AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

Registration Number: [RC/00004157]

Annual Report

Financial year ended 31 December 2025

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)
Registration Number: [RC/00004157]

REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

CONTENTS

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their annual report and audited financial statements for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those relating to underwriting of general insurance for Brunei government-related persons, agencies, corporations and selected individuals.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	B$
Profit for the year	2,573,620
Retained earnings at the beginning of the year	20,419,488
Retained earnings at the end of the year	22,993,108

DIVIDEND

The Directors do not recommend any dividend to be paid in respect of the financial year just ended.

RESERVES AND PROVISIONS

There were no transfers to or from reserves during the financial year other than that shown in the attached financial statements. There were no transfers to reserves subsequent to year end and to the date of this report.

DIRECTORS

The Directors of the Company during the financial year and at the date of this report are:

1. Hjh Erma Rajwani binti Hj Maludin (appointed on 17 March 2025)
2. Hajah Noriah Binti Pehin Orang Kaya Saiful Mulok Dato Seri Paduka Haji Abidin (appointed on 1 December 2025)
3. Hajah Nornaimah Binti Hj Zainip/Zanib (appointed on 1 December 2025)
4. Sofian bin Mohammad Jani
5. Hjh Lily binti Hj Kula (resigned on 28 November 2025)
6. Hj Osman bin Hj Md. Jair (resigned on 28 November 2025)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND/OR DEBENTURES.

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND/OR DEBENTURES

The Directors holding office at the end of the financial year had no interests in the share capital or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

	Holdings registered under the name of director or nominee	
Name of Directors and companies in which interest are held	At end of year	At beginning of the year or date of appointment, if later
Audley Insurance Company Sdn Bhd (Ordinary shares)		
Sofian Bin Mohammad Jani	1	1

DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for as disclosed in the financial statements. Certain Directors received remuneration from related corporations in their capacity as Directors and/or executives of those related corporations.

AUDITORS

The auditors, Deloitte & Touche, have indicated their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

DIRECTOR

DIRECTOR

Brunei Darussalam
Date: 12 June 2026

Deloitte.

ديلويت دان توچ

Deloitte & Touche (P/8774/1978)
Certified Public Accountants
Mutiara Exchange, Building 1, Level 6
Jalan Tungku Link
Bandar Seri Begawan BE3619
Brunei Darussalam
P. O. Box 1965
Bandar Seri Begawan BS8673
Brunei Darussalam

Tel: +673-2225880, 2223640, 2236603
Fax: +673-2223360
www.deloitte.com/bn

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Audley Insurance Company Sdn Bhd (the "Company") which comprise the statement of financial position as at 31 December, 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 61.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Brunei Darussalam Companies Act, Chapter 39 (the "Act"), the Insurance Order, 2006 (the "Order") and International Financial Reporting Standards ("IFRS") 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 year ended on that date.

Basis for Opinion

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

Other Matter

The financial statements of the Company for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 13 June 2025.

Information Other than the Financial Statements and Auditor's Report Thereon

Directors are responsible for the other information. The other information comprises the Report of the Directors, as set out on pages 1 to 2.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Order and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, directors are 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 the directors either intend 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

The objectives of our audit 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of directors' 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 and the Order to be kept by the Company have been properly kept in accordance with the provisions of the Act and the Order. We have obtained all the information and explanations we required.

DELOITTE & TOUCHE
Certified Public Accountants

ZULFARIQ ZARA BIN ZAINUDDIN
Public Accountant

Brunei Darussalam
Date: June 25, 2026

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025

	Notes	2025 B$	2024 B$
Insurance revenue	5,16	18,908,034	18,460,263
Insurance service expenses	16	(11,952,482)	(4,571,538)
Insurance service result before reinsurance contracts held	16	**6,955,552**	**13,888,725**
Allocation of reinsurance premiums	17	(16,028,915)	(13,110,323)
Amounts recoverable from reinsurers	17	11,906,034	913,076
Net expenses from reinsurance contracts	17	**(4,122,881)**	**(12,197,247)**
Insurance service result		**2,832,671**	**1,691,478**
Interest revenue on financial assets not measured at FVTPL	6,10,11	814,463	1,093,794
Investment return		**814,463**	**1,093,794**
Net finance expenses from insurance contracts	6,16	(275,477)	(624,934)
Net finance income from reinsurance contracts	6,17	186,762	442,165
Net finance expenses from insurance and reinsurance contracts		**(88,715)**	**(182,769)**
Net investment result		**725,748**	**911,025**
Other expenses - net	7	(208,497)	(302,537)
Employee compensation	8	(195,565)	(193,216)
Depreciation of property and equipment	13	(23,175)	(20,762)
Gain on foreign exchange		(10,307)	14,822
		(437,544)	(501,693)
Profit before income tax		**3,120,875**	**2,100,810**
Income tax expense	9	(547,255)	(331,603)
Profit for the year		**2,573,620**	**1,769,207**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,573,620**	**1,769,207**

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

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Notes	2025 B$	2024 B$
ASSETS			
Cash and cash equivalents	10	8,809,514	24,765,211
Short-term placements	11	26,383,840	8,300,000
Insurance contract assets	16	-	534,827
Reinsurance contract assets	17	14,967,285	2,820,554
Other receivables	12	473,384	277,218
Plant and equipment, net	13	27,962	72,466
Deferred tax asset	9	3,733	19,607
Total assets		**50,665,718**	**36,789,883**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	8,500,000	8,500,000
Retained earnings		22,993,108	20,419,488
Total Equity		**31,493,108**	**28,919,488**
Liabilities			
Other creditors and accruals	14	424,168	554,093
Insurance contract liabilities	16	18,217,061	6,214,932
Reinsurance contract liabilities	17	-	737,382
Income tax liability	9	531,381	363,988
Total liabilities		**19,172,610**	**7,870,395**
Total equity and liabilities		**50,665,718**	**36,789,883**

DIRECTOR

DIRECTOR

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

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Share capital (Note 19) B$	Retained earnings B$	Total equity B$
Balance at 1 January 2024	**8,500,000**	**18,650,281**	**27,150,281**
Total comprehensive income for the year			
Profit for the year	-	1,769,207	1,769,207
Balance at 31 December 2024	**8,500,000**	**20,419,488**	**28,919,488**
Total comprehensive income for the year			
Profit for the year	-	2,573,620	2,573,620
Balance at 31 December 2025	**8,500,000**	**22,993,108**	**31,493,108**

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

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	Notes	2025 B$	2024 B$
Cash flows from operating activities			
Profit before income tax		3,120,875	2,100,810
Adjustments for:			
Depreciation	13	50,726	45,445
Unrealised foreign exchange losses		5,149	(34,584)
Provision for doubtful debts	7	-	118,496
Reversal of overprovision for doubtful debt	7	(80,746)	-
Interest income from fixed deposits	10,11	(814,463)	(1,093,794)
Operating cash inflow before changes in operating assets and liabilities		**2,281,541**	**1,136,373**
Changes in operating assets and liabilities			
Decrease (increase) in:			
Other receivables		(196,166)	68,009
Insurance contracts assets		558,298	337,345
Reinsurance contract asset		(12,146,731)	1,485,548
Increase (decrease) in:			
Other creditors and accruals		(129,925)	(8,078)
Insurance contract liabilities		12,002,129	(3,149,107)
Reinsurance contract liabilities		(737,382)	(170,029)
Cash generated from (used in) operations		1,631,764	(299,939)
Tax paid	9	(363,988)	(302,770)
Net cash generated from (used in) operating activities		**1,267,776**	**(602,709)**
Cash flows from investing activities			
Maturity of fixed deposits with financial institutions	11	7,300,000	27,710,000
Interest received from fixed deposits	10,11	814,463	1,243,686
Purchase of property and equipment	13	(6,222)	(26,002)
Placement of fixed deposits with financial institutions	11	(25,383,840)	(7,300,000)
Net cash (used in) generated from investing activities		**(17,275,599)**	**21,627,684**
Net (decrease) increase in cash and cash equivalents		**(16,007,823)**	**21,024,975**
Cash and cash equivalents at beginning of financial year	10	24,765,211	3,710,203
Effect on currency translation on cash and cash equivalents		52,126	30,033
Cash and cash equivalents at end of financial year		**8,809,514**	**24,765,211**

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

NOTES TO FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

1. DOMICILE AND ACTIVITIES

Audley Insurance Company Sdn Bhd (the "Company") is incorporated in Brunei Darussalam and has its registered office at F10 & F11, 1st Floor, Impiana Jaya Complex, Kg Kiulap, Bandar Seri Begawan BE1518, Brunei Darussalam. The Company's immediate and ultimate holding company is Brunei Investment Agency, a company incorporated in Brunei Darussalam.

The principal activities of the Company are those relating to underwriting of general insurance for Brunei government-related persons, agencies, corporations and selected individuals.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements have been prepared in accordance with the provisions of Brunei Darussalam Companies Act, Chapter 39, the Insurance Order 2006, and the International Financial Reporting Standards ("IFRS") Accounting Standards.

2.2. Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise stated in the accounting policies below.

2.3. Functional and presentation currency

These financial statements are presented in Brunei Darussalam dollars, which is the Company's functional currency.

2.4. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards 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 critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are described in Note 4.

2.5. Changes in accounting policies and disclosures

(a) New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied all the new and revised IFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2025. The adoption of these new and revised IFRS does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

(b) Standards issued but not yet effective

The following accounting standards have been issued by the IASB but are not yet effective and earlier application is permitted; however, the Company has not early applied the following accounting standards in preparing these financial statements.

Management is currently assessing the potential impact of the adoption of the new accounting standards on the Company's financial statements.

Accounting standard	Summary of the requirements
Amendments to IFRS 9 and IFRS 7 *Classification and Measurement of Financial Instruments*	The amendments were issued to address the following topics: Derecognition of a financial liability settled through electronic transfer: • The amendments permit an entity to make an election to deem a financial liability (or part of it) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system. Classification of financial assets: • Contractual terms that are consistent with a basic lending arrangement - The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns. • Assets with non-recourse features - The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets. • Contractually linked instruments - The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches.

	The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements. Disclosures • Investments in equity instruments designated at FVTOCI. The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. • Contractual terms that could change the timing or amount of contractual cash flows. The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost. The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either: • apply all the amendments at the same time and disclose that fact or • apply only the amendments to the classification of financial assets for that earlier period and disclose that fact. The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.
Annual Improvements to IFRS Volume 11	The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process. IFRS 1 *First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter* For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1. IFRS 7 *Financial Instruments: Disclosures—Gain or loss on derecognition* The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

	<u>Guidance on implementing *IFRS 7—Disclosure of deferred difference between fair value and transaction price*</u> The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14. <u>*Guidance on implementing IFRS 7—Introduction and credit risk disclosures*</u> The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B. <u>IFRS 9 *Financial Instruments—Derecognition of lease liabilities*</u> The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss. <u>IFRS 9 *Financial Instruments—Transaction price*</u> The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9.5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9. <u>IFRS 10 *Consolidated Financial Statements—Determination of a 'de facto agent'*</u> The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory. IFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent. <u>IAS 7 *Statement of Cash Flows—Cost method*</u> The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

	The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.
IFRS 18 *Presentation and Disclosures in Financial Statements*	IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to: • present specified categories and defined subtotals in the statement of profit or loss; • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation. An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to both periods presented in these financial statements.

3.1. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2. Financial instruments

Financial assets

Recognition and derecognition

The Company recognises financial assets initially on trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Classification and measurement

Financial assets shall be measured in accordance to their respective classifications at amortised cost, or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at amortised cost if both of the following conditions are met, which is the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's cash equivalents, short-term placements, other receivables are classified as financial assets at amortised cost.

Impairment

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL for financial assets measured at amortised cost. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the general economic conditions and the forecast economic information of the country in which it sells services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 365 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings or in the case of receivable, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the group, are measured in accordance with the specific accounting policies.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-fortrading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3. Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and 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 equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The Company derecognizes the carrying amount of an item of plant and equipment on disposal or when no future economic benefits are expected from its use.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within other income/other expenses in the statement of comprehensive income.

Depreciation

Depreciation is based on the cost of an asset less its residual value.

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 plant and equipment unless it is included in the carrying amount of another asset. The estimated useful lives for the current and comparative years are as follows:

Office furniture	3 years
Office equipment & computer	3 years
Office renovation	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4. Impairment

Non-financial assets

The carrying amounts of the Company's non-financial 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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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.

3.5. Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are recognised as expense as the related service is provided.

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

3.6. Provisions

A provision, other than insurance contract liabilities, 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 discount is recognised as finance cost.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

3.7. Insurance and reinsurance contract treatment

Classification of insurance contracts

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from another party by agreeing to compensate the beneficiary if a specified uncertain future event (the insured event) adversely affects the beneficiary. Insurance risk is significant if, and only if, an insured event could cause the Company to pay significant additional benefits.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether it contains significant insurance risk, by assessing if a insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

A contract classified as an insurance contract remains classified as an insurance contract until all rights and obligations are extinguished or expired.

The Company holds reinsurance contracts to mitigate certain risk exposure, and these are facultative arrangements.

Separation of components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS Accounting Standards instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the insurance and reinsurance contracts.

Non-distinct investment components need to be separated out in the presentation of insurance revenue and insurance service expense because investment components are not included as part of revenue recognition and any variance to the investment component is offset against the CSM.

Currently, the Company's insurance and reinsurance contracts do not include any embedded derivatives, distinct investment component or non-insurance services.

Unit of account

IFRS 17 requires an entity to establish portfolios of insurance contracts. Each portfolio comprise contracts which are subject to similar risks and managed together, and is divided into three groups based on its profitability status:

(a) Contracts that are onerous at initial recognition;

(b) Contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and

(c) Others.

Insurance contracts within a group of contracts cannot be more than one year apart, therefore each group of insurance contracts is further divided by year of the contract recognition date. The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

The Company divides portfolios of reinsurance contracts by applying the same principles with the underlying insurance contracts set out above, except that the references to onerous contracts refer to contracts on which there is a net gain or net loss on initial recognition. All accounting groups within the same contract boundaries can be included in the same group if their initial recognition date is within the same year.

Contract boundary

Contract recognition relates to when is a contract would be recognised as part of the Company's liabilities. The Company recognises groups of insurance contracts it issues from the earliest of the following:

(a) The beginning of the coverage period of the group of contracts. The coverage period of a group of contracts begins when the Company is required to pay the policyholder if a covered event occurs;

(b) The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received; or

(c) For a group of onerous contracts, when the group becomes onerous.

Subsequently, new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

The contract boundary is when there is no obligation from the Company to provide insurance services and the Company cannot compel the policyholder to pay considerations.

For a group of insurance contracts, the Company measures 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 existing during the reporting period in which the Company can compel the contribution to be paid, or in which the Company has a substantive obligation to provide services.

If the terms and conditions that relates to the Company's ability to reassess the risk, as well as to renew, amend or terminate the contract has changed, another contract boundary assessment is required for the affected contracts.

A substantive obligation to provide services ends when:

(a) The Company has the practical ability to reassess the risks of the particular contract and, as a result can set a price or level of benefits that fully reflects those risks; or

(b) Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain 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 contributions for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Reinsurance contracts

The Company recognises groups of reinsurance contracts:

(a) If the reinsurance contracts provide proportionate coverage at the later of the beginning of the coverage period of the group or the initial recognition of any underlying contract; and

(b) In all other cases, from the beginning of the coverage period of the group. The coverage period is the period during which the Company receives coverage for claims arising from the retroceded portions of the underlying insurance contracts.

The contract boundary for a reinsurance ends depends on the substantive obligation to pay considerations and substantive rights to receive service by the cedant, which would be up to the contract boundary of the ceded underlying insurance contracts including future underlying new business contracts covered by the reinsurance contracts, unless:

(a) both the reinsurance operator and the cedant have the unilateral right to terminate the contract on predetermined terms; and

(b) the reinsurance operator has the unilateral right to fully reprice the contract.

Measurement of insurance contracts issued and reinsurance contacts held under GMM

Initial measurement

On initial recognition, the Company measures a group of insurance contracts at the total of:

- The fulfilment cash flows (FCF), which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risks; and

- The contract service margin (CSM), which representing the unearned profit the Company will recognize as it provides service under the insurance contracts in the group.

The measurement of the fulfilment cash flows of a group of insurance contracts does not reflect non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk.

On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, any derecognised asset for insurance acquisition cash flows and any cash flows arising at that date is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous, and the Company shall recognize a loss in profit or loss for the net outflow. A loss component of the liability for remaining coverage is created to depict any losses recognized, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are consequently excluded from the determination of insurance revenue.

The liability for remaining coverage (LRC) is the Company's obligation to investigate and pay valid claims for covered events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the coverage period) and at initial recognition, comprises all remaining expected future cash inflows and cash outflows under an insurance contract plus the CSM for that contract.

The liability for incurred claims (LIC) is the Company's obligation to investigate and pay valid claims for covered events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses. At initial recognition of a group of contracts, the liability for incurred claims is nil as no covered events have occurred.

Subsequent measurement

- Insurance contracts issued

  The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognized in profit or loss because it relates to the future service to be provided under the contracts in the group.

  For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

  (a) the effect of any new contracts added to the group [see Note (iv) Recognition];

  (b) interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition.

  (c) the changes in fulfilment cash flows relating to future service, except to the extent that:

  - such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or

  - such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

  (d) the effect of any currency exchange differences on the CSM; and

  (e) the amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

  The locked-in rate is derived based on year-to-date weighted average discount rate for each annual cohort. The Company adopts the bottom-up approach to derive the discount rates applied.

  The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

  (a) experience adjustments that arise from the difference between the premiums received (and any related cash flows such as insurance acquisition cash flows and insurance contribution taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to contributions received (or due) related to current or past services are recognised immediately in profit or loss while differences related to contributions received (or due) for future services are adjusted against the CSM.

(b) changes in estimates of the present value of future cash flows in the LRC, except those relating to the time value of money and changes in financial risk (recognised in the profit or loss rather than adjusting the CSM).

(c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period.

(d) changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

The Company measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of:

- the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and

- the liability for incurred claims for the Company comprised the fulfilment cash flows related to past service allocated to the group at that date.

- Reinsurance contracts held

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exceptions as the following:

(a) the Company shall include in the estimates of the present value of the future cash flows for the group of reinsurance contracts held the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes.

(b) the Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the reinsurance operator.

(c) the Company recognize a net cost or net gain instead of unearned profit at initial recognition in the balance sheet as a CSM and releases this to the profit or loss as the reinsurance operator renders services, except for the net cost that relates to events before initial recognition. The Company recognizes such a cost immediately in profit or loss as an expense.

(d) changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in the statement of comprehensive income. Alternatively, changes in the fulfilment cash flows adjust the CSM.

(e) changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not relate to future service and not adjust the CSM.

Presentation

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

Any assets or liabilities for insurance acquisition cash flows paid or received before the corresponding insurance contracts recognised are included in the carrying amount of the related groups of insurance contracts issued.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expense.

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 expense or income from insurance contracts issued.

Insurance revenue

The Company's insurance revenue depicts the provision of coverage and other services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, i.e. the amount of contribution paid to the Company adjusted for a financing effect (time value of money) and excluding any distinct investment components.

The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

(a) insurance services expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage.

(b) risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.

(c) release of the CSM.

(d) amounts related to insurance acquisition cash flows.

Loss components

The Company has grouped contract that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition.

Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes.

The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:

- the loss component of LRC; and
- the LRC excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). The Company determined the percentage allocation for the loss component as the proportion of the loss component to the sum of present value of claims and expenses and risk adjustment.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and change in the time value of money;
- the effect of financial risk and change in financial risk.

The Company recognise insurance finance income or expenses on insurance contracts issued between profit and loss. The Company's financial investments backing the insurance portfolios are measured at amortised cost.

The Company systematically allocates the expected total insurance finance income or expenses over the duration of the group of contracts to the profit and loss using discount rates determined on initial recognition of the group of contracts for current discount rates.

Net income or expense from reinsurance contracts held

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

3.8. Equity

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Accumulated profits

Accumulated profits pertain to current and prior period results of operation as reported in the statement of comprehensive income.

3.9. Revenue recognition

Insurance revenue (Note 3.7)

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

3.10. Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are 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 or loss for the year, using tax rates enacted or substantively 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. 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 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 income taxes levied by the same tax authority on the same taxable entity.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

(a) the initial recognition of goodwill; or
(b) the initial recognition of an asset or liability in a transaction which:
- is not a business combination;
- at the time of the transaction, affects neither accounting;
- profit nor taxable profit (tax loss); and
- at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. Critical accounting estimates and judgements in applying accounting policy

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

The critical accounting estimates made by management in applying accounting policies relate to the provisions for unexpired risks and insurance claims. Management makes estimates and assumptions that affect the reported amounts within the financial year. All estimates and assumptions required in conformity with IFRS Accounting Standards are best estimates undertaken in accordance with the applicable standard. Estimates and judgments are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

4.1. Measurement of Insurance contracts issued and reinsurance contracts held

The Company applies the GMM as a measurement model of all its insurance contracts issued and reinsurance contracts held. When measuring liabilities for remaining coverage, GMM includes estimates for future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cashflows and a risk adjustment for non-financial risk.

The judgements exercised in the valuation affect the amounts recognised in the financial statements as assets or liabilities of insurance contracts issued and reinsurance contracts held. Further details of the related material accounting policies, key risk and variables, and the sensitivities of assumptions to the key variables are provided in Note 3.7, Note 20.2, and Note 20.3.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as Claims Development. The main assumption underlying the techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Discount rate

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate with an adjustment for illiquidity contribution. The risk-free rate references traded instruments that contain negligible levels of credit risk, are highly liquid, with reliable prices, and cover a broad range of maturities, including longer dated durations and terms such as Government bond, swap rates, or even low risk corporate bonds.

The Company will use bottom-up approach for determining discount rates. Brunei Government Bond Yield Curve will be used as the proxy for risk-free rate adjusted for illiquidity premium, if any.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of insurance contracts. The risk adjustment reflects an amount that an issuing entity would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The risk adjustment also reflects the degree of diversification benefit the Company includes when determining the compensation, it requires for bearing that risk; and both favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion.

The Company has estimated the risk adjustment using a confidence level approach at the 75th percentile, which aligned local statutory reporting requirements and deemed to be market consistent. Under the confidence level approach, the risk adjustment is the difference between the present value of future cash flows calculated by stressing non-economic assumptions, i.e. the stressed liability, and the best estimated liability.

4.2. Uncertain tax positions

In determining the income tax liabilities, management has estimated the amount of capital allowances and the taxability or deductibility of certain income or expense, respectively, ("uncertain tax positions"). The Company has recognised the tax liability on these uncertain tax positions.

5. Insurance revenue

	2025 B$	2024 B$
Insurance revenue		
Amounts relating to changes in liabilities for remaining coverage		
CSM recognised for services provided	8,849,865	8,595,710
Expected incurred claims and other insurance service expenses	6,909,228	3,423,039
Change in risk adjustment for non-financial risk for risk expired	2,196,221	971,392
Recovery of insurance acquisition cash flows	1,115,062	1,070,075
Other	(162,343)	4,400,047
Total insurance revenue	**18,908,034**	**18,460,263**

6. Net investment result

The following table analyses the Company's net investment result in the statement of comprehensive income.

	2025 B$	2024 B$
Total investment return	**814,463**	**1,093,794**
Net finance (expense) income from insurance contracts		
Interest accreted	(269,923)	(1,176,157)
Effects of changes in interest rates and other financial assumptions	(5,554)	551,223
Total net finance expense from insurance contracts	**(275,477)**	**(624,934)**
Net finance income (expense) from reinsurance contracts		
Interest accreted	179,147	698,443
Other	7,615	(256,278)
Net finance income from reinsurance contracts	**186,762**	**442,165**
	725,748	**911,025**

7. Other expenses - net

	2025 B$	2024 B$
Legal and professional fees	149,271	126,656
Other expenses	139,972	57,385
Provision for doubtful debts	-	118,496
Reversal of overprovision for doubtful debt	(80,746)	-
	208,497	**302,537**

8. Employee compensation

In 2025, total employee compensation consisting of staff salaries, bonuses, and other related costs, amounted to B$195,565 (2024 - $193,216).

9. Income taxes

Deferred income tax assets, net as at 31 December consist of:

	2025 B$	2024 B$
Provision for doubtful debts	7,952	22,891
Unrealised foreign exchange gain	953	6,398
Excess of net book value over tax written-down value	(5,172)	(9,682)
	3,733	**19,607**

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	2025 B$	2024 B$
Profit before taxation	**3,120,875**	**2,100,810**
Tax calculated at the rate of 18.5%	577,362	388,650
Adjustments		
Non-deductible expenses	9,384	36,444
Overprovision of tax in the prior years	-	(585)
Tax credits	(372)	(28,058)
Tax incentives	(27,243)	(5,298)
Statutory income tax exemption	(27,750)	(27,750)
Provision for taxation in respect of current year's profit	**531,381**	**363,403**
Deferred tax expense (benefit)	15,874	(31,800)
Income tax expense charged to profit or loss	**547,255**	**331,603**

Details of income tax expense for the years ended 31 December follow:

	2025 B$	2024 B$
Current	531,381	363,988
Current – Overprovision of tax in the prior years	-	(585)
Deferred	15,874	(31,800)
Income tax expense	**547,255**	**331,603**

Movements of income tax payable for the years ended 31 December follow:

	2025 B$	2024 B$
At 1 January	363,988	196,793
Charged to profit or loss	531,381	363,988
Income tax paid	(363,988)	(302,770)
Tax refund	-	106,562
Overprovision of tax in the prior years	-	(585)
	531,381	**363,988**

10. Cash and cash equivalents

	2025 B$	2024 B$
Cash on hand	799	583
Cash at bank	1,268,715	1,434,628
Cash equivalents	7,540,000	23,330,000
	8,809,514	**24,765,211**

Cash equivalents pertain to fixed deposit with financial institutions amounting to B$7,540,000 (2024 - B$23,330,000) with maturity of less than three (3) months from the date acquired and are registered in the name of the Immediate Holding Company, which holds the deposits in trust for the Company.

The movement in cash equivalents as at 31 December follows:

	2025 B$	2024 B$
As at January 1	23,330,000	1,000,000
Additions	35,735,000	53,615,000
Maturities	(51,525,000)	(31,285,000)
As at 31 December	**7,540,000**	**23,330,000**

The weighted average interest rate per annum relating to deposits with financial institutions at the reporting date is 2.57% (2024 - 3.03%). Interest income on fixed deposits and cash at bank amounts to B$361,727 (2024 - B$246,490).

11. Short-term placements

	2025 B$	2024 B$
Statutory deposit with BDCB	1,000,000	1,000,000
Fixed deposits with financial institutions	25,383,840	7,300,000
	26,383,840	**8,300,000**

Under Section 16 of the Insurance Order, 2006 and Regulation 9(1) of the Insurance Regulations, 2006, the Company is required to maintain a deposit of B$1,000,000 registered in favour of Brunei Darussalam Central Bank (BDCB).

The fixed deposits with financial institutions aggregating B$25,383,840 (2024 - B$7,300,000) have a maturity period of more than 3 months but less than a year from the date acquired, thus, classified as current assets. These are registered in the name of the Immediate Holding Company, which holds the deposits in trust for the Company. Fixed deposits bear weighted average effective profit rate of 2.23% (2024 - 3.26%). Interest receivable from fixed deposits amounts to B$465,854 (2024-B$163,296) (Note 12). Interest income on fixed deposits amounts to B$452,736 (2024 - B$847,304).

The movement in short-term placements as at 31 December follows:

	2025 B$	2024 B$
As at January 1	8,300,000	28,710,000
Additions	25,383,840	7,300,000
Maturities	(7,300,000)	(27,710,000)
As at 31 December	**26,383,840**	**8,300,000**

12. Other receivables

	Notes	2025 B$	2024 B$
Accrued interest receivable from fixed deposits	10,11	465,854	163,296
Deposits		6,400	6,400
Receivables from Collector of income tax (CIT)		1,130	107,522
		473,384	**277,218**

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

13. Plant and equipment, net

	Office Equipment and Computer B$	Office Furniture B$	Office Renovation B$	Total B$
Cost				
1 January 2024	218,777	78,210	109,800	406,787
Additions	26,002	-	-	26,002
31 December 2024	**244,779**	**78,210**	**109,800**	**432,789**
Additions	6,222	-	-	6,222
31 December 2025	**251,001**	**78,210**	**109,800**	**439,011**
Accumulated depreciation				
1 January 2024	168,958	78,210	67,710	314,878
Depreciation	23,484	-	21,961	45,445
31 December 2024	**192,442**	**78,210**	**89,671**	**360,323**
Depreciation	30,597	-	20,129	50,726
31 December 2025	**223,039**	**78,210**	**109,800**	**411,049**
Carrying amounts				
31 December 2024	52,337	-	20,129	72,466
31 December 2025	27,962	-	-	27,962

Breakdown of depreciation expense allocation to the group of insurance contracts during the year:

	2025			2024		
	Directly Attributable B$	Non directly attributable B$	Total B$	Directly Attributable B$	Non directly attributable B$	Total B$
Depreciation	27,551	23,175	50,726	24,683	20,762	45,445

14. Other creditors and accruals

Other payables include accrued expenses related to salaries, actuarial fees and audit fees amounting to B$424,168 (2024 - B$554,093), which are classified as current liabilities.

15. Significant related party transactions

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The Company's Executive and Non-Executive Directors are considered key management personnel.

Key management personnel compensation comprised:

	2025 B$	2024 B$
Salaries and bonuses	136,887	145,849

There are no other benefits paid to key management personnel.

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

16. Insurance contracts

The following table analyses insurance contracts by remaining coverage and incurred claims.

	2025			
	Liabilities for Remaining Coverage			
	Excluding Loss Component	**Loss Component**	**Liability for Incurred Claims**	**Total**
	B$	**B$**	**B$**	**B$**
Opening assets	(2,066,125)	1,174,318	356,980	(534,827)
Opening liabilities	1,180,672	173,829	4,860,431	6,214,932
Reclassifications (*)	1,284,021	(1,284,021)	-	-
Net opening balance	**398,568**	**64,126**	**5,217,411**	**5,680,105**
Changes in the statements of total comprehensive income				
Insurance revenue	**(18,908,034)**	-	-	**(18,908,034)**
Insurance service expense				
Incurred claims and other insurance service expenses	140,620	-	13,076,604	13,217,224
Amortisation of insurance acquisition cash flows	1,115,061	-	-	1,115,061
Losses and reversal of losses on onerous contracts	-	(64,126)	-	(64,126)
Adjustments to liabilities for incurred claims	-	-	(2,315,677)	(2,315,677)
Insurance service expenses	**1,255,681**	**(64,126)**	**10,760,927**	**11,952,482**
Investment components and premium refunds	-	-	-	-
Insurance service result	(17,652,353)	(64,126)	10,760,927	(6,955,552)
Net finance expenses from insurance contracts	184,517	-	90,960	275,477
Total changes in the statements of total comprehensive income	**(17,467,836)**	**(64,126)**	**10,851,887**	**(6,680,075)**
Cash flows				
Premiums received	21,548,176	-	-	21,548,176
Claims and other insurance service expenses paid	-	-	(1,118,124)	(1,118,124)
Insurance acquisition cash flows	(1,213,021)	-	-	(1,213,021)
Total cash flows	20,335,155	-	(1,118,124)	19,217,031
Net closing balance	**3,265,887**	-	**14,951,174**	**18,217,061**
Closing assets	-	-	-	-
Closing liabilities	3,265,887	-	14,951,174	18,217,061
Closing liabilities	**3,265,887**	-	**14,951,174**	**18,217,061**

(*) Opening balance LRC 1 January 2025 has been revised to reclassify "LRC Loss Component" to "LRC Excluding Loss Component" amounting to $1,284,021. This reflects the reversal of the loss component relating to the expired 2020 Aviation cohort. The revision does not affect the total LRC balance as at 1 January 2024.

	2024			
	Liabilities for Remaining Coverage (*)			
	Excluding Loss Component	Loss Component	Liability for Incurred Claims	Total
	B$	B$	B$	B$
Opening assets	(2,230,353)	1,168,024	166,974	(895,355)
Opening liabilities	1,306,978	115,997	7,891,924	9,314,899
pening (assets) / liabilities	**(923,375)**	**1,284,021**	**8,058,898**	**8,419,544**
Changes in the statements of total comprehensive income				
Insurance revenue	**(18,460,263)**	-	-	**(18,460,263)**
Insurance service expense				
Incurred claims and other insurance service expenses	-	(59,729)	3,554,785	3,495,056
Amortisation of insurance acquisition cash flows	1,070,075	-	-	1,070,075
Losses and reversal of losses on onerous contracts	-	123,855	-	123,855
Adjustments to liabilities for incurred claims	-	-	(117,448)	(117,448)
Insurance service expenses	**1,070,075**	**64,126**	**3,437,337**	**4,571,538**
Investment components and premium refunds	-	-	-	-
Insurance service result	(17,390,188)	64,126	3,437,337	(13,888,725)
Net finance expenses from insurance contracts	231,138	-	393,796	624,934
Total changes in the statements of total comprehensive income	**(17,159,050)**	**64,126**	**3,831,133**	**(13,263,791)**
Cash flows				
Premiums received	18,290,642	-	-	18,290,642
Claims and other insurance service expenses paid	-	-	(6,672,620)	(6,672,620)
Insurance acquisition cash flows	(1,093,670)	-	-	(1,093,670)
Total cash flows	17,196,972	-	(6,672,620)	10,524,352
Net closing balance	**(885,453)**	**1,348,147**	**5,217,411**	**5,680,105**
Closing assets	(2,066,125)	1,174,318	356,980	(534,827)
Closing liabilities	1,180,672	173,829	4,860,431	6,214,932
Net closing balance	**(885,453)**	**1,348,147**	**5,217,411**	**5,680,105**

The following table analyses insurance contracts by measurement components.

	2025			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	B$	B$	B$	B$
Opening assets	(2,823,714)	887,287	1,401,600	(534,827)
Opening liabilities	3,822,974	1,106,055	1,285,903	6,214,932
Opening liabilities	**999,260**	**1,993,342**	**2,687,503**	**5,680,105**
Changes in the statements of total comprehensive income				
Changes that relate to current services				
CSM recognised for services provided	3,468,414	-	(8,849,865)	(5,381,451)
Change in risk adjustment for non-financial risk for risk expired	-	(1,672,316)	-	(1,672,316)
Experience adjustments	237,338	(86,516)	(52,607)	98,215
Changes that relate to future services				
Contracts initially recognised in the year	(11,926,973)	2,231,013	9,695,960	-
Changes in estimates that adjust the CSM	(3)	(1)	4	-
Changes that relate to past services				
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	**(8,221,224)**	**472,180**	**793,492**	**(6,955,552)**
Net finance expenses from insurance contracts	143,852	41,583	90,042	275,477
Total changes in the statements of total comprehensive income	**(8,077,372)**	**513,763**	**883,534**	**(6,680,075)**
Cash flows (see page 34)	19,217,031	-	-	19,217,031
Net closing balance	**12,138,919**	**2,507,105**	**3,571,037**	**18,217,061**
Closing assets				
Closing liabilities	12,138,919	2,507,105	3,571,037	18,217,061
Closing liabilities	**12,138,919**	**2,507,105**	**3,571,037**	**18,217,061**

	2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	B$	B$	B$	B$
Opening assets	(4,363,100)	254,164	3,213,581	(895,355)
Opening liabilities	6,810,154	1,154,871	1,349,874	9,314,899
Opening liabilities (opening assets)	**2,447,054**	**1,409,035**	**4,563,455**	**8,419,544**
Changes in the statements of total comprehensive income				
Changes that relate to current services				
CSM recognised for services provided	-	-	(8,595,710)	(8,595,710)
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
Experience adjustments	(5,299,422)	-	-	(5,299,422)
Changes that relate to future services				
Contracts initially recognised in the year	(7,755,706)	1,638,379	6,117,327	-
Changes in estimates that adjust the CSM	(223,820)	(40,155)	263,975	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	33,123	-	90,732	123,855
Changes that relate to past services				
Adjustments to liabilities for incurred claims	1,034,347	(1,151,795)	-	(117,448)
Insurance service result	**(12,211,478)**	**446,429**	**(2,123,676)**	**(13,888,725)**
Net finance expenses from insurance contracts	239,332	137,878	247,724	624,934
Total changes in the statements of total comprehensive income	**(11,972,146)**	**584,307**	**(1,875,952)**	**(13,263,791)**
Cash flows (see page 35)	10,524,352	-	-	10,524,352
Net closing balance	**999,260**	**1,993,342**	**2,687,503**	**5,680,105**
Closing assets	(2,823,714)	887,287	1,401,600	(534,827)
Closing liabilities	3,822,974	1,106,055	1,285,903	6,214,932
Closing liabilities (closing assets)	**999,260**	**1,993,342**	**2,687,503**	**5,680,105**

17. Reinsurance contracts

The following table analyses reinsurance contracts by remaining coverage and incurred claims.

	2025			
	Assets for remaining coverage			
	Excluding Loss Recovery Component	Loss-Recovery Component	Assets for Incurred Claims	Total
	B$	B$	B$	B$
Opening assets	1,217,916	20,164	1,582,474	2,820,554
Opening liabilities	(737,382)	-	-	(737,382)
Net opening balance	480,534	20,164	1,582,474	2,083,172
Changes in the statements of total comprehensive income				
Allocation of reinsurance premiums paid	(16,028,916)	-	-	(16,028,916)
Amortisation of insurance acquisition cash flows	1,529,084	-	-	1,529,084
Recoveries of other incurred claims and other insurance service expenses	-	-	11,889,993	11,889,993
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(20,164)	-	(20,164)
Adjustments to assets for incurred claims	-	-	(1,492,878)	(1,492,878)
Net expenses from reinsurance contracts	(14,499,832)	(20,164)	10,397,115	(4,122,881)
Net finance income from reinsurance contracts	153,243	-	33,519	186,762
Total changes in the statements of total comprehensive income	(14,346,589)	(20,164)	10,430,634	(3,936,119)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	18,230,489	-	-	18,230,489
Amounts received	(1,410,257)	-	-	(1,410,257)
Total cash flows	16,820,232	-	-	16,820,232
Net closing balance	2,954,177	-	12,013,108	14,967,285
Closing assets	2,954,177	-	12,013,108	14,967,285
Closing liabilities	-	-	-	-
Closing assets	2,954,177	-	12,013,108	14,967,285

	2024			
	Assets for remaining coverage			
	Excluding Loss Recovery Component	Loss-Recovery Component	Assets for Incurred Claims	Total
	B$	B$	B$	B$
Opening assets	676,484	-	3,678,797	4,355,281
Opening liabilities	(1,110,982)	-	196,014	(914,968)
Net opening balance	**(434,498)**	-	**3,874,811**	**3,440,313**
Changes in the statements of total comprehensive income				
Allocation of reinsurance premiums paid	(13,110,323)	-	-	(13,110,323)
Recoveries of incurred claims and other insurance service expenses	-	(25,447)	1,180,929	1,155,482
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	45,611	-	45,611
Adjustments to assets for incurred claims	-	-	(313,474)	(313,474)
Effect of changes in non-performance risk of reinsurers	592	-	24,865	25,457
Net expenses from reinsurance contracts	**(13,109,731)**	**20,164**	**892,320**	**(12,197,247)**
Net finance income from reinsurance contracts	201,531	-	240,634	442,165
Total changes in the statements of total comprehensive income	**(12,908,200)**	**20,164**	**1,132,954**	**(11,755,082)**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	13,823,232	-	-	13,823,232
Recoveries from reinsurance	-	-	(3,425,291)	(3,425,291)
Total cash flows	**13,823,232**	-	**(3,425,291)**	**10,397,941**
Net closing balance	**480,534**	**20,164**	**1,582,474**	**2,083,172**
Closing assets	1,217,916	20,164	1,582,474	2,820,554
Closing liabilities	(737,382)	-	-	(737,382)
Net closing balance	**480,534**	**20,164**	**1,582,474**	**2,083,172**

The following table analyses reinsurance contracts by measurement components.

	2025			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	B$	B$	B$	B$
Opening assets	1,135,131	453,055	1,232,368	2,820,554
Opening liabilities	(3,354,251)	585,376	2,031,493	(737,382)
Opening assets (opening liabilities)	**(2,219,120)**	**1,038,431**	**3,263,861**	**2,083,172**
Changes that relate to current services				
CSM recognised for services provided	(3,617,537)	-	(8,426,154)	(12,043,691)
Change in risk adjustment for non-financial risk for risk expired	-	8,036,941	-	8,036,941
Experience adjustments	46,803	(33,950)	(128,984)	(116,131)
Changes that relate to future services				
Contracts initially recognised in the year	(10,592,421)	1,505,117	9,087,304	-
Changes that relate to past services				
Changes to incurred claims component	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Net expenses from reinsurance contracts	**(14,163,155)**	**9,508,108**	**532,166**	**(4,122,881)**
Net finance income from reinsurance contracts	75,471	22,185	89,106	186,762
Total changes in the statements of total comprehensive income	**(14,087,684)**	**9,530,293**	**621,272**	**(3,936,119)**
Cash flows (see page 38)	16,820,232	-	-	16,820,232
Net closing balance	**513,427**	**10,568,724**	**3,885,133**	**14,967,285**
Closing assets	513,427	10,568,724	3,885,133	14,967,285
Closing liabilities	-	-	-	-
Closing assets (closing liabilities)	**513,427**	**10,568,724**	**3,885,133**	**14,967,285**

	2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	B$	B$	B$	B$
Opening assets	3,302,117	564,472	488,692	4,355,281
Opening liabilities	(4,264,717)	259,197	3,090,552	(914,968)
Net opening balance	**(962,600)**	**823,669**	**3,579,244**	**3,440,313**
Changes that relate to current services				
CSM recognised for services provided	-	-	(7,008,080)	(7,008,080)
Experience adjustments	(4,921,313)	-	-	(4,921,313)
Changes that relate to future services				
Contracts initially recognised in the year	(8,149,165)	1,165,476	6,983,689	-
Changes in recoveries or losses on onerous underlying contracts that adjust the CSM	-	-	20,164	20,164
Changes in estimates that adjust the CSM	615,160	(25,144)	(590,016)	-
Changes that relate to past services				
Changes to incurred claims component	712,034	(1,025,508)	-	(313,474)
Effect of changes in non-performance risk of reinsurers	25,456	-	-	25,456
Net expenses from reinsurance contracts	**(11,717,828)**	**114,824**	**(594,243)**	**(12,197,247)**
Net finance income from reinsurance contracts	63,367	99,938	278,860	442,165
Total changes in the statements of total comprehensive income	**(11,654,461)**	**214,762**	**(315,383)**	**(11,755,082)**
Cash flows (see page 39)	10,397,941	-	-	10,397,941
Net closing balance	**(2,219,120)**	**1,038,431**	**3,263,861**	**2,083,172**
Closing assets	1,135,131	453,055	1,232,368	2,820,554
Closing liabilities	(3,354,251)	585,376	2,031,493	(737,382)
Net closing balance	**(2,219,120)**	**1,038,431**	**3,263,861**	**2,083,172**

AUDLEY INSURANCE COMPANY SDN BHD
(Incorporated in Brunei Darussalam)

18. Insurance and reinsurance contracts

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

Insurance Contracts

	2025		
	Profitable contracts issued	**Onerous contracts issued**	**Total**
	B$	**B$**	**B$**
Insurance acquisition cash flows	1,149,966	-	1,149,966
Claims and other insurance service expenses payable	7,053,613	-	7,053,613
Estimates of present value of cash outflows	8,203,579	-	8,203,579
Estimates of present value of cash inflows	(20,130,552)	-	(20,130,552)
Risk adjustment for non-financial risk	2,231,013	-	2,231,013
CSM	9,695,960	-	9,695,960

	2024		
	Profitable contracts issued	**Onerous contracts issued**	**Total**
	B$	**B$**	**B$**
Insurance acquisition cash flows	333,472	-	333,472
Claims and other insurance service expenses payable	4,948,677	-	4,948,677
Estimates of present value of cash outflows	5,282,149	-	5,282,149
Estimates of present value of cash inflows	(13,037,855)	-	(13,037,855)
Risk adjustment for non-financial risk	1,638,379	-	1,638,379
CSM	6,117,327	-	6,117,327

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

Reinsurance Contracts

	2025		
	Contracts without loss-recovery component	Contracts initiated with loss-recovery component	Total
	B$	B$	B$
Estimates of present value of cash inflows	(6,481,790)	-	(6,481,790)
Estimates of present value of cash oytflows	17,074,211	-	17,074,211
Risk adjustment for non-financial risk	(1,505,117)	-	(1,505,117)
CSM	(9,087,304)	-	(9,087,304)

	2024		
	Contracts without loss-recovery component	Contracts initiated with loss-recovery component	Total
	B$	B$	B$
Estimates of present value of cash inflows	(4,170,195)	-	(4,170,195)
Estimates of present value of cash outflows	12,319,360	-	12,319,360
Risk adjustment for non-financial risk	(1,165,474)	-	(1,165,474)
CSM	6,983,689	-	6,983,689

Contractual Service Margin

The following table illustrates when the insurance funds expect to recognise the remaining CSM as revenue for contracts not measured under the PAA.

	2025							
	1 year or less	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	5 -10 years	More than 10 years	Total
Insurance contracts	2,970,263	379,677	44,641	31,099	31,099	114,257	-	3,571,036
Reinsurance contracts	(3,577,498)	(307,635)	-	-	-	-	-	(3,885,133)

	2024							
	1 year or less	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	5 -10 years	More than 10 years	Total
Insurance contracts	2,687,503	-	-	-	-	-	-	2,687,503
Reinsurance contracts	3,263,861	-	-	-	-	-	-	3,263,861

19. Share capital

	Number of shares	
	2025	2024
Authorised ordinary shares	100,000,000	100,000,000
	B$	B$
Issued and paid up (8,500,000 shares at B$1 par value per share)	8,500,000	8,500,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally with regard to the Company's residual assets.

Capital management

The Company's capital management policy aims to:
- maintain a strong capital base to sustain and grow the business so as to uphold investors, creditors and market confidence;
- comply with the regulatory capital requirements for the Company; and
- provide an adequate return to shareholders through prudent underwriting of premium risks and optimising investment returns within the risk parameters established by the Board.

The Company determines the amount of capital in accordance with business expansion needs as well as to meet the regulatory capital requirements for the Company, namely the Margin of Solvency which the Company is required to maintain surplus of assets over liabilities of not less than 20%.

The Company is in compliance with the prescribed margin of solvency throughout the year.

The Company's overall strategy remains unchanged from prior year.

20. Risk management

20.1. Risk management framework

The Company is exposed to a variety of insurance, reinsurance and financial risks in the normal course of its business activities. This section summarises these risks and the way the Company manages them.

20.2. Insurance risk management

The Company accepts insurance risk through its written insurance contracts. The Company is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The Company is a Brunei-based insurance company, providing insurance coverage and risk solutions for Brunei government related persons, agencies, corporations and selected individuals. The Company underwrites direct and facultative reinsurance business both on a proportional and non-proportional basis. Main classes of insurance and reinsurance business underwritten include property, aviation, marine, medical, fire, personal accident, workmen's compensation and public liability.

Terms and conditions of insurance contracts

The Company primarily writes insurance locally, with a number of worldwide policies. The policies indemnify, subject to any limits or excesses, the insureds against loss or damage. Event giving rise to a claim usually occurs suddenly and the cause is easily determinable. The claims will thus be notified promptly and can normally be settled without delay.

Management of risks

The Company manages its insurance risk through underwriting guidelines, pricing comparisons and monitoring of emerging issues.

The Company manages insurance risk by monitoring factors that affect the perils and coverage of the policies such as changes in the macroeconomic or industry landscapes and risk environment.

(a) Underwriting risks

The Company also faces insurance risks related to underwriting, the risk of incurring higher claim costs than expected, owing to the random nature of claims and their frequency and severity and the risk of change in legal or economic conditions or behavioural patterns affecting insurance pricing and conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected. The Company seeks to minimise underwriting risks by observing underwriting guidelines and limits, conservative estimation of the claims provisions, and high standards applied to the security of reinsurers.

In considering the purchase of reinsurance protection, the Company aims to reduce risk, to stabilise solvency and expansion of underwriting capacity. To achieve such objectives, the Company will consider the placing of reinsurance protection at appropriate levels with reinsurance carriers of a proven financial record. Specific reinsurance placements should reflect the appropriate balance between retention and reinsurance commensurate with the nature and complexity of the risk, all within acceptable exposure limits to the Company.

(b) Concentration/accumulation of insurance risks

Claims can accumulate from various contracts from a single systemic cause, such as a natural catastrophe or change in liability award levels. Further concentration can occur if parts of the same risks are accepted from different clients. Such accumulations can put financial strain on the resources of a Company.

Within the insurance process, concentration of risk may arise where a particular event or series of events could impact heavily upon the Company's liabilities. Such concentration may arise from a singed insurance contract or through a small number of related contracts and related to circumstances where significant liabilities could arise. The Company writes its property, marine and casualty insurance on a worldwide basis. Through regular review of its underwriting and reinsurance strategy, the Company monitors and manages its concentration of insurance risk.

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

The following tables show the concentration of net insurance contract liabilities by type of contract:

	2025			2024		
	Insurance	**Reinsurance held**	**Net**	**Insurance**	**Reinsurance held**	**Net**
	B$	**B$**	**B$**	**B$**	**B$**	**B$**
Line of business						
Property All Risks	11,270,594	(9,050,138)	2,220,456	3,778,659	(1,068,423)	2,710,236
Aviation	3,984,525	(3,455,346)	529,179	(427,628)	737,382	309,754
Public Liability	1,067,799	(873,420)	194,379	1,369,974	(881,896)	488,078
Contractor's All Risks	789,694	(717,519)	72,176	(107,200)	(13,716)	(120,916)
Personal Accident	325,190	(284,093)	41,097	156,314	(126,103)	30,211
Cargo	254,935	(221,194)	33,741	178,779	(148,359)	30,420
Workmen Compensation	117,529	(98,221)	19,308	123,562	(103,652)	19,910
Miscellaneous	219,979	(121,983)	97,996	378,891	(277,967)	100,924
Energy	117,447	(100,073)	17,374	119,472	(118,556)	916
Fire	65,818	(43,405)	22,413	103,973	(79,192)	24,781
Marine	3,551	(1,893)	1,658	5,309	(2,690)	2,619
	18,217,061	**(14,967,285)**	**3,249,777**	**5,680,105**	**(2,083,172)**	**3,596,933**

(c) Sensitivity analysis

The purpose of the sensitivity analysis is to assess the relative importance of key assumptions used in the actuarial valuation of claims liabilities and premium liabilities as at 31 December including the provision for adverse deviation (this is referred to as the "base scenario" in the sensitivity analysis summary).

To test the sensitivity of the claims and premium liabilities to the changes in the significant assumptions, simultaneous changes in the assumptions for all durations were considered. The level of change for the assumptions ranges from 0% to 5%. The result after each change in assumption is then compared to the base scenario.

The sensitivity values shown are independent of changes to other assumptions items. In practice, a combination of adverse and favourable changes could occur. The sensitivity results are not intended to capture all possible outcomes. Significantly more adverse or favourable results are possible.

The sensitivity analysis was performed on the premiums and claims liabilities based on changes in assumption that may affect the level of liabilities. One particular reliance is that the net sensitivity results assume that all reinsurance recoveries are receivable in full. The assumption considered in the sensitivity analysis is the ultimate loss ratio.

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

The results of the sensitivity analysis and the impact on the premium and claims liabilities are as follows:

	Change in assumption	Impact on equity before tax gross of reinsurance	Impact on equity before tax net of reinsurance
		B$	B$
2025			
Ultimate Loss Ratio	+ 5%	(788,268)	(81,662)
Ultimate Loss Ratio	- 5%	788,268	81,662
Discount rate	+ 50bps	48,148	10,685
Discount rate	- 50bps	(48,799)	(10,817)
2024			
Ultimate Loss Ratio	+ 5%	(328,325)	(203,307)
Ultimate Loss Ratio	- 5%	328,325	203,307
Discount rate	+ 50bps	77,081	41,350
Discount rate	- 50bps	(78,463)	(42,085)

(d) Claims development

A claims development table is disclosed in order to put the unpaid claims estimates included in the financial statements into a context allowing comparison of the development claims provisions with those seen in previous years.

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.

While the information in the table provides historical perspective on the adequacy of unpaid claims estimate established in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances.

The Directors of the Company believe that the estimates of total claims outstanding as of reporting date are adequate. However, due to inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

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.

The table details the claims development for accident years 2019 to 2025.

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

Analysis of claims development - gross of reinsurance for 2025

Underwriting year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
	B$	**B$**	**B$**	**B$**	**B$**	**B$**	**B$**	**B$**
At end of first financial year	2,478,897	2,604,883	1,622,004	1,845,080	3,489,233	6,213,070	11,936,245	30,189,411
One year later	(30,800)	(723,323)	(117,441)	1,031,732	(216,929)	109,060		52,299
Two years later	(264,017)	(36,392)	(23,613)	(392,683)	10,753			(705,952)
Three years later	(27,043)	(24,046)	15,254	(844,606)				(880,440)
Four years later	(27,260)	-	(4,772)					(32,033)
Five years later	-	(10,455)						(10,455)
Six years later	(39,895)							(39,895)
Current estimates of loss reserves	**2,089,883**	**1,810,667**	**1,491,431**	**1,639,524**	**3,283,057**	**6,322,130**	**11,936,245**	**28,572,937**
Cumulative payments	(1,785,404)	(1,808,809)	(1,193,970)	(1,523,786)	(3,261,930)	(5,235,402)	(129,318)	(14,938,619)
Gross Unpaid Claims	**304,479**	**1,858**	**297,461**	**115,738**	**21,127**	**1,086,728**	**11,806,927**	**13,634,318**
Unexpired Portion	-	-	-	-	-	-	-	-
Expired Portion	**304,479**	**1,858**	**297,461**	**115,738**	**21,127**	**1,086,728**	**11,806,927**	**13,634,318**
Expenses								-
Risk Adjustment								1,499,775
Discounting								(182,919)
Gross Liabilities for Incurred Claims								**14,951,174**

Analysis of claims development - net of reinsurance for 2025

Underwriting year	2019	2020	2021	2022	2023	2024	2025	Total
	B$	B$	B$	B$	B$	B$	B$	B$
At end of first financial year	1,760,781	1,851,124	1,620,969	1,023,564	1,649,442	2,672,329	1,093,488	11,671,697
One year later	(30,800)	(723,323)	(117,441)	703,029	(216,929)	109,060		(276,404)
Two years later	(264,017)	(36,392)	(23,613)	(392,683)	10,753			(705,952)
Three years later	(27,043)	(24,046)	15,254	(83,421)				(119,256)
Four years later	(27,260)	-	(4,772)					(32,032)
Five years later	-	(10,455)						(10,455)
Six years later	(39,895)							(39,895)
Current estimates of loss reserves	**1,371,766**	**1,056,908**	**1,490,397**	**1,250,489**	**1,443,266**	**2,781,389**	**1,093,488**	**10,487,703**
Cumulative payments	(1,067,288)	(1,055,050)	(1,193,970)	(1,195,082)	(1,408,411)	(1,759,294)	(129,318)	(7,808,413)
Gross Unpaid Claims	**304,478**	**1,858**	**296,427**	**55,407**	**34,855**	**1,022,095**	**964,170**	**2,679,290**
Unexpired Portion	-	-	-	-	-	-	-	-
Expired Portion	**304,478**	**1,858**	**296,427**	**55,407**	**34,855**	**1,022,095**	**964,170**	**2,679,290**
Expenses								-
Risk Adjustment								294,722
Non-performance risk								-
Discounting								(35,946)
Gross Liabilities for incurred claims								**2,938,066**

Analysis of claims development - gross of reinsurance for 2024

Underwriting year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	B$	B$	B$	B$	B$	B$	B$	B$	B$	B$
At end of first financial year									5,408,355	5,408,355
One year later								4,585,253		4,585,253
Two years later							2,433,502			2,433,502
Three years later						2,917,730				2,917,730
Four years later					1,835,728					1,835,728
Five years later				2,132,297						2,132,297
Six years later			854,417							854,417
Seven years later		301,015								301,015
Eight years later	986,942									986,942
Current estimates of loss reserves	**986,942**	**301,015**	**854,417**	**2,132,297**	**1,835,728**	**2,917,730**	**2,433,502**	**4,585,253**	**5,408,355**	**21,455,239**
Cumulative payments	(936,942)	(301,015)	(849,954)	(1,776,697)	(1,824,308)	(2,431,672)	(1,379,299)	(4,525,007)	-	(14,024,894)
Gross Unpaid Claims	**50,000**	**-**	**4,463**	**355,600**	**11,420**	**486,058**	**1,054,203**	**60,246**	**5,408,355**	**7,430,345**
Unexpired Portion	-	-	-	-	-	-	(25)	(925)	(3,090,438)	(3,091,388)
Expired Portion	**50,000**	**-**	**4,463**	**355,600**	**11,420**	**486,058**	**1,054,178**	**59,321**	**2,317,917**	**4,338,957**
Expenses										225,330
Risk Adjustment										1,002,299
Discounting										(349,175)
Gross Liabilities for Incurred Claims										**5,217,411**

Analysis of claims development - Net of reinsurance for 2024

Underwriting year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	B$	B$	B$	B$	B$	B$	B$	B$	B$	B$
At end of first financial year									2,653,128	2,653,128
One year later								1,112,683		1,112,683
Two years later							1,647,689			1,647,689
Three years later						2,926,130				2,926,130
Four years later					1,832,623					1,832,623
Five years later				2,129,713						2,129,713
Six years later			854,417							854,417
Seven years later		300,925								300,925
Eight years later	986,942									986,942
Current estimates of loss reserves	**986,942**	**300,925**	**854,417**	**2,129,713**	**1,832,632**	**2,926,130**	**1,647,689**	**1,112,683**	**2,653,128**	**14,444,250**
Cumulative payments	(936,942)	(301,015)	(849,954)	(1,776,697)	(1,824,308)	(2,441,004)	(1,420,783)	(1,048,898)	-	(10,599,601)
Gross Unpaid Claims	**50,000**	**(90)**	**4,463**	**353,016**	**8,315**	**485,126**	**226,906**	**63,785**	**2,653,128**	**3,844,649**
Unexpired Portion	-	-	-	-	-	-	-	(183)	(904,804)	(904,987)
Expired Portion	**50,000**	**(90)**	**4,463**	**353,016**	**8,315**	**485,126**	**226,906**	**63,602**	**1,748,324**	**2,939,662**
Expenses										225,330
Risk Adjustment										694,454
Non-performance risk										(6,996)
Discounting										(231,505)
Gross Liabilities for Incurred Claims										3,634,937

20.3. Financial risk management

(a) Introduction and overview

Transactions in financial instruments may result in the Company assuming financial risks. These include:

- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Credit risk

This note presents information about the Company's exposure to each of the above risk, the Company's objectives, policies and processes for measuring and managing financial risks.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial and insurance liabilities that are settled by delivery of cash or another financial asset the Company has to meet its liabilities as and when they fall due, notably from claims arising from its insurance contracts. There is hence a risk that the financial assets held will not be sufficient to meet its liabilities when they become due.

Management of liquidity risk

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities arising from insurance claims and maturing liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company holds a high proportion of assets in cash or in short-term deposits in order to maintain consistency with short-tail insurance liabilities.

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

The table below summarises the Company's financial instruments and insurance contract balances by remaining maturity. Financial instruments are presented on a contractual undiscounted cash flow basis, while insurance contract balances are presented based on estimated present value of the future cash flows.

The Company applies the discounted approach for insurance contract balances, consistent with IFRS 17, to reflect the present value of future cash flows. Non-insurance contract balances are presented on an undiscounted basis, in line with IFRS 7, to reflect actual contractual obligations.

2025	1 year or less B$	1 - 2 years B$	2 - 3 years B$	3 – 4 years B$	4 – 5 years B$	More than 5 years or no fixed maturity B$	Total B$	Carrying amount B$
Assets								
Cash and cash equivalents	8,809,514	-	-	-	-	-	8,809,514	8,809,514
Short-term placements	26,383,840	-	-	-	-	-	26,383,840	26,383,840
Other receivables*	472,254	-	-	-	-	-	472,254	472,254
	35,665,608	-	-	-	-	-	35,665,608	35,665,608
Liabilities								
Other creditors and accruals	424,168	-	-	-	-	-	424,168	424,168
	424,168	-	-	-	-	-	424,168	424,168
	35,241,440	-	-	-	-	-	**35,241,440**	**35,241,440**

** Excluding corporate income tax receivable*

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

2024	1 year or less B$	1 - 2 years B$	2 - 3 years B$	3 – 4 years B$	4 – 5 years B$	More than 5 years or no fixed maturity B$	Total B$	Carrying amount B$
Assets								
Cash and cash equivalents	24,765,211	-	-	-	-	-	24,765,211	24,765,211
Short-term placements	8,300,000	-	-	-	-	-	8,300,000	8,300,000
Other receivables*	169,696	-	-	-	-	-	169,696	169,696
	33,234,907	-	-	-	-	-	33,234,907	33,234,907
Liabilities								
Other creditors and accruals	554,093	-	-	-	-	-	554,093	554,093
	554,093	-	-	-	-	-	554,093	554,093
	32,680,814	-	-	-	-	-	**32,680,814**	**32,680,814**

** Excluding corporate income tax receivable*

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

(c) Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its financial instruments. Market risk for the Company comprises of currency risk and interest rate risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the Company's exposures to market risks and its objectives, policies and processes for managing market risk have not changed significantly from the previous financial year.

For each of the major components of market risk, the Company has policies and procedures in place which detail how each risk should be managed and monitored. The management of each of these major components of market risk and the exposure of the Company at the reporting date to each major risk is addressed below.

(d) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates.

Management of foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk primarily arises from recognised monetary assets and liabilities that are denominated in a currency that is not the Company's functional currency.

The volatility arising from changes in foreign exchange rates are generally managed by matching liabilities with assets of the same currency thus ensuring that any exposures to overseas currencies are minimised.

The following table sets out the Company's main exposure at the reporting date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the Company.

2025	**USD**	**GBP**	**EUR**
	B$	**B$**	**B$**
Financial and reinsurance contract assets			
Cash and cash equivalents	438,042	316,809	264,048
Reinsurance contract assets, net	(3,278,254)	8,253,102	5,276
	(2,840,212)	**8,569,911**	**269,324**
Financial and insurance contract liabilities			
Insurance contract liabilities, net	(3,922,737)	9,204,874	905,248
Net financial and insurance asset (liabilities)	**(6,762,949)**	**17,774,785**	**1,174,572**

2024	USD	GBP	EUR	AUD	JPY
	B$	B$	B$	B$	B$
Financial and reinsurance contract assets					
Cash and cash equivalents	184,728	906,887	220,293	-	-
Reinsurance contract assets, net	1,827,002	9,479	1,199	126	-
	2,011,730	**916,366**	**221,492**	**126**	**-**
Financial and insurance contract liabilities					
Insurance contract liabilities, net	(4,418,448)	(685,798)	(15,411)	(188,740)	(479)
Net financial and insurance asset (liabilities)	**(2,406,718)**	**(230,568)**	**(206,081)**	**(188,614)**	**(479)**

Sensitivity analysis

A 10% strengthening or weakening of Brunei Dollar against the following currencies at the reporting date would increase (+) or decrease (-) profit or loss by the amounts shown below assuming that all other variables, in particular interest rates, remain constant.

	Profit or loss		**Equity**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
2025				
USD				
Cash and cash equivalents	43,804	(43,804)	43,804	(43,804)
Insurance contract liabilities, net	(327,825)	327,825	(327,825)	327,825
Reinsurance contract liabilities, net	(392,274)	392,274	(392,274)	392,274
GBP				
Cash and cash equivalents	31,681	(31,681)	31,681	(31,681)
Reinsurance contract assets, net	825,310	(825,310)	825,310	(825,310)
Insurance contract liabilities, net	920,487	(920,487)	920,487	(920,487)
EUR				
Cash and cash equivalents	26,405	(26,405)	26,405	(26,405)
Insurance contract liabilities, net	528	(528)	528	(528)
Reinsurance contract assets, net	90,525	(90,525)	90,525	(90,525)

THE REST OF THIS PAGE HAS BEEN LEFT BLANK ON PURPOSE

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
2024				
USD				
Cash and cash equivalents	18,473	(18,473)	18,473	(18,473)
Insurance contract liabilities, net	182,700	(182,700)	182,700	(182,700)
Reinsurance contract liabilities, net	441,845	(441,845)	441,845	(441,845)
GBP				
Cash and cash equivalents	90,689	(90,689)	90,689	(90,689)
Reinsurance contract assets, net	948	(948)	948	(948)
Insurance contract liabilities, net	68,580	(68,580)	68,580	(68,580)
EUR				
Cash and cash equivalents	22,029	(22,029)	22,029	(22,029)
Insurance contract liabilities, net	120	(120)	120	(120)
Reinsurance contract assets, net	1,541	(1,541)	1,541	(1,541)

(e) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to the impact of changes in market interest rates on interest income from interest-bearing financial assets. The Company's exposure to changes in interest rates relates primarily to cash and cash equivalents and fixed rate deposits.

Management of interest rate risk

The Company's exposure to changes in interest rate relates primarily to its term fixed deposits.

The majority of the Company's cash holdings are held mainly in fixed deposits and are thus exposed to interest rate risks when the deposits have to be rolled over. The Company maintains fixed deposits at market rates, and any changes in yield rates will not have a material impact on the carrying amounts of the relevant assets. The Company currently has no borrowing and therefore is not exposed to interest rate risk resulting from borrowings.

(f) Credit risk

Credit risk is the risk of financial loss to the Company if a policyholder or counterparty to insurance and reinsurance transactions fails to meet its contractual obligations and arises principally from the Company's receivables from policyholders and reinsurers.

The carrying amounts of reinsurers' share in insurance contract provisions, insurance and commission receivables, other receivables and cash and cash equivalents represent the Company's maximum exposure to credit risk.

The credit risk on cash and fixed deposits is considered to be low because the counterparties are licensed financial institutions in Brunei of reputable standing.

Credit ratings

The Company uses the Standard & Poor's agency credit ratings to categorize exposures according to the degree of risk of default.

The Company does not invest in non-investment grade assets.

The Standard & Poor's ratings are as follows:

Investment grade	Highest quality	AAA
	High quality	AA+ to AA-
	Strong payment capacity	A+ to A-
	Adequate payment capacity	BBB+ to BBB-
Speculative grade	Likely to fulfil obligations, ongoing uncertainty	BB+ to BB-
	High credit risk	B+ to B-
	Very high credit risk	CCC+ to CCC-
	Near default with possibility of recovery	CC
	Default	D

Management of credit risk

The Company extends credit to its policyholders and reinsurers based on commercial terms. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strengths through published credit ratings, available market information and financial reports. Credit evaluations are performed on all brokers, agents, reinsurers, financial institutions and other counterparties.

To minimize credit risk exposure of cash and cash equivalents, the Company maintains its cash in bank in a commercial bank belonging to major banks in Brunei Darussalam. For short-term placements, exposure is minimal because they are placed in banks that are highly rated by credible credit rating agencies like Standard & Poor's Financial Services.

Concentration risk

The table below provides information regarding the credit risk exposure of the Company by industry. The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Company manages the risk. The Company manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance contract assets.

2025	Financial services	Total
	B$	B$
Cash and cash equivalents*	8,809,514	8,809,514
Short-term placements	26,383,840	26,383,840
Other receivables**	465,854	465,854
Reinsurance contract assets	14,967,285	14,967,285
Total credit risk exposure	**50,626,493**	**50,626,493**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

2024	Financial services	Total
	B$	B$
Cash and cash equivalents*	24,764,628	24,764,628
Short-term placements	7,300,000	7,300,000
Other receivables**	163,296	163,296
Reinsurance contract assets	2,820,554	2,820,554
Total credit risk exposure	**35,048,478**	**35,048,478**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Standard & Poor's credit ratings of counterparties:

2025	Investment grade	Not rated	Total
	B$	B$	B$
Cash and cash equivalents	8,809,513	-	8,809,513
Short-term placements*	26,383,840	-	26,383,840
Other receivables**	465,854	-	465,854
Reinsurance contract assets	14,967,285	-	14,967,285
Total credit risk exposure	**50,626,493**	-	**50,626,493**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

2024	Investment grade	Not rated	Total
	B$	B$	B$
Cash and cash equivalents*	24,764,628	-	24,764,628
Short-term placements	7,300,000	-	7,300,000
Other receivables**	163,296	-	163,296
Reinsurance contract assets	2,820,554	-	2,820,554
Total credit risk exposure	**35,048,478**	-	**35,048,478**

** Excluding cash on hand*
*** Excluding deposits and corporate income tax receivable*

20.4. Capital management

The Company's capital management policy aims to:

- Maintain a strong capital base to sustain and grow the business so as to uphold investors, creditors and market confidence, and

- Comply with the regulatory capital requirements for the Company.

Capital comprises paid-up share capital and accumulated profits.

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

20.5. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. The fair value hierarchy is as follows:

- Level 1 - Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.

- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 - Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity and debt instruments with significant unobservable components.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including other receivables, cash and cash equivalents and other payables) are assumed to approximate their fair values because of the short period to maturity.

Accounting classifications and fair values

The carrying amounts of other financial assets and financial liabilities are as follows.

31 December 2025 **Financial assets**	Loans and receivables B$	Other financial liabilities B$	Total B$
Cash and cash equivalents	8,809,514	-	8,809,514
Short-term placements	26,383,840	-	26,383,840
Other receivables	465,854	-	465,854
	35,659,208	-	35,659,208
Financial liabilities			
Other payables	-	424,168	424,168
31 December 2024			
Financial assets			
Cash and cash equivalents	24,765,211	-	24,765,211
Short-term placements	8,300,000	-	8,300,000
Other receivables	170,826	-	170,826
	33,236,037	-	33,236,037
Financial liabilities			
Other payables	-	535,243	535,243

21. Authorisation of financial statements

The financial statements of the Company as at and for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors dated 12 June 2026.