claims	8	4,236,579	8,301,745
Net (loss)/income from reinsurance contract held		(1,538,378)	4,806,184
Insurance service results		(3,970,539)	(6,567,023)
Other operating expenses		(109,908)	(104,377)
Investment income	14	1,422,150	1,376,456
Other income		453,053	205,423
Loss before income tax	17	(2,205,244)	(5,089,521)
Income tax expense	18	–	–
Loss for the year/total comprehensive income for the year attributable to owner of the Company		(2,205,244)	(5,089,521)

The accompanying notes form an integral part of the financial statements.

ECICS Limited

Statement of changes in equity
For the financial year ended 31 December 2025

	Share capital S$	Accumulated losses S$	Total equity S$
Balance as at 1 January 2024	45,000,000	(27,708,987)	17,291,013
Total comprehensive income for the year:			
- Loss for the year	–	(5,089,521)	(5,089,521)
As at 31 December 2024 and 1 January 2025	45,000,000	(32,798,508)	12,201,492
Capital injection (Note 16)	7,000,000	–	7,000,000
Total comprehensive income for the year:			
- Loss for the year	–	(2,205,244)	(2,205,244)
As at 31 December 2025	52,000,000	(35,003,752)	16,996,248

The accompanying notes form an integral part of the financial statements.

ECICS Limited

Statement of cash flows
For the financial year ended 31 December 2025

	Notes	2025 S$	2024 S$
Cash flows from operating activities			
Loss before income tax		(2,205,244)	(5,089,521)
Adjustments for:			
Reversal of allowance for impairment of debt securities	14	(14,930)	(14,733)
Amortisation of debt securities measured at amortised cost	14	(74,542)	(50,924)
Dividend income	14	(210,408)	(242,091)
Net (gain)/loss on foreign exchange	14	99,480	(50,932)
Net gain on disposal of investments	14	(331,469)	(63,928)
Interest income	14	(411,174)	(610,419)
Net unrealised gain in fair value change of debt securities mandatorily measured at FVTPL	14	(115,412)	(99,780)
Net unrealised (gain)/loss in fair value change of equity securities mandatorily measured at FVTPL	14	(363,695)	(243,649)
Depreciation of property, plant and equipment	11	16,569	11,780
Amortisation of intangible assets	12	14,602	14,661
Operating cash flows before working capital changes		(3,596,223)	(6,439,536)
Changes in working capital:			
Other assets		(801,913)	(227,622)
Other payables		1,050,710	(213,560)
Changes in reinsurance contract assets		(1,468,475)	(3,808,106)
Changes in insurance contract liabilities		9,128,581	9,668,591
Net cash flows generated from/(used in) operating activities		4,312,680	(1,020,233)
Cash flows from investing activities			
Interest received		481,696	668,784
Dividend received		210,408	242,091
Purchase of investments	7	(58,652,693)	(21,751,816)
Proceeds from disposal of investments	7	54,494,628	24,056,010
Refund of deposit held on behalf of policyholders		1,186,315	(777,975)
Acquisition of property, plant and equipment	11	(23,426)	(15,725)
Addition on intangible assets	12	(7,150)	(40,836)
Net cash flows generated from investing activities		(2,310,222)	2,380,533
Cash flows from financing activity			
Capital injection from owner/shareholders	16	7,000,000	–
Net cash flows generated from financing activity		7,000,000	–
Net increase in cash and cash equivalents		9,002,458	1,360,300
Cash and cash equivalents at beginning of the year		4,419,435	3,059,135
Cash and cash equivalents at end of the year	6	13,421,893	4,419,435

The accompanying notes form an integral part of the financial statements.

1. Corporate information

ECICS Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 10 Eunos Road 8 #09-04A, Singapore Post Centre, Singapore 408600.

The Company is registered as a direct general insurer under the Insurance Act 1966.

The immediate holding company and ultimate holding company are IFS Capital Limited ("IFS") and Phillip Assets Pte. Ltd., both companies are incorporated in the Republic of Singapore. Related companies and corporations in these financial statements refer to the group companies of the immediate and ultimate holding company.

2. Basis of preparation

2.1 *Statement of compliance*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

2.2 *Basis of measurement*

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies or the explanatory notes set out below.

2.3 *Functional and presentation currency*

The financial statements are presented in Singapore dollars, which is the Company's functional currency. Premiums and claims are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore dollars, the directors are of the opinion that Singapore dollars reflects the economic substance of the underlying events and circumstances relevant to the Company.

2.4 *Use of estimates and judgements*

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and assumptions utilised, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 19.

2.5 *Changes in accounting policies*

New standards and amendments

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2025. The impact of the adoption of these new or amended standards and interpretations in the financial statements is assessed to be immaterial.

3. Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

The accounting policies have been applied consistently by the Company.

3.1 *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 *Classification of insurance contracts and reinsurance contracts*

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor vehicles, property, bond and guarantee, maid, hospital and surgical, foreign workers medical insurance and others. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. The Company also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The accounting policies adopted by the Company are summarised, as follows:

(i) Separating components from insurance and reinsurance contracts

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another SFRS(I) instead of under SFRS(I) 17. After separating any distinct components, the Company applies SFRS(I) 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

(ii) *Level of aggregation*

SFRS(I) 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The Company has elected to group contracts/portfolio with similar risks and managed together as a cohort. The cohort is determined by underwriting year written between January to December.

3. Material accounting policy information (cont'd)

3.2 *Classification of insurance contracts and reinsurance contracts (cont'd)*

(iii) *Onerous group of contracts*

The Company has assessed the historical performance of each contract in order to conclude whether it should be classified as loss making. In addition, the expected combined operating ratio for each policy will be used to inform the group of contracts as onerous. Specific analysis and justification will be made at each reporting period.

(iv) *Contract Boundary*

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

The analysis on the contract written was based on the following criteria:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

(v) *Discount Rate*

SFRS(I) 17 outlines two prescribed methods; namely: bottom-up and top-down methods, for generating a yield curve to be used for the discounting calculation. The Company considered the bottom-up method to be the most appropriate in order to generate the yield curves required under SFRS(I) 17.

The liability for incurred claims is calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Discount rates applied for discounting of future cash flows are listed below:

	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year
2025	1.37%	1.48%	1.60%	1.72%	1.84%	1.92%
2024	2.78%	2.72%	2.75%	2.79%	2.82%	2.83%

3. Material accounting policy information (cont'd)

3.2 *Classification of insurance contracts and reinsurance contracts (cont'd)*

(vi) *Risk Adjustment*

Risk adjustments for non-financial risk is the compensation that the Company requires for bearing uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that the Company would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

For contracts with contract boundary of one year or less are automatically eligible for the PAA and those which pass the PAA eligibility test, the risk adjustment valuation may therefore only be required for liability for incurred claims as the Company would expect the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, for the risk adjustment calculation permitted under SFRS(I) 17, the Company applies a provision of risk margin for adverse deviation ("PAD") to determine the risk adjustment for non-financial risk. The PAD allows for the possibility that reinsured claims may be higher than expected and ensures the sufficiency of reserves at 75% confidence level.

3.3 *Recognition and measurement of insurance and reinsurance contracts*

3.3.1 *Insurance contracts – initial measurement*

The Company applies the PAA to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.
- In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business. Variability in the fulfilment cash flows increases with, for example: The extent of future cash flows related to any derivatives embedded in the contracts. The length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

3. Material accounting policy information (cont'd)

3.3 *Recognition and measurement of insurance and reinsurance contracts (cont'd)*

3.3.1 *Insurance contracts – initial measurement (cont'd)*

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Company chose to expense insurance acquisition cash flows as they occur.

3.3.2 *Reinsurance contracts held – initial measurement*

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

3. Material accounting policy information (cont'd)

3.3 *Recognition and measurement of insurance and reinsurance contracts (cont'd)*

3.3.3 *Insurance contracts – subsequent measurement*

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims.

The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred. Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

3.3.4 *Reinsurance contracts held – subsequent measurement*

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Company has established a loss-recovery component, the Company subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

3. Material accounting policy information (cont'd)

3.3 *Recognition and measurement of insurance and reinsurance contracts (cont'd)*

3.3.5 *Insurance acquisition cash flows*

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Company chose to expense insurance acquisition cash flows as they occur.

3.3.6 *Insurance contracts – modification and derecognition*

The Company derecognises insurance contracts when the rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled, or expired).

