Life Insurance Corporation (Singapore)Pte Ltd

UEN 201210695E

MANAGEMENT REPORT 31/12/2024

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

LIFE INSURANCE CORPORATION (SINGAPORE) PTE. LTD.

For the financial year, from 1st January 2024 to 31st December 2024

Company Profile

Life Insurance Corporation Singapore ("LIC Singapore") was incorporated as a direct life insurance company in Singapore on 30 April 2012. It is a wholly owned subsidiary of the LIC of India which was established in 1956 and owned by the Government of India. Prior to obtaining the operating license from the Monetary Authority of Singapore ("MAS")' on 22 January 2013, LIC Singapore operated a representative office in Singapore. The establishment of a subsidiary in Singapore is part of the LIC group's strategy to expand its global footprint into South-east Asia.

Products

Under the life insurance license, LIC Singapore is permitted to underwrite all types of life insurance products. In 2024, LIC Singapore launched a non-participating single-premium endowment product which was offered as a tranche product. The term plan and Direct Purchase Plan (DPI) are on-going offerings.

As part of its objectives to add value to customers and serve the Singapore mass market, LIC Singapore will focus on introducing additional non-participating products and critical illness plans. At the same time, it is continuing efforts to develop the necessary system infrastructure and capabilities to design and distribute both term products and participating products in the near future.

Distribution channel

In Singapore, the common channels for distributing insurance products are tied agency, bancassurance and financial advisory firms. LIC Singapore distributes its products via financial advisory firms which provide outreach through representatives. As of 31st December 2024, the Company had a tie up with 20 Financial Advisory firms. The Company also has a bancassurance tie up with SBI Singapore, for selling its products.

Corporate Governance

LIC Singapore is governed by Insurance (Corporate Governance) Regulations 2013 which came into operation on 4 April 2013 and the "Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers, and Captive Insurers Incorporated in Singapore", issued by the Monetary Authority of Singapore on 3 April 2013.

Being a Tier 2 insurer as defined under the Insurance (Corporate Governance) Regulations 2013, the Board of LIC Singapore is responsible for the adequacy of external and internal audit functions, and for overseeing the establishment and operation of an independent enterprise risk management (ERM) system supported by a robust risk management function.

Adherence to good corporate governance is an integral part of the philosophy of LIC's business conduct. The Board of Directors and Management of LIC Singapore place great importance on high standards of corporate conduct and are committed to promoting and maintaining values which emphasize integrity, honesty and proper conduct at all times in the business operations and dealings of the insurer.

In alignment with the LIC group's commitment to put customers first, LIC Singapore practices operational transformation, information sharing, and accountability and ensures dialogue with all stakeholders in addition to formulation of value-based policies and practices at all levels.

Board Composition

LIC Singapore's Board comprises three members, namely:

- Mr. Siddharatha Mohanty, Board Chairman.
- Mr. Ashutosh Misra, Director (also the Chief Executive Officer ("CEO") of LIC Singapore).
- Mr Kottamasu Venkateswara Rao, Independent Director

Board meetings are generally held once every three months. The Board provides strategic direction and oversight, ensures financial discipline and accountability to the policyholders, and safeguards the interest of the policyholders and stakeholders. The Board is responsible for overseeing the invested assets and the investment process of LIC Singapore. The Board will rely on the Investment Committee /CEO for ensuring that the day-to-day management of the investment portfolio is appropriate. Financial powers are delegated to the Investment Committee and to the CEO separately. The Board approves the investment policy statement and asset allocation, and the policy will be up for review annually. At least quarterly, the Board will review the performance of the investment portfolio and consider and decide upon any special circumstances or issues that may arise.

Risk Management

The parent Company, LIC of India has a committed focus on the risk management systems for its investment functions by efficiently managing risk and returns by implementing comprehensive risk management policies, risk adjusted investment decisions and incorporating a strong risk mitigation culture.

LIC Singapore has the same commitment as the parent company on risk management. As per the mandatory requirements stated in the MAS Notice 126 "ERM for Insurers", LIC Singapore has established its ERM framework and will continue to strengthen both the framework and internal controls as the business continues to grow steadily. In accordance with MAS Notice 126, LIC Singapore as a Tier 2 insurer has conducted its Own Risk and Solvency Assessment (ORSA) to evaluate the adequacy of their risk management, and current and projected solvency positions for 2024. LIC Singapore also has conducted its Internal Audit for the financial year 2024.

LIC Singapore operates in a mature and competitive insurance landscape in Singapore alongside well-established life insurance providers. LIC Singapore anticipates substantial challenges to grow its portfolio in a measured manner, differentiate its product and service offerings, and acquire market share in the life insurance segment. Based on a high-level risk assessment of the current risk profile, the material risks to LIC Singapore are life insurance risk, interest rate risk (including asset-liability mismatch risk), credit risk, liquidity risk, operational risk as well as strategic risk related to management decisions undertaken to develop the business.

Life insurance risk

The principal activity of LIC Singapore is to provide life insurance protection against risks such as mortality and morbidity (disability, personal accident). Incorrect estimation of assumptions used in product pricing as well as the setting of technical provisions, may give rise to potential shortfalls when actual experience deviates from expected experience. Sources of assumptions affecting insurance risks include policy lapses and policy claims such as mortality, morbidity and expenses.

In addition, LIC Singapore has internal Product Development process to determine the design and pricing of products. The product development and pricing process constitutes an important aspect of the risk assessment and management framework. The Appointed Actuary reviews and certifies all new product submissions to the MAS in accordance with MAS Notice 302 and actuarial guidance notes issued by Singapore Actuarial Society. The ultimate responsibility to approve the final design and pricing of products prior to launch rests with the Chief Executive Officer and the Board of LIC Singapore.

LIC Singapore's reinsurance management policy is to place reinsurance with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year. LIC Singapore has entered into life reinsurance arrangement commencing from 1 July 2013 in relation to its non-participating business.

Interest rate risk (including asset-liability mismatch risk)

LIC Singapore objectives of investment of funds is to earn a sufficient return to fund all policyholder liabilities, match or exceed the expected returns assumed in product pricing, meet all solvency norms and capital adequacy ratio, and contribute to the growth of surplus.

LIC Singapore's exposure to changes in interest rates relates primarily to interest-earning financial assets such as Singapore Government bonds and corporate bonds, as LIC Singapore underwrites only single premium non-participating endowment products and term plans. The assets backing these policy liabilities are Singapore Government bonds of suitable tenor with such proportion in investment grade corporate bonds to achieve the investment return assumed for product pricing purposes. Interest rate risk is managed on an ongoing basis by considering the duration and maturity of assets and liabilities. Assets are also held in cash pending investment in appropriate bonds and to support the running expenses in the business. Matching assets and liabilities in terms of size, duration minimizes ~~the~~ asset-liability mismatch risks.

Unless otherwise directed by the Board of Directors, assets held in the Shareholders' Fund are invested in cash, fixed deposits, Singapore government bonds, and investment-grade corporate bonds.

Credit risk

Credit risk is the risk of financial loss to LIC Singapore if a customer or counterparty to a financial instrument fails to meet its contractual obligations. LIC Singapore has implemented a credit policy and the exposure to credit risk is monitored on an ongoing basis. The Company does not require collateral in respect of financial assets. The Company is exposed to geographical concentration of risks as all its contracts originated in Singapore. At the reporting date, cash is placed with regulated financial institutions. Credit ratings are based on public ratings assigned by external rating agencies and in cases where external ratings are not available, credit ratings assigned by fund manager.

At the reporting date, there are no significant concentrations of credit risk.

Liquidity risk

Liquidity risk is the risk that LIC Singapore may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.
At the reporting date, LIC Singapore does not face any significant liquidity risk.

