

Company No. LL11956

Mandarin Re Ltd

(Incorporated in Federal Territory of Labuan, Malaysia)

Company No: LL11956

(Licensed Labuan General Reinsurer - License No. IS2015157)

Financial Statements

For the Year Ended December 31, 2025

(In United States Dollars)

MANDARIN RE LTD

(Incorporated in Federal Territory of Labuan, Malaysia)

Company No: LL11956

(Licensed Labuan General Reinsurer - License No. IS2015157)

TABLE OF CONTENTS

	Page(s)
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7 - 9
Notes to the Financial Statements	10 - 59
STATEMENT BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY	60



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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MANDARIN RE LTD

Company No: LL11956

(Incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990)
(Licensed Labuan General Reinsurer – License No. IS2015157)

Opinion

We have audited the financial statements of Mandarin Re Ltd, (“the Company”), which comprise the statement of financial position as of December 31, 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 4 to 59.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

(Forward)

In preparing the financial statements of the Company, the Directors of the Company 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 of the Company either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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 the Directors.
- Conclude on the appropriateness of the 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, 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 of the Company 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.

(Forward)

Other Matters

1. These financial statements were prepared from the accounting books and records maintained by the Company and our examination of these financial statements was limited to transactions recorded in such accounting books and records.
2. This report is made solely to the member of the Company, as a body, in accordance with Section 117(1) of the Labuan Companies Act, 1990 and Section 174(3) of the Labuan Financial Services and Securities Act, 2010 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


DELOITTE MALAYSIA P/LT (LLP0010145-LCA)
Chartered Accountants (AAL0009)


KOK PEI LOO
Partner – 03524/08/2026 J
Chartered Accountant

August 28, 2026

MANDARIN RE LTD

(Incorporated in Federal Territory of Labuan, Malaysia)

Company No: LL11956

(Licensed Labuan General Reinsurer - License No. IS2015157)

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2025

	Note	2025 USD	2024 USD
ASSETS			
Investment in financial assets	6	9,286,347	8,570,323
Investment in subsidiary	7	750,000	750,000
Cash and bank balances	8	844,383	3,574,259
Deposits with financial institutions	9	48,118	1,042,669
Other receivables, deposits and prepayments	10	10,835,966	3,769,511
Reinsurance contract assets	11	12,886,540	209,580
Amount due from holding company	29	16,162,405	15,109,473
Amount due from related companies	29	32,014	19,081
Amount due from subsidiary	29	2,536,393	1,226,488
Amount due from directors	29	239,239	2,312,703
Intangible asset	14	231,200	210,535
Right-of-use assets	15	184,638	271,319
Investment properties	16	7,533,333	7,800,000
Property and equipment	17	62,738	75,123
Total Assets		<u>61,633,314</u>	<u>44,941,064</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Other payables and accrued expenses	18	758,787	2,124,241
Reinsurance contract liabilities	11	35,350,575	23,737,346
Retrocession contract liabilities	12	273,305	310,721
Lease liabilities	19	190,338	274,789
Tax liabilities		50,020	101,007
Total Liabilities		<u>36,623,025</u>	<u>26,548,104</u>
EQUITY			
Share capital	20	20,000,000	10,000,000
Retained earnings	21	5,010,289	8,392,960
Total Equity		<u>25,010,289</u>	<u>18,392,960</u>
Total Liabilities and Equity		<u>61,633,314</u>	<u>44,941,064</u>

The accompanying Notes form an integral part of the Financial Statements.

MANDARIN RE LTD

(Incorporated in Federal Territory of Labuan, Malaysia)

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Note	2025 USD	2024 USD
Reinsurance revenue	22	42,400,015	34,005,719
Reinsurance service expenses	23	(32,808,224)	(23,533,738)
Net expenses from retrocession contracts held	24	<u>(884,248)</u>	<u>(1,946,437)</u>
REINSURANCE SERVICE RESULTS		<u>8,707,543</u>	<u>8,525,544</u>
Net investment income/(expense)	25	1,507,196	(424,399)
Net finance expenses from reinsurance contracts issued	26(a)	(2,723,393)	(798,870)
Net finance income from retrocession contracts held	26(b)	<u>(10,845)</u>	<u>40,759</u>
NET INVESTMENT (EXPENSE) AND REINSURANCE FINANCE RESULTS		<u>(1,227,042)</u>	<u>(1,182,510)</u>
Other income		106,265	79,513
Other operating expenses	27	(5,653,825)	(5,189,618)
Foreign exchange (loss)/gain		<u>(265,592)</u>	<u>(277,314)</u>
PROFIT BEFORE TAX		1,667,349	1,955,615
Income tax expense	28	<u>(50,020)</u>	<u>(58,668)</u>
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,617,329</u>	<u>1,896,947</u>

The accompanying Notes form an integral part of the Financial Statements.

Company No. LL11956

MANDARIN RE LTD
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Note	Share Capital USD	Retained Earnings USD	Total USD
Balance as of January 1, 2024		10,000,000	6,496,013	16,496,013
Total comprehensive income for the year		-	1,896,947	1,896,947
Balance as of December 31, 2024 / January 1, 2025		10,000,000	8,392,960	18,392,960
Issuance of new ordinary shares	20	5,000,000	-	5,000,000
Issuance of bonus shares	20	5,000,000	(5,000,000)	-
Total comprehensive income for the year		-	1,617,329	1,617,329
Balance as of December 31, 2025		20,000,000	5,010,289	25,010,289

The accompanying Notes form an integral part of the Financial Statements.

MANDARIN RE LTD

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 USD	2024 USD
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	1,667,349	1,955,615
Adjustments for:		
Interest income	(123,327)	(92,803)
Gain on termination of lease	(5,159)	-
Gain on disposal of investment properties	-	(80,458)
Property and equipment written off	-	26
Depreciation of property and equipment	36,093	32,752
Depreciation of right-of-use assets	64,480	171,674
Depreciation of investment properties	266,667	204,256
Amortisation of intangible assets	57,800	-
Prepayment written off	296,124	-
Intangible asset written off	210,535	-
Unrealised foreign exchange (gain)/loss on cash and cash equivalents	(23,411)	184,779
Interest expense on lease liabilities	14,556	7,258
Net (gain)/loss from investment in financial assets	(1,535,704)	464,434
 Operating Profit Before Working Capital Changes	 926,003	 2,847,533
 Movements in working capital:		
(Increase)/Decrease in:		
Amount due from holding company	(1,052,932)	(2,884,256)
Amount due from related companies	(12,933)	(7,575)
Amount due from subsidiary	(1,309,905)	(765,000)
Amount due from directors	2,154,518	294,868
Other receivables, deposits and prepayments	(2,576,575)	(493,162)
Reinsurance contract assets	(12,676,960)	(179,915)
 Increase/(Decrease) in:		
Other payables and accrued expenses	(1,365,454)	542,246
Amount due to directors	-	(660,956)
Reinsurance contract liabilities	11,613,229	1,335,943
Retrocession contract liabilities	(37,416)	146,129
 Cash (Used In)/Generated From Operations	 (4,338,425)	 175,855
Income tax paid	(101,007)	(8,869)
 Net Cash (Used In)/From Operating Activities	 (4,439,432)	 166,986

(Forward)

	2025 USD	2024 USD
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Net (placement)/withdrawal of deposits with financial institutions	(5,449)	(1,130)
Interest received from deposits with financial institutions	1,107	3,750
Proceeds from disposal of investment properties	-	320,550
Purchase of intangible assets (Note a)	(72,000)	(766,000)
Purchase of investment properties (Note b)	-	(2,305,820)
Purchase of property and equipment	(23,708)	(24,945)
Proceeds from disposal of investments	857,842	-
Net Cash From/(Used In) Investing Activities	<u>757,792</u>	<u>(2,773,595)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Repayment of lease liabilities	(71,647)	(177,920)
Net Cash (Used In) Financing Activities	<u>(71,647)</u>	<u>(177,920)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,753,287)	(2,784,529)
CASH AND CASH EQUIVALENTS, beginning of year	4,574,259	7,543,567
Effect of exchange rate changes	23,411	(184,779)
CASH AND CASH EQUIVALENTS, end of year (Note c)	<u>844,383</u>	<u>4,574,259</u>

(Forward)

Notes:

(a) Purchase of intangible asset is as follows:

	2025 USD	2024 USD
Cost of intangible asset (Note 14)	(289,000)	(183,812)
Prepayments included under other receivables, deposits and prepayments	(72,000)	(766,000)
Capitalisation of prior year's prepayments balance	<u>289,000</u>	<u>183,812</u>
Net cash outflows	<u>(72,000)</u>	<u>(766,000)</u>

(b) Purchase of investment properties is as follows:

	2025 USD	2024 USD
Cost of investment property (Note 16)	-	(8,000,000)
Prepayments included under other receivables, deposits and prepayments (Note 10)	-	(2,210,000)
Settlement through transfer of investment in debt securities (Note 16)	<u>-</u>	<u>7,904,180</u>
Net cash outflows	<u>-</u>	<u>(2,305,820)</u>

(c) Cash and cash equivalents included in the statement of cash flow comprise:

	2025 USD	2024 USD
Cash and bank balances (Note 8)	844,383	3,574,259
Deposit with financial institution - 3 months and less (Note 9)	<u>-</u>	<u>1,000,000</u>
	<u>844,383</u>	<u>4,574,259</u>

The accompanying Notes form an integral part of the Financial Statements.

MANDARIN RE LTD

(Incorporated in Federal Territory of Labuan, Malaysia)

Company No: LL11956

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL INFORMATION

The Company is a private limited liability company incorporated under the Labuan Companies Act 1990 in Malaysia. The Company is domiciled in the Federal Territory of Labuan, Malaysia. The registered office and principal place of business are as follows:

Registered office: Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia

Principal place of business: Unit Level 11(D), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia

The Company is principally engaged in the business of a licensed Labuan general reinsurer. There were no significant changes in the nature of the Company's principal activity during the financial year.