3.3.7 *Presentation*

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to. The Company disaggregates the total amount recognised in the statement of comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses, if any. The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result. The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

3. Material accounting policy information (cont'd)

3.3 *Recognition and measurement of insurance and reinsurance contracts (cont'd)*

3.3.8 *Insurance revenue*

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

3.3.9 *Loss components*

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group.

3.3.10 *Loss-recovery components*

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses. A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

3.3.11 *Net income or expense from reinsurance contracts held*

The Company presents separately on the face of the statement of comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of comprehensive income.

3. Material accounting policy information (cont'd)

3.4 *Revenue recognition for non-(re)insurance contracts*

Service fees are recognised on an accrual basis.

Interest income is recognised and accounted for on an accrual basis.

Dividend income is recognised in profit or loss when the shareholder's right to receive payment is established.

3.5 *Government grants*

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised.

3.6 *Investment income and investment costs*

The Company's investment income and investment costs include:

- interest income;
- dividend income;
- the net gain or loss on financial assets at FVTPL; and
- impairment losses (and reversals) on debt investments carried at amortised cost

Interest income or expense is recognised using the effective method. Dividend income is recognised in the profit or loss on the date on which the Company's right to receive payment is established.

The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3. Material accounting policy information (cont'd)

3.7 *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equity is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Depreciation is recognised from the date that the property, plant equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimate useful lives for the current and comparative years are as follows:

Office renovations	-	5 years
Furniture and fittings	-	4 years
Office equipment	-	5 years
Computer equipment	-	5 years

Fully depreciated property, plant and equipment are retained in the financial statements until they are disposed of.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3. Material accounting policy information (cont'd)

3.8 *Intangible assets*

Computer software is stated at cost less accumulated amortisation and any accumulated impairment losses. Computer software is amortised from the date the asset is available for use. Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful life of 3 years, from the date on which they are available for use.

3.9 *Financial instruments*

(a) *Recognition and initial measurement*

Non-derivative financial assets and financial liabilities

Non-trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a non-trade receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A non-trade receivable without a significant financing component is initially measured at the transaction price.

The Company recognised insurance receivables, which are trade in nature, as part of liability for remaining coverage under the recognition and measurement of SFRS(I) 17. Credit risk related to liability for remaining coverage is also measured under SFRS(I) 17.

(b) *Classification and subsequent measurement*

<u>Non-derivative financial assets</u>

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

<u>Financial assets at amortised cost</u>

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

3. Material accounting policy information (cont'd)

3.9 ***Financial instruments (cont'd)***

(b) *Classification and subsequent measurement (cont'd)*

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVOCI

There are no financial assets classified as FVOCI.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basiç lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

3. Material accounting policy information (cont'd)

3.9 ***Financial instruments (cont'd)***

(b) *Classification and subsequent measurement (cont'd)*

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

3. Material accounting policy information (cont'd)

3.9 ***Financial instruments (cont'd)***

(b) *Classification and subsequent measurement (cont'd)*

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses (cont'd)

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(c) *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. Material accounting policy information (cont'd)

3.9 *Financial instruments (cont'd)*

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents while deposits related to cash collaterals from policyholders are excluded.

(f) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

3.10 *Impairment*

(a) *Non-derivative financial assets*

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs on all financial instruments.

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL such as deposits and other receivables, debt investments at amortised cost and cash and cash equivalents. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. Material accounting policy information (cont'd)

3.10 *Impairment (cont'd)*

(a) *Non-derivative financial assets (cont'd)*

Simplified approach (cont'd)

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

In certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Purchased or originated credit-impaired financial assets

Purchased or originated credit-impaired financial assets are financial assets that are credit-impaired at initial recognition. Loss allowance for purchased or originated financial assets that are credit-impaired on initial recognition is measured at an amount equal to cumulative changes in lifetime ECL.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- financial assets that are purchased or originated credit-impaired at initial recognition: as the present value of the difference between the cash flows the Company expects to receive at initial recognition and the cash flows that the Company expects to receive subsequent to initial recognition;
- financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

3. Material accounting policy information (cont'd)

3.10 *Impairment (cont'd)*

(a) *Non-derivative financial assets (cont'd)*

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Only applicable to restructuring of debt investments at FVOCI and financial assets at amortised cost due to financial difficulties of the borrowers:

Where the contractual terms of a financial assets are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties, ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset: the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset: the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of derecognition. This amount is included in the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

3. Material accounting policy information (cont'd)

3.10 *Impairment (cont'd)*

(a) *Non-derivative financial assets (cont'd)*

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(b) *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

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

3.11 *Employee benefits*

Defined contribution plans

Obligations for contributions to a statutory defined contribution plan are recognised as an expense in profit or loss as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. Material accounting policy information (cont'd)

3.12 *Provisions*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.13 *Income tax expense*

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable 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.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Material accounting policy information (cont'd)

3.13 *Income tax expense (cont'd)*

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

3.14 *New standards and interpretations not yet adopted*

Descriptions	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to SFRS(I)s—Volume 11	1 January 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027

The Company has not early adopted any standard, interpretation or amendment that has been issued but not yet effective. The Company is assessing the impact from the adoption of the standards above.

4. Insurance and financial risks

4.1 *Insurance risks*

The Company principally issues motor insurance being the Company's main insurance portfolio. The motor segment accounted for 96% (2024: 92%) of the total business in terms of insurance revenue.

For motor insurance, the most significant risks arise from the weather and profiles of the drivers.

The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues.

The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

4. Insurance and financial risks (cont'd)

4.1 *Insurance risks (cont'd)*

The Company purchases reinsurance as part of its risk mitigation programme. Reinsurance held is placed on a proportionate basis. The proportionate reinsurance is primarily quota-share reinsurance which is taken out to reduce the overall exposure of the Company to the Motor and Non-motor line of business.

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Company's placement of reinsurance for its motor business is with a single reinsurer; the exposure is being mitigated by high credit. rating and state ownership of the reinsurer.

The following table shows the concentration of insurance contract and reinsurance contract (assets)/liabilities split by motor and non-motor:

	2025			2024		
	Insurance contract issued	**Reinsurance contract held**	**Net**	**Insurance contract issued**	**Reinsurance contract held**	**Net**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**
Motor	28,657,568	(7,232,363)	21,425,205	19,692,579	(5,785,466)	13,907,113
Non-motor	4,706,609	(1,123,765)	3,582,844	4,543,017	(1,102,187)	3,440,830
Total	33,364,177	(8,356,128)	25,008,049	24,235,596	(6,887,653)	17,347,943

4.1.1 *Claims development table*

Claim development tables are disclosed to allow comparison of the outstanding claim provisions with those of prior years. In effect, the tables highlight the Company's ability to provide an estimate of the total value of claims. The top part of the table provides a review of current estimates of cumulative claims and demonstrates how the estimated claims have changed at subsequent reporting or accident year-ends. The estimate is increased or decreased as losses are paid and more information becomes known about the frequency and severity of unpaid claims. The lower part of the table provides a reconciliation of the total provision included in the statement of financial position and the estimated cumulative claims. While the information in the table provides a historical perspective on the adequacy of unpaid claims estimates in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances. The Company believes that the liability for incurred claims as at the reporting date are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

4. Insurance and financial risks (cont'd)

4.1 *Insurance risks (cont'd)*

4.1.1 *Claims development table (cont'd)*

The analysis of claims development has been performed on a gross and net basis after accounting for reinsurance and grossed up based on historical incurred net-to-gross loss experience as well as expected. There is no significant change in the approach adopted by the certifying actuary.

The claims information for the accident years below is based on the following:

Accident year:

2019	-	12 months ended 31 December 2019
2020	-	12 months ended 31 December 2020
2021	-	12 months ended 31 December 2021
2022	-	12 months ended 31 December 2022
2023	-	12 months ended 31 December 2023
2024	-	12 months ended 31 December 2024
2025	-	12 months ended 31 December 2025

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by SFRS(I) 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain. The Company has not disclosed previously unpublished information about claims development that occurred earlier than seven years before the end of the annual reporting period in which it first applies SFRS(I) 17.