Market risk

Market risk is the risk that changes in market prices- such as interest rates, foreign exchange rates and equity prices- will affect LIC Singapore's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns on risk.

At the reporting date, LIC Singapore does not have significant exposure to foreign currency or equity price risks.

Operational risk

Operational risk arises from any event or action that could partially or fully impact LIC Singapore's ability to achieve of its' financial objectives. These may result from inadequate or failed internal processes and systems, human factors, or external events.

The Company continues to strengthen its internal risk mitigation and process controls to reduce the likelihood of lapses in ongoing business activities.

Concentration risk

Concentration risk is the risk of significant losses resulting from the insurer's exposure to a limited number of correlated counterparties, asset classes, insurance products, or policyholder demographics. At the reporting date, LICS does not have any significant concentration risk.

Product Classification

LIC Singapore offers non-participating single premium endowment product, two-pay premium life insurance product and term insurance plan.

Life insurance contract liabilities

The Company measures a group of insurance contracts as the total of the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk, and Contractual Service Margin (CSM).

The fulfilment cash flows of a group of insurance contracts do not reflect the Company's non-performance risk. Estimates of the present value of future cash flows are explicit, current, and consider all reasonable and supportable information available at the reporting date without undue cost or effort. The portion of the present value of future cash flows related to financial risk variables is consistent with observable market prices and, where necessary, considers a range of scenarios that provides a good representation of possible outcomes. The cash flows for each scenario are probability-weighted and discounted using current assumptions.

Capital management

All licensed insurers that carry on insurance business in Singapore are subject to the prudential standards which set out the basis for calculating the fund solvency requirements ("FSR") and capital adequacy requirement ("CAR"), represents the minimal level of capital that must be held to meet policyholders' obligations. The FSR and CAR apply a risk-based approach to capital adequacy and are determined as the aggregate total risk requirement of all insurance funds established and maintained by the insurer under the Act. All risk requirements of these insurance funds are calculated based on current life contract liabilities and assets with respect to risk factors prescribed by MAS. It is LIC Singapore's policy to maintain capital levels in excess of FSR and CAR.

LIC Singapore defines "available capital" as share capital and accumulated profits in the insurance fund. The immediate holding company and ultimate holding company, LIC of India, ensures that the insurer maintains adequate capital to meet its obligations and sustain ongoing operations.

LIC Singapore commenced operations in 2013. As of 31 December 2024, its paid-up ordinary share capital stood at SGD 43.93 million. The Company's Capital Adequacy Ratio (CAR) was 717%, which is well above the regulatory requirement.

Ashutosh Misra
CEO

1 GENERAL

The Company (Registration No. 201210695E) is incorporated in Singapore with its principal place of business and registered office at 3 Raffles Place, #07-01, Bharat Building, Singapore 048617. The financial statements are expressed in Singapore dollars.

The immediate and ultimate holding company is Life Insurance Corporation of India, set-up in India by an Act of Parliament in 1956.

The Company was registered as a direct insurer on April 30, 2012 under the Insurance Act 1966 ("Insurance Act") to carry on life insurance business.

The financial statements of the Company for the year ended December 31, 2024 were authorised for issue by the Board of Directors on April 23, 2025.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore ("FRSs").

1.2 Adoption of new and revised standards

In the current year, the company has applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

At the date of authorisation of the financial statements, the following FRSs and amendments to the FRS that are relevant to the Company were issued but not yet effective.

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 21: *Lack of Exchangeability*	January 1, 2025
Amendments to FRS 109 and FRS 107 Amendments to the Classification and measurement of Financial Instruments	January 1, 2026
FRS 118 Presentation and Disclosure in Financial Statements	January 1, 2027

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Fair value measurement

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 which market participants would take 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.

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:

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

2.2 Insurance and reinsurance contracts

2.2.1 Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. This assessment would be performed during the pricing stage.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired and reinsurance contracts held, unless specifically stated otherwise.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.2 Separating components from insurance and reinsurance contracts

At inception, the Company assess whether the contract contains the following components that should be separated and to be accounted for separately:

- cash flows relating to embedded derivatives whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument;

- cash flows relating to distinct investment components which are not highly inter-related with the insurance components and for which contracts with similar terms are sold or could be sold separately in the same market.

- Cash flows relating to promises to transfer distinct goods or distinct non-insurance services.

Components which are not distinct will be accounted for together with the insurance component if the cash flows and risks associated with the non-distinct components are highly inter-related with that of the insurance component. The Company does not have any contracts that require further separation of insurance contracts.

2.2.3 Contract boundaries

The measurement of a group of contracts include all of the future cash flows within the boundary of each contract in the group.

For insurance contracts, cash flows are within the contract boundary if they arise from the rights and obligations that exist during the period in which policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance coverage or other services.

A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of the portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to period beyond the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse, surrender and expense risks.

For reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

Contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and therefore, may change over time.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.4 Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts and then into three groups based on their profitability at initial recognition:

- contracts that are onerous;
- contracts that have no significant possibility of becoming onerous subsequently; and
- any remaining contracts.

An insurance contract issued by the Company is recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when facts and circumstances indicate that the contract is onerous.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not reassessed in subsequent periods.

Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued.

Applying the grouping requirements to reinsurance held, the Company aggregates reinsurance contracts held into annual cohorts and then into three groups based on the profitability at initial recognition:

- reinsurance contracts for which there is a net gain;
- reinsurance contracts for which there is no significant possibility of a net gain arising subsequently;
- any remaining reinsurance contracts.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The portfolio grouping for reinsurance contracts is based on the nature of the underlying products. Subsequently, the portfolio is divided into reinsurance contract groups based on profitability.

Following the contract boundary assessment, most reinsurance contracts held will result in annual cohort.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.4 Aggregation and recognition of insurance and reinsurance contracts (cont'd)

The Company recognise a group of proportionate reinsurance contracts held at the later of:

- the beginning of the coverage period of the group; or

- the initial recognition of any underlying insurance contract.

The Company does not recognise a group of quota share reinsurance contracts held until it has recognised at least one of the underlying insurance contracts.

A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognised at the beginning of the coverage period of that group.

Only contracts that 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 annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

2.2.5 Insurance acquisition cash flows

The Company includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

- costs directly attributable to individual contracts and groups of contracts; and

- costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

2.2.6 Measurement

The Company measures its current policies within the non-participating fund using the GMA ("General Measurement Approach").

Initial measurement

<u>Insurance contracts</u>

On initial recognition, the Company measures a group of insurance contracts as the total of the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and CSM.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.6 Measurement (cont'd)

The fulfilment cash flows of a group of insurance contracts do not reflect the Company's non-performance risk. Estimates of the present value of future cash flows are explicit and current, and consider all reasonable and supportable information available at the reporting date without undue cost or effort. The portion of the present value of future cash flows related to financial risk variables is consistent with observable market prices and, where necessary, considers a range of scenarios that provides a good representation of possible outcomes. The cash flows for each scenario are probability-weighted and discounted using current assumptions.

The risk adjustment for non-financial risk for a group of insurance contracts, 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 as the Company fulfils insurance contracts.

The CSM of a group of insurance contracts represents the unearned profit that the Company will recognise as it provides services under those contracts. On initial recognition of a group of insurance contract, if the total of the fulfilment cash flows and 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 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.

Onerous contracts – Loss component

If the total is a net outflow, the group of contracts becomes onerous and the Company recognises the excess between the total net outflow and the expected cashflow from the group of contracts in the insurance service expenses and records it as a loss component in the Liability of Remaining Coverage ("LRC").

When a loss component exists, the Company allocates the amount between the loss component and the remaining component of the LRC for the respective group of contracts based on the coverage units.

The amount of loss component allocation reduces the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Reinsurance contracts

For reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing the reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. The CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.6 Measurement (cont'd)

Subsequent measurement

Insurance contracts

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC"). The liability for remaining coverage 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 liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses related to past service.

The fulfilment cash flows of groups of insurance contract are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in the fulfilment cash flows that relate to current or past service are recognised in profit or loss; and changes that relate to future service are recognised by adjusting CSM or the loss component within the LRC.

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

- the CSM of any new contracts that are added to the group during the period;
- interest accreted on the carrying amount of the CSM during the period;
- changes in FCF relating to future services, except to the extent that any increases exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in the profit or loss and creates a loss component; or any decreases are allocated to the loss component of the LRC, reversing losses previously recognised in the profit or loss;
- effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue due to the insurance contract services provided in the period.

Changes in FCF that relate to future services comprises:

- changes in estimates that result in losses and reversal of losses on onerous contracts
- 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 arise from the effects of the time value of money, financial risk and changes therein;

The Company recognised the changes in the risk adjustment for non-financial risk in the insurance service result. It adjusts the CSM for the change related to non-financial risk, measured at the discount rates determined on initial recognition, and recognises the effect of the time value of money and changes therein as insurance finance income or expenses.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.6 Measurement (cont'd)

Reinsurance contracts

For reinsurance contracts, the Company applies the same accounting policies as insurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage ("ARC") and the asset for incurred claims ("AIC"). 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.

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 insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of the changes is recognised in the profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer.

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

- the CSM of any new contracts added to the group during the period;
- interest accreted on the carrying amount of the CSM during the period;
- income recognised in the reporting period as a result of gains or losses recognised to offset gains or losses on groups of underlying direct contracts with no CSM;
- reversals of a loss-recovery component to the extent those reversals are not changes in the FCF of the group of reinsurance contracts held;
- changes in FCF relating to future services, unless the change offsets a gain or loss on groups of underlying direct contracts with no CSM, in which case they are recognised in profit or loss and create or adjust a loss recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss due to services received in the period.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.7 Derecognition and contract modification

The Company derecognises a contract when it is extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled). The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract within a group of contracts:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;

- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and

- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Company received the premium that it would have charged less any additional premium charged for the modification.

2.2.8 Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position.

The Company recognised all insurance finance income or expenses in profit or loss.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. The Company present separately the amounts to be recovered from the reinsurer and an allocation of the premiums paid that together give the net income or expenses from reinsurance contract held in the insurance service result.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.8 Presentation (cont'd)

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

Insurance revenue

The Company recognises insurance revenue as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each period represents the total of the changes in the liability of remaining coverage that relate to services for which the Company expects to receive consideration, and comprises the following:

- release of the RA for the period, excluding amounts allocated to the loss component and amounts related to changes in the time value of money, which are recognised in insurance finance income or expenses;

- expected claims and other expenses directly attributable to fulfilling insurance contracts, measured at the amounts expected at the beginning of the period, and excluding investment components and amounts allocated to the loss component;

- amortisation of insurance acquisition cash flows;

Amortisation of insurance acquisition cash flows in insurance revenue is an allocation of the portion of the premiums that relates to the recovery of insurance acquisition cash flows, determined in a systematic way based on the passage of time. An equal and offsetting amount is included in insurance service expenses.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred, and comprise the following:

- claims incurred in the period (excluding investment);

- expenses incurred that are directly attributable to fulfilling the insurance contracts;

- changes related to past service;

- changes related to future service; and

- amortisation of insurance acquisition cash flows.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Insurance and reinsurance contracts (cont'd)

2.2.8 Presentation (cont'd)

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums, amounts recovered from reinsurers, and changes in the risk of non-performance by the reinsurer, which the Company have presented as a single amount in the profit or loss.

Allocations of reinsurance premiums are recognised as services are received for the reinsurance contract held, which comprise of:

- expected recoveries and expenses, excluding amounts that are paid regardless of claims;
- other incurred directly attributable insurance service expenses;
- effect of changes in risk of reinsurer non-performance;
- CSM recognition during the period
- Reversal of loss recoveries that do not adjust the CSM

Amounts recovered from reinsurers includes incurred claims (excluding amounts that are paid regardless of claims) and expenses, loss recoveries and reversals of loss recoveries, and changes related to past and current service.

Insurance finance income or expenses

Insurance finance income or expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein. The Company have elected to recognise all insurance finance income or expenses in the profit or loss rather than in OCI.

2.3 Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.3 Financial instruments (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

2.3.1 Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of the investment within timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

The Company classifies its financial assets in the following categories: amortised cost and fair value through profit or loss ("FVTPL"). The classification is based on the business model used to manage the financial asset and the contractual cash flow characteristics of the asset. Management determines the classification of its financial assets at initial recognition and the financial assets are not reclassified subsequent to initial recognition unless the business model has changed.

Financial assets at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met and the asset is not designated as FVTPL:

- the asset is held within a business model that is held to collect, in which the collection of contractual cash flows from the financial asset is the primary objective and sales are expected to be insignificant or infrequent; and

- the contractual terms of the asset give rise to cash flows that are solely payment of principal and interest ("SPPI") on the principal amount outstanding.

Other receivables are measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest method, except for short-term balances when the effect of discounting is immaterial.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.3 Financial instruments (cont'd)

2.3.1 Financial assets (cont'd)

Financial assets at FVTPL

Financial assets that are managed on a fair value basis and do not meet the objectives of a held to collect or held to collect and sell business model are measured at FVTPL and fall within the scope of other business models. All financial assets not classified as amortised cost or FVOCI are measured at FVTPL. Financial assets at FVTPL include financial assets that are held-for-trading, if it is acquired principally for the purpose of selling in the near term. A financial asset may be designated as FVTPL upon initial recognition if such recognition eliminates or significantly reduces the accounting mismatch that would otherwise arise from measuring assets and liabilities or recognising the gains and losses on different basis.

The Company has designated certain debt instruments as at FVTPL on initial recognition, because the instruments support insurance contract liabilities which are measured at fair value, as doing so significantly reduces measurement inconsistency with the related insurance contract liabilities.

Subsequent measurement

For financial assets classified as amortised cost, they are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses, and impairment are recognised in the profit or loss. Any gains or loss on derecognition is also recognised in the profit or loss.

For debt instruments and equity securities measured at FVTPL, gains and losses, including interest or dividend income and foreign exchange gains and losses, are recognised in the profit or loss.

2.3.2 Impairment

The Company recognises a loss allowance for expected credit losses('ECL') on other receivables that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates Method and Assumptions-looking information and is a probability weighted estimate of the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.3 Financial instruments (cont'd)

2.3.3 Financial liabilities

The Company classifies and measures its financial liabilities at amortised cost.

Financial liabilities at amortised cost are measured at fair value less transaction costs at initial recognition, and subsequently at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expenses and foreign exchange gains and losses are recognised in the profit or loss.

2.4 Plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.4 Plant and equipment (cont'd)

The estimated useful life is as follows:

Furniture	-	5 years
Office equipment	-	5 years
Computers	-	3 years
Renovation	-	2 years

Fully depreciated assets are retained in the financial statement until they are no longer in use.

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

2.5 Impairment of non-financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, or indications that a debtor will enter bankruptcy.

2.6 Employee benefits

2.6.1 Defined contribution plans

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

2.6.2 Short-term employee benefits

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.6 Employee benefits (cont'd)

2.6.3 Short-term compensated absences

Short-term accumulating compensated absences are recognised when the employees render service that increases their entitlement to future compensated absences.

2.7 Investment income

Investment income comprises of interest income, investment related expenses, net gains/losses on the disposal of financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. However, changes in the fair value of financial assets at fair value through profit or loss that are recognised in profit or less and impairment losses recognised on financial assets that are recognised in profit or loss are presented separately.

2.8 Lease

The Company as 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. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is 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 the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.8 Lease (cont'd)

The Company as lessee (cont'd)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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 FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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 asset is 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 FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Management expenses' in the statement of profit or loss.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.9 Income tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2.10 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's material accounting policies, which are described in Note 2, 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 that are 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 estimate is 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.

(i) Critical judgements in applying the entity's material accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements, except for those relating to insurance contract liabilities (refer to estimation uncertainty below). Management obtain concurrence with directors on the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

(ii) Key sources of estimation uncertainty

Significant judgment is required when measuring assets or liabilities for insurance contracts, including the assumptions that are used for their measurement. Application of different assumptions may result in different measurement of the insurance contracts. Actual experience may differ from assumptions, and estimates may change from period to period based on future events or revisions of assumptions. Such assumptions are determined as appropriate and prudent at the date of valuation. At the end of each reporting date, the assets and liabilities for insurance contract are reassessed for adequacy and adjusted in the light of the latest current estimates.

Key assumptions used and the sensitivity of the measurement of insurance contracts to changes in risk variables are disclosed in Note 4(a)(i).

4 FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

General Information of the Insurance product launched during the year 2024:

The Company has launched the following single premium endowment type product during the year 2024 with a 3 years term:

1. Wealth Plus 3.1 - Single Premium Endowment Product (Non-Par) for 3 years term.

Life insurance non-par contracts

The life insurance non-par contracts consist of single premium and regular premium endowment policy.

The risk under any insurance contract is the possibility that the insured event occurs and thus the uncertainty of the amount of the resulting claim. However, considering the nature of the guaranteed benefits (guaranteed simple interest rate at 3.62% under the product, the key risk to the Company is the investment return assumption.

Reinsurance contract

Reinsurance contract exists for all policies of Individual Term Assurance Plan and their attaching riders. There is only one Term Assurance Plan ceded to reinsurer during the year.

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2024	2023
	$	$
Financial assets		
Financial assets at FVTPL	43,291,441	46,156,387
Financial assets at amortised cost:		
- Cash and cash equivalents	2,318,854	3,135,648
- Other receivables	536,194	435,795
	46,146,489	49,727,830
Financial liabilities		
Financial liabilities at FVTPL	196,633	-
Financial liabilities at amortised cost:		
- Other payables and accruals	887,994	720,064
Lease liabilities	1,282,793	87,764
	2,367,420	807,828

4 FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT (cont'd)

(a) Risk management policies and objectives

i) Insurance risk

Insurance risk is the uncertainty of product performance due to actual experience emerging differently than expected in the areas of mortality, morbidity and longevity. In addition, policyholder behaviour, product design and pricing, expense and reinsurance risks impact insurance risk.

The Company has established appropriate guidelines and framework combined with authority limits as part of risk mitigation activities embedded in the business operations.

Mortality and Morbidity Risk

Mortality and morbidity risk is the risk that future experience could be unfavourable relative to the assumptions used in pricing and valuation of the products. Adverse mortality and morbidity experience could arise through random fluctuations in realised experience, catastrophes such as pandemic, as well as systemic anti-selection from poor product design or underwriting process failure.

Detailed uniform underwriting procedures have been established to determine the insurability of the applicants and manage exposure to large claims. These underwriting requirements are regularly scrutinised against industry guidelines and oversight is provided through a corporate underwriting and claim management function.

Expenses

Expenses are closely monitored through annual budgeting process and ongoing tracking of any expense gaps between unit expenses assumed in pricing and valuation against actual expenses.

Sensitivity analysis

The following tables present information on how reasonably possible changes in assumptions made by the Company with regard to underwriting risk variables impact the insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

4 FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT (cont'd)

(a) Risk management policies and objectives (cont'd)

i) Insurance risk (cont'd)

No changes were made by the Company in the methods and assumptions used in preparing the following analysis.

2024	**Impact on FCF**	**Impact on CSM**	**Total increase/ (decrease) in insurance contract liabilities**	**Impact on profit before income tax**	**Impact on equity**
	$	**$**	**$**	**$**	**$**
Life Risk					
Mortality rate- 10% increase					
Insurance contract liabilities (net)	(643)	-	(643)	643	534
Reinsurance contract assets (net)	-	-	-	-	-
Lapse/Surrender rate - 10% decrease					
Insurance contract liabilities (net)	9,770	-	9,770	(9,770)	(8,109)
Reinsurance contract assets (net)	-	-	-	-	-
Expenses - 10% increase					
Insurance contract liabilities (net)	174,682	-	174,682	(174,682)	(144,986)
Reinsurance contract assets (net)	-	-	-	-	-

4 FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT (cont'd)

(a) Risk management policies and objectives (cont'd)

i) Insurance risk (cont'd)

2023	**Impact on FCF**	**Impact on CSM**	**Total increase/ (decrease) in insurance contract liabilities**	**Impact on profit before income tax**	**Impact on equity**
	$	**$**	**$**	**$**	**$**
Life Risk					
Mortality rate- 10% increase					
Insurance contract liabilities (net)	(456)	-	(456)	456	378
Reinsurance contract assets (net)	704	(618)	86	(86)	(71)
Lapse/Surrender rate - 10% decrease					
Insurance contract liabilities (net)	7,339	-	7,339	(7,339)	(6,091)
Reinsurance contract assets (net)	(43)	(76)	(119)	119	99
Expenses - 10% increase					
Insurance contract liabilities (net)	140,846	-	140,846	(140,846)	(116,902)
Reinsurance contract assets (net)	-	-	-	-	-

4 FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT (cont'd)

(a) Risk management policies and objectives (cont'd)

ii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

At reporting date, the Company does not have any significant exposure to foreign currencies and equity price risks.

iii) Interest rate risk

The Company's exposure to changes in interest rates relates primarily to investment in debt securities. Substantially, the Company's exposure to market risk for changes in interest rate is concentrated in its investment portfolio and insurance liabilities. The Company monitors this exposure through periodic reviews of its asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance liabilities, are modelled and reviewed regularly. The overall objective of these strategies is to limit the net changes in the value of assets and liabilities arising from interest rate movements.

4 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Risk management policies and objectives (cont'd)

iii) Interest rate risk (cont'd)

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing liabilities, the following table indicates their effective interest rate at the reporting date and the periods in which they reprice:

	Effective interest rate	Floating interest rate maturing			Fixed interest rate maturing			Non-interest bearing within 1 year	Non-interest bearing and no maturity date	Total
		within 1 year	1 to 5 years	after 5 years	within 1 year	1 to 5 years	after 5 years			
	%	$	$	$	$	$	$		$	$
2024										
Financial assets										
Financial assets at FVTPL	3.63	-	7,547,064	3,524,035	13,891,796	13,508,113	-	4,820,433	-	43,291,441
Other receivables	-	-	-	-	-	-	-	-	536,194	536,194
Cash and bank balances	4.00				1,374,214	-			944,640	2,318,854
		-	7,547,064	3,524,035	15,266,010	13,508,113	-	4,820,433	1,480,834	46,146,489
2023										
Financial assets										
Financial assets at FVTPL	2.90	-	2,778,038	974,190	20,109,970	16,249,150	-	6,045,039	-	46,156,387
Other receivables	-	-	-	-	-	-	-	-	435,795	435,795
Cash and bank balances	4.00	-	-	-	-	1,374,214	-	-	1,761,434	3,135,648
		-	2,778,038	974,190	20,109,970	17,623,364	-	6,045,039	2,197,229	49,727,830

Risk arising from guaranteed returns on insurance

On death or maturity, there is an effective guarantee under the insurance contracts. The Company pays the sum assured on death or maturity. The implicit guaranteed simple interest rate in the Company's products is 3.62%. Existing policy reserves are sufficient to ensure that guarantees may be met.

4 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Risk management policies and objectives (cont'd)

iv) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets.

The Company is exposed to geographical concentration of risks as all its contracts originated in Singapore. At the reporting date, cash is placed with regulated financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

2024	**AAA**	**A to AA-**	**B to BBB-**	**Not rated**	**Total**
	$	$	$	$	$
Cash and bank balances	-	923,293	1,394,429	1,132	2,318,854
Other receivables	-	-	-	536,194	536,194
Financial assets at FVTPL	4,820,432	19,499,924	18,971,085	-	43,291,441
	4,820,432	20,423,217	20,365,514	537,326	46,146,489

2023	**AAA**	**A to AA-**	**B to BBB-**	**Not rated**	**Total**
	$	$	$	$	$
Cash and bank balances	-	1,738,218	1,394,639	2,791	3,135,648
Other receivables	-	-	-	435,795	435,795
Financial assets at FVTPL	6,294,494	25,684,623	14,177,270	-	46,156,387
	6,294,494	27,422,841	15,571,909	438,586	49,727,830

Credit ratings are based on public ratings assigned by external rating agencies and in case unrated by external agencies, credit ratings assigned by fund manager.

4 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Risk management policies and objectives (cont'd)

v) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	$	$	$	$	$
2024					
Other payables and accruals	887,994	887,994	887,994	-	-
Financial liabilities at FVTPL	196,633	196,633	196,633		
2023					
Other payables and accruals	720,064	720,064	720,064	-	-

Maturity profile

The following tables show the maturity profile of insurance contracts issued that are liabilities of the Company based on the estimates of the present value of future cash flows expected to be paid out in the period presented.

			Discounted Cash flows			
	Carrying amount	Discounted amount	Within 1 year	Within 1 to 5 years	Within 5 to 10 years	More than 10 years
	$	$	$	$	$	$
2024						
Insurance contract liabilities	29,270,192	29,114,590	15,429,636	13,622,173	41,936	20,845
2023						
Insurance contract liabilities	30,991,646	30,856,494	13,323,648	17,471,978	42,726	18,142

Valuation processes applied by the Company

The Company established an investment committee which comprises the Chief Executive, certified actuary and finance manager.

The investment committee reviews monthly performance reports issued by fund manager. All investments held by the Company are quoted in the active market.

4 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Risk management policies and objectives (cont'd)

v) Liquidity risk (cont'd)

Investments in debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing bid prices at the reporting date.

Other financial assets and liabilities

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

Fair value hierarchy

The table below analyses fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: unobservable inputs for the asset or liability.

(b) Financial assets carried at fair value

	Level 1
	$
2024	
Financial assets at fair value through profit or loss	43,291,441
Financial liabilities at fair value through profit or loss	(196,633)
2023	
Financial assets at fair value through profit or loss	46,156,387

5 RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to 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 or common significant influence. Related parties may be individuals or other entities.

The Company has entered into a Service Line Agreement ("SLA") on May 7, 2018 with the parent company, Life Insurance Corporation of India ("LICI") for the core business application and benefit illustration software with no costs or fees required to be paid by the Company up till May 2022.

During the year 2024, the Company has paid its Parent Company, Life Insurance Corporation of India (LICI) S$6,776 (2023: S$6,881) towards annual maintenance charges for eLife the software used by the Company. The maintenance cost is for the period May 7, 2024 to May 6, 2025 (2023: May 7, 2023 to May 6, 2024).

Key management personnel compensation

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

The remuneration of key management personnel compensation during the year was as follows:

	2024	2023
	$	$
Directors' remuneration and other employment benefits	234,585	167,194

6 CASH AND BANK BALANCES

Cash and balances at end of the year comprise:

	2024	2023
	$	$
Fixed deposits with financial institutions	1,374,214	1,374,214
Cash and bank balances	944,640	1,761,434
	2,318,854	3,135,648

The fixed deposits bear a weighted average effective interest rates of 4.00% per annum (2023: 4.00%) and have a maturity date on February 10, 2025 (2023: February 10, 2025).

7 FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	2024	2023
	$	$
Financial assets at FVTPL	43,291,441	46,156,387
Financial liabilities at FVTPL	(196,633)	-
	43,094,808	46,156,387

The current portion of financial assets at FVTPL, including MAS treasury bills, is $18,712,229 (2023: $26,155,009) with the remaining being non-current portion of $24,579,212 (2023: $20,001,378). The financial assets at FVTPL have stated interest rates of 0.00% to 6.63% (2023: 0.00% to 4.50%) and mature substantially over a period of 11 years.

The movement in financial assets at FVTPL is as follows:

	2024	2023
	$	$
At beginning of year	46,156,387	48,412,272
Purchases	66,900,763	44,719,773
Sale/Maturity	(70,650,894)	(47,937,195)
Net Loss on disposal of financial assets at FVTPL	(575,838)	(93,365)
Unrealised fair value changes in financial assets at FVTPL	1,539,955	1,085,337
Unrealised foreign exchange on financial assets at FVTPL	(78,932)	(30,435)
At end of year	43,291,441	46,156,387

8 PLANT AND EQUIPMENT

	Furniture and office equipment	Computers	Renovation	Total
	$	$	$	$
Cost:				
At January 1, 2023	62,671	881,764	547,894	1,492,329
Additions	4,211	-	-	4,211
At December 31, 2023	66,882	881,764	547,894	1,496,540
Additions	2,128	-	-	2,128
At December 31, 2024	69,010	881,764	547,894	1,498,668
Accumulated depreciation:				
At January 1, 2023	60,313	870,402	544,093	1,474,808
Depreciation charge for the year	794	8,334	3,801	12,929
At December 31, 2023	61,107	878,736	547,894	1,487,737
Depreciation charge for the year	2,083	2,562	-	4,645
At December 31, 2024	63,190	881,298	547,894	1,492,382
Carrying amount:				
At December 31, 2024	5,820	466	-	6,286
At December 31, 2023	5,775	3,028	-	8,803

9 RIGHT-OF-USE ASSETS

The Company leases several assets including office space and lease rent of staffs. The average lease term is 2.75 years (2023: 1 year).

	Office space and lease rent of staff
	$
Cost:	
At January 1, 2023	2,013,522
Additions	-
At December 31, 2023	2,013,522
Additions	1,559,752
At December 31, 2024	3,573,274
Accumulated depreciation:	
At January 1, 2023	1,593,338
Depreciation for the year	335,564
At December 31, 2023	1,928,902
Depreciation for the year	383,797
At December 31, 2024	2,312,699
Carrying amount:	
At December 31, 2024	1,260,575
At December 31, 2023	84,620

10 OTHER RECEIVABLES AND PREPAYMENTS

	2024	2023
	$	$
Deposits	54,591	45,791
Interest receivable	478,479	381,267
Sundry receivables	3,124	8,737
Total other receivables	536,194	435,795
Prepayments	33,822	33,430
	570,016	469,225

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

(a) Summary

The following table sets out the insurance contract issued and reinsurance contracts held as at December 31, 2024 and December 31, 2023:

	2024	2023
	$	$
Life insurance non-participating contracts		
Insurance contract liabilities	29,270,192	30,991,646
Reinsurance contract held assets	19,221	20,770

(b) Method and Assumptions

i) Overview

A group of insurance contracts is measured as the total fulfilment cash flows ("FCF"), which is the present value of future cash flows plus risk adjustment for non-financial risks and CSM as all groups are measured using GMM. In measuring present value of future cash flows, assumptions must be made about mortality, policyholder behaviour, expenses and other factors over the life of our products, and the prevailing market view of the cost of financial risk in our products. Many of these assumptions relate to events which are anticipated to occur many years into the future. Assumptions require significant judgement and regular review and where appropriate, revision.

Risk adjustment ("RA") is the compensation we require for uncertainty related to non-financial risk in the estimates of future cash flows. This compensation is measured by discounting cash flows from applying margins to the non-financial assumptions used in the estimate of future cash flows.

Contractual Service Margin ("CSM") represents the unearned profit that will be recognised as insurance contract services are provided.

The methods and assumptions used in the measurement of insurance contracts are reviewed annually.

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(b) Method and Assumptions (cont'd)

ii) Present Value of Future Cash Flows

Assumptions for non-financial risk variables in the present value of future cash flows are intended to be current and neutral estimate of the expected outcome. Assumptions for financial risk variables in the present value of future cash flows are based on current observable market prices, adjusted to account for differences between the financial risk embedded in our products and those in the corresponding observed market instrument.

Mortality

Mortality assumptions represent the expected claims experience of the Company in pricing and valuation of the products. The Company currently adopts mortality assumptions based on relevant experience from similar business in related entities and from external data. Assumptions are differentiated by sex and age with adjustments made for risk class and country of residence to reflect the business specificities. An allowance is made for future mortality improvements based on internal studies.

Expenses

Future expenses directly attributable to the fulfilment of our insurance contracts include costs of premium collection, actuarial calculations, preparation of policy statements and related overhead. Future expense assumptions are mainly based on long term expectations with inflationary increases.

Acquisition expenses directly attributable to portfolios of insurance contracts include costs of selling, underwriting and issuing insurance contracts. For new insurance contracts of products which are measured using GMM, estimated directly attributable acquisition expenses are recognised in the initial measurement of the contract. The difference between estimated and actual acquisition expenses adjusts the CSM when the group of insurance contracts is closed to new contracts.

Discount Rates

The bottom-up approach was used to derive the discount rate for the cash flows. Under this approach, the discount rate is determined as the risk free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk free yield and the relevant liability cash flows (known as an illiquidity premium). The discount rate is the sum of risk-free rate and illiquidity premium.

Observable market information is available for up to 20 years. For the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method.

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(b) Method and Assumptions (cont'd)

ii) Present Value of Future Cash Flows (cont'd)

The yield curves that were used to discount the estimates of future cash flows are as follows:

	2024			
Product	**1 year**	**5 years**	**10 years**	**20 years**
Life Risk (Issued and Reinsurance held)	2.89%	2.92%	3.02%	2.97%

	2023			
Product	**1 year**	**5 years**	**10 years**	**20 years**
Life Risk (Issued and Reinsurance held)	3.79%	2.87%	2.91%	2.95%

Scenario Testing

Scenario testing may be required when the relationship between cash flows and financial risk variables is non-linear, or where there are complex interdependencies among cash flows. In scenario testing of financial risk variables, future cash flows are projected for each scenario path and discounted at the scenario-specific discount rates, resulting in a present value of future cash flows for each scenario. The provision for the projected cash flows is the average of the scenario-specific values. Assumptions for non-financial risk variables are the best estimate assumptions consistent with the scenario.

iii) Risk Adjustment for Non-Financial Risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled.

Risk adjustment estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates.

The same discount rate is used in deriving the Best Estimate Liability ("BEL") of the underlying contract under MAS regulations would be used in deriving the Risk Adjustment.

The risk adjustment corresponds to the confidence level of at least 75% (2023: 75%).

The methods and assumptions used to determine the risk adjustment for non-financial risk remains unchanged in 2024 and 2023.

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(c) Movements in insurance contract balances – Analysis by measurement component:

The following tables show the changes in the liabilities for insurance contracts issued, by measurement component.

	For the year ended December 31, 2024		
	Estimates of PV of future cash flows	Risk adjustment	Total
	$	$	$
Beginning balance as at January 1, 2024	30,856,496	135,150	30,991,646
Changes related to current service:			
Change in the risk adjustment for non-financial risk for expired risks	-	(146,393)	(146,393)
Experience adjustments – relating to insurance service expenses	(232,316)	-	(232,316)
Total changes related to current service	(232,316)	(146,393)	(378,709)
Changes related to future service:			
Changes in estimates that result in onerous contract losses or reversals of the losses	233,965	(57,139)	176,826
Effects of contracts initially recognised during the period (new business)	2,356,690	214,848	2,571,538
Total changes related to future service	2,590,655	157,709	2,748,364
Changes related to past service:			
Changes in FCF relating to LIC	(2,460)	-	(2,460)
Total changes related to past service	(2,460)	-	(2,460)
Insurance service result	2,355,879	11,316	2,367,195
			-
Insurance finance (income) expenses from insurance contracts issued	1,202,792	9,133	1,211,925
Total changes recognised in statement of comprehensive income	3,558,671	20,449	3,579,120
Cash flows:			-
Premiums received	9,800,651	-	9,800,651
Amounts paid to policyholders and other insurance service expenses paid	(14,199,575)	-	(14,199,575)
Insurance acquisition cash flows	(901,650)	-	(901,650)
Total cash flows	(5,300,574)	-	(5,300,574)
Changes related to current service:			
Ending balances as at December 31, 2024	29,114,593	155,599	29,270,192

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(c) Movements in insurance contract balances – Analysis by measurement component (cont'd):

	For the year ended December 31, 2023		
	Estimates of PV of future cash flows	Risk adjustment	Total
	$	$	$
Beginning balance as at January 1, 2023	32,143,322	169,687	32,313,009
Changes related to current service:			
Change in the risk adjustment for non-financial risk for expired risks	-	(46,598)	(46,598)
Experience adjustments – relating to insurance service expenses	(139,871)	-	(139,871)
Total changes related to current service	(139,871)	(46,598)	(186,469)
Changes related to future service:			
Changes in estimates that result in onerous contract losses or reversals of the losses	(65,569)	(9,204)	(74,773)
Effects of contracts initially recognised during the period (new business)	1,723,084	13,835	1,736,919
Total changes related to future service	1,657,515	4,631	1,662,146
Changes related to past service:			
Changes in FCF relating to LIC	(665)	-	(665)
Total changes related to past service	(665)	-	(665)
Insurance service result	1,516,979	(41,967)	1,475,012
Insurance finance (income) expenses from insurance contracts issued	1,035,135	7,430	1,042,565
Total changes recognised in statement of comprehensive income	2,552,114	(34,537)	2,517,577
Cash flows:			
Premiums received	8,720,652	-	8,720,652
Amounts paid to policyholders and other insurance service expenses paid	(11,730,922)	-	(11,730,922)
Insurance acquisition cash flows	(828,670)	-	(828,670)
Total cash flows	(3,838,940)	-	(3,838,940)
Ending balances as at December 31, 2023	30,856,496	135,150	30,991,646

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(d) Movements in insurance contract balances – Analysis by remaining coverage and incurred claims:

The following tables show the changes in the liabilities for insurance contracts issued, by remaining coverage and incurred claims.

	For the year ended December 31, 2024		
	Liability for remaining coverage loss component	Liability for incurred claims	Total
	$	$	$
Beginning balance as at January 1, 2024	30,971,199	20,447	30,991,646
Insurance revenue	(291,030)	-	(291,030)
Insurance service expenses:			
Incurred claims and other incurred insurance service expenses	(2,514,974)	1,114,878	(1,400,096)
Changes that relate to past service	-	(2,460)	(2,460)
Losses on onerous contracts and reversals	2,748,364	-	2,748,364
Amortisation of insurance acquisition cash flows	1,312,417	-	1,312,417
Total insurance service expenses	1,545,807	1,112,418	2,658,225
Insurance service result	1,254,777	1,112,418	2,367,195
Insurance finance (income) expenses from insurance contracts issued	1,211,925	-	1,211,925
Total changes recognised in statement of comprehensive income	2,466,704	1,112,418	3,579,120
Cash flows:			
Premiums received	9,800,651	-	9,800,651
Amounts paid to policyholders and other insurance service expenses paid	-	(14,199,575)	(14,199,575)
Insurance acquisition cash flows	(901,650)	-	(901,650)
Total cash flows	8,899,001	(14,199,575)	(5,300,574)
Investment component excluded from insurance revenue and insurance service expense:			
Expected/incurred claims	(13,084,698)	13,084,698	-
Ending balances as at December 31, 2024	29,252,204	17,988	29,270,192

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(d) Movements in insurance contract balances – Analysis by remaining coverage and incurred claims (cont'd):

	For the year ended December 31, 2023		
	Liability for remaining coverage loss component	Liability for incurred claims	Total
	$	$	$
Beginning balance as at January 1, 2023	32,291,897	21,112	32,313,009
Insurance revenue	(487,521)	-	(487,521)
Insurance service expenses:			
Incurred claims and other incurred insurance service expenses	(2,096,054)	1,095,641	(1,000,413)
Changes that relate to past service	-	(665)	(665)
Losses on onerous contracts and reversals	1,662,146	-	1,662,146
Amortisation of insurance acquisition cash flows	1,301,465	-	1,301,465
Total insurance service expenses	867,557	1,094,976	1,962,533
Insurance service result	380,036	1,094,976	1,475,012
Insurance finance (income) expenses from insurance contracts issued	1,042,565	-	1,042,565
Total changes recognised in statement of comprehensive income	1,422,601	1,094,976	2,517,577
Cash flows:			
Premiums received	8,720,652	-	8,720,652
Amounts paid to policyholders and other insurance service expenses paid	-	(11,730,922)	(11,730,922)
Insurance acquisition cash flows	(828,670)	-	(828,670)
Total cash flows	7,891,982	(11,730,922)	(3,838,940)
Investment component excluded from insurance revenue and insurance service expense:			
Expected/incurred claims	(10,635,281)	10,635,281	-
Ending balances as at December 31, 2023	30,971,199	20,447	30,991,646

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(e) Movements in reinsurance contract balances – Analysis by measurement component:

The following tables show the changes in the net assets or liabilities for reinsurance contracts held, by measurement component.

	For the year ended December 31, 2024			
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total
	$	$	$	$
Reinsurance contract asset beginning balance as at January 1, 2024	(120)	637	20,253	20,770
Changes related to current service:				
CSM recognised for services received	-	-	(2,179)	(2,179)
Risk adjustment recognised for non-financial risk expired	-	(22)	-	(22)
Experience adjustments	(220)	-	-	(220)
Total changes related to current service	(220)	(22)	(2,179)	(2,421)
Changes related to future service:				
Changes in estimates that adjust CSM	(12)	50	(38)	-
Experience adjustments	(20)	-	20	-
Total changes related to future service	(32)	50	(18)	-
Reinsurance contract held net income/(expense)	(252)	28	(2,197)	(2,421)
Insurance finance income/(expenses) from reinsurance contracts held	(3)	17	612	626
Total changes recognised in statement of comprehensive income	(255)	45	(1,585)	(1,795)
Cash flows:				
Premiums paid	246	-	-	246
Other amounts from reinsurers	-	-	-	-
Total cash flows	246	-	-	246
Net ending balances as at December 31, 2024	(129)	682	18,668	19,221

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(e) Movements in reinsurance contract balances – Analysis by measurement component (cont'd):

	For the year ended December 31, 2023			
	Estimates of PV of future cash flows	Risk adjustment	Contractual service margin	Total
	$	$	$	$
Reinsurance contract asset beginning balance as at January 1, 2023	(135)	2,338	105,064	107,267
Changes related to current service:				
CSM recognised for services received	-	-	(87,407)	(87,407)
Risk adjustment recognised for non-financial risk expired	-	(92)	-	(92)
Experience adjustments	(950)	-	-	(950)
Total changes related to current service	(950)	(92)	(87,407)	(88,449)
Changes related to future service:				
Changes in estimates that adjust CSM	76	(1,864)	1,788	-
Experience adjustments	744	-	(744)	-
Total changes related to future service	820	(1,864)	1,044	-
Reinsurance contract held net income/(expense)	(130)	(1,956)	(86,363)	(88,449)
Insurance finance income/ (expenses) from reinsurance contracts held	(39)	255	1,552	1,768
Total changes recognised in statement of comprehensive income	(169)	(1,701)	(84,811)	(86,681)
Cash flows:				
Premiums paid	245	-	-	245
Other amounts from reinsurers	(61)	-	-	(61)
Total cash flows	184	-	-	184
Net ending balances as at December 31, 2023	(120)	637	20,253	20,770

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(f) Movements in reinsurance contract balances – Analysis by remaining coverage and incurred claims:

The following tables show the changes in the net assets or liabilities for reinsurance contracts held, by remaining coverage and incurred claims.

	For the year ended December 31, 2024			
	Asset for remaining coverage		Asset for incurred claims	
	Excluding loss recovery component	Loss recovery component	(Contracts not using PAA)	Total
	$	$	$	$
Reinsurance contract asset beginning balance as at January 1, 2024	72	20,698	-	20,770
				-
Reinsurance contract held net income/ expenses) excluding changes in risk of non-performance by reinsurer	(192)	-	-	(192)
Incurred claims recovery	-	-	-	-
Reversals of loss-recovery component other than changes in FCF	-	(2,229)	-	(2,229)
Reinsurance contract held net income/ (expense)	(192)	(2,229)	-	(2,421)
Insurance finance (income) expenses from reinsurance contracts held	-	626	-	626
Total changes recognised in statement of comprehensive income	(192)	(1,603)	-	(1,795)
				-
				-
Cash flows:				-
Premiums paid	246	-	-	246
Other amounts from reinsurers	-	-	-	-
Total cash flows	246	-	-	246
				-
Reinsurance contract assets as at December 31, 2024	126	19,095	-	19,221

11 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (cont'd)

(f) Movements in reinsurance contract balances – Analysis by remaining coverage and incurred claims (cont'd):

	For the year ended December 31, 2023			
	Asset for remaining coverage		Asset for incurred claims	
	Excluding loss recovery component	Loss recovery component	(Contracts not using PAA)	Total
	$	$	$	$
Reinsurance contract asset beginning balance as at January 1, 2023	5,258	102,009	-	107,267
Reinsurance contract held net income/ (expenses) excluding changes in risk of non-performance by reinsurer	(5,668)	-	-	(5,668)
Incurred claims recovery	-	-	61	61
Reversals of loss-recovery component other than changes in FCF	-	(82,842)	-	(82,842)
Reinsurance contract held net income/ (expense)	(5,668)	(82,842)	61	(88,449)
Insurance finance (income) expenses from reinsurance contracts held	237	1,531	-	1,768
Total changes recognised in statement of comprehensive income	(5,431)	(81,311)	61	(86,681)
Cash flows:				
Premiums paid	245	-	-	245
Other amounts from reinsurers	-	-	(61)	(61)
Total cash flows	245	-	(61)	184
Reinsurance contract assets as at December 31, 2023	72	20,698	-	20,770

12 OTHER PAYABLES AND ACCRUALS

	2024	2023
	$	$
Other payables	9,773	9,895
Accrued expenses	878,221	710,169
Other payables and accruals	887,994	720,064

Other payables and accrued expenses are due within the next financial year.

13 LEASE LIABILITIES

	2024	2023
	$	$
Maturity analysis:		
Year 1	442,091	89,200
Year 2	388,191	-
Year 3	274,091	-
Year 4	274,091	-
	1,378,464	89,200
Less: unearned interest	(95,671)	(1,436)
	1,282,793	87,764
Analysed as:		
Current	396,809	87,764
Non-current	885,984	-
	1,282,793	87,764

Interest expense recognised in profit or loss relating to leases are amounting to $52,469 (2023: $11,761). Repayments of lease liabilities arising from financing activities are amounting to $417,192 (2023: $365,084). Lease 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.

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's finance function.

14 SHARE CAPITAL

	2024	2023	2024	2023
	Number of ordinary shares		$	$
Issued and fully paid:				
At beginning and end of year	43,930,000	43,930,000	43,930,000	43,930,000

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

Capital management

The Company defines "capital" to be share capital and accumulated profits. The immediate and ultimate holding company ensure that the Company has adequate capital in order to meet its obligations and to sustain the operations of the Company.

All insurers and reinsurers that carry on insurance business in Singapore are registered with MAS and are subject to the prudential standards which set out the basis for calculating the fund solvency requirements (FSR) and capital adequacy requirement (CAR), which is a minimal level of capital that must be held to meet policyholders' obligations. The FSR and CAR apply a risk-based approach to capital adequacy and are determined to be the sum of the aggregate of the total risk requirement of all insurance funds established and maintained by the reinsurer under the Act. It is the Company's policy to hold capital levels in excess of FSR and CAR.

15 INSURANCE REVENUE

The following tables presents an analysis of the insurance revenue recognised in the period:

	2024	2023
	$	$
Amounts relating to change in liabilities for remaining coverage		
Expected incurred claims and other directly attributable expenses	(1,150,844)	(821,920)
Change in risk adjustment for non-financial risk for risk expired	129,457	7,976
Insurance acquisition cash flows recovery	1,312,417	1,301,465
Total insurance revenue	291,030	487,521

Included in the expected incurred claims and other directly attributable expenses is the systematic allocation to loss component amounting to -$ 2,498,036 (2023: -$2,057,431).

16 INSURANCE SERVICE EXPENSES

The tables below show an analysis of insurance service expenses recognised in the period.

	2024	2023
	$	$
Incurred claims and other incurred insurance service expenses	1,400,096	1,000,414
Changes that relate to past service – changes in the FCF relating to the LIC	2,460	665
Changes that relate to the future service losses on onerous groups of contracts and reversal of such losses	(2,748,364)	(1,662,147)
Insurance acquisition cash flows amortisation	(1,312,417)	(1,301,465)
Total insurance expenses	(2,658,225)	(1,962,533)

Included in the incurred claims and other directly attributable expenses is the corresponding systematic allocation of loss component amounting to $2,514,974 (2023: $2,096,054).

17 NET EXPENSES FROM REINSURANCE CONTRACTS HELD

An analysis of allocation of reinsurance premiums paid and amounts recovered from reinsurers, are presented in the tables below:

	2024	2023
	$	$
Amounts relating to changes in the remaining coverage		
Expected amount recoverable for claims and other insurance service expenses incurred in the period	(220)	(1,011)
Change in risk adjustment for non-financial risk for risk expired	(22)	(92)
CSM recognised for services received	(2,179)	(87,407)
Reversal of loss recovery that does not adjust CSM	2,229	82,842
Allocation of reinsurance premiums paid	(192)	(5,668)
Amount recoverable for incurred claims and other incurred insurance service expenses	-	61
Income on initial recognition of onerous underlying contracts	-	-
Changes in FSF of reinsurance held from onerous contracts	-	-
Reversal of loss recovery that does not adjust CSM	(2,229)	(82,842)
Net expenses from reinsurance contracts held	(2,421)	(88,449)

18 INVESTMENT INCOME/(LOSSES)

	2024	2023
	$	$
Investment income/(losses) result comprises:		
Other interest and similar income		
Interest income from financial assets at FVTPL	1,500,795	1,355,351
Interest income from cash and cash equivalents	55,120	52,320
	1,555,915	1,407,671
Net fair value gains/(losses) on financial assets at FVTPL		
Net realised losses on FVTPL investments	(575,838)	(93,365)
Net unrealised gains on FVTPL investments	1,343,322	1,085,337
	767,484	991,972
Effect of foreign exchange on investment	(6,407)	(30,435)
Net investment income/(losses)	2,316,992	2,369,208

19 INSURANCE FINANCE EXPENSE FROM INSURANCE CONTRACTS ISSUED

	2024	2023
	$	$
Interest accreted	(1,196,650)	(1,244,827)
Effect of changes in interest rates and other financial assumptions	38,779	274,485
Effect of changes in fulfilment cash flow at current rates when CSM is unlocked at locked-in rates	(54,054)	(72,223)
	(1,211,925)	(1,042,565)

20 OTHER OPERATING EXPENSES

	2024				2023			
	Expenses attributed to insurance acquisition cash flows	**Other directly attributable expenses**	**Non-attributable**	**Total**	**Expenses attributed to insurance acquisition cash flows**	**Other directly attributable expenses**	**Non-attributable**	**Total**
	$	$	$	$	$	$	$	$
Employee expenses	220,541	302,101	212,587	735,229	195,255	225,609	183,227	604,091
Commissions	24,500	33	-	24,533	21,800	101	-	21,901
Depreciation charge on plant and equipment	1,531	1,610	1,505	4,646	4,376	4,406	4,143	12,925
Audit Fee	112,492	207,789	126,785	447,066	68,679	193,885	81,468	344,032
Legal and other professional fees	189,645	258,285	207,980	655,910	222,921	346,710	200,997	770,628
Other expenses	352,941	341,059	447,544	1,141,544	315,639	324,869	438,990	1,079,497
	901,650	1,110,877	996,401	3008,928	828,670	1,095,580	908,825	2,833,074

There is no non-audit fees paid or payable to auditors of the Company and Deloitte network firms for the year ended December 31, 2024 and 2023.

21 INCOME TAX

With the adoption of FRS 117, insurers in Singapore will no longer be able to prepare their tax computations using the financial statement prepared in accordance with FRS 117, as the financial statement do not provide information such as premiums, expenses and claims paid nor provide the information by types of insurance funds or lines of business that is necessary for applying the tax treatment under section 26 of the Income Tax Act. It was announced in the 2022 Budget Statement that MAS statutory returns instead of the financial statement will be used as the basis for preparing tax computation with effect from YA2024.

The reconciliation between income tax expense and the product of the accounting loss multiplied by the applicable corporate tax rate for the financial year ended December 31, 2024 is as follows:

	2024	2023
	$	$
Loss before taxation	(2,247,198)	(1,121,928)
Difference on Singapore tax treatment based on MAS statutory returns	(81,038)	(104,346)
Loss for tax assessment	(2,328,236)	(1,226,274)
Tax calculated at Singapore statutory tax rate of 17%	(395,800)	(208,467)
Adjustments:		
Non-deductible expenses	137,872	125,194
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	257,928	83,273
	-	-

Deferred tax assets have not been recognised because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

Unutilised tax losses amounting to $25,090,280 (2023: $23,155,864) are available for set off against taxable profits of future years subject to compliance with the provisions of Section 37 of the Singapore Income Tax Act 1947 and the Inland Revenue Authority of Singapore.