The Company incorporated a wholly-owned subsidiary in the United States of America, namely Mani LLC, in 2023, as disclosed in Note 7.

The holding company is Transsibre Holdings Labuan Ltd, a company incorporated in Malaysia.

Information on other related party relationships of the Company is disclosed in Note 29.

The financial statements for the year ended December 31, 2025 were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated August 28, 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Labuan Companies Act 1990 in Malaysia.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Adoption of Amendments to MFRSs

In the current financial year, the Company adopted the following Amendment to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that is effective for an annual financial period beginning on or after January 1, 2025:

Amendments to MFRS 121	Lack of Exchangeability
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The adoption of the above Amendment to MFRSs did not result in any significant changes to the accounting policies of the Company and had no material impact on the financial performance or financial position of the Company.

New Standards and Amendments to MFRSs in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new MFRS and Amendments to MFRSs which were in issue by MASB but not yet effective and not early adopted by the Company are as listed below:

MFRS 18	Presentation and Disclosure in Financial Statements ²
MFRS 19	Subsidiaries without Public Accountability: Disclosures ²
MFRS 20	Regulatory Assets and Regulatory Liabilities ³
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between Investor and its Associate or Joint Venture ⁴
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency ²
Amendments to MFRS 128	Investment in Associates and Joint Ventures ²
Annual Improvements to MFRS Accounting Standards – Volume 11 ¹	

¹ Effective for annual periods beginning on or after January 1, 2026.

² Effective for annual periods beginning on or after January 1, 2027.

³ Effective for annual periods beginning on or after January 1, 2029.

⁴ Effective date deferred to a date to be determined and announced by MASB.

The Company’s management anticipates that the abovementioned MFRSs and Amendments to MFRSs will be adopted in the annual financial statements of the Company when they become effective. The adoption of these new MFRSs and Amendments to MFRSs may have an impact on the financial statements of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said new MFRSs and Amendments to MFRSs until the Company undertakes a detailed review.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the material accounting policy information below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Foreign currency

Functional and presentation currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The financial statements of the Company are presented in United States dollars ("USD"), which is the functional and presentation currency.

Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held

Classifications

The Company issues contracts that transfer insurance risk.

Reinsurance contracts are those contracts that transfer significant insurance risk. A reinsurance contract is a contract under which the Company (the reinsurer) has accepted significant insurance risk from another party (the ceding company or cedant) by agreeing to compensate the cedant if a specified uncertain future event (the insured event) adversely affects the cedant. Insurance risk is significant if, and only if, an insured event could cause the Company to pay significant additional benefits.

Once a contract issued has been classified as a reinsurance contract, it remains a reinsurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Company uses retrocession agreements to reduce its exposure to risks assumed. Retrocession contracts held are accounted for applying MFRS 17 *Insurance Contracts* ("MFRS 17") when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the cedant 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. All contracts entered with the cedants have been classified as reinsurance contracts issued.

Separating components from reinsurance and retrocession contracts

The Company assesses its reinsurance contracts issued and retrocession contracts held to determine whether they contain distinct components which must be accounted for under another MFRS rather than MFRS 17. After separating any distinct components, the Company applies MFRS 17 to all remaining components of the (host) reinsurance contracts. Currently, the Company's products do not include distinct components that require separation.

Level of Aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of MFRS 17 are applied.

On initial recognition, the Company segregates contracts into annual cohorts based on the contract effective date. Each annual cohort is then further disaggregated into three groups of contracts:

- Group of contracts that are onerous on initial recognition;
- Group of contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Group of remaining contracts.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held (continued)

Level of Aggregation (continued)

A contract is classified as onerous at initial recognition if the risk-adjusted present value of all the expected cash flows for contract fulfilment results in a net cash outflow. The determination of whether a contract is onerous is based on the expectations as at the date of initial recognition. The composition of groups established at initial recognition is not subsequently reassessed.

Recognition

The Company recognises a group of reinsurance contracts issued from the earliest of:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a cedent becomes due; or
- when facts and circumstances indicate that the group of contracts becomes onerous.

Retrocession contracts held are recognised as follows:

- A group of retrocession contracts held that provide proportionate coverage is recognised at the later of the beginning of the coverage period of the group and the initial recognition of any underlying reinsurance contract; and
- All other groups of retrocession contracts held are recognised from the beginning of the coverage period of the group of retrocession contracts held; unless the Company entered into the retrocession contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of retrocession contracts held, in which case the retrocession contract held is recognised at the same time as the group of underlying reinsurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the cohort restriction. Composition of the groups is not reassessed in subsequent periods.

Insurance acquisition cash flows

The Company includes insurance acquisition cash flows in the measurement of a group of reinsurance contracts issued if they are directly attributable to acquiring new business.

The Company recognises an asset in respect of costs to secure a portfolio of reinsurance contracts when these costs are incurred before the recognition of reinsurance contracts to which these costs relate. The Company recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated using a systematic and rational method. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held (continued)

Insurance acquisition cash flows (continued)

At end of each reporting period, the Company reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Company adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognised in profit or loss for the difference.

The Company currently does not have any assets for reinsurance acquisition cash flows.

Contract boundaries

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

A substantive obligation to provide insurance contract services ends when the Company has the practical ability to reassess the risks of a particular cedant and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk.

The Company assesses the contract boundary at initial recognition and at each subsequent reporting period.

Measurement - reinsurance contracts issued

All reinsurance contracts issued held by the Company are measured by applying the General Measurement Model ("GMM").

Measurement on initial recognition

On initial recognition, the Company measures a group of reinsurance contracts issued as the total of:

- a) the fulfilment cash flows, which comprise estimates of future cash flows, an adjustment to reflect time value of money and associated financial risks, and a risk adjustment for non-financial risk; and
- b) the contractual service margin ("CSM").

The risk adjustment for non-financial risk for a group of reinsurance contracts issued, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held (continued)

Measurement - reinsurance contracts issued (continued)

Measurement on initial recognition (continued)

The CSM of a group of reinsurance contracts issued represents the unearned profit that the Company will recognise as it provides services under those contracts. On initial recognition of a group of reinsurance contracts issued, if the total of the fulfilment cash flows, any cash flows arising at that date and any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for reinsurance acquisition cash flows) 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. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflows, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are excluded from insurance revenue.

Subsequent measurement

The carrying amount of a group of reinsurance contracts issued at end of each reporting period is the sum of the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC"). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of reinsurance contracts issued are measured at end of the reporting period using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

- Changes relating to future services are adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous);
- Changes relating to current or past services are recognised in the insurance service result in profit or loss; and
- Effects of the time value of money, financial risk and changes therein on estimated future cash flows are recognised as insurance finance income or expenses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held (continued)

Measurement - reinsurance contracts issued (continued)

Subsequent measurement (continued)

The CSM of each group of reinsurance contracts issued is calculated at end of each reporting period as follows:

The carrying amount of the CSM at end of each reporting period is the carrying amount at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates on nominal cash flows;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
 - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised in insurance service expenses and recognised as a loss component in LRC; or
 - any decreases in the fulfilment cash flows adjust the loss component in the LRC and the corresponding amount is recognised in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue for service provided in the period.

Changes in fulfilment cash flows that relate to future services mainly comprise:

- experience adjustments arising from premiums received in the period that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the LRC, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the period, determined as the payment expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the period; and
- changes in the risk adjustment for non-financial risk that relate to future services.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held (continued)

Measurement - retrocession contracts held [under Premium Allocation Approach (“PAA”)]

The Company's retrocession contracts held have, since initial recognition, qualified for the PAA under MFRS 17, on the basis that each contract has a coverage period of one year or less. Retrocession contracts held that were recognised by the Company prior to year 2025 continue to be measured by applying the GMM, consistent with the model applied to those contracts on initial recognition, and were fully run off under the GMM in year 2025. With effect from 2025, retrocession contracts held that are newly recognised by the Company are measured by applying the PAA.

For comparative purposes, management of the Company has assessed the effect of applying the PAA rather than the GMM to the 2024 comparative period. This would have resulted in an increase of USD31,373 to the profit in year 2024, with a corresponding USD31,373 decrease to the closing asset for remaining coverage for the retrocession contracts held as of December 31, 2024, and when this amount rolls forward to year 2025, it will decrease the Company's profit for the financial year ended December 31, 2025 by USD31,373. Management of the Company has assessed and concluded that this effect is immaterial to the financial statements for financial year ended December 31, 2024 taken as a whole and has not retrospectively restated the 2024 comparative figures. Accordingly, the 2024 comparative figures presented in the financial statements of the Company continue to reflect the GMM basis of measurement, while the 2025 figures reflect the PAA for contracts newly recognised in year 2025, with the GMM basis for pre-2025 contracts continuing to run off until those contracts expire.

Measurement on initial recognition

On initial recognition, the Company measures the asset for remaining coverage (“ARC”) at the amount of premiums paid.

The Company has determined that there is no significant financing component in the retrocession contracts held with a coverage period of one year or less. The Company does not discount the ARC to reflect the time value of money and financial risk for such retrocession contracts held.

Subsequent measurement

Premiums due from the Company to the retrocessionaire for retrocession contract services already received in the period but not yet paid at the end of the reporting period are included in the ARC. The carrying amount of the ARC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums paid in the period and the amount recognised in profit or loss for retrocession contract services received in that period.