4. Insurance and financial risks (cont'd)

4.1.1 *Claims development table (cont'd)*

Analysis of claims development - gross of reinsurance contract held as at 31 December 2025 (motor and non-motor) - Unit: $'000s

Estimate of cumulative claims Accident year	2019	2020	2021	2022	2023	2024	2025	Total
At end of accident year	7,495	23,951	4,141	4,449	5,462	16,071	15,246	
One year later	6,422	23,461	3,349	4,342	5,624	15,693		
Two years later	5,343	20,486	3,068	4,292	5,348			
Three years later	4,848	20,124	2,987	4,237				
Four years later	4,834	20,142	2,777					
Five years later	4,858	20,133						
Six years later	4,658							
Current estimate of ultimate claims	4,658	20,133	2,777	4,237	5,348	15,693	15,246	68,092
Cumulative payments	(4,582)	(19,952)	(2,580)	(3,776)	(4,440)	(12,801)	(4,202)	(52,333)
Gross estimate of outstanding claim liability	76	181	197	461	908	2,892	11,044	15,759
Unallocated loss adjustment expenses								532
Best estimate of gross outstanding claim liability								16,291
Estimated claims for prior accident years								189
Provision for adverse deviation								1,803
Gross provision for insurance claims								18,283
Other liability for incurred claims								2,500
Liability for incurred claims gross of reinsurance contract held								20,783

Summary of composition of liability for incurred claims – gross of reinsurance contract held basis

		Estimated present value of future cash flows S$'000	Risk adjustment S$'000	Total S$'000
Motor	Note 8.1.1	17,225	1,508	18,733
Non-Motor	Note 8.1.2	1,782	268	2,050
Total		19,007	1,776	20,783

4. Insurance and financial risks (cont'd)

4.1.1 *Claims development table (cont'd)*

Analysis of claims development - net of reinsurance contract held as at 31 December 2025 (motor and non-motor) - Unit: $'000s

Estimate of cumulative claims **Accident year**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
At end of accident year	6,032	9,034	3,437	4,034	3,653	7,506	10,696	
One year later	5,347	8,781	3,048	4,119	3,768	7,238		
Two years later	4,879	7,735	2,861	4,114	3,571			
Three years later	4,598	7,463	2,828	4,100				
Four years later	4,629	7,482	2,694					
Five years later	4,653	7,473						
Six years later	4,452							
Current estimate of ultimate claims	4,452	7,473	2,694	4,100	3,571	7,238	10,696	40,224
Cumulative payments	(4,383)	(7,341)	(2,575)	(3,751)	(3,020)	(5,529)	(2,869)	(29,468)
Gross estimate of outstanding claim liability	69	132	119	349	551	1,709	7,827	10,756
Unallocated loss adjustment expenses								533
Net estimate of outstanding claim liability								11,289
Estimated claims for prior accident years								174
Provision for adverse deviation								1,234
Net provision for insurance claims								12,697
Other net liabilities for incurred claims								1,088
Liability for incurred claims net of reinsurance contract held								13,785

Summary of composition of liability for incurred claims – net of reinsurance contract held basis

		Estimated present value of future cash flows S$'000	Risk adjustment S$'000	Total S$'000
Motor	Note 8.1.1	17,225	1,508	18,733
	Note 8.2.1	(5,691)	(440)	(6,131)
Non-Motor	Note 8.1.2	1,782	268	2,050
	Note 8.2.2	(748)	(119)	(867)
Total, net		12,568	1,217	13,785

4. Insurance and financial risks (cont'd)

4.1.1 *Claims development table (cont'd)*

Analysis of claims development - gross of reinsurance contract held as at 31 December 2024 (motor and non-motor) - Unit: $'000s

Estimate of cumulative claims Accident year	2018 and prior	2019	2020	2021	2022	2023	2024	Total
At end of accident year	24,307	7,495	23,951	4,141	4,449	5,462	16,071	
One year later	23,972	6,422	23,461	3,349	4,342	5,624		
Two years later	23,891	5,343	20,486	3,068	4,292			
Three years later	22,290	4,848	20,124	2,987				
Four years later	21,755	4,834	20,142					
Five years later	21,752	4,858						
Six years later	21,737							
Seven years later	22,018							
Current estimate of ultimate claims	22,018	4,858	20,142	2,987	4,292	5,624	16,071	75,992
Cumulative payments	(21,843)	(4,582)	(19,933)	(2,521)	(3,615)	(3,972)	(8,835)	(65,301)
Gross estimate of outstanding claim liability	175	276	209	466	677	1,652	7,236	10,691
Unallocated loss adjustment expenses								403
Best estimate of gross outstanding claim liability								11,094
Estimated claims for prior accident years								59
Provision for adverse deviation								1,428
Gross provision for insurance claims								12,581
Other liability for incurred claims								1,910
Liability for incurred claims gross of reinsurance contract held								14,491

		Estimated present value of future cash flows S$	Risk adjustment S$	Total S$
Motor	Note 8.1.1	11,025	1,100	12,125
Non-Motor	Note 8.1.2	2,038	328	2,366
Total		13,063	1,428	14,491

4. Insurance and financial risks (cont'd)

4.1.1 *Claims development table (cont'd)*

Analysis of claims development - net of reinsurance contract held as at 31 December 2024 (motor and non-motor) - Unit: $'000s

Estimate of cumulative claims **Accident year**	**2018 and prior**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
At end of accident year	18,217	6,032	9,034	3,437	4,034	3,653	7,506	
One year later	18,187	5,347	8,781	3,048	4,119	3,768		
Two years later	17,685	4,879	7,735	2,861	4,114			
Three years later	16,600	4,598	7,463	2,828				
Four years later	16,089	4,629	7,482					
Five years later	16,067	4,653						
Six years later	16,056							
Seven years later	16,337							
Current estimate of ultimate claims	16,337	4,653	7,482	2,828	4,114	3,768	7,506	46,688
Cumulative payments	(16,162)	(4,383)	(7,322)	(2,516)	(3,590)	(2,703)	(3,123)	(39,799)
Gross estimate of outstanding claim liability	175	270	160	312	524	1065	4,383	6,889
Unallocated loss adjustment expenses								403
Net estimate of outstanding claim liability								7,292
Estimated claims for prior accident years								46
Provision for adverse deviation								938
Net provision for insurance claims								8,276
Other net liabilities for incurred claims								102
Liability for incurred claims net of reinsurance contract held								8,378

Summary of composition of liability for incurred claims – net of reinsurance contract held basis

		Estimated present value of future cash flows S$	Risk adjustment S$	Total S$
Motor	Note 8.1.1	11,025	1,100	12,125
	Note 8.2.1	(4,617)	(378)	(4,995)
Non-Motor	Note 8.1.2	2,038	328	2,366
	Note 8.2.2	(1,006)	(112)	(1,118)
Total, net		7,440	938	8,378

4. Insurance and financial risks (cont'd)

4.1 *Insurance risks (cont'd)*

4.1.2 *Sensitivities analysis (insurance)*

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Year 2025	**Change in assumption** (%)	**Impact on profit before tax gross of reinsurance** S$'000	**Impact on profit before tax net of reinsurance** S$'000	**Impact on equity gross of reinsurance** S$'000	**Impact on equity net of reinsurance** S$'000
Ultimate loss ratio	+2%	(506)	(336)	(506)	(336)
Unexpired risk reserve loss ratio	+2%	–	(250)	–	(250)
Claim handling expense	+2%	(352)	(352)	(352)	(352)
Risk adjustments	+2%	(448)	(338)	(448)	(338)

	Change in assumption (%)	**Impact on profit before tax gross of reinsurance** S$'000	**Impact on profit before tax net of reinsurance** S$'000	**Impact on equity gross of reinsurance** S$'000	**Impact on equity net of reinsurance** S$'000
Ultimate loss ratio	-2%	506	336	506	336
Unexpired risk reserve loss ratio	-2%	–	250	–	250
Claim handling expense	-2%	352	352	352	352
Risk adjustments	-2%	448	338	448	338

4. Insurance and financial risks (cont'd)

4.1 *Insurance risks (cont'd)*

4.1.2 *Sensitivities analysis (insurance) (cont'd)*

Year 2024	**Change in assumption** (%)	**Impact on profit before tax gross of reinsurance** S$'000	**Impact on profit before tax net of reinsurance** S$'000	**Impact on equity gross of reinsurance** S$'000	**Impact on equity net of reinsurance** S$'000
Ultimate loss ratio	+2%	(329)	(195)	(329)	(195)
Unexpired risk reserve loss ratio	+2%	–	(163)	–	(163)
Claim handling expense	+2%	(219)	(219)	(219)	(219)
Risk adjustments	+2%	(336)	(224)	(336)	(224)

	Change in assumption (%)	**Impact on profit before tax gross of reinsurance** S$'000	**Impact on profit before tax net of reinsurance** S$'000	**Impact on equity gross of reinsurance** S$'000	**Impact on equity net of reinsurance** S$'000
Ultimate loss ratio	-2%	329	195	329	195
Unexpired risk reserve loss ratio	-2%	–	163	–	163
Claim handling expense	-2%	219	219	219	219
Risk adjustments	-2%	336	224	336	224

4. Insurance and financial risks (cont'd)

4.1 *Insurance risks (cont'd)*

4.1.3 *Maturity profile (insurance)*

The Company is exposed to liquidity risk primarily through its obligations to policyholders arising from insurance contract liabilities. This includes the need to settle claims, benefits, and other contractual obligations as they fall due. The Company is exposed mainly to motor business which is 90% (2024: 84%) in terms of liability for incurred claims. The motor claims are expected to settle within a year or less, except motor bodily injury claims which is long-tail and uncertain, however such exposure is minimal. The Company manages this risk through regular cash flow forecasting, holding sufficient liquid assets.

