

SUN INSURANCE COMPANY LIMITED AND SUBSIDIARY COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

**SUN INSURANCE COMPANY LIMITED AND SUBSIDIARY COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors herewith submit the statements of financial position of Sun Insurance Company Limited (the "Company") and of the Group, being the Company and its Subsidiary(Sun Capital Pte Ltd) as at 31 December 2025 and the related statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date and report as follows:

Directors

The names of directors in office at the date of this report and at any time during the financial year and up until the date the financial statements were authorised for issue were as follows:

Padam Raj Lala (Chairman)

Deven Prasad Sharma

Rajeshwar Lala

Nitish (Bob) Niranjana

Gardiner H Whiteside

Vilash Chand - Appointed on 11 Sep 2025

Sakiusa Raivoce - Appointed on 11 Sep 2025

Inia R. Naiyaga - Resigned on 11 July 2025

State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

Principal Activities

The principal activities of the Company during the financial year were to provide general insurance services. There were no significant changes in the nature of the activities of the Company during the year.

The principal activities of the Subsidiary Company are to provide stock brokering services. The Subsidiary Company was incorporated in February 2025. The Subsidiary Company did not carry out any commercial operations during the financial year 2025 and until the Company's stock brokering license was approved by the Reserve Bank of Fiji in February 2026.

Results

The profit after income tax of the Company and Group for the year ended 31 December 2025 are as follows:

Profit after income tax of the Company - \$14,086,345 (2024 - \$7,510,449)

Profit after income tax of the Group - \$ 14,038,623

Dividends

Dividends for ordinary shares declared and paid by the Company during the year amounted to \$6,120,000 (2024: \$6,999,996).

DIRECTORS' REPORT [CONT'D]**Current and Non-Current Assets**

Prior to the completion of the financial statements of the Company and the Group, the directors took reasonable steps to ascertain whether any current and non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company and the Group. Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current and non-current assets in the Company's and the Group's financial statements misleading.

Bad and Doubtful Debts

Prior to the completion of the financial statements of the Company and Group, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of allowance for doubtful debts. In the opinion of the directors, adequate allowance has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Related Party Transactions

All related party transactions have been adequately recorded and disclosed in the financial statements.

Unusual Circumstances

In the opinion of the directors, the results of the operations of the Company and the Group during the financial year were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of an abnormal character likely, in the opinion of the directors, to affect substantially the results of the operations of the Company and Group in the current financial year.

Going Concern

The financial statements of the Company and the Group have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of these financial statements as they believe that the Company and the Group have adequate funds to meet its liabilities as and when they fall due over the next twelve months.

Accordingly, directors believe that the classification and carrying amounts of the assets and liabilities as stated in the financial statements to be appropriate.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company and Group, the results of those operations or the state of affairs of the Company and Group in subsequent financial years.

DIRECTORS' REPORT [CONT'D]**Significant Events During the Year****a) Incorporation of SUN Capital Pte Ltd**

On 11 February 2025, SUN Capital Pte Ltd was incorporated as a 100%-owned subsidiary of the Company. The subsidiary was established to operate as a stock/share brokering company licensed to trade on the South Pacific Stock Exchange (SPX). The principal place of business is located at Ground & Level 1, Kaunikuila House, Laucala Bay, Suva, FIJI.

SUN Capital (Pte) Limited received approval for its broker licence in February 2026. Accordingly, no commercial operations were carried out by SUN Capital (Pte) Limited during the year.

b) BSP Financial Group (Fiji) Pte Limited (BSP) - FJD 30 Mn. Loan Facility

The Company has secured a loan facility of FJD 30Mn from the BSP Financial Group (Fiji) Pte Limited (BSP). The facility has a loan tenure of 15 years. In accordance with the lending terms, the facility is secured over the Company's commercial properties under iTaukei lease numbers 35146 and 30285.

As at the reporting date, the facility remains fully unutilised, and therefore no financial liability has been recognised in the Company's and the Group's statement of financial position.

Other Circumstances

As at the date of this report:

- (i) no charge on the assets of the Company and the Group has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) except for the contingent liabilities disclosed in the financial statements no contingent liabilities have arisen since the end of the financial year for which the Company and the Group could become liable; and
- (iii) no contingent liabilities or other liabilities of the Company and the Group have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company and the Group to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report which would make adherence to the existing method of valuation of assets or liabilities of the Company and the Group misleading or inappropriate.

DIRECTORS' REPORT [CONT'D]

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements of the Company and the Group) by reason of a contract made by the Company and the Group or by a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

For and on behalf of the Board and in accordance with a resolution of the Board of Directors.

Dated at Suva this 20 day of February 2026.

Signed in accordance with a resolution of the directors.



.....
Director



.....
Director

DIRECTORS' DECLARATION

The declaration by directors is required by the Companies Act, 2015.

The directors of the Company and the Group have made a resolution that declares:

- a) In the opinion of the directors, the financial statements of the Company and the Group for the year ended 31 December 2025:
 - i. comply with International Financial Reporting Standards and give a true and fair view of the financial position of the Company and the Group as at 31 December 2025 and of the performance and cash flows of the Company and the Group for the year ended 31 December 2025; and
 - ii. have been prepared in accordance with the Companies Act, 2015;
- b) The directors have received an independence declaration by the auditors as required by Section 395 of the Companies Act, 2015; and
- c) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board and in accordance with a resolution of the Board of Directors.

Dated this 20 day of February 2026.