Measurement - retrocession contracts held [under GMM]

The carrying amount of a group of retrocession contracts held at end of each reporting period is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held (continued)

Measurement - retrocession contracts held [under GMM] (continued)

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying reinsurance contracts, with an adjustment for any risk of non-performance by the retrocessionaire. The effect of the non-performance risk of the retrocessionaire is assessed at end of each reporting period and the effect of changes in the non-performance risk is recognised in profit or loss. The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the retrocessionaire.

On initial recognition, the CSM of a group of retrocession contracts held represents a net cost or net gain on purchasing retrocession. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) the amount arising from assets or liabilities previously recognised for cash flows related to the group, before the group is recognised, (c) cash flows arising from the contracts in the group at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing retrocession coverage relates to insured events that occurred before the purchase of the reinsurance, then the Company recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at end of each reporting period is the carrying amount at the start of the reporting period, adjusted for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows;
- income recognised in profit or loss in respect of a loss recognised for onerous underlying contracts to that group. A loss-recovery component is established or adjusted in the remaining coverage of reinsurance contracts held for the amount of income recognised;
- reversals of a loss-recovery to the extent that they are not changes in the fulfilment cash flows of the group;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless the changes result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component; and
- the amount recognised in profit or loss for the services received in the period.

The Company adjusts the CSM of the group to which a retrocession contract held belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the retrocession contract held is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Company expects to recover from the retrocession contracts held.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Reinsurance contracts issued and retrocession contracts held (continued)

Measurement - retrocession contracts held [under GMM] (continued)

If the retrocession contracts held cover only some of the reinsurance contracts included in an onerous group of contracts, then the Company uses a systematic and rational method to determine a portion of losses on the onerous group of contracts containing the reinsurance contracts covered by the retrocession contracts held.

A loss-recovery component is established or adjusted in the remaining coverage of retrocession contracts held, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the retrocession contracts held and are excluded from the allocation of retrocession premiums paid.

Insurance receivables and payables

The reinsurance (retrocession) contracts liabilities and assets include insurance receivables and payables.

i. Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration to be received. The carrying value of premiums due and uncollected is reviewed for impairment whenever events or circumstances indicate the carrying amount may not be recoverable, with the impairment loss recorded in profit or loss.

Insurance receivables are derecognised following the derecognition criteria for financial instruments.

The impairment on insurance receivables are measured at initial recognition and throughout its life at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the insurance receivables are grouped based on aging buckets from current to 12 months and above. Forward-looking information has been included in the calculation of ECL.

ii. Insurance payables

Insurance payables are recognised when due and measured on initial recognition at fair value of the consideration payable less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Modification and derecognition

The Company derecognises the original contract and recognises the modified contract as a new contract, if the terms of insurance contracts are modified.

If the modified terms were included at contract inception and the Company would have concluded that the modified contract:

- is not in scope of MFRS 17;
- results in different separable components from the host contract;
- results in a substantially different contract boundary; or
- belongs to a different group of contracts.

If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfilment cash flows.

The Company derecognises a reinsurance contract issued when, and only when the contract is:

- extinguished (when the obligation specified in the reinsurance contract expires or is discharged or cancelled); or
- modified and the derecognition criteria are met.

3.5 Presentation

Portfolios of reinsurance contracts issued that are assets and those that are liabilities, and portfolios of retrocession contracts held that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into:

- (a) reinsurance service results that comprise reinsurance revenue, reinsurance service expenses; and net income/expenses from retrocession contracts held; and
- (b) the net reinsurance finance income or expenses.

Income and expenses from retrocession contracts held are presented separately from income and expenses from reinsurance contracts issued. Income and expenses from retrocession contracts held, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from retrocession contracts held' in the reinsurance service results.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion between reinsurance service results and reinsurance finance income or expenses. All changes in risk adjustment are recognised within the reinsurance service results.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Presentation (continued)

Reinsurance revenue

As the Company provides reinsurance services under a group of reinsurance contracts issued, it reduces its LRC and recognises reinsurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

Reinsurance revenue consists of the sum of the changes in the LRC due to:

- the reinsurance service expenses incurred in the year measured at the amounts expected at the beginning of the year, excluding amounts allocated to the loss component and insurance acquisition expenses;
- the change in the risk adjustment for non-financial risk, excluding changes that relate to future service that adjust the CSM and amounts allocated to the loss component;
- the amount of CSM for the services provided in the year; and
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any.

Reinsurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the reinsurance service expenses in each reporting period.

Reinsurance service expenses

Reinsurance service expenses arising from a group of reinsurance contracts issued comprises:

- Incurred claims;
- Other directly attributable insurance service expenses incurred;
- Amortisation of insurance acquisition cash flows;
- Changes that relate to past service (i.e. changes in the fulfilment cash flow relating to the LIC); and
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss and other comprehensive income.

Net income or expenses from retrocession contracts held

The Company presents income or expenses from a group of retrocession contracts held and retrocession finance income or expenses in profit or loss for the year separately under reinsurance service results. Income or expenses from retrocession contracts held are presented as a net amount in profit or loss, as allowed by the Standard.

The Company presents cash flows that are contingent on claims as part of the amount recovered from retrocessionaires. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums payable to the retrocessionaire which is then allocated to profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Presentation (continued)

Net income or expenses from retrocession contracts held (continued)

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of retrocession contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying reinsurance contracts or on addition of onerous underlying reinsurance contracts to a group. The loss recovery component adjusts the CSM of the group of retrocession contracts held.

Reinsurance and retrocession finance income and expenses

Reinsurance and retrocession finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of reinsurance contracts issued and a group of retrocession contracts held. The Company presents all reinsurance and retrocession finance income or expenses in profit or loss.

3.6 Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

MFRS 9 *Financial Instruments* ("MFRS 9") includes three principal classification categories for financial assets: measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets is based on the Company's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cashflow characteristics of the financial instruments (i.e., are the asset's contractual cash flows solely principal and interest ("SPPI")). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest.

The Company categorises and measures financial instruments at either AC or FVTPL.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Financial instruments (continued)

Amortised cost (“AC”)

A financial asset is measured at amortised cost if its business model is to hold the asset to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method, less any allowance for impairment. The Company’s financial assets measured at AC include cash and bank balances, deposits with financial institutions, other receivables and deposits, amounts due from holding company, related companies, subsidiary and directors.

Fair value through profit or loss (“FVTPL”)

Financial assets and liabilities at fair value through profit or loss comprise two categories:

- (a) financial assets or liabilities mandatorily classified as at fair value through profit or loss; and
- (b) financial assets or liabilities designated at fair value through profit or loss upon initial recognition.

The investment in financial assets of the Company is initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value with the gain or loss recognised in profit or loss. The Company’s financial assets at FVTPL include equity securities, debt securities and unit trust funds.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

Financial liabilities are recognised when, and only when the Company becomes a party to the contractual provisions of the instruments, and initially measured at fair value.

The Company’s financial liabilities include other payables and accrued expenses, and lease liabilities.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Financial instruments (continued)

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the financial asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of financial assets

The Company measures Expected Credit Losses (“ECL”) on all financial instruments that are measured at amortised cost. ECL is a probability-weighted estimate of credit losses. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort when assessing the ECL. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and forward-looking information, where available.

3.7 Investment in subsidiary

The Company has control over an investee if all three of the following are met: (1) it has power over an investee; (2) it is exposed to, or has rights to, variable returns from its involvement with the investee; and (3) it has ability to use its power over the investee to affect its own returns.

In view of the criteria set out in paragraph 4(a) of MFRS 10 *Consolidated Financial Statements*, the Company is exempted from presenting the consolidated financial statements as the immediate holding company, Transsibre Holdings Labuan Ltd., a company incorporated in Labuan, Malaysia, prepares the consolidated financial statements in accordance with MFRS in Malaysia.

Investment in subsidiary is accounted for at cost less impairment losses, if any. On the disposal of such investment, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

The Company applies MFRS 136 *Impairment of Assets* (“MFRS 136”) to determine whether investment in subsidiary is impaired and accounts for any identified impairment loss. No impairment loss made by the Company on investment in subsidiary as of the end of the reporting period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.8 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation for residential properties held by the Company is recognised in profit or loss on a straight-line basis over their estimated useful lives of 30 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

The Company applies MFRS 136 to determine whether investment properties is impaired and accounts for any identified impairment loss. No impairment loss made by the Company on investment properties as of the end of the reporting period.

3.9 Intangible asset

Intangible asset acquired separately is measured on initial recognition at cost. Following initial recognition, intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

The Company's intangible assets comprise computer software and software under development.

Amortisation of computer software is computed on the straight-line method at the following annual rate based on the estimated useful live:

Computer software	20%
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Software under development is not subject to amortisation until the development is completed and the asset is available for use.

The Company applies MFRS 136 to determine whether intangible asset is impaired and accounts for any identified impairment loss. No impairment loss has been made by the Company on computer software as of the end of the reporting period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.10 Property and equipment

All property and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

All property and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Depreciation of property and equipment is computed on the straight-line method at the following annual rates based on the estimated useful lives of the various property and equipment:

Furniture & fittings	20%
Computers & accessories	40%
Office equipment	20%

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current year.

The Company applies MFRS 136 to determine whether property and equipment is impaired and accounts for any identified impairment loss. No impairment loss made by the Company on property and equipment as of the end of the reporting period.

3.11 Leases - As a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in substance fixed payments).

The lease liabilities are presented as a separate line in the statement of financial position.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Leases – As a lessee (continued)

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* (“MFRS 137”). To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use assets are depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss. No impairment loss made by the Company on right-of-use assets as of the end of the reporting period.

3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.13 Investment income

Interest on deposits with financial institutions is recognised using the effective interest method and recorded in investment income, net of related expenses in profit or loss.

3.14 Employee benefits

Short-term employee benefits

Salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees of the Company that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plan

The Company is required by law to make monthly contributions to the Employee Provident Fund ("EPF"), a statutory defined contribution plan for all its eligible employees based on certain prescribed rates of the employees' salaries. The Company's contributions to EPF are included in staff costs. Once the contributions have been paid, the Company has no further payment obligations.