4.1.4 *Credit risk (insurance)*

Credit risk arises from the potential default or delayed settlement by reinsurers on recoveries due to the Company. To manage this exposure, the Company establishes reinsurance arrangements only with counterparties that have sound creditworthiness, typically investment-grade ratings from reputable agencies, ranging from BBB+ to AA-.

The selection and ongoing monitoring of reinsurers are subject to the Company's reinsurance risk management policy, which sets limits on counterparty exposures and reviews the financial strength of reinsurers regularly. In addition, the Company seeks diversification in its reinsurance panel to avoid overreliance on a single counterparty.

At each reporting date, the Company assesses whether there is any objective evidence of impairment on reinsurance contract assets. No material credit losses have been recognised to date, and management does not consider there to be significant credit risk concentration with any single reinsurer.

4.2 *Financial risks*

Credit risk (financial assets)

(a) Concentration of credit risk for investments

The Company monitors concentration of credit risk by sectors. An analysis of concentrations of credit risk of investments at the reporting date is shown below:

	2025 S$	**2024** S$
Services	746,946	247,459
Property	1,981,748	5,910,934
Financial services	15,393,118	5,275,799
Others	5,751,278	5,549,294
Total investments in debt securities	23,873,090	16,983,486

4. Insurance and financial risks (cont'd)

4.2 *Financial risks (cont'd)*

(b) Exposure to credit risk for debt securities

The Company invests in debt securities and limits its exposure by only investing in debt securities issued by the Singapore Government, Statutory Boards, corporates and financial institutions that are deemed to be of reasonable credit quality. As at 31 December 2025, substantially all of these corporates and financial institutions or their respective holding companies are listed on stock exchanges in Singapore or elsewhere. The Company monitors credit risk on an on-going basis.

Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecast, or the unavailability of additional financing.

The Company does not expect any counterparty to fail to meet their obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company limits its exposure to credit risk on investments held by investing only in liquid debt securities that provide attractive long-term yield and at acceptable credit quality. The aim is to provide a stable stream of positive income on the respective investment. Management does not expect any counterparty to fail to meet its obligations.

12-month and lifetime probabilities of default are based on historical data supplied by Moody's or equivalents for each credit rating.

4. Insurance and financial risks (cont'd)

4.2 *Financial risks (cont'd)*

Credit risk (financial assets) (cont'd)

(b) Exposure to credit risk for debt securities (cont'd)

The following table presents an analysis of the credit quality of debt investments at amortised cost and FVTPL. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in latter case, whether they were credit-impaired.

	2025				2024			
		Amortised cost				Amortised cost		
Credit rating	FVTPL S$	12 month ECL S$	Lifetime ECL- not credit-impaired S$	Lifetime ECL- credit impaired S$	FVTPL S$	12 month ECL S$	Lifetime ECL- not credit-impaired S$	Lifetime ECL- credit impaired S$
BBB- to AAA	480,735	23,351,448	–	–	3,152,435	12,539,769	–	–
BB- to BB+	–	–	–	–	–	–	–	–
B- to B+	–	–	–	–	–	–	–	–
C to CCC+	–	–	–	–	–	–	–	–
D	–	–	–	–	–	–	–	–
Not rated	–	–	–	2,000,000	1,304,322	–	–	2,000,000
Gross carrying amounts	480,735	23,351,448	–	2,000,000	4,456,757	12,539,769	–	2,000,000
Loss allowance	–	(11,403)	–	(2,000,000)	–	(26,333)	–	(2,000,000)
Amortisation	–	52,310	–	–	–	13,293	–	–
Carrying amount	480,735	23,392,355	–	–	4,456,757	12,526,729	–	–

An impairment loss of S$2,011,403 (2024: S$2,026,333) in respect of debt investments at amortised cost was recognised because of expected credit loss and significant financial difficulties being experienced by the issuers. The Company has no collateral in respect of these investments.

4. Insurance and financial risks (cont'd)

4.2 ***Financial risks (cont'd)***

Credit risk (financial assets) (cont'd)

(c) Exposure to credit risk for cash and bank deposits, deposits and other receivables

The Company minimises its credit exposure by placing its cash and bank deposits only with reputable and approved financial institutions in Singapore, while for the deposits and other receivables, the Company has minimal amount, hence, minimal exposure to credit risk.

Interest rate risk

The Company's exposure to changes in interest rates relate primarily to interest-earning financial assets. Interest rate risk is managed by the Company on an on-going basis with the primary objective of limiting the extent to which net interest income could be affected by an adverse movement in interest rates. However, the Company does not hedge against such exposures.

As at the reporting date, it is estimated that a general increase of 100 basis points (bp) in interest rates would have increase the Company's losses before tax by approximately $202,214 (2024: S$106,026), with all other variables held constant.

Currency risk

The Company is exposed to foreign currency risk on cash and bank deposits and other financial assets that are denominated in a currency other than Singapore Dollars. There are no other major currencies giving rise to currency risk apart from the United States Dollars ("USD") and Australian Dollars ("AUD"). The Company does not use derivative financial instruments to hedge its foreign currency risk.

The Company's exposures to foreign currencies are as follows:

	USD
	S$
31 December 2025	
Other financial assets	1,024,404
Cash and bank deposits	–
	1,024,404
31 December 2024	
Other financial assets	2,741,618
Cash and bank deposits	–
	2,741,618

4. Insurance and financial risks (cont'd)

4.2 *Financial risks (cont'd)*

Currency risk (cont'd)

	AUD S$
31 December 2025	
Other financial assets	175,220
Cash and bank deposits	–
	175,220
31 December 2024	
Other financial assets	330,481
Cash and bank deposits	–
	330,481

Sensitivity analysis

In managing its currency risk, the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the long term, however, any prolonged adverse changes in foreign exchange would have an impact on the Company's earnings.

It is estimated that a general increase of ten percentage point in value of the Singapore dollars against the Company's foreign currencies exposure would decrease the Company's profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

4. Insurance and financial risks (cont'd)

4.2 ***Financial risks (cont'd)***

Sensitivity analysis (cont'd)

	Loss before tax Decrease/ (increase) S$
31 December 2025	
USD (10% strengthening)	102,440
USD (10% weakening)	(102,440)
AUD (10% strengthening)	17,522
AUD (10% weakening)	(17,522)
31 December 2024	
USD (10% strengthening)	274,162
USD (10% weakening)	(274,162)
AUD (10% strengthening)	33,048
AUD (10% weakening)	(33,048)

Counterparty and concentration risks

For investments in debt securities, the Company invests primarily in securities issued by the Singapore Government, Statutory Boards and high-grade corporate bonds. The Company's investment activity is outsourced to an affiliated company in Singapore. The Company has put in place investment, counter-party and foreign currency limits in relation to its investment activities to ensure that there is no over-concentration to any one class of investment.

Liquidity risk

Liquidity risk is the risk due to insufficient funds to meet contractual and business obligations in a timely manner. The Company manages and projects its cash flow commitments on a regular basis and this involves monitoring the concentration of funding maturity at any point in time and ensuring that there are committed credit lines from banks for its funding requirements.