.....
Director


.....
Director



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Offices in Suva and Lautoka

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS

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As auditor for the audit of Sun Insurance Company Limited and Subsidiary Company for the financial year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Companies Act, 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Wathsala Suraweera
Partner
Suva, Fiji

BDO
CHARTERED ACCOUNTANTS

20 February 2026

INDEPENDENT AUDITOR'S REPORT

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To the Shareholders of Sun Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sun Insurance Company Limited (the Company) and the consolidated financial statements of Sun Insurance Company Limited and its Subsidiary Company (the Group), which comprise:

- the statements of financial position as at 31 December 2025,
- the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

To the Shareholders of Sun Insurance Company Limited (Cont'd)

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE MATTER

1

Valuation of Insurance Contract Assets and Liabilities (Refer to Note 15, and 22 to the Financial Statements) - Company and the Group

Valuation of Insurance contract assets and liabilities involve significant judgments and estimates, particularly with respect to the estimation of the present value of future cash flows, risk adjustment for non-financial risk, eligibility of premium allocation approach (PAA) and estimation of the liabilities for incurred claims.

These cash flows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cashflows which are within the contract boundaries. The calculation for these liabilities includes significant judgements and estimates and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows.

There is generally less information available in relation to these claims. Classes of business where there is a greater length of time between the initial claim event and settlement also tend to display greater variability between initial estimates and final settlement.

Given the complexity and significant judgment involved, and the significance of the balances to the overall financial statements, we considered valuation of insurance contract assets and liabilities to be a key audit matter.

We performed the following procedures in conjunction with our actuarial specialist:

- Understanding and evaluating the process, the design and implementation of controls in place to determine valuation of insurance contract assets and liabilities.
- The evaluation and testing of key controls around the claims handling process of the Group including recording and reserving. We examined evidence of the operation of controls over estimating of individual claims.
- For a sample of major outstanding claims, performed basis and calculations for estimation of claims liabilities to assess the reasonableness of management's outstanding claims liability calculations.
- Assessment of the competence, capabilities and objectivity of the management appointed actuary and our external experts.
- Tested the completeness, and on sample basis, the accuracy and relevance of source data used to determine future cashflows.
- Independently re-performed the calculation to assess the mathematical accuracy of the insurance contract assets and liabilities on selected group of Insurance contracts, particularly focusing on largest and most reserves.
- Evaluated the appropriateness of Group's key judgements and estimates made in the measuring components of insurance and reinsurance assets and liabilities, including the methodology, risk adjustment for non-financial risk, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows.
- Verified the calculation of the contract asset and liability for remaining coverage and asset and liability for liability of incurred claims and respective reinsurance amounts to ensure the calculation methods and the model (Premium Allocation Approach) used were appropriate.
- Verified and assessed the recoverability of insurance contract assets.
- Ensured the adequacy of the disclosures included in the financial statements.

To the Shareholders of Sun Insurance Company Limited (Cont'd)

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE MATTER

2 **Assessment of Fair Value of Investment Properties** (Refer to Note 18 to the Financial Statements). - Company and the Group

Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group. This was a key audit matter due to:

- The materiality of the reported fair value of investment properties amounted to \$75,286,531 representing approximately 52% of the Group's total assets as of the reporting date;
- The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach, income approach, depreciated replacement cost approach and discounted cash flow approach; and
- The low volume of comparable market transactions for properties available to corroborate valuation inputs and assumptions such as rental yields, capitalization rates and discount rates.

For the purpose of ascertaining the fair value of investment properties of the Group as at 31 December 2025, the Group has engaged two independent valuers to carry out the valuation exercise of the Groups' entire Investment Property portfolio. Whilst the first valuer has carried out a full detailed valuation assessment of the entire portfolio of investment properties of the Group, the second valuer has carried out a desktop assessment of the entire portfolio.

Furthermore, the Group has appointed an independent third valuer to carry out a peer review of the valuation assessments of the first two valuers (in particular, on the assessments with considerable fair value movements) and provide recommendations to the management and directors on the fair value movements to be considered in books for the purpose of financial reporting for the year ended 31 December 2025.

Our audit procedures included:

- Assessing the scope, expertise, independence and objectivity of the external valuers engaged by the Group.
- Evaluating the appropriateness of the valuation methodology selected by valuers to determine the fair value of different properties to accepted market practices and our industry experience.
- Independently assessing the key inputs adopted by the valuers to available market transactions for similar properties and other comparable property classes including performing sensitivity analysis for key judgemental valuation inputs.
- Reviewing key assumptions, such as occupancy rates, rental income projections, and maintenance expenses, to evaluate whether they are reasonable and in line with market data.
- Holding discussions to evaluate the basis for certain assumptions used for the valuation of certain properties which resulted in considerable fair value movements.
- Challenging the management on certain input data used and key assumptions made in valuation assessments.
- Reviewing independent peer review carried out by a third independent valuer in relation to valuation of certain properties where there were considerable fair value movements during the year.
- Reviewing directors' and management's internal analysis and assessments and conclusions made by the management and directors based on independent valuation reports.
- Assessing the appropriateness of the disclosures included in the financial statements.

To the Shareholders of Sun Insurance Company Limited (Cont'd)**Other Information**

The management and directors are responsible for the other information. The other information comprise of the information included in director's report and the Annual Report of the Group for the year ended 31 December 2025 but does not include the financial statements and the auditor's report thereon. The Annual Report is expected to be made available to us after the date of the auditor's report.

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

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

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management and directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the Companies Act, 2015, and for such internal control as the management and directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Shareholders of Sun Insurance Company Limited (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Companies in the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

To the Shareholders of Sun Insurance Company Limited (Cont'd)

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act, 2015 in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company and the Group have kept financial records sufficient to enable the financial statements to be prepared and audited.