3.15 Income tax

Income tax expense in profit or loss represents the expected tax payable for the financial year, using the basis enacted or substantively enacted at the end of the reporting period.

The tax treatment of a Labuan entity is dependent on whether it carries on a Labuan trading activity or a Labuan non-trading activity as defined under the Labuan Business Activity Tax Act 1990. Effective January 1, 2019, where a Labuan entity carries on a Labuan business activity and meets the relevant substance requirements set by the Labuan Business Activity Tax (Requirements for Labuan Business Activity) Regulations 2021, the tax charge for a year of assessment is at the rate of 3% of its audited net profit.

The Labuan Business Activity Tax (Amendment) Act 2020, which was gazetted on February 10, 2020, provides that any Labuan entity carrying on a Labuan business activity that fails to comply with the relevant substance requirements for a basis period for a year of assessment is subject to tax under the Labuan Business Activity Tax Act 1990 at the rate of 24% of its audited net profit.

The Company's management has assessed and concluded that the Company meets the relevant substance requirements in the current financial year and the Company is subject to a tax rate of 3% of audited net profit.

3.16 Statement of cash flows

Cash and cash equivalents consist of cash on hand, bank balances and deposits with licensed banks and highly liquid investments which have an insignificant risk of changes in fair value with the original maturities of three months or less, and are used by the Company in the management of their short-term commitments..

The Company adopts the indirect method in the preparation of the statement of cash flows.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, the Company's management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased manner, all reasonable and supportable information available without undue cost or effort at the end of the reporting period. This information includes internal and external historical data relating to claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the end of the reporting period and its current expectations of future events that may affect those cash flows.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) insurers, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Cash flows are attributed to insurance acquisition activities and other fulfilment activities either directly or based on an allocation reflecting the nature of the activities performed by the respective business functions. Cash flows attributable to such activities are allocated to groups of contracts using systematic and rational methods that are applied consistently to costs with similar characteristics.

Method of estimating discount rates

The discount rate is determined on a bottom-up approach, starting with a liquid risk-free yield curve and adding an illiquidity premium to reflect the characteristics of the insurance contracts. Risk-free rates are based on government bond yields for major currencies.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Method of estimating discount rates (continued)**

The following tables set out the range of yield curves used to discount future cash flows for major currencies:

	2025			2024		
	1 year	5 years	10 years	1 year	5 years	10 years
	%	%	%	%	%	%
United States Dollar (USD)	3.80	3.84	4.21	4.16	4.38	4.58
Mexican Peso (MXN)	7.00	7.00	7.00	10.09	10.36	10.84
Euro (EUR)	2.22	2.62	3.00	2.18	2.13	2.45
Chinese Yuan (CNY)	1.14	1.25	1.40	1.10	1.40	1.69
United Arab Emirates Dirham (AED)	3.61	3.61	3.61	4.40	4.40	4.40
British Pound Sterling (GBP)	3.89	4.01	4.39	4.64	4.35	4.57
Philippine Peso (PHP)	4.04	4.15	4.38	5.98	6.18	6.13

When applying the above risk-free yield curves, an illiquidity premium ranging from 0% to 0.37% (2024: 0% to 0.5%) is added in determining the discount rates.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Company-specific price for bearing that risk and reflects the degree of the Company's risk aversion.

The Company uses the confidence level approach in estimating the risk adjustment. Under the confidence level technique, the Company estimates the probability distribution of the expected present value of future cash flows at the end of each reporting period and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of future cash flows, allowing for the associated risks over all future years. The target confidence level applied by the Company is the 75th percentile, in line with the regulatory requirement of the Labuan Financial Services Authority.

Contractual service margin ("CSM")

The CSM of a group of contracts is recognised in profit or loss as insurance contract services are provided. The amount recognised in each reporting period is determined based on the coverage units provided in the current period and expected to be provided in future periods. The number of coverage units is determined by considering, for each contract, the quantity of benefits provided and its expected coverage period. Coverage units are reviewed and updated at the end of each reporting period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Expected Credit Losses (“ECL”)

The assessment of whether the credit risk of financial assets measured at amortised cost has increased significantly since initial recognition, and the incorporation of forward-looking information in measuring ECL, require significant judgement and assumptions regarding future economic conditions and credit behaviour.

A number of factors are also considered in applying the accounting requirements for measuring ECL, such as:

- determining the criteria for significant increase in credit risk;
- determining the criteria and definition of default;
- choosing appropriate models and assumptions for the measurement of ECL; and
- establishing the methodology for incorporating forward-looking information into the measurement of ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

5.1 Reinsurance risk

Reinsurance risk is the risk of loss of adverse change arising from the underwritten reinsurance businesses. The Company has established appropriate policies and monitoring metrics combined with authority limits as part of risk mitigation activities embedded in the business operations.

The Company considers reinsurance risk to be a combination of the following component risks:

Underwriting risk

Underwriting risk reflects the risk of loss or adverse impact arising from adverse changes in the actual outcome from the initial underwriting assessment/evaluation, selection, and terms set against underlying assumption/expectation derived in pricing and reserving process.

Lapse risk

Lapse risk refers to the possibility of actual lapse experience that diverges from the anticipated experience assumed when contracts were priced. It includes the potential financial loss incurred due to early termination of policies or contracts in circumstances where the acquisition costs incurred are no longer recoverable from future revenue.

Expense risk

Expense risk pertains to the potential for unexpected increases in the administrative costs associated with servicing contracts, rather than costs arising from insured events.

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

5.1 Reinsurance risk (continued)

The following table sets out the concentration of the reinsurance risk based on the liabilities for incurred claims as at the end of the reporting period.

	2025		2024	
	Gross of retrocession USD	Net of retrocession USD	Gross of retrocession USD	Net of retrocession USD
Fire	33,629,364	33,629,364	28,279,085	28,279,085
Marine	1,429,086	1,429,086	2,174,167	2,174,167
Miscellaneous and liabilities	292,125	292,125	1,600,572	1,600,572
	<u>35,350,575</u>	<u>35,350,575</u>	<u>32,053,824</u>	<u>32,053,824</u>

5.2 Sensitivity analysis

The table below analyses how the profit or loss and equity of the Company would have increased/decreased if changes in claims ratio, expense ratio and interest rate that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by retrocession and assumes that all other variables remain constant.

	Profit or loss		Equity	
	Gross of retrocession USD	Net of retrocession USD	Gross of retrocession USD	Net of retrocession USD
2025				
Claims ratio (+10%)	(4,576,824)	(4,576,824)	(4,576,824)	(4,576,824)
Expense ratio (+10%)	(1,713,341)	(1,713,341)	(1,713,341)	(1,713,341)
Interest rate (+1%)	539,010	539,010	539,010	539,010
Interest rate (-1%)	(1,278,914)	(1,278,914)	(1,278,914)	(1,278,914)
2024				
Claims ratio (+10%)	(2,040,293)	(2,013,507)	(2,040,293)	(2,013,507)
Expense ratio (+10%)	(69,755)	(69,202)	(69,755)	(69,202)
Interest rate (+1%)	454,674	458,023	454,674	458,023
Interest rate (-1%)	(466,841)	(470,233)	(466,841)	(470,233)

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

5.3 Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and Incurred But Not Reported (“IBNR”) for each successive accident year at end of each reporting period, together with cumulative payments to date.

Claims Liabilities as of December 31, 2025

Accident year	Before 2017 USD	Accident year								2025 USD	Total USD
		2017 USD	2018 USD	2019 USD	2020 USD	2021 USD	2022 USD	2023 USD	2024 USD		
At the end of accident year	-	1,782,369	1,699,969	596,813	3,383,635	2,046,556	4,493,708	14,548,332	21,916,357	23,317,032	
One year later	-	398,335	1,265,118	287,502	4,501,168	2,861,477	4,972,527	10,885,716	11,450,525	-	
Two years later	-	296,619	1,258,359	321,652	4,498,150	2,392,529	4,899,840	20,709,787	-	-	
Three years later	-	277,303	1,253,868	310,414	3,538,284	2,361,872	5,369,096	-	-	-	
Four years later	-	276,673	1,248,128	286,980	3,464,347	2,762,738	-	-	-	-	
Five years later	-	269,078	1,247,089	236,396	3,633,394	-	-	-	-	-	
Six years later	-	253,565	1,203,444	243,733	-	-	-	-	-	-	
Seven years later	-	231,122	1,240,023	-	-	-	-	-	-	-	
Eight years later	-	238,147	-	-	-	-	-	-	-	-	
Current estimate of cumulative claims incurred	-	238,147	1,240,023	243,733	3,633,394	2,762,738	5,369,096	20,709,787	11,450,525	23,317,032	
Cumulative claims paid	-	(238,065)	(1,193,470)	(128,539)	(3,148,881)	(1,664,433)	(4,627,943)	(13,202,040)	(7,904,794)	(7,095,951)	
Claims liabilities	57,040	82	46,553	115,194	484,513	1,098,305	741,153	7,507,747	3,545,731	16,221,081	29,817,399
Claims handling expenses											149,088
Effect of discounting											(734,735)
Effect of risk adjustment											4,745,428
Others											1,373,395
LIC included in the statement of financial position											35,350,575

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

5.3 Claims development table (continued)

Claims Liabilities as of December 31, 2024

<u>Accident year</u>	Before 2016 USD	Accident year									Total USD
		2016 USD	2017 USD	2018 USD	2019 USD	2020 USD	2021 USD	2022 USD	2023 USD	2024 USD	
At the end of accident year	-	1,754,342	1,782,369	1,699,969	596,813	3,383,635	2,046,556	4,493,708	14,548,332	21,916,357	
One year later	-	1,786,027	398,335	1,265,118	287,502	4,501,168	2,861,477	4,972,527	10,885,716	-	
Two years later	-	1,819,090	296,619	1,258,359	321,652	4,498,150	2,392,529	4,899,840	-	-	
Three years later	-	1,845,160	277,303	1,253,868	310,414	3,538,284	2,361,872	-	-	-	
Four years later	-	1,846,110	276,673	1,248,128	286,980	3,464,347	-	-	-	-	
Five years later	-	1,861,400	269,078	1,247,089	236,396	-	-	-	-	-	
Six years later	-	1,854,127	253,565	1,203,444	-	-	-	-	-	-	
Seven years later	-	1,905,580	231,122	-	-	-	-	-	-	-	
Eight years later	-	1,814,926	-	-	-	-	-	-	-	-	
Nine years later	-	-	-	-	-	-	-	-	-	-	
Current estimate of cumulative claims incurred	-	1,814,926	231,122	1,203,444	236,396	3,464,347	2,361,872	4,899,840	10,885,716	21,916,357	
Cumulative claims paid	-	(1,172,046)	(149,254)	(777,163)	(152,660)	(2,237,212)	(1,516,042)	(3,056,288)	(6,482,486)	(3,023,729)	
Claims liabilities	74,575	642,880	81,868	426,281	83,736	1,227,135	845,830	1,843,552	4,403,230	18,892,628	28,521,715
Claims handling expenses											83,517
Effect of discounting											(1,938,518)
Effect of risk adjustment											3,822,706
Others											1,564,404
LIC included in the statement of financial position											<u>32,053,824</u>

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

5.4 Financial instruments, financial risk and capital risk management

Categories of financial instruments

	2025 USD	2024 USD
Financial assets		
Financial assets at FVTPL:		
Investment in financial assets	9,286,347	8,570,323
Financial assets at amortised costs:		
Cash and bank balances	844,383	3,574,259
Deposits with financial institutions	48,118	1,042,669
Other receivables and deposits	7,977,650	433,839
Amount due from holding company	16,162,405	15,109,473
Amount due from related companies	32,014	19,081
Amount due from subsidiary	2,536,393	1,226,488
Amount due from directors	239,239	2,312,703
	<u>37,126,549</u>	<u>32,288,835</u>
Financial liabilities at amortised cost:		
Other payables and accrued expenses	758,787	2,124,241
Lease liabilities	<u>190,338</u>	<u>274,789</u>
	<u>949,125</u>	<u>2,399,030</u>

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

5.4 Financial instruments, financial risk and capital risk management (continued)

Financial risk management

The Company is exposed to a variety of financial risks that includes interest rate risk, foreign currency risk, credit risk and liquidity risk.

(i) *Interest rate risk management*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

As of the end of the reporting period, the Company does not have significant interest rate exposure relating to investment in debt securities and deposits with licensed financial institutions.

(ii) *Foreign currency risk management*

The Company is exposed to foreign exchange risks because of its foreign currency denominated revenue (premiums) and expenses (claims, benefits and expenses).

At the end of the reporting period, the carrying amounts of monetary assets and liabilities are mainly denominated in United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD") and Great British Pound ("GBP").

No sensitivity analysis has been disclosed as the Company's management believes that a reasonable possible change in foreign exchange rate on foreign currencies other than EUR, SGD and GBP will not have a material impact on the Company's results.

(iii) *Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Company. The Company is exposed to credit risk arising from cash and bank balances, deposits with financial institutions, reinsurance contract assets, amounts due from holding company, related companies, subsidiary and directors, and other receivables and deposits. The Company manages its exposure to credit risk by the application of credit control policies and monitoring procedures on an on-going basis.

The Company's exposure to credit risk arises primarily from amount due from intercompanies. There is no history of default on the amount due from intercompanies and there are no indicators that the amount due from intercompanies may default and hence the Company is of the view that the credit risk is deemed to be low.

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Company after deducting any expected credit losses (where applicable).

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

5.4 Financial instruments, financial risk and capital risk management (continued)

Financial risk management (continued)

(iv) Liquidity risk management

An important aspect of the Company's management of assets and liabilities is to ensure that cash reserve is available to settle liabilities as they fall due. The Company maintains sufficient level of cash to meet these demands on a daily basis. In normal circumstances, the majority of the claims are settled with the bank balances available.

Prudent liquidity risk management implies maintaining sufficient cash. Due to the nature of the business and type of assets owned, the Company's liquidity risk is minimised.

Maturity analysis

The following table sets out the maturity profile of the liabilities at the end of the reporting period based on contractual undiscounted cash flows.

For reinsurance contracts liabilities and retrocession contract liabilities, the maturity profiles are determined based on estimates of future cash flows on a discounted basis.

2025	Carrying Amount USD	Within 1 Year USD	1 to 5 years USD
Reinsurance contract liabilities - Estimates			
of present value of future cash flows	13,532,476	(2,645,741)	16,178,217
Other payables and accrued expenses	758,787	758,787	-
Lease liabilities	190,338	64,020	126,318
	<u>14,481,606</u>	<u>(1,822,929)</u>	<u>16,304,535</u>
2024	Carrying Amount USD	Within 1 Year USD	1 to 5 years USD
Reinsurance contract liabilities - Estimates			
of present value of future cash flows	7,963,273	5,889,845	2,073,428
Other payables and accrued expenses	2,124,241	2,124,241	-
Lease liabilities	274,789	80,613	194,176
	<u>10,362,303</u>	<u>8,094,699</u>	<u>2,267,604</u>

5. INSURANCE RISK, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

5.5 Capital risk management policies and objectives

The Company manages its equity to ensure that it will be able to continue as a going concern while maximising the return to equity. The Company has complied with the Directive on Minimum Capital Requirement by Labuan Licensed Entities issued by the Labuan Financial Services Authority, during the financial year by maintaining capital levels in excess of the minimum prescribed Capital Adequacy Requirement.

As of December 31, 2025, the Company has maintained total surplus of assets over liabilities equivalent to at least RM10,000,000 unimpaired by losses; and RM10,000,000 or 20% of net premium income of the preceding financial year, whichever is greater in compliance with the working funds and margin of solvency requirement imposed under Section 109 of Labuan Financial Services and Securities Act, 2010.

6. INVESTMENT IN FINANCIAL ASSETS

	2025 USD	2024 USD
<u>At FVTPL:</u>		
Equity securities:		
Quoted outside Malaysia	475,353	480,083
Debt securities:		
Quoted outside Malaysia	2,604,858	2,300,888
Unit trust funds:		
Unquoted outside Malaysia	6,206,136	5,789,352
Total investments	9,286,347	8,570,323

Fair value measurements

The following table shows investment in financial assets measured at fair value analysed by the different hierarchy of fair value:

	2025 USD	2024 USD
<u>Level 1</u>		
Using quoted market prices	475,353	480,083
<u>Level 2</u>		
Using observable inputs	8,810,994	8,090,240
	9,286,347	8,570,323

The investment in financial assets, which are under Level 2 of the fair value hierarchy, are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing agencies and other service providers.

7. INVESTMENT IN SUBSIDIARY

	2025 USD	2024 USD
At Cost		
As of January 1/December 31	<u>750,000</u>	<u>750,000</u>

The details of the subsidiary are as follows:

Name of company	Country of incorporation	Principal activities	2025 & 2024 Holding %
Manit LLC*	United States of America	Software development	100

*Not required to be audited under respective local statutory requirements.

8. CASH AND BANK BALANCES

	2025 USD	2024 USD
Cash in hand	405	84
Cash in banks	<u>843,978</u>	<u>3,574,175</u>
	<u>844,383</u>	<u>3,574,259</u>

The currency profile of cash and bank balances is as follows:

	2025 USD	2024 USD
Malaysian Ringgit	8,246	63,788
United States Dollar	785,253	1,166,678
Euro	13,484	626,505
Great British Pound	20,899	1,708,359
Chinese Yuan	9,315	8,928
Singapore Dollar	<u>7,186</u>	<u>-</u>
	<u>844,383</u>	<u>3,574,259</u>

9. DEPOSITS WITH FINANCIAL INSTITUTIONS

	2025 USD	2024 USD
Deposits with financial institutions		
- 3 months and less (a)	-	1,000,000
- More than 3 months (b)	48,118	42,669
	<u>48,118</u>	<u>1,042,669</u>

- (a) In 2024, the Company held a short-term deposit with a financial institution denominated in United States Dollar with an effective interest rate of 4.5% per annum. The deposit has a maturity period of 1 month.
- (b) The Company held deposits with financial institutions with maturity periods of 12 months (2024: 12 months), denominated in Malaysian Ringgit with an effective interest rate of 1.95% (2024: 2.40%) per annum.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 USD	2024 USD
Other receivables (a)	7,658,786	188,870
Amount due from a former director	-	69,697
Deposits	318,864	175,272
Prepayments (b)	2,858,316	3,335,672
	<u>10,835,966</u>	<u>3,769,511</u>

- (a) Included in other receivables is an amount of USD7,464,552 as of December 31, 2025 represents the funds placed with a broker for investment purposes.
- (b) Prepayments as of December 31, 2025 and 2024 comprised:
- an amount of USD2,210,000 made to a trust account in relation to an acquisition of an investment property in Florida for a total purchase consideration of USD6,300,000. The remaining consideration of USD4,090,000 represented a capital commitment as of December 31, 2025 and December 31, 2024, as disclosed in Note 30.
 - an amount of USD509,000 (2024:USD289,000) made to its subsidiary as part of the development of its computer software.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

The table below shows the other receivables, deposits and prepayments by currency.

	2025 USD	2024 USD
United States Dollar	8,333,879	3,210,908
Euro	2,464,552	489,211
Malaysian Ringgit	<u>37,535</u>	<u>69,392</u>
	<u>10,835,966</u>	<u>3,769,511</u>

11. REINSURANCE CONTRACTS ASSETS AND LIABILITIES

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage ("LRC") and the liability for incurred claims ("LIC") for reinsurance contracts issued.

	December 31, 2025						December 31, 2024					
	Liabilities (assets) for remaining coverage			Liabilities (assets) for incurred claims			Liabilities (assets) for remaining coverage			Liabilities (assets) for incurred claims		
	Excluding loss component USD	Loss component USD		Estimates of present value of FCF USD	Risk adjustment for non-financial risk USD	Total USD	Excluding loss component USD	Loss component USD		Estimates of present value of FCF USD	Risk adjustment for non-financial risk USD	Total USD
Reinsurance contracts												
Reinsurance contract liabilities	(9,107,939)	779,300		28,242,472	3,823,513	23,737,346	(2,906,478)	652,126		22,994,375	1,661,380	22,401,403
Reinsurance contract assets	(221,901)	24,482		(11,354)	(807)	(209,580)	(38,327)	-		7,330	1,332	(29,665)
Net opening balance	(9,329,840)	803,782		28,231,118	3,822,706	23,527,766	(2,944,805)	652,126		23,001,705	1,662,712	22,371,738
Reinsurance revenue	(38,462,046)	(3,937,969)		-	-	(42,400,015)	(31,722,076)	(2,283,643)		-	-	(34,005,719)
Reinsurance service expenses												
Incurred claims and other directly attributable expenses	-	-		30,015,388	2,554,835	32,570,223	-	-		22,771,361	2,081,424	24,852,785
Amortisation of insurance acquisition cash flows	18,236,488	-		-	-	18,236,488	3,205,826	-		-	-	3,205,826
Losses and reversals of losses on onerous contracts	(3,937,970)	3,519,654		-	-	(418,316)	(2,283,643)	2,421,295		-	-	137,652
Adjustments to liabilities for incurred claims	-	-		(15,621,453)	(1,958,718)	(17,580,171)	-	-		(4,732,623)	70,098	(4,662,525)
Investment components	14,298,518	3,519,654		14,393,935	596,117	32,808,224	922,183	2,421,295		18,038,738	2,151,522	23,533,738
Reinsurance service result – Gross	(24,163,528)	(418,315)		14,393,935	596,117	(9,591,791)	872,125	-		(872,125)	-	-
Net finance expenses from reinsurance contracts	(408,430)	-		2,095,507	326,606	2,013,683	(29,927,768)	137,652		17,166,613	2,151,522	(10,471,981)
Effect of movement in exchange rates	(47,980)	1,580		756,110	-	709,710	388,375	16,133		294,115	887	699,510
Total changes in the statement of profit or loss	(24,619,938)	(416,735)		17,245,552	922,723	(6,868,398)	(27,926)	(2,129)		121,439	7,585	98,969
Cash flows												
Premiums Received	29,614,475	-		-	-	29,614,475	28,117,077	-		-	-	28,117,077
Claims and other insurance service expenses paid	-	-		(14,871,524)	-	(14,871,524)	-	-		(12,352,754)	-	(12,352,754)
Insurance acquisition cash flows	(8,938,284)	-		-	-	(8,938,284)	(4,934,793)	-		-	-	(4,934,793)
	20,676,191	-		(14,871,524)	-	5,804,667	23,182,284	-		(12,352,754)	-	10,829,530
Net closing balance	(13,273,587)	387,047		30,605,146	4,745,429	22,464,035	(9,329,840)	803,782		28,231,118	3,822,706	23,527,766
Reinsurance contract liabilities	-	-		30,605,146	4,745,429	35,350,575	(9,107,939)	779,300		28,242,472	3,823,513	23,737,346
Reinsurance contract assets	(13,273,587)	387,047		-	-	(12,886,540)	(221,901)	24,482		(11,354)	(807)	(209,580)
Net closing balance	(13,273,587)	387,047		30,605,146	4,745,429	22,464,035	(9,329,840)	803,782		28,231,118	3,822,706	23,527,766

11. REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net reinsurance contract liabilities analysed by components.

	December 31, 2025				December 31, 2024			
	Present value of future cash flows	Risk adjustment for non - financial risk	Contractual service margin	Total	Present value of future cash flows	Risk adjustment for non - financial risk	Contractual service margin	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Reinsurance contracts								
Reinsurance contract liabilities	8,204,827	6,786,744	8,745,775	23,737,346	17,575,902	4,556,638	268,863	22,401,403
Reinsurance contract assets	(241,554)	11,264	20,710	(209,580)	(30,996)	1,331	-	(29,665)
Net opening balance	7,963,273	6,798,008	8,766,485	23,527,766	17,544,906	4,557,969	268,863	22,371,738
Changes that relate to current services								
CSM recognised for the services provided	-	-	(8,262,653)	(8,262,653)	-	-	(4,015,976)	(4,015,976)
Change in the risk adjustment for non-financial risk for the risk expired	-	(2,581,164)	-	(2,581,164)	-	(3,683,293)	-	(3,683,293)
Experience adjustments	15,312,544	-	-	15,312,544	(531,481)	-	-	(531,481)
Changes that relate to future services								
Contracts initially recognised in the period	(7,708,891)	4,157,146	5,616,315	2,064,570	(8,727,932)	5,824,371	2,936,736	33,175
Changes in estimates that adjust the CSM	4,171,264	(1,099,689)	(3,071,575)	-	(7,132,583)	(2,364,830)	9,497,413	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	1,455,083	-	-	1,455,083	268,515	2,119,604	-	2,388,119
Changes that relate to past services								
Adjustments to liabilities for incurred claims	(15,621,454)	(1,958,717)	-	(17,580,171)	(4,732,623)	70,098	-	(4,662,525)
Reinsurance service result – Gross	(2,391,454)	(1,482,424)	(5,717,913)	(9,591,791)	(20,856,104)	1,965,950	8,418,173	(10,471,981)
Net finance expenses from reinsurance contracts	1,411,535	445,962	156,186	2,013,683	352,838	267,801	78,871	699,510
Effect of movement in exchange rates	744,455	(7,778)	(26,967)	709,710	92,103	6,288	578	98,969
Total changes in the statement of profit or loss	(235,464)	(1,044,240)	(5,588,694)	(6,848,398)	(20,411,163)	2,240,039	8,497,622	(9,673,502)
Cash flows								
Premiums received	29,614,475	-	-	29,614,475	28,117,077	-	-	28,117,077
Claims and other insurance service expenses paid	(14,871,524)	-	-	(14,871,524)	(12,352,754)	-	-	(12,352,754)
Insurance acquisition cash flows	(8,938,284)	-	-	(8,938,284)	(4,934,793)	-	-	(4,934,793)
	5,804,667	-	-	5,804,667	10,829,530	-	-	10,829,530
Net closing balance	13,532,476	5,753,768	3,177,791	22,464,035	7,963,273	6,798,008	8,766,485	23,527,766
Reinsurance contract liabilities	30,605,142	4,745,433	-	35,350,575	8,204,827	6,786,744	8,745,775	23,737,346
Reinsurance contract assets	(17,072,666)	1,008,335	3,177,791	(12,886,540)	(241,554)	11,264	20,710	(209,580)
Net closing balance	13,532,476	5,753,768	3,177,791	22,464,035	7,963,273	6,798,008	8,766,485	23,527,766

11. REINSURANCE CONTRACTS ASSETS AND LIABILITIES (continued)

Effect of reinsurance contracts issued initially recognised in the year

The following table summarises the effect on the measurement components arising from the initial recognition of reinsurance contracts issued in the year:

	2025			2024		
	Profitable contracts issued USD	Onerous contracts issued USD	Total USD	Profitable contracts issued USD	Onerous contracts issued USD	Total USD
<i>Estimates of present value of future cash outflows:</i>						
Insurance acquisition cash flows	14,207,383	5,738,542	19,945,925	2,961,854	219,232	3,181,086
Claims and other insurance service expenses	10,883,347	2,314,883	13,198,230	15,870,579	513,024	16,383,603
Other outflows	-	-	-	528,962	-	528,962
Estimates of present value of future cash inflows	(34,100,624)	(6,752,422)	(40,853,046)	(27,940,122)	(881,461)	(28,821,583)
Risk adjustment for non-financial risk	3,393,579	763,567	4,157,146	5,641,991	182,380	5,824,371
CSM	5,616,315	-	5,616,315	2,936,736	-	2,936,736
	-	2,064,570	2,064,570	-	33,175	33,175

12. RETROCESSION CONTRACTS ASSETS AND LIABILITIES

The following table shows the reconciliation from the opening to the closing balances of the net assets/(liabilities) for the remaining coverage and the net assets for incurred claims recoverable from retrocession contracts held.

	December 31, 2025					December 31, 2024				
	Liabilities (assets) for remaining coverage		Liabilities (assets) for incurred claims			Liabilities (assets) for remaining coverage		Liabilities (assets) for incurred claims		
	Excluding loss recovery component USD	Loss recovery Component USD	Estimates of present value of FCF USD	Risk adjustment for non-financial risk USD	Total USD	Excluding loss recovery component USD	Loss recovery Component USD	Estimates of present value of FCF USD	Risk adjustment for non-financial risk USD	Total USD
Retrocession contracts										
Retrocession contract assets	-	-	-	-	-	-	-	-	-	-
Retrocession contract liabilities	334,784	(24,063)	-	-	310,721	180,778	(16,186)	-	-	164,592
Net opening balance	334,784	(24,063)	-	-	310,721	180,778	(16,186)	-	-	164,592
Allocation of reinsurance premiums paid	860,185	-	-	-	860,185	1,884,350	-	-	-	1,884,350
Income on initial recognition of onerous underlying reinsurance contracts	-	-	-	-	-	-	69,519	-	-	69,519
Amounts recoverable from retrocessionaires	-	-	-	-	-	-	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	24,063	-	-	24,063	69,519	(76,951)	-	-	(7,432)
Net expenses from retrocession contracts	860,185	24,063	-	-	884,248	1,953,869	(7,432)	-	-	1,946,437
Net finance income from retrocession contracts	10,845	-	-	-	10,845	(40,314)	(445)	-	-	(40,759)
Total changes in the statement of profit or loss	871,030	24,063	-	-	895,093	1,913,555	(7,877)	-	-	1,905,678
Cash flows										
Premiums paid	(932,509)	-	-	-	(932,509)	(1,759,549)	-	-	-	(1,759,549)
	(932,509)	-	-	-	(932,509)	(1,759,549)	-	-	-	(1,759,549)
Net closing balance	273,305	-	-	-	273,305	334,784	(24,063)	-	-	310,721
Retrocession contract assets	-	-	-	-	-	-	-	-	-	-
Retrocession contract liabilities	273,305	-	-	-	273,305	334,784	(24,063)	-	-	310,721
Net closing balance	273,305	-	-	-	273,305	334,784	(24,063)	-	-	310,721

12. RETROCESSION CONTRACTS ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net retrocession contract assets for retrocession contracts held analysed by components.

	December 31, 2025				December 31, 2024			
	Present value of future cash flows USD	Risk adjustment for non - financial risk USD	Contractual service Margin USD	Total USD	Present value of future cash flows USD	Risk adjustment for non - financial risk USD	Contractual service margin USD	Total USD
Retrocession contracts								
Retrocession contract assets	1,841,703	-	-	310,721	823,059	-	-	-
Retrocession contract liabilities	1,841,703	(84,481)	(1,446,501)	310,721	823,059	(72,231)	(586,236)	164,592
Net opening balance								
Changes that relate to current services								
CSM recognised for the services provided	-	-	1,496,988	1,496,988	-	-	1,336,486	1,336,486
Change in the risk adjustment for non-financial risk for the risk expired	-	87,430	-	87,430	-	162,366	-	162,366
Changes that relate to future services								
Contracts initially recognised in the period	-	-	-	-	524,679	-	-	524,679
Changes in estimates that adjust the CSM	-	-	-	-	2,191,219	(262,445)	(1,931,238)	(2,464)
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	-	-	25,148	92,507	(117,655)	-
Changes that relate to past services								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	(74,630)	(74,630)
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-
Net expenses / (income) from retrocession contracts								
Net finance income from retrocession contracts	(700,170)	87,430	1,496,988	884,248	2,741,046	(7,572)	(787,037)	1,946,437
	64,281	(2,949)	(50,487)	10,845	37,147	(4,678)	(73,228)	(40,759)
Total changes in the statement of profit or loss	(2,804,551)	84,481	1,446,501	895,093	2,778,193	(12,250)	(860,265)	1,905,678
Cash flows								
Premiums paid	(932,509)	-	-	(932,509)	(1,759,549)	-	-	(1,759,549)
	(932,509)	-	-	(932,509)	(1,759,549)	-	-	(1,759,549)
Net closing balance	273,305	-	-	273,305	1,841,703	(84,481)	(1,446,501)	310,721
Retrocession contract assets								
Retrocession contract liabilities	273,305	-	-	273,305	1,841,703	(84,481)	(1,446,501)	310,721
Net closing balance	273,305	-	-	273,305	1,841,703	(84,481)	(1,446,501)	310,721

The following table summarises the effect on the measurement components arising from the initial recognition of retrocession contracts held in the year:

13. CONTRACTUAL SERVICE MARGIN

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss.

	2025				2024			
	Less than 1 year USD	In 1 to 3 years USD	In 4 to 5 years USD	Total USD	Less than 1 year USD	In 1 to 3 years USD	In 4 to 5 years USD	Total USD
CSM for reinsurance contracts issued	2,532,697	642,757	2,338	- 3,177,791	5,912,035	2,766,217	64,192	8,766,485
CSM for retrocession contracts held	-	-	-	-	(1,446,501)	-	-	(1,446,501)

14. INTANGIBLE ASSET

	Computer software USD	Software in development USD	Total USD
Cost			
As of January 1, 2024	-	26,723	26,723
Additions	-	183,812	183,812
As of December 31, 2024/January 1, 2025	-	210,535	210,535
Addition	289,000	-	289,000
Write off	-	(210,535)	(210,535)
As of December 31, 2025	289,000	-	289,000
Accumulated amortisation			
As of January 1, 2024	-	-	-
Charge for the year	-	-	-
As of December 31, 2024/January 1, 2025	-	-	-
Charge for the year	57,800	-	57,800
As of December 31, 2025	57,800	-	57,800
Net carrying amount			
As of December 31, 2025	231,200	-	231,200
As of December 31, 2024	-	210,535	210,535

15. RIGHT-OF-USE ASSETS

The lease term for the Company's office and residential premises ranges from 1 to 5 years, with renewal options ranging from 1 to 2 years. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

	Office premises USD	Residential premises USD	Total USD
Cost			
As of January 1, 2024	127,576	513,560	641,136
Additions	229,548	-	229,548
Derecognition of expired lease	-	(501,508)	(501,508)
As of December 31, 2024/January 1, 2025	357,124	12,052	369,176
Additions	9,351	7,021	16,372
Derecognition of expired lease	(51,030)	(12,052)	(63,082)
Derecognition arising from lease termination	(76,932)	-	(76,932)
As of December 31, 2025	238,513	7,021	245,534
Accumulated depreciation			
As of January 1, 2024	61,119	366,572	427,691
Charge for the year	28,066	143,608	171,674
Derecognition of expired lease	-	(501,508)	(501,508)
As of December 31, 2024/January 1, 2025	89,185	8,672	97,857
Charge for the year	57,937	6,543	64,480
Derecognition of expired lease	(51,030)	(12,052)	(63,082)
Derecognition arising from lease termination	(38,359)	-	(38,359)
As of December 31, 2025	57,733	3,163	60,896
Net carrying amount			
As of December 31, 2025	180,780	3,858	184,638
As of December 31, 2024	267,939	3,380	271,319

16. INVESTMENT PROPERTIES

	2025 USD	2024 USD
Cost		
As of January 1	8,000,000	255,380
Addition	-	8,000,000
Disposal	-	(255,380)
As of December 31	<u>8,000,000</u>	<u>8,000,000</u>
Accumulated depreciation		
As of January 1	200,000	11,032
Charge for the year	266,667	204,256
Disposal	-	(15,288)
As of December 31	<u>466,667</u>	<u>200,000</u>
Net carrying amount	<u>7,533,333</u>	<u>7,800,000</u>

In previous financial year, the Company acquired a residential property located in Florida, United States of America amounting to USD8,000,000. The purchase consideration was settled through cash of USD95,820 and transfer of investment in debt securities of USD7,904,180 to the seller.

On July 1, 2024, the Company entered into a sale and purchase agreement with a third-party buyer to dispose its investment properties, which are two residential properties located in Phuket, Thailand. The disposal was completed on August 21, 2024. The selling proceed of its investment properties is USD320,550, and a gain of disposal of USD80,458 was recognised by the Company.

The Company measures its investment properties using the cost model. The fair value of the investment properties as of December 31, 2025 has been determined to be USD8,363,908 (2024: USD8,363,908) based on management's assessment using available market data.

17. PROPERTY AND EQUIPMENT

	Furniture & fittings USD	Computers & accessories USD	Office equipment USD	Total USD
Cost				
As of January 1, 2024	19,785	25,078	98,076	142,939
Additions	8,677	14,679	1,589	24,945
Write off	-	-	(30)	(30)
As of December 31, 2024/January 1, 2025	28,462	39,757	99,635	167,854
Additions	515	22,783	410	23,708
As of December 31, 2025	28,977	62,540	100,045	191,562
Accumulated depreciation				
As of January 1, 2024	5,594	14,778	39,611	59,983
Charge for the year	4,227	8,718	19,807	32,752
Write off	-	-	(4)	(4)
As of December 31, 2024/January 1, 2025	9,821	23,496	59,414	92,731
Charge for the year	5,448	10,940	19,705	36,093
As of December 31, 2025	15,269	34,436	79,119	128,824
Net carrying amount				
As of December 31, 2025	13,709	28,104	20,926	62,738
As of December 31, 2024	18,641	16,261	40,221	75,123

18. OTHER PAYABLES AND ACCRUED EXPENSES

	2025 USD	2024 USD
Other payables	395,505	1,411,409
Accrued expenses	363,282	712,832
	<u>758,787</u>	<u>2,124,241</u>

The table below shows the other payables and accrued expenses by currency.

	2025 USD	2024 USD
United States Dollar	720,229	823,116
Malaysian Ringgit	38,558	71,467
Euro	-	1,229,658
	<u>758,787</u>	<u>2,124,241</u>

19. LEASE LIABILITIES

	2025 USD	2024 USD
Maturity analysis:		
Not later than 1 year	64,020	80,613
More than 1 year	150,260	234,293
	<u>214,280</u>	<u>314,906</u>
Less: Unearned interest	<u>(23,942)</u>	<u>(40,117)</u>
Present value of lease liabilities	<u>190,338</u>	<u>274,789</u>

The Company applied the incremental borrowing rate to the lease liabilities recognised at 6% (2024:6%).

The Company does not face a significant liquidity risk with regard to its lease liabilities.

The table below shows the lease liabilities by currency.

	2025 USD	2024 USD
Malaysian Ringgit	<u>190,338</u>	<u>274,789</u>

19. LEASE LIABILITIES (continued)**Reconciliation of liabilities arising from financing activities**

The table below details the changes in the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	2025	2024
	USD	USD
As of January 1	274,789	215,903
Addition	16,372	229,548
Derecognition upon termination of lease	(43,732)	-
Interest expense on lease liabilities (Note 27)	14,556	7,258
Payment of lease liabilities	(71,647)	(177,920)
	<u>190,338</u>	<u>274,789</u>
As of December 31	<u>190,338</u>	<u>274,789</u>

20. SHARE CAPITAL

	Amount	Number	Amount	Number
	2025	of shares	2024	of shares
	USD	2025	USD	2024
		USD		USD
Issued and fully paid with no par value:				
Ordinary shares:				
As of beginning of year	10,000,000	100,000	10,000,000	100,000
Issuance of new ordinary shares	5,000,000	50,000	-	-
Issuance of bonus shares	5,000,000	50,000	-	-
	<u>20,000,000</u>	<u>200,000</u>	<u>10,000,000</u>	<u>100,000</u>
As of end of year	<u>20,000,000</u>	<u>200,000</u>	<u>10,000,000</u>	<u>100,000</u>

During the current financial year, the Company increased its share capital by USD10 million, comprising:

- (a) USD5 million from the issuance of additional 50,000 ordinary shares, and settled via transfer of funds held by the holding company to the brokerage account registered under the name of Company;
- (b) USD5 million from the issuance of 50,000 bonus shares to its holding company. The issuance of bonus share has resulted a transfer from retained earnings to share capital.

21. RETAINED EARNINGS

Distributable reserves are those available for distribution as cash dividends.

The retained earnings of the Company are available for appropriation as dividends to the shareholder of the Company under the single tier tax system.

22. REVENUE

The following table presents an analysis of the reinsurance revenue recognised during the financial year.

	2025 USD	2024 USD
Reinsurance Revenue		
<i>Amounts relating to changes in liabilities for remaining coverage</i>		
Expected incurred claims and other insurance service expenses	12,115,944	14,531,077
Change in risk adjustment for non-financial risks	5,135,998	5,165,798
Experience adjustments	(1,351,068)	7,087,042
Release of contractual service margin for services provided	8,262,653	4,015,976
Recovery of insurance acquisition cash flows	18,236,488	3,205,826
Total reinsurance revenue	42,400,015	34,005,719

23. REINSURANCE SERVICE EXPENSES

The following table presents an analysis of the reinsurance service expenses recognised during the financial year.

	2025 USD	2024 USD
Incurring claims and other directly attributable expenses	32,570,223	24,852,785
Changes that relate to past service – adjustment to the LIC	(17,580,171)	(4,662,525)
Amortisation of insurance acquisition cash flows	18,236,488	3,205,826
Loss and/or (reversal) on onerous contracts	(418,316)	137,652
Total reinsurance service expenses	32,808,224	23,533,738

24. NET EXPENSES FROM RETROCESSION CONTRACTS HELD

An analysis of net expenses from retrocession contracts held during the financial year, are presented in the table below:

	2025 USD	2024 USD
Allocation of reinsurance premiums paid	860,185	1,884,350
Income on initial recognition of onerous underlying reinsurance contracts	-	69,519
Amounts recovered from reinsurers	24,063	(7,432)
Net expenses from retrocession contracts held	884,248	1,946,437

25. NET INVESTMENT INCOME /(EXPENSE)

Investment income is reported net of related expenses. Categories of investment income, net of related expenses consist of the following:

	2025 USD	2024 USD
Interest income from financial assets measured at AC	37,055	13,290
Net gain /(loss) from financial assets measured at FVTPL	1,535,704	(464,434)
Gain on disposal of investment properties	-	80,458
Other investment (expense)	<u>(65,563)</u>	<u>(53,713)</u>
Net investment income/(expense)	<u>1,507,196</u>	<u>(424,399)</u>

26. FINANCE (EXPENSE)/INCOME FROM REINSURANCE CONTRACTS ISSUED AND RETROCESSION CONTRACTS HELD

	2025 USD	2024 USD
(a) Finance (expenses) from reinsurance contracts issued		
Interest accreted	(2,201,424)	(1,278,921)
Effect of changes in interest rates and other financial assumptions	(1,221,308)	497,436
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	1,409,049	81,975
Foreign exchange differences	<u>(709,710)</u>	<u>(99,360)</u>
	<u>(2,723,393)</u>	<u>(798,870)</u>
(b) Finance (expenses)/income from retrocession contracts held		
Interest accreted	(10,845)	41,251
Effect of changes in interest rates and other financial assumptions	-	(492)
	<u>(10,845)</u>	<u>40,759</u>

27. OTHER OPERATING EXPENSES

An analysis of the expenses incurred by the Company during the financial year is included in the table below:

	2025 USD	2024 USD
Staff costs	2,221,055	1,453,192
Directors' remuneration (Note 29)	2,739,697	3,432,350
Audit fee:		
Current year	103,000	100,000
Underprovision from prior year	70,000	178,000
Depreciation of:		
Right-of-use assets (Note 15)	64,480	171,674
Investment properties (Note 16)	266,667	204,256
Property and equipment (Note 17)	36,093	32,752
Amortisation of intangible asset (Note 14)	57,800	-
Property and equipment written off	-	26
Prepayment written off	296,124	-
Intangible asset written off	210,535	-
Promotional and marketing costs	402,657	18,157
Travelling expenses	474,813	395,901
Professional fees	812,949	658,473
Office expenses	1,385,837	577,789
Interest expense on lease liabilities (Note 19)	14,556	7,258
Others	272,984	307,752
	<u>9,429,247</u>	<u>7,537,580</u>

Amounts accrued under external audit fees relate to audit services. There were no fees paid or payable to the Company's auditors or Deloitte network firms for non-audit services for the financial years ended December 31, 2025 and December 31, 2024.

	2025 USD	2024 USD
Amounts attributed to insurance acquisition cash flows		
incurred during the year	1,731,203	959,133
Other directly attributable expenses	2,044,219	1,388,829
Other operating expenses	<u>5,653,825</u>	<u>5,189,618</u>
Total	<u>9,429,247</u>	<u>7,537,580</u>

Expenses attributable to insurance acquisition cash flows and other directly attributable expenses comprise expenses incurred by the Company in the reporting period that relate directly to the fulfilment of reinsurance contracts issued and retrocession contracts held within MFRS 17's scope. These expenses are recognised in profit or loss based on MFRS 17 measurement requirements.

28. INCOME TAX EXPENSE

	2025	2024
	USD	USD
Current estimated tax expense at 3%	<u>50,020</u>	<u>58,668</u>

29. RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Company has related party relationships with its holding company, subsidiary, related companies and key management personnel, including the directors.

Amount due from holding company arose mainly from advances, is non-trade in nature, unsecured, interest-free and repayable on demand.

Amount due from subsidiary arose mainly from payments on behalf, is non-trade in nature, unsecured, interest-free and repayable on demand.

Amount due from related companies arose mainly from payments on behalf, is non-trade in nature, unsecured, interest-free and repayable on demand.

Amount due from directors arose mainly from payments on behalf, which are non-trade in nature, unsecured, interest-free and repayable on demand.

Other than those disclosed elsewhere in the financial statements, the Company did not enter into any significant transactions with the related parties during financial years ended December 31, 2025 and 2024.

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 key management personnel of the Company include directors of the Company.

The key management personnel compensation during the financial year are as follows:

	2025	2024
	USD	USD
Directors' remuneration (Note 27)	<u>2,739,697</u>	<u>3,432,350</u>

30. CAPITAL COMMITMENTS

	2025 USD	2024 USD
Capital expenditure:		
Approved and contracted for:		
Investment property (Note 10(b))	4,090,000	4,090,000
Approved but not contracted for:		
Underwriting dashboard software system	<u>202,000</u>	<u>23,465</u>
	<u><u>4,292,000</u></u>	<u><u>4,133,465</u></u>

31. SUBSEQUENT EVENTS

- a) As approved by the shareholder via an Extraordinary General Meeting held by the Company on January 22, 2026, the issued and paid-up share capital of the Company was increased from USD20 million to USD23.5 million via allotment of 35,000 new ordinary shares at an issue price of USD100 each for the purpose of raising working capital. The allotment of new ordinary shares was made by way of cash settlement of USD1million and a Bonus Issue, with a sum of USD2.5 million being capitalised from retained earnings to share capital of the Company. These new allotted shares rank pari passu with the then existing ordinary shares of the Company.
- b) As approved by the shareholder via an Extraordinary General Meeting held by the Company on June 29, 2026, the issued and paid-up share capital of the Company was increased from USD23.5 million to USD26 million via allotment of 25,000 new ordinary shares at an issue price of USD100 each for the purpose of raising working capital. The allotment of new ordinary shares was made by way of a Bonus Issue, with a sum of USD2.5 million being capitalised from retained earnings to share capital of the Company. These new allotted shares rank pari passu with the then existing ordinary shares of the Company.

Company No. LL11956

MANDARIN RE LTD

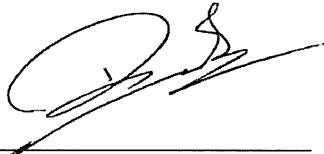
(Incorporated in Federal Territory of Labuan, Malaysia)

Company No: LL11956

(Licensed Labuan General Reinsurer - License No. IS2015157)

**STATEMENT BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL
MANAGEMENT OF THE COMPANY**

I, Redzal bin Mohamad, the Director primarily responsible for the financial management of MANDARIN RE LTD, state that, in my opinion, the accompanying financial statements comprised statement of financial position and related statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Labuan Companies Act, 1990 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2025 and of its financial performance and cash flows for the year ended on that date as carried in the accounts maintained at the Company.



Director

August 28, 2026