The total contractual undiscounted cash flows of the Company's non-derivative financial liabilities consisting of other payables (excluding GST payables, net) are the same as their carrying amounts and are due within one year.

4. Insurance and financial risks (cont'd)

4.2 *Financial risks (cont'd)*

Equity price risk

Equity price risk arises from equity securities held. The mix of equities in within a pre-approved percentage of the overall investment. The Company's investment activity is outsourced to an affiliated company in Singapore. The investment within the equities portfolio is managed by the appointed fund manager.

The investment objective is to achieve long-term growth of capital with capital preservation. In accordance with this strategy, equity investments are measured at FVTPL because they are held for trading and at initial recognition, the Company did not make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the equity investments.

In managing its equity price risk, the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the long term, however, any prolonged adverse changes in equity price would have an impact on the Company's earnings.

In terms of equity investments, it is estimated that a general increase/decrease of five percent in share price would decrease/increase the Company's loss before tax and equity by approximately S$186,333 (2024: S$282,882).

Accounting classification and fair values

The aggregate carrying amount of financial assets and financial liabilities in the statement of financial position as at 31 December are represented in the following table:

	Mandatorily at fair value S$	Amortised cost S$	Other financial liabilities not at fair value S$	Total S$
31 December 2025				
Equity investments - mandatorily at FVTPL - Unquoted	3,726,663	–	–	3,726,663
Debt investments - at amortised cost	–	23,392,355	–	23,392,355
Debt investments - mandatorily at FVTPL	480,735	–	–	480,735
Deposits and other receivables	–	1,208,000	–	1,208,000
Cash and bank deposits	–	13,834,439	–	13,834,439
Other payables	–	–	(1,231,466)	(1,231,466)
	4,207,398	38,434,794	(1,231,466)	41,410,726

4. Insurance and financial risks (cont'd)

4.2 *Financial risks (cont'd)*

Accounting classification and fair values (cont'd)

	Mandatorily at fair value S$	Amortised cost S$	Other financial liabilities not at fair value S$	Total S$
31 December 2024				
Equity investments - mandatorily at FVTPL				
- Quoted	4,657,633	–	–	4,657,633
- Unquoted	1,000,000	–	–	1,000,000
Debt investments - at amortised cost	–	12,526,729	–	12,526,729
Debt investments - mandatorily at FVTPL	4,456,757	–	–	4,456,757
Deposits and other receivables	–	423,335	–	423,335
Cash and bank deposits	–	6,018,296	–	6,018,296
Other payables	–	–	(180,756)	(180,756)
	10,114,390	18,968,360	(180,756)	28,901,994

Recognise financial assets

The carrying amount of the deposits and other receivables as well as the cash and bank deposits approximate their fair values at the reporting date due to the short-term nature of these balances. Refer to Note 7 for details of the disclosure on fair value hierarchy for the fair value of the debt investments at amortised cost.

5. Insurance service expense

The breakdown of insurance service expense by Motor and Non-Motor

	Motor S$	Non-motor S$	Total S$
2025			
Incurred claims and other expenses	4,644,343	195,842	4,840,185
Insurance acquisition expenses	4,766,830	198,618	4,965,448
Changes to liabilities for incurred claims	11,398,545	2,913,165	14,311,710
Total	20,809,718	3,307,625	24,117,343
2024			
Incurred claims and other expenses	3,636,498	252,354	3,888,852
Insurance acquisition expenses	4,145,128	341,879	4,487,007
Losses on onerous contracts and reversal of those losses	–	(2,670)	(2,670)
Changes to liabilities for incurred claims	11,150,843	5,617,870	16,768,713
Total	18,932,469	6,209,433	25,141,902

6. Cash and bank deposits

	2025 S$	2024 S$
Cash at bank	12,530,300	2,801,728
Fixed deposits	1,230,939	2,405,011
Cash with Phillips Securities	73,200	811,557
Cash and bank deposits included in the statement of financial position which approximate fair value	13,834,439	6,018,296
Deposit held on behalf of policyholder in respect of insurance business	(412,546)	(1,598,861)
Cash and cash equivalents included in statement of cash flows	13,421,893	4,419,435

The weighted average effective interest rate per annum relating to cash and bank deposits at the reporting date is 1.05% (2024: 2.68%). Interest rates reprice at intervals between one to six months (2024: one to six months).

Cash and bank deposits are generally placed on short-term maturities of up to a year and as such, they are all considered as current assets.

7. Other financial assets

	2025 S$	2024 S$
Equity investments - mandatorily at FVTPL	3,726,663	5,657,633
Debt investments - mandatorily at FVTPL	480,735	4,456,757
Debt investments - at amortised cost	23,392,355	12,526,729
	27,599,753	22,641,119
Current	22,086,931	13,847,656
Non-current	5,512,822	8,793,463
	27,599,753	22,641,119

The movements in the other financial assets during the year are as follows:

	2025 S$	2024 S$
At 1 January	22,641,119	24,421,366
Purchases	58,652,693	21,751,816
Proceeds from disposal	(54,494,628)	(24,056,010)
Equity securities – net gain/(loss) on disposal	128,991	(2,246)
Debt securities – net gain on disposal	202,478	66,175
Amortisation	74,542	50,924
Net unrealised gain in fair value change	479,108	343,429
Net unrealised gain/(loss) on foreign exchange	(99,480)	50,932
Expected credit loss	14,930	14,733
At 31 December	27,599,753	22,641,119

7. Other financial assets (cont'd)

The weighted average effective interest rates per annum of debt securities at the reporting date and the periods in which they mature are as follows:

	Effective interest rate %	Within 1 year S$	Over 1 year S$	Total S$
2025				
Debt securities – at amortised cost	2.66	17,879,532	5,512,823	23,392,355
Debt securities – mandatorily at FVTPL	4.35	480,735	–	480,735
		18,360,267	5,512,823	23,873,090
2024				
Debt securities – at amortised cost	2.93	4,225,972	8,300,757	12,526,729
Debt securities – mandatorily at FVTPL	3.06	4,456,757	–	4,456,757
		8,682,729	8,300,757	16,983,486

The maximum exposure to credit risk of the debt securities at the reporting date is the carrying amount.

Fair values

The aggregate net fair values of financial assets which are not carried at fair value in the statement of financial position as at 31 December are represented in the following table:

	2025		2024	
	Carrying amount S$	Fair value S$	Carrying amount S$	Fair value S$
Financial assets				
Debt securities	23,392,355	23,467,343	12,526,729	12,545,839

7. Other financial assets (cont'd)

Fair value hierarchy

The carrying amounts and fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for the financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset of liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Carrying amount S$	Fair value Level 1 S$	Level 2 S$	Level 3 S$	Total S$
2025					
Financial assets measured at fair value					
Debt investments - mandatorily at FVTPL	480,735	480,735	–	–	480,735
Equity investments - mandatorily at FVTPL	3,726,663	–	–	3,726,663	3,726,663
	4,207,398	480,735	–	3,726,663	4,207,398
Financial assets not measured at fair value					
Debt investments - at amortised cost	23,392,355	23,467,343	–	–	23,467,343
2024					
Financial assets measured at fair value					
Debt investments - mandatorily at FVTPL	4,456,757	3,152,435	1,304,322	–	4,456,757
Equity investments - mandatorily at FVTPL	5,657,633	4,657,633	–	1,000,000	5,657,633
	10,114,390	7,810,068	1,304,322	1,000,000	10,114,390
Financial assets not measured at fair value					
Debt investments - at amortised cost	12,526,729	12,345,239	200,600	–	12,545,839

7. Other financial assets (cont'd)

Fair value hierarchy (cont'd)

During the current financial year, there have been no transfers between the different levels of fair value hierarchy (2024: no transfers).

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of fair value hierarchy:

	2025 S$	2024 S$
As at 1 January	1,000,000	1,000,000
Addition	3,681,000	–
Disposal	(1,000,000)	–
Fair value change recognised in profit or loss	45,663	–
As at 31 December	3,726,663	1,000,000

Sensitivity analysis – Level 3 valuation

For the fair values of Equity investments, reasonable possible changes at the reporting date to net asset value by 10%, holding other inputs constant, would have the following effects.

	2025		2024	
	Increase S$	**Decrease** S$	**Increase** S$	**Decrease** S$
Net Asset Value (10% movement)				
Equity investments - mandatorily at FVTPL	372,666	(372,666)	100,000	(100,000)

8. Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset or liability position are set out in the table below:

	2025			2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	S$	S$	S$	S$	S$	S$
Insurance contract issued						
Motor	–	28,657,568	28,657,568	–	19,692,579	19,692,579
Non-motor	–	4,706,609	4,706,609	–	4,543,017	4,543,017
Total insurance contracts issued	–	33,364,177	33,364,177	–	24,235,596	24,235,596
Reinsurance contract held						
Motor	7,232,363	–	7,232,363	5,785,466	–	5,785,466
Non-motor	1,123,765	–	1,123,765	1,102,187	–	1,102,187
Total reinsurance contracts held	8,356,128	–	8,356,128	6,887,653	–	6,887,653

The Company disaggregates information to provide disclosure in respect of major product lines separately: Motor and Non-Motor. This disaggregation has been determined based on how the Company is managed. The roll forward of the net asset or liability for insurance contracts issued and reinsurance contract held, showing the asset/liability for remaining coverage and the asset/liability for incurred claims for motor and non-motor insurance product line, is disclosed in the table below; The Company has made an accounting policy choice for the product line to expense acquisition cash flows as they arise.

8. Insurance and reinsurance contracts (cont'd)

Rollforward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

8.1.1. Motor insurance

	2025					2024				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the PV of FCF	Risk adjustment		Excluding loss component	Loss component	Estimates of the PV of FCF	Risk adjustment	
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Insurance contract liabilities as at 1 January	7,567,584	–	11,025,287	1,099,708	19,692,579	4,215,590	–	6,116,080	586,730	10,918,400
Insurance contract assets as at 1 January	–	–	–	–	–	–	–	–	–	–
Net insurance contract liabilities as at 1 January	**7,567,584**	**–**	**11,025,287**	**1,099,708**	**19,692,579**	**4,215,590**	**–**	**6,116,080**	**586,730**	**10,918,400**
Insurance revenue	**(20,729,932)**	**–**	**–**	**–**	**(20,729,932)**	**(12,661,785)**	**–**	**–**	**–**	**(12,661,785)**
<u>Insurance service expenses</u>										
- Incurred claims and other expenses	–	–	4,644,343	–	4,644,343	–	–	3,636,498	–	3,636,498
- Insurance acquisition expense	–	–	4,766,830	–	4,766,830	–	–	4,145,128	–	4,145,128
- Losses on onerous contracts and reversals of those losses	–	–	–	–	–	–	–	–	–	–
- Changes to liabilities for incurred claims	–	–	10,990,334	408,211	11,398,545	–	–	10,637,865	512,978	11,150,843
Total insurance service expenses	**–**	**–**	**20,401,507**	**408,211**	**20,809,718**	**–**	**–**	**18,419,491**	**512,978**	**18,932,469**
Investment component	–	–	–	–	–	–	–	–	–	–
Insurance service results	**(20,729,932)**	**–**	**20,401,507**	**408,211**	**79,786**	**(12,661,785)**	**–**	**18,419,491**	**512,978**	**6,270,684**
Insurance finance expenses	–	–	–	–	–	–	–	–	–	–
Effect of movements in exchange rate	–	–	–	–	–	–	–	–	–	–
Total changes in the statement of comprehensive income	**(20,729,932)**	**–**	**20,401,507**	**408,211**	**79,786**	**(12,661,785)**	**–**	**18,419,491**	**512,978**	**6,270,684**
<u>Cash flows</u>										
- Premiums received	23,086,636	–	–	–	23,086,636	16,013,779	–	–	–	16,013,779
- Claims and other expenses paid	–	–	(14,201,433)	–	(14,201,433)	–	–	(13,510,284)	–	(13,510,284)
Total cash flows	**23,086,636**	**–**	**(14,201,433)**	**–**	**8,885,203**	**16,013,779**	**–**	**(13,510,284)**	**–**	**2,503,495**
Insurance contract liabilities as at 31 December	9,924,288	–	17,225,361	1,507,919	28,657,568	7,567,584	–	11,025,287	1,099,708	19,692,579
Insurance contract assets as at 31 December	–	–	–	–	–	–	–	–	–	–
Net insurance contract liabilities/(assets) as at 31 December	**9,924,288**	**–**	**17,225,361**	**1,507,919**	**28,657,568**	**7,567,584**	**–**	**11,025,287**	**1,099,708**	**19,692,579**

8. Insurance and reinsurance contracts (cont'd)

Rollforward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (cont'd)

8.1.2. Non-Motor insurance

	2025					2024				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the PV of FCF	Risk adjustment		Excluding loss component	Loss component	Estimates of the PV of FCF	Risk adjustment	
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Insurance contract liabilities as at 1 January	2,177,179	–	2,037,941	327,897	4,543,017	1,312,030	2,670	1,997,856	336,049	3,648,605
Insurance contract assets as at 1 January	–	–	–	–	–	–	–	–	–	–
Net insurance contract liabilities as at 1 January	**2,177,179**	–	**2,037,941**	**327,897**	**4,543,017**	**1,312,030**	**2,670**	**1,997,856**	**336,049**	**3,648,605**
Insurance revenue	**(955,250)**	–	–	–	**(955,250)**	**(1,106,910)**	–	–	–	**(1,106,910)**
Insurance service expenses										
-Incurred claims and other expenses	–	–	195,842	–	195,842	–	–	252,354	–	252,354
-Insurance acquisition expense	–	–	198,618	–	198,618	–	–	341,879	–	341,879
-Losses on onerous contracts and reversals of those losses	–	–	–	–	–	–	(2,670)	–	–	(2,670)
-Changes to liabilities for incurred claims	–	–	2,972,620	(59,455)	2,913,165	–	–	5,626,022	(8,152)	5,617,870
Total insurance service expenses	–	–	**3,367,080**	**(59,455)**	**3,307,625**	–	**(2,670)**	**6,220,255**	**(8,152)**	**6,209,433**
Investment component	–	–	–	–	–	–	–	–	–	–
Insurance service results	(955,250)	–	**3,367,080**	**(59,455)**	**2,352,375**	**(1,106,910)**	**(2,670)**	**6,220,255**	**(8,152)**	**5,102,523**
Insurance finance expenses	–	–	–	–	–	–	–	–	–	–
Effect of movements in exchange rate	–	–	–	–	–	–	–	–	–	–
Total changes in the statement of comprehensive income	**(955,250)**	–	**3,367,080**	**(59,455)**	**2,352,375**	**(1,106,910)**	**(2,670)**	**6,220,255**	**(8,152)**	**5,102,523**
Cash flows										
-Premiums received	2,620,500	–	–	–	2,620,500	1,194,084	–	–	–	1,194,084
-Cash collateral received	(1,186,315)	–	–	–	(1,186,315)	777,975	–	–	–	777,975
-Claims and other expenses paid	–	–	(3,622,968)	–	(3,622,968)	–	–	(6,180,170)	–	(6,180,170)
Total cash flows	**1,434,185**	–	**(3,622,968)**	–	**(2,188,783)**	**1,972,059**	–	**(6,180,170)**	–	**(4,208,111)**
Insurance contract liabilities as at 31 December	2,656,114	–	1,782,053	268,442	4,706,609	2,177,179	–	2,037,941	327,897	4,543,017
Insurance contract assets as at 31 December	–	–	–	–	–	–	–	–	–	–
Net insurance contract liabilities/(assets) as at 31 December	**2,656,114**	–	**1,782,053**	**268,442**	**4,706,609**	**2,177,179**	–	**2,037,941**	**327,897**	**4,543,017**

8. Insurance and reinsurance contracts (cont'd)

Rollforward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

8.2.1 Motor insurance

	2025					2024				
	Asset for remaining coverage		Amount recoverable on incurred claims		Total	Asset for remaining coverage		Amount recoverable on incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PV of FCF	Risk adjustment		Estimates of the PV of FCF	Risk adjustment	Estimates of the PV of FCF	Risk adjustment	
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Reinsurance contract assets as at 1 January	790,643	–	4,617,125	377,698	5,785,466	955,948	–	1,203,014	140,264	2,299,226
Reinsurance contract liabilities as at 1 January	–	–	–	–	–	–	–	–	–	–
Net reinsurance contract assets as at 1 January	**790,643**	**–**	**4,617,125**	**377,698**	**5,785,466**	**955,948**	**–**	**1,203,014**	**140,264**	**2,299,226**
Allocation of reinsurance premiums	**(7,170,854)**	**–**	**–**	**–**	**(7,170,854)**	**(5,687,678)**	**–**	**–**	**–**	**(5,687,678)**
<u>Amount recoverable from incurred claims and reinsurance acquisition income</u>										
- Loss recovery on onerous underlying contracts and adjustments	–	–	–	–	–	–	–	–	–	–
- Changes to amount recoverable for incurred claims	–	–	4,124,641	62,498	4,187,139	–	–	4,161,262	237,434	4,398,696
- Acquisition income from reinsurance contracts	1,646,259	–	–	–	1,646,259	2,188,503	–	–	–	2,188,503
Total amount recoverable from incurred claims and reinsurance acquisition income	**1,646,259**	**–**	**4,124,641**	**62,498**	**5,833,398**	**2,188,503**	**–**	**4,161,262**	**237,434**	**6,587,199**
Reinsurance investment components	–	–	–	–	–	–	–	–	–	–
Net income or expense from reinsurance contracts held	**(5,524,595)**	**–**	**4,124,641**	**62,498**	**(1,337,456)**	**(3,499,175)**	**–**	**4,161,262**	**237,434**	**899,521**
Reinsurance finance income	–	–	–	–	–	–	–	–	–	–
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–	–	–	–	–	–
Effect of movements in exchange rate	–	–	–	–	–	–	–	–	–	–
Total changes in the statement of comprehensive income	**(5,524,595)**	**–**	**4,124,641**	**62,498**	**(1,337,456)**	**(3,499,175)**	**–**	**4,161,262**	**237,434**	**899,521**
<u>Cash flows</u>										
- Reinsurance premiums paid	6,827,397	–	–	–	6,827,397	3,860,510	–	–	–	3,860,510
- Amounts received	(992,747)	–	(3,050,297)	–	(4,043,044)	(526,640)	–	(747,151)	–	(1,273,791)
Total cash flows	**5,834,650**	**–**	**(3,050,297)**	**–**	**2,784,353**	**3,333,870**	**–**	**(747,151)**	**–**	**2,586,719**
Reinsurance contract assets as at 31 December	1,100,698	–	5,691,469	440,196	7,232,363	790,643	–	4,617,125	377,698	5,785,466
Reinsurance contract liabilities as at 31 December	–	–	–	–	–	–	–	–	–	–
Net reinsurance contract assets/(liabilities) as at 31 December	**1,100,698**	**–**	**5,691,469**	**440,196**	**7,232,363**	**790,643**	**–**	**4,617,125**	**377,698**	**5,785,466**

8. Insurance and reinsurance contracts (cont'd)

Rollforward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (cont'd)

8.2.2 Non-Motor insurance

	2025					2024				
	Asset for remaining coverage		Amount recoverable on incurred claims		Total	Asset for remaining coverage		Amount recoverable on incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the PV of FCF	Risk adjustment		Estimates of the PV of FCF	Risk adjustment	Estimates of the PV of FCF	Risk adjustment	
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Reinsurance contract assets as at 1 January	–	–	1,006,290	111,752	1,118,042	49,299	–	609,631	121,391	780,321
Reinsurance contract liabilities as at 1 January	(15,855)	–	–	–	(15,855)	–	–	–	–	–
Net reinsurance contract assets as at 1 January	**(15,855)**	**–**	**1,006,290**	**111,752**	**1,102,187**	**49,299**	**–**	**609,631**	**121,391**	**780,321**
Allocation of reinsurance premiums	**(429,470)**	**–**	**–**	**–**	**(429,470)**	**(209,363)**	**–**	**–**	**–**	**(209,363)**
Amount recoverable from incurred claims and reinsurance acquisition income										
-Loss recovery on onerous underlying contracts and adjustments	–	–	–	–	–	–	–	–	–	–
-Changes to amount recoverable for incurred claims	–	–	42,093	7,347	49,440	–	–	3,912,688	(9,639)	3,903,049
-Acquisition income from reinsurance contracts	179,108	–	–	–	179,108	212,977	–	–	–	212,977
Total amount recoverable from incurred claims and reinsurance acquisition income	**179,108**	**–**	**42,093**	**7,347**	**228,548**	**212,977**	**–**	**3,912,688**	**(9,639)**	**4,116,026**
Reinsurance investment components	–	–	–	–	–	–	–	–	–	–
Net income or expense from reinsurance contracts held	**(250,362)**	**–**	**42,093**	**7,347**	**(200,922)**	**3,614**	**–**	**3,912,688**	**(9,639)**	**3,906,663**
Reinsurance finance income	–	–	–	–	–	–	–	–	–	–
Effect of changes in non-performance risk of reinsurers	–	–	–	–	–	–	–	–	–	–
Effect of movements in exchange rate	–	–	–	–	–	–	–	–	–	–
Total changes in the statement of comprehensive income	**(250,362)**	**–**	**42,093**	**7,347**	**(200,922)**	**3,614**	**–**	**3,912,688**	**(9,639)**	**3,906,663**
Cash flows										
-Reinsurance premiums paid	701,618	–	–	–	701,618	144,209	–	–	–	144,209
-Amounts received	(179,109)	–	(300,009)	–	(479,118)	(212,977)	–	(3,516,029)	–	(3,729,006)
Total cash flows	**522,509**	**–**	**(300,009)**	**–**	**222,500**	**(68,768)**	**–**	**(3,516,029)**	**–**	**(3,584,797)**
Reinsurance contract assets as at 31 December	256,292		748,374	119,099	1,123,765	–	–	1,006,290	111,752	1,118,042
Reinsurance contract liabilities as at 31 December	–	–	–	–	–	(15,855)	–	–	–	(15,855)
Net reinsurance contract assets as at 31 December	**256,292**	**–**	**748,374**	**119,099**	**1,123,765**	**(15,855)**	**–**	**1,006,290**	**111,752**	**1,102,187**

9. Deferred tax assets

Deferred tax assets considered as non-current assets are mainly attributable to unutilised business losses from preceding financial years.

Movement in deferred tax balances

	At 1 January S$	Recognised in profit or loss (Note 17) S$	Recognised in other comprehensive income S$	At 31 December S$
2025				
Deferred tax assets				
Property, plant and equipment	(105,316)	–	–	(105,316)
Unutilised business losses	(398,551)	–	–	(398,551)
	(503,867)	–	–	(503,867)
2024				
Deferred tax assets				
Property, plant and equipment	(105,316)	–	–	(105,316)
Unutilised business losses	(398,551)	–	–	(398,551)
	(503,867)	–	–	(503,867)

Unrecognised deferred tax asset

Deferred tax assets have not been recognised during the year, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

	2025 S$	2024 S$
Unutilised tax losses (net of group taxation relief, if any)	21,236,697	21,381,693

10. Other assets

	2025 S$	2024 S$
Deposits	5,470	5,470
Other receivables	217,180	135,221
Accrued interest receivable	68,645	139,167
Amount due to holding company (non-trade)	15,336	–
Unsettled trade - investment	901,369	143,477
Deposits and other receivables	1,208,000	423,335
Prepayments	35,803	89,078
	1,243,803	512,413

Other assets are generally short-term in nature and as such, they are all considered as current assets.

11. Property, plant and equipment

	Office renovations S$	Furniture and fittings S$	Office equipment S$	Computer equipment S$	Total S$
Cost					
At 1 January 2024	100,718	27,528	70,762	328,282	527,290
Additions	–	–	–	15,725	15,725
At 31 December 2024 and at 1 January 2025	100,718	27,528	70,762	344,007	543,015
Additions	–	9,200	–	14,226	23,426
At 31 December 2025	100,718	36,728	70,762	358,233	566,441
Accumulated depreciation					
At 1 January 2024	100,716	16,311	70,277	316,762	504,066
Depreciation for the year	–	3,456	162	8,162	11,780
At 31 December 2024 and at 1 January 2025	100,716	19,767	70,439	324,924	515,846
Depreciation for the year	–	4,672	162	11,735	16,569
At 31 December 2025	100,716	24,439	70,601	336,659	532,415
Carrying amounts					
31 December 2024	2	7,761	323	19,083	27,169
31 December 2025	2	12,289	161	21,574	34,026

Property, plant and equipment are non-current assets.

12. Intangible assets

	Computer software 2025 S$	2024 S$
Cost		
At 1 January	2,066,313	2,025,477
Addition	7,150	40,836
At 31 December	2,073,463	2,066,313
Amortisation		
At 1 January	2,038,986	2,024,325
Amortisation for the year	14,602	14,661
At 31 December	2,053,588	2,038,986
Carrying amounts		
At 31 December	19,875	27,327

Intangible assets are non-current assets.

13. Banker's guarantee facility

The Company entered into a Banker's Guarantee facility of up to S$6,800,000 (2024: S$6,800,000) with a financial institution for its insurance business. The facility is secured by fresh continuing corporate guarantee for S$3,000,000 (2024: S$3,000,000) by IFS Capital Limited. The Banker's Guarantee is for the issuance for performance/security/tender guarantee in lieu of cash deposit on behalf of its customers.

The amount drawn down from the facility as at the end of financial year was S$1,731,310 (2024: S$925,919).

14. Investment income

	2025 S$	2024 S$
Net gain/(loss) on foreign exchange	(99,480)	50,932
Dividend income	210,408	242,091
Net gain/(loss) on disposal of investments:		
- Equity securities - mandatorily at FVTPL	128,991	(2,246)
- Debt securities - mandatorily at FVTPL	202,478	66,174
Interest income under the effective interest method:		
- Cash and bank deposits	15,064	28,171
- Debt securities mandatorily measured at FVTPL	94,980	163,476
- Debt securities - at amortised cost	301,130	418,772
Reversal of allowance for impairment of debt securities	14,930	14,733
Amortisation of debt securities measured at amortised cost	74,542	50,924
Net change in fair value of debt securities mandatorily measured at FVTPL	115,412	99,780
Net change in fair value of equity securities mandatorily measured at FVTPL	363,695	243,649
	1,422,150	1,376,456

15. Other payables

	2025 S$	2024 S$
Amounts due to holding company (non-trade)	–	46,391
Amounts due to related company (non-trade)	84,040	64,265
Other payables	1,147,426	70,100
	1,231,466	180,756

The amounts due to the holding company and related company (non-trade) are unsecured, interest-free and repayable on demand and are considered as current liabilities.

The amounts due to other payables are mainly related to unrecorded bank reconciliation items due to timing differences of payment in transit.

16. Share capital

	2025		2024	
	No of shares	S$	No of shares	S$
Issued and fully paid, with no par value:				
At 1 January	45,000,000	45,000,000	45,000,000	45,000,000
Capital injection	7,000,000	7,000,000	–	–
At 31 December	52,000,000	52,000,000	45,000,000	45,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

Capital management

The Company defines "capital" to be share capital and retained earnings/accumulated losses. The Company's policy is to maintain a strong capital base so as to maintain shareholders, regulators, reinsurers and market confidence, and to sustain future business development as well as to ensure that the minimum required capital is maintained.

The Company's capital is closely monitored and actively managed to ensure that there is sufficient capital to support business growth and to pursue strategic business and investment opportunities while taking into consideration the Company's risk appetite.

The Company has to comply with the Risk Based Capital Adequacy Requirement ("CAR") as prescribed by the Monetary Authority of Singapore ("MAS") (subject to the financial resource of the Company not being less than $5,000,000). Although MAS prescribed financial warning event for the CAR, Company has set two higher internal trigger limits for monitoring the CAR. In the event of any breaches of the internal trigger limits, the Board has prescribed certain courses of action for the management to undertake to bring the CAR level to above the prescribed minimum levels.

16. Share capital (cont'd)

Capital management (cont'd)

The Company is in compliance with externally imposed capital requirements during the year. However, due to the continued losses, the Company did not meet the internally set capital requirement. As such, the Board has approved a S$7,000,000 fully paid-up capital, which was injected in 2025.

The Company manages and ensure adequacy of its capital resources requirement in accordance with the computation of risk charge on insurance risk, investment risks and interest rate sensitivity and foreign currency mismatch between assets and liabilities and concentration risks as stipulated under the Insurance (Valuation and Capital) (Amendment) Regulations 2020.

In addition, stress tests are conducted to understand the sensitivity of the key assumptions in the Company's capital to the effects of plausible stress scenarios and evaluate how the Company can continue to maintain adequate capital under such scenarios.

The Board of Directors monitors the return on equity, which the Company defines as profit after tax divided by the total average shareholders' equity.

In addition, as part of the corporate planning process, the Company projects its capital and funding requirements annually for the Board's approval.

There were no changes in the Company's approach to capital management during the year.

Dividend

There was no exempt (one-tier) dividend declared and paid by the Company this year and last year.

17. Loss before income tax

The following items have been included in arriving at loss for the year:

	2025 S$	2024 S$
Government grants	42,830	10,843
Staff costs	(2,560,896)	(2,553,666)
Contributions to defined contribution plans	(301,546)	(290,131)
Management fees	(512,735)	(417,892)

18. Income tax

	2025 S$	2024 S$
Income tax expenses	–	–
Reconciliation of effective tax rate		
Loss before income tax	(2,205,244)	(5,089,521)
Income tax at domestic corporate tax rate of 17% (2024: 17%)	(374,892)	(865,219)
Non-deductible expenses	12,059	83,399
Change in unrecognised temporary differences	444,921	885,719
Income subject to tax at concessionary tax rate of 10%	(52,967)	(72,232)
Tax exempt dividend	(29,121)	(31,667)
	–	–

International tax reform - Pillar Two Model Rules

The new Pillar Two global minimum tax rules are substantively enacted in Singapore and will be effective for financial years starting on or after 1 January 2025. The Group is not in scope of Pillar Two Model Rules as its annual revenue falls below €750 million for the current and preceding four financial years.

The Group continues to follow Pillar Two legislative developments to evaluate the potential future impact on its operations, financial position and cash flows.

19. Accounting judgements and estimates

Management has assessed the development, selection and disclosure of the critical accounting policies and estimates, and the application of these policies and estimates.

The following are critical accounting judgements or estimates made by the management in applying accounting policies:

Critical accounting judgements

Debt Securities - held at amortised cost

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, existing market conditions, as well as forward looking estimates at the end of each reporting period. The Company uses 12-month and lifetime probabilities of default based on data from Moody's or its equivalents for each credit rating.

19. Accounting judgements and estimates (cont'd)

Significant accounting estimates

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

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose major product line namely such as motor. This disaggregation has been determined based on how the Company is managed.

Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under SFRS(I) 4.

Liability for remaining coverage

- *Onerous groups*

  For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Liability for incurred claims

- *Discounted probability of weighted average*

  Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported ("IBNR") claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

- *Risk adjustments*

  For contracts with contract boundary of one year or less are automatically eligible for the PAA and those which pass the PAA eligibility test, the risk adjustment valuation may therefore only be required for liability for incurred claims as the Company would expect the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, for the risk adjustment calculation permitted under SFRS(I) 17, the Company applies a provision of risk margin for adverse deviation ("PAD") to determine the risk adjustment for non-financial risk. The PAD allows for the possibility that reinsured claims may be higher than expected and ensures the sufficiency of reserves at 75% confidence level.

20. Related parties

Transactions with key management personnel

Key management personnel compensation

Key management personnel of the Company are persons having the authority and responsibility for planning, directing and controlling the activities of the Company. Certain directors and head of departments are considered as key management personnel of the Company.

	2025 S$	2024 S$
Short-term employee benefits	1,103,440	978,394
Contributions to defined contribution plan	117,128	101,408
	1,220,568	1,079,802

Other related party transactions

During the financial year, apart from the balances and transactions disclosed elsewhere in these financial statements, the Company had the following significant transactions with its related parties:

	2025 S$	2024 S$
Immediate holding company		
Management fees	(185,540)	(197,794)
Gross written premiums	41,541	29,462
Related company		
Management fees	(327,195)	(220,098)
Gross written premiums	257,309	148,448
Affiliated companies		
Fees paid to fund manager	(98,794)	(95,726)
General insurance commission	7,193	7,460
Brokerage fees incurred	(11,114)	(8,652)
IT service fees	(88,727)	–

For the directors of the Company who are also employees of the related parties, the Company does not reimburse the respective entities for the services rendered by those directors.

An affiliated company is a company, other than a related corporation, in which the directors and/or shareholder of the Company have substantial financial interests and may be able to exercise significant influence over the Company. All transactions with affiliated companies are therefore related party transactions carried out on terms agreed between the Company and such parties.

21. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2025 were authorised for issue on 21 April 2026.