BDO
CHARTERED ACCOUNTANTS



Wathsala Suraweera
Partner
Suva, Fiji
20 February 2026

SUN INSURANCE COMPANY LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

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	Note No.	2025 GROUP \$	2025 COMPANY \$	2024 COMPANY \$
Insurance revenue	6	41,874,667	41,874,667	32,968,544
Insurance service expenses	7	(20,649,992)	(20,649,992)	(14,441,908)
Net reinsurance cost		(14,024,606)	(14,024,606)	(16,478,206)
Insurance service result		7,200,069	7,200,069	2,048,430
Interest revenue from financial assets not measured at FVTPL		380,873	380,873	297,644
Dividend income		143,154	143,154	80,054
Net gains from fair value adjustments to investment properties	18	8,406,040	8,406,040	5,528,817
Net fair value gain on investments measured at fair value through profit or loss	13(a)	45,476	45,476	156,905
Impairment reversal/(loss) on financial assets		1,478,349	1,478,349	(792,485)
Net investment income		10,453,892	10,453,892	5,270,935
Finance expenses from insurance contracts issued		(313,543)	(313,543)	(117,699)
Finance income from reinsurance contracts held		103,491	103,491	62,196
Net insurance finance expenses		(210,052)	(210,052)	(55,503)
Net insurance and investment result		17,443,909	17,443,909	7,263,862
Asset management services revenue	8	2,170,795	2,170,795	2,400,388
Other finance costs	9	(30,069)	(30,069)	(35,349)
Other operating expenses	10	(2,752,450)	(2,704,728)	(1,275,186)
Profit before income tax		16,832,185	16,879,907	8,353,715
Income tax expense	11(a)	(2,793,562)	(2,793,562)	(843,266)
Profit for the year		14,038,623	14,086,345	7,510,449
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		14,038,623	14,086,345	7,510,449
Earnings per share for profit attributable to the ordinary shareholders				
Basic and diluted earnings per share	28	0.12	0.12	0.07

The statements of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

	GROUP			
	Other reserves	Share capital	Retained earnings	Total
	\$	\$	\$	\$
Balance as at 1 January 2025 (Restated)	1,229,808	44,865,768	14,296,334	60,391,910
<u>Total comprehensive income</u>				
Profit for the year	-	-	14,038,623	14,038,623
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	14,038,623	14,038,623
<u>Transactions with owners of the company</u>				
Dividends	(250,000)	-	(6,120,000)	(6,370,000)
Total transactions with owners of the company	(250,000)	-	(6,120,000)	(6,370,000)
Balance as at 31 December 2025	979,808	44,865,768	22,214,957	68,060,533
	COMPANY			
	Other reserves	Share capital	Retained earnings	Total
	\$	\$	\$	\$
Balance as at 1 January 2024 as previously reported	2,959,615	21,850,491	16,717,888	41,527,994
<u>Correction of Error (Note 29)</u>				
Recognition of reinsurance reinstatement premium expenses	-	-	(4,191,814)	(4,191,814)
Restated balance as at 1 January 2024	2,959,615	21,850,491	12,526,074	37,336,180
<u>Total comprehensive income</u>				
Profit for the year	-	-	7,510,449	7,510,449
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	7,510,449	7,510,449
<u>Transactions with owners of the company</u>				
Issue of ordinary shares	-	23,015,277	-	23,015,277
Transferred to retained earnings due to cessation of equity interest	(1,259,807)	-	1,259,807	-
Dividends	(470,000)	-	(6,999,996)	(7,469,996)
Total transactions with owners of the company	(1,729,807)	23,015,277	(5,740,189)	15,545,281
Restated balance as at 31 December 2024	1,229,808	44,865,768	14,296,334	60,391,910
<u>Total comprehensive income</u>				
Profit for the year	-	-	14,086,345	14,086,345
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	14,086,345	14,086,345
<u>Transactions with owners of the company</u>				
Dividends	(250,000)	-	(6,120,000)	(6,370,000)
Total transactions with owners of the company	(250,000)	-	(6,120,000)	(6,370,000)
Balance as at 31 December 2025	979,808	44,865,768	22,262,679	68,108,255

Refer Note 29 for details of prior-period error correction.

The statements of changes in equity is to be read in conjunction with the accompanying notes.

SUN INSURANCE COMPANY LIMITED AND SUBSIDIARY COMPANY
 STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2025

	Note No.	31 DECEMBER 2025		31 DECEMBER 2024	1 JANUARY 2024
		GROUP	COMPANY	Restated*	Restated*
				COMPANY	COMPANY
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	12	6,064,740	6,004,937	26,395,440	6,806,441
Investment assets	13	14,805,104	14,805,104	7,521,105	7,389,770
Investment in subsidiary	14	-	100,000	-	-
Current tax asset		-	-	-	85,489
Insurance contract assets	15	19,705,770	19,705,770	18,038,184	14,997,007
Reinsurance contract assets	16	21,705,734	21,705,734	25,408,061	33,346,734
Other assets	17	3,526,632	3,534,157	1,086,594	689,157
Investment properties	18	75,286,531	75,286,531	54,409,878	42,647,285
Right-of-use assets	19(a)	54,842	54,842	89,478	177,858
Property, plant and equipment	20	3,189,944	3,189,944	3,020,903	3,200,007
Total assets		144,339,297	144,387,019	135,969,643	109,339,748
Liabilities					
Current income tax liabilities	11(b)	894,881	894,881	868,984	-
Other current liabilities	21	4,514,058	4,514,058	1,691,557	967,628
Insurance contract liabilities	22	60,454,439	60,454,439	61,911,142	61,063,567
Reinsurance contract liabilities	23	6,443,096	6,443,096	8,822,523	7,612,059
Lease liabilities	19(b)	459,806	459,806	498,962	579,950
Deferred income tax liabilities	11(c)	3,512,484	3,512,484	1,784,565	1,780,364
Total liabilities		76,278,764	76,278,764	75,577,733	72,003,568
Equity					
Share capital	24	44,865,768	44,865,768	44,865,768	21,850,491
Retained earnings		22,214,957	22,262,679	14,296,334	12,526,074
Other reserves		979,808	979,808	1,229,808	2,959,615
Total equity		68,060,533	68,108,255	60,391,910	37,336,180
Total equity and liabilities		144,339,297	144,387,019	135,969,643	109,339,748

Signed for and on behalf of the Board of Directors


 Director


 Director

*Refer Note 29 for details of reclassifications and prior-period error correction.

The statements of financial position is to be read in conjunction with the accompanying notes.

SUN INSURANCE COMPANY LIMITED AND SUBSIDIARY COMPANY
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2025

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	Note No.	2025 GROUP	2025 COMPANY	2024 COMPANY
		\$	\$	\$
Cash flows from operating activities				
Premium received		49,150,793	49,150,793	34,096,512
Interest received		311,811	311,811	297,644
Rental income received	8	1,951,362	1,951,362	1,961,863
Other income received		682,700	682,700	1,069,542
Dividend income received		75,296	75,296	71,582
Reinsurance and other recoveries received		1,677,142	1,677,142	3,283,295
Outward reinsurance paid		(13,763,974)	(13,763,974)	(8,979,675)
Underwriting costs paid		(9,908,742)	(9,908,742)	(3,241,152)
Claims paid		(15,700,893)	(15,700,893)	(14,792,666)
Interest paid	9	(30,069)	(30,069)	(35,349)
Payments to suppliers and employees		(8,643,853)	(8,603,656)	(4,095,309)
Income taxes (paid)/refund, net	11(b)	(1,039,746)	(1,039,746)	115,407
Net cash from operating activities		4,761,827	4,802,024	9,751,694
Cash flows from investing activities				
Net investments in term deposits, bonds and units		(7,129,669)	(7,129,669)	-
Purchases of property plant and equipment		(389,181)	(389,181)	(23,851)
Proceeds from sale of property plant and equipment		18,233	18,233	2,499
Investment in subsidiary		-	(100,000)	-
Additions to capital working progress		(11,470,613)	(11,470,613)	(5,480,144)
Net cash used in investing activities		(18,971,230)	(19,071,230)	(5,501,496)
Cash flows from financing activities				
Proceeds from issue of new shares		-	-	22,889,786
Net dividends paid		(5,999,552)	(5,999,552)	(7,469,997)
Payment of lease liabilities		(121,745)	(121,745)	(80,988)
Net cash from/(used in) financing activities		(6,121,297)	(6,121,297)	15,338,801
Net change in cash and cash equivalents		(20,330,700)	(20,390,503)	19,588,999
Cash and cash equivalents at the beginning of the year		26,395,440	26,395,440	6,806,441
Cash and cash equivalents at the end of the year	12	6,064,740	6,004,937	26,395,440

The statements of cash flows is to be read in conjunction with the accompanying notes.

NOTE 1. REPORTING ENTITY

Sun Insurance Company Limited (“the Company”) is a publicly listed Company, limited by shares, incorporated and domiciled in Fiji. Its registered office and principal place of business is at Kaunikuila House, Suva, Fiji. The Company is licensed under the Insurance Act 1998, to operate as a General Insurance Company.

The ordinary shares of the Company are listed on the South Pacific Stock Exchange (SPX).

The principal activities of the Company during the financial year were to provide general insurance services. There were no significant changes in the nature of the activities of the Company during the year.

The principal activities of the Subsidiary Company are to provide stock brokering services. The Subsidiary Company was incorporated in February 2025. The Subsidiary Company did not carry out any commercial operations during the financial year 2025 and until the Company’s stock brokering license was approved by the Reserve Bank of Fiji in February 2026.

These consolidated financial statements (the Group) comprise the Company and its subsidiary (Refer Note 2(e) - Basis of consolidation).

The financial statements were authorised for issue by the board of directors on 20 February 2026.

NOTE 2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC) as well as the requirements of Companies Act 2015.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except for those assets and liabilities that are required to be measured at fair value under IFRS. The financial statements present comparative information for one year unless otherwise required by IFRS. The Group’s measurement policies (historical cost and fair value where required) and the underlying presentation framework remain unchanged from 2024.

(c) Functional and presentation currency

The Company’s and the Group’s functional and presentation currency is Fijian dollars (FJ\$). Amounts have been rounded to the nearest dollar unless otherwise indicated.

(d) Going concern

The financial statements of the Company and the Group have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of these financial statements as they believe that the Company and the Group have adequate funds to meet its liabilities as and when they fall due over the next twelve months.

Accordingly, directors believe that the classification and carrying amounts of the assets and liabilities as stated in the financial statements to be appropriate.

NOTE 2. BASIS OF PREPARATION (CONT'D)

(e) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the investee, exposure or rights to variable returns, and the ability to use its power to affect those returns. Subsidiaries are consolidated from the date control is obtained until the date control ceases. Intra-group balances, transactions, income and expenses are eliminated on consolidation.

Incorporation of SUN Capital Pte Ltd

On 11 February 2025, the Company incorporated SUN Capital Pte Ltd as a 100%-owned subsidiary. The subsidiary was established to operate as a stock/share brokering company licensed to trade on the South Pacific Stock Exchange (SPX).

As this was a new company formation and not a business combination (no business was acquired), IFRS 3 does not apply and no goodwill was recognised. Consolidation commenced from the date of incorporation. The principal place of business is Ground & Level 1, Kaunikuila House, Laucala Bay, Suva, FIJI.

(f) New standards and amendments

New standards, interpretations and amendments effective during the year

The following amendments are effective for the period beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21- The Effects of Changes in Foreign Exchange Rates (the Amendments). The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

- Disclosures about uncertainties in financial statements (Amendments to illustrative examples on IFRS 7, IAS 1, IAS 8, IAS 36 and 37).

The International Accounting Standards Board (IASB) has issued IFRB 2025/06, publishing a near-final draft of illustrative examples on disclosures about uncertainties in the financial statements, illustrated using a climate-related example. These examples are intended to support the application of disclosure requirements across IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, and IAS 37, by demonstrating how entities may clearly explain the nature, sources, and potential financial effects of material uncertainties. The illustrative examples do not introduce new accounting or disclosure requirements and are not subject to endorsement, but instead provide practical guidance on presenting transparent, entity-specific information to help users understand significant judgements, estimation uncertainty, and the interconnections between risks, assumptions, and financial statement line items, particularly in the context of emerging and complex risks such as climate-related matters.

NOTE 2. BASIS OF PREPARATION (CONT'D)

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company and the Group have decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7).

The amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective for periods beginning on or after 1 January 2026, clarify how entities assess contractual cash flow characteristics and business models when classifying financial assets. The amendments refine the application of the “Solely Payments of Principal and interest” (SPPI) test, particularly for instruments with contingent or non-standard features, and introduce enhanced disclosure requirements to improve transparency over classification decisions, credit risk, and changes in measurement categories. These changes are intended to promote greater consistency in practice and provide users of financial statements with clearer information about an entity’s financial instruments and related risks.

The following standards are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures introduces a reduced disclosure framework for eligible subsidiaries that do not have public accountability and whose parent prepares IFRS-compliant consolidated financial statements. The Standard allows such subsidiaries to apply the recognition and measurement requirements of full IFRS Accounting Standards while significantly reducing the volume of disclosures required in their separate financial statements.

The following standards are effective in Fiji for the period beginning on or after 1 January 2029:

- IFRS S1 - General requirements for disclosure of sustainability-related financial information.

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across a Group’s value chain.

- IFRS S2 - Climate-related disclosures.

This standard sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Company and the Group are currently assessing the effect of these new accounting standards and amendments and will adopt as applicable.

NOTE 2. BASIS OF PREPARATION (CONT'D)

(g) Use of estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described below:

i) Insurance and Reinsurance Contract Liabilities

Provision is made for the estimated cost of claims incurred but not settled at the balance date. This provision consists of estimates of both the expected ultimate cost of claims notified to the Company as well as the expected ultimate cost of claims incurred but not reported to the Company ("IBNR"). The estimated cost of claims includes direct expenses that are expected to be incurred in settling those claims.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claims is generally available.

IBNR claims may not be apparent to the insured until sometime after the events giving rise to the claims has occurred. In calculating the estimated cost of unpaid claims the Company uses a variety of estimation techniques, generally based on statistical analysis of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience.

Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics, or which may cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in Company processes which might accelerate or slow down the development and (or) recording of paid or incurred claims, compared with statistics from previous periods;
- changes in the legal environment;
- the effects of inflation;
- changes in the mix of business;
- the impact of large losses; and
- movements in industry benchmarks.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based on the gross provisions.

NOTE 2. BASIS OF PREPARATION (CONT'D)

i) Insurance and Reinsurance Contract Liabilities (Cont'd)

Claims incurred but not reported is estimated by applying key actuarial assumptions to help measure the liability.

- ii) Assets arising from contracts with reinsurers - Assets arising from contracts with Company's reinsurers are determined using similar methods described above in relation to estimating claim liabilities. In addition, the recoverability of these assets is assessed at each balance date to ensure that the balances properly reflect the amounts that will ultimately be received.
- iii) Determining the fair value of investment properties - (Refer Note 3.3).
- iv) Measurement of impairment loss of financial assets - (Refer Note 3.14).
- v) Assessment of useful life of property, plant and equipment - (Refer Note 3.2).
- vi) Recognition of deferred tax assets and liabilities - (Refer Note 3.13(ii)).

(h) Comparative information

Comparatives have been reclassified where necessary to conform with current period presentation; the nature and amounts of reclassifications and prior period error correction are disclosed in Note 29.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Insurance and reinsurance contracts

(a) Insurance and reinsurance contracts classification

The Company and the Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from policy holders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

All of the general insurance products on offer, or utilized, meet the definition of an insurance contract (a contract under which one party, the insurer, accepts significant insurance risk from another party, the policyholder, by agreeing to compensate the policyholder if a specified uncertain future event, the insured event, adversely affects the policyholder).

Insurance and reinsurance contracts also expose the Company and the Group to financial risk.

The Group issues non-life insurance policies to individuals and businesses. Non-life insurance products include property, marine, engineering, accidents and others. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage because of a policyholder's accident.

The Company and the Group do not issue any contracts with direct participating features.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Insurance and reinsurance contracts assets and liabilities

Insurance contract liabilities represent the rights and obligations arising from insurance and reinsurance contracts issued, and comprise the following components:

- the liability for remaining coverage, being the obligation to provide future insurance services in relation to contracts in force at the balance date; and
- the liability for incurred claims, being the obligation to pay claims reported but not yet paid, IBNR and other incurred insurance service expenses such as claims handling costs.

Reinsurance contract assets represent the rights and obligations arising from reinsurance contracts held, and comprise the following components:

- the asset for remaining coverage, being the amounts that are expected to be recoverable from reinsurers in relation to future insured claims that have not yet been incurred; and
- recoveries of incurred claims, being the amounts that are expected to be recoverable from reinsurers in relation to claims that have been incurred on underlying contracts.

The Company's and the Group's insurance and reinsurance contracts are aggregated into portfolios, each comprising contracts that are of similar risks and managed together. Portfolios of insurance and reinsurance contracts issued that are assets presented separately from those that are liabilities on the balance sheet. Similarly, portfolios of reinsurance contracts held that are assets presented separately from those that are liabilities.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Insurance and reinsurance contracts (Cont'd)

(c) Insurance and reinsurance contracts accounting treatment

i) *Level of aggregation*

IFRS 17 requires the Company and the Group to determine the level of aggregation to apply its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

However, the Company and the Group make an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company and the Group have elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Company and the Group applied a Modified retrospective approach for transition to IFRS 17 based on the reasonable and supportable information.

This means that, for determining the level of aggregation, the Company and the Group identify a contract as the smallest 'unit', i.e., the lowest common denominator.

Portfolios are further divided based on expected profitability at inception into three categories:

- i. A group of contracts that are onerous contracts,
- ii. A group of contracts with no significant risk of becoming onerous, and
- iii. A group of remaining contracts.

Insurance contracts are onerous when the liability for remaining coverage is insufficient to pay future claims and other insurance service expenses attributable to the contracts. The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company and the Group assume that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company and the Group assess, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. Onerous contract losses are measured on a gross basis (excluding the effect of reinsurance contracts held) and are immediately recognised in profit or loss. A loss component of the liability for remaining coverage is established (or increased) to depict the onerous contract losses recognized. Where the onerous contracts are covered by reinsurance contracts held, reinsurance income is recognised in profit or loss and a corresponding loss-recovery component of the reinsurance asset for remaining coverage is established to depict expected recoveries attributable to the onerous contract losses.

The Company and the Group consider facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Combined loss ratio over the period
- Environmental factors, e.g., a change in market experience or regulations

The Company and the Group divide portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Insurance and reinsurance contracts (Cont'd)

(c) Insurance and reinsurance contracts accounting treatment (Cont'd)

ii) Recognition

The Company and the Group recognise groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- An earlier date for a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Company and the Group recognise a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Company and the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held and,
- The date the Company and the Group recognise an onerous group of underlying insurance contracts if the Company and the Group entered the related into reinsurance contract held in the group of reinsurance contracts held at or before that date.
- The Company and the Group add new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

iii) Measurement

The Company and the Group include in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company and the Group can compel the policyholder to pay the premiums, or in which the Company and the Group have a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when the Company and the Group have the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

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

Insurance contracts - initial measurement

The Company and the Group apply the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as most of the contracts which are issued are less than a year.

For all businesses, the liability for remaining coverage is not discounted to reflect the time value of money and the effect of financial risk. Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company and the Group perform additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company and the Group recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the Company and the Group being equal to the fulfilment cash flows.

A loss component is established by the Company and the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Insurance and reinsurance contracts (Cont'd)

(c) Insurance and reinsurance contracts accounting treatment (Cont'd)

iii) Measurement (Cont'd)

Reinsurance contracts held - initial measurement

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

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

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

Insurance contracts - subsequent measurement

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

- Plus premiums received in the period
- Minus any insurance acquisition cash flows at that date, unless the entity chooses to recognize the payment as an expense
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims if any

The Company and the Group estimate the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Company and the Group adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected. Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company and the Group recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company and the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Insurance and reinsurance contracts (Cont'd)

(c) Insurance and reinsurance contracts accounting treatment (Cont'd)

iii) Measurement (Cont'd)

Insurance contracts - subsequent measurement (cont'd)

The liability covers claims reported but not yet paid, incurred but not reported claims ("IBNR") and the anticipated direct and indirect costs of settling those claims, including claims administration expense. The Company and the Group calculate the provision for claims administration expense based on an estimate of the time it would take to finalise a claim for the different classes of business, including associated costs.

Claims expense represents claim payments adjusted for the movement in the outstanding claims liability. Allowance for IBNR on all classes of claims is measured based on actuarial calculations. The estimation of the outstanding claims liability involves several key assumptions and is the most critical accounting estimate. All reasonable steps are taken to ensure that the information used regarding claims exposures is appropriate.

However, given the uncertainty in establishing the liability, it is likely that the outcome will be different from the original liability established. Claims outstanding are assessed by reviewing individual claim files and estimating changes in the ultimate cost of settling claims, IBNR and settlement costs using statistics based on experience and trends.

Reinsurance contracts held - subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company and the Group have established a loss-recovery component, the Company and the Group subsequently reduce the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs for example, Sales commissions direct response marketing, premium taxes and inhouse expenses directly attributable to sales and policy insurance activities. The Company and the Group use a systematic and rational method to allocate insurance acquisition cash flows that are directly attributable to a group of insurance contracts to that group.

During the current financial year, the Company revised its allocation methodology for insurance acquisition cash flows. Previously, acquisition costs were allocated to insurance contract groups using percentage-based allocation rates. Under the revised method, the Company and the Group now allocate actual acquisition-related costs first to the relevant operational departments where the costs are incurred, after which those departmental costs are assigned to the related groups of insurance contracts based on the nature of activities performed and the portfolios they support.

This change results in a more precise attribution of acquisition costs, reflecting the actual consumption of resources by each portfolio and improving alignment with IFRS 17's requirement for a systematic and rational allocation of directly attributable acquisition cash flows.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Insurance and reinsurance contracts (Cont'd)

(c) Insurance and reinsurance contracts accounting treatment (Cont'd)

iii) Measurement (Cont'd)

Insurance service expenses

These expenses consist of claims and other insurance service expenses that the Company and the Group incur in order to fulfill its obligations toward the policyholders that arise within the contract boundary of the underlying (re-)insurance contracts. They also include amortization of insurance acquisition cash flows, changes in the fulfillment cash flows relating to the liability for incurred claims (LIC), losses on groups of onerous contracts and reversals of such losses, and impairment and reversal of impairment of assets for pre-coverage insurance acquisition cash flows. Costs incurred that cannot be directly attributed to portfolios of insurance contracts (e.g., cost incurred in connection with future business opportunities) are excluded.

Insurance contracts - modification and derecognition

The Company and the Group derecognize an insurance contract only when the obligation specified in the insurance contract expires or is discharged or canceled, or if the contract is modified in a way that requires derecognition of the original contract and recognition of the new contract with modified terms. The exercise of a right included in the terms of a contract is not a modification.

When a modification is not treated as a derecognition, the Company and the Group recognise amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Insurance revenue

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

The Company and the Group change the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. Some insurance contracts permit the Company and the Group to sell (usually damaged) property acquired in settling a claim. Salvage income is recognised when recovery of the consideration is probable, and the amount of income can be measured reliably.

Loss components

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

Loss-recovery components

The Company and the Group recognise a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company and the Group establish a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Insurance and reinsurance contracts (Cont'd)

(c) Insurance and reinsurance contracts accounting treatment (Cont'd)

iii) Measurement (Cont'd)

Insurance finance income and expense

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

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

The Company and the Group do not disaggregate insurance finance income or expenses on insurance contracts between profit or loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in the profit or loss statement.

Income or expense from reinsurance contracts held

The Company and the Group present the amount expected to be recovered from reinsurers, and allocation of reinsurance premium paid separately on the face of the statement of profit or loss. The Company and the Group treat reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss.

Reinsurance and other recoveries on paid claims, reported claims not yet paid and claims incurred but not reported are recognised as revenue. Reinsurance recoveries receivable on paid claims are presented as part of receivables, net of any provision for impairment, based on objective evidence for individual receivables.

Reinsurance does not relieve the originating insurer of its liabilities to policyholders and is presented separately. Other recoveries by the Company and the Group from the pursuit of liable third parties for payment of some or all costs are recognised upon receipt.

(d) Presentation

For presentation in the statement of financial position, the Company and the Group will aggregate insurance and reinsurance contracts issued and reinsurance contracts held, respectively and present separately:

- Portfolios of insurance and reinsurance contracts issued that are assets.
- Portfolios of insurance and reinsurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

3.2 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Freehold land is not depreciated.

The depreciation rates of property, plant and equipment for the current and comparative period are as follows:

Motor vehicles	33%
Furniture and fittings	20%
Office equipment	20 - 40%
Buildings	2.5%
Leasehold land	term of lease

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

3.3 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment property is initially measured at cost, including related transaction costs. After initial recognition, investment property is subsequently measured at fair value, determined by external independent valuers who have appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Changes in fair values are recorded in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. When the use of a property changes from investment property to owner-occupied, the property is reclassified to property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting.

Certain properties have dual purposes whereby part of the property is used for own activities and part of the property is held for earning rental income or for capital appreciation. A portion of a dual-use property is classified as an investment property only if the portion could be sold or leased out separately under a finance lease. If a portion of the property cannot be sold or leased out separately under a finance lease, then the entire property is classified as investment property only if the portion of the property held for own use is insignificant. Insignificant is assessed on a property-by-property basis with reference to usable floor space and an own-use portion below five percent is deemed insignificant.

3.4 Leases

At inception of a contract, the Company and the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Leases (Cont'd)

To assess whether a contract conveys the right to control the use of an identified asset, the Company and the Group assess whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company and the Group have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company and the Group have the right to direct the use of the asset. The Company and the Group have this right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company and the Group have the right to direct the use of the asset if either:
 - the Company and the Group have the right to operate the asset; or
 - the Company and the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company and the Group allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

i) As a lessee

The Company and the Group recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets that meet the definition of investment property are subsequently measured at fair value and presented within investment properties. Right-of-use assets that do not meet the definition of investment property are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Company and the Group are reasonably certain to exercise, lease payments in an optional renewal period if the Company and the Group are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company and the Group are reasonably certain not to terminate early.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Leases (Cont'd)

i) As a lessee (Cont'd)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's and the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Company and the Group change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit or loss statement if the carrying amount of the right-of-use asset has been reduced to zero. The Company and the Group present right-of-use assets and lease liabilities as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

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

ii) As a lessor

When the Company and the Group act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company and the Group make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company and the Group consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company and the Group apply IFRS 15 *Revenue from Contracts with Customer* to allocate the consideration in the contract.

The Company and the Group recognize lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial recognition

Financial assets and liabilities are initially recognised on the settlement date. The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from the amount. Insurance receivables are measured at the transaction price. The Day 1 gain or loss is recognised when the fair value of financial instruments at initial recognition differs from the transaction price.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (Cont'd)

ii) *Subsequent Measurement*

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company and the Group recognise the difference between the transaction price and fair value in the statement of profit or loss. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the Company and the Group profit or loss when the inputs become observable, or when the instrument is derecognised.

iii) *Measurement categories of financial assets and liabilities*

The Company and the Group classify financial assets based on the business model for managing the assets and the asset's contractual terms, measured at Fair value through profit or loss (FVTPL). The Company and the Group measure fair value using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. Financial liabilities are measured at amortised cost.

a) *Financial investments measured at amortised cost*

The Company and the Group measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Company and the Group determine its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's and the Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's and the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the original expectations, the Company and the Group do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (Cont'd)

a) *Financial investments measured at amortised cost (Cont'd)*

The SPPI test

As a second step of its classification process the Company and the Group assess the contractual terms of financial assets to identify whether they meet the SPPI test. Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company and the Group apply judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de-minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

b) *Debt instruments at FVOCI*

The Company and the Group classify debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from the Company's and the Group's OCI to the Company's and the Group's profit or loss.

c) *Financial assets and financial liabilities at fair value through profit or loss*

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Financial assets and financial liabilities at FVTPL are recorded in the Company and the Group statement of financial position at fair value.
- Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the effective interest rate (EIR), considering any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in the Company and the Group profit or loss as other operating income when the right to the payment has been established.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (Cont'd)

d) Derecognition

Financial assets

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

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

Financial liabilities

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

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

3.6 Employee entitlements

(i) Superannuation plans

Obligations for contributions to a defined contribution plan are recognised as an expense in profit or loss as and when services are rendered by the employees.

(ii) Annual leave entitlements

Liability for annual leave is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

3.7 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand, cash in banks and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.8 Trade and other payables

Trade and other payables are stated at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid.

3.9 Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of the amount of Value Added Tax (VAT), except:

- i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; and
- ii) For trade receivables and trade payables which are recognised inclusive of VAT.

The amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as operating cash flows.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.11 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Company's and the Group's financial statements in the period in which the dividends are approved by the directors.

3.12 Earnings Per Share

Basic earnings per share

The basic earnings per share (EPS) is calculated by dividing profit or loss after income tax attributable to the members of the Holding Company and the Group by the weighted average number of ordinary shares outstanding as at yearend.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.13 Income Tax

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

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on business plans for the Company and the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company and the Group expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company and the Group have not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.14 Impairment of financial and non-financial assets

a) *Non-derivative financial assets*

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes default or delinquency by a debtor (more than 90 days overdue); indications that a debtor or issuer will enter bankruptcy; or the disappearance of an active market for a security because of financial difficulties.

Financial assets measured at amortised cost

The Company and the Group consider evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

b) *Non-financial assets*

At each reporting date, the Company and the Group review the carrying amounts of its non-financial assets (other than investment property and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs which represents the smallest group of assets within a business that primarily generates cash flows independent of other assets.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

3.15 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 in the principal or, in its absence, the most advantageous market to which the Company and the Group have access at that date. The fair value of a liability reflects its non-performance risk.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.15 Fair value measurement (Cont'd)

When one is available, the Company and the Group measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company and the Group use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company and the Group measure assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company and the Group determine that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

NOTE 4. INSURANCE CONTRACTS RISK MANAGEMENT

A key risk from operating in the general insurance industry is the exposure to insurance risk arising from underwriting general insurance contracts. The insurance contracts transfer risk to the insurer by indemnifying the policyholders against adverse effects arising from the occurrence of specified uncertain future events. The risk is that the actual amount of claims to be paid in relation to contracts will be different to the amount estimated at the time a product was designed and priced. The Company and the Group are exposed to this risk because the price for a contract must be set before the losses relating to the product are known. Hence the insurance business involves inherent uncertainty.

A fundamental part of the overall risk management strategy is the effective governance and management of the risks that impact the amount, timing and uncertainty of the cash flows arising from insurance contracts.

a) Risk management objectives and policies for mitigating insurance risk

The insurance activities primarily involve the underwriting of risks and the management of claims. A disciplined approach to risk management is adopted in accordance with the Company's and the Group's protocols rather than a premium volume or market share oriented approach. It is believed this approach provides the greatest long term likelihood of being able to meet the objectives of all stakeholders, including policyholders, lenders and equity holders. The risk management activities can be broadly separated into underwriting (acceptance and pricing of risk), claims management, reserving and investment management. The objective of these risk management functions is to enhance the longer term financial performance of the overall insurance operations. The key policies in place to mitigate risks arising from underwriting insurance contracts include the following:

(i) Acceptance of risk

The claims and underwriting team establishes, reviews and monitors the underwriting and pricing standards and strategies. The underwriting of large numbers of uncorrelated individual risks, across a large range of classes of insurance businesses reduces the variability in overall claims experience. Management information systems are maintained that provide up-to-date, reliable data on the risks to which the business is exposed to at any point in time. Efforts are made, including plain language policy terms, to ensure there is no misalignment between what the policyholders perceive will be paid when a policy is initially sold and what is actually paid when a claim is made.

NOTE 4. INSURANCE CONTRACTS RISK MANAGEMENT (CONT'D)

a) Risk management objectives and policies for mitigating insurance risk (Cont'd)

(ii) Reinsurance counterparty risk

The Company and the Group reinsure a portion of risks underwritten to control the exposure to insurance losses, reduce volatility and protect capital. Each year, the Group reassesses its reinsurance arrangements to determine their effectiveness based on current exposures, historical losses and potential future losses.

Although the Company and the Group have reinsurance arrangements, it is not relieved of its direct obligations to its policyholders, hence, a credit exposure exists with respect to ceded insurance, in case the reinsurer is unable to meet its obligation.

(iii) Claims management and provisioning

Initial claim determination is managed by claims officers with the requisite degree of experience and competence with the assistance, where appropriate, of a loss adjuster or other party with specialist knowledge. It is the Company's and the Group's policy to respond and settle claims quickly whenever possible and to pay claims fairly based on policyholder full entitlements.

b) Terms and conditions of insurance contracts

The terms and conditions attached to insurance contracts affect the level of insurance risk accepted. Insurance contracts are generally entered into on an annual basis and, at the time of entering into a contract, all terms and conditions are negotiable, or in the case of renewals, renegotiable. The majority of direct insurance contracts written are entered into on a standard form basis. Non-standard and long-term policies may only be written if expressly approved by a person with appropriate delegated authority. Risks are only assumed where the Company and the Group have the skills to analyse, structure and price the risk appropriately.

c) Credit risk

Financial assets arising from insurance contracts are presented in the statement of financial position at the amount that best represents the maximum credit risk exposure at the reporting date. The credit risk relating to insurance contracts relates primarily to premium receivables which is due from individual policyholders and intermediaries (brokers and agents). The brokers and agents collect premiums from policyholders and remit the monies to the insurer in accordance with contractual arrangements. The recoverability of premium receivables is assessed, and provision is made, for impairment based on objective evidence and having regard to past default experience.

d) Interest rate risk

The underwriting of general insurance contracts creates exposure to the risk that interest rate movements may materially impact the value of the outstanding claims liability. Movements in interest rates impact the determination of the liability through the selection of discount rates. Discounting the liability is in effect allowing comparison of future investment earnings on the assets held to back the insurance liabilities.

The funds held to pay outstanding claims are invested principally in fixed interest securities. Movements in market interest rates affect the value of the fixed interest securities. Hence, movements in interest rates should have minimal impact on the insurance profit for a year due to movements in investment income on assets backing insurance liabilities offsetting the impact of movements in discount rates on the claims liabilities.

NOTE 4. INSURANCE CONTRACTS RISK MANAGEMENT (CONT'D)

e) Operational risk

Operational risk is the risk of financial loss (including lost opportunities) resulting from external events and/or inadequate or failed internal processes, people and systems to perform as required. Operational risk can have overlaps with all of the other risk categories. When controls fail, operational risks can cause damage to reputation, can have legal or regulatory implications or can lead to financial loss. The Company and the Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, is able to manage risks. Operational risk is identified and assessed on an ongoing basis. Management and staff are responsible for identifying, assessing and managing operational risks in accordance with their roles and responsibilities.

f) Capital and regulatory risk

The Company and the Group are subject to extensive prudential and other forms of regulation. Prudential regulation is generally designed to protect policyholders. Regulation covers a number of areas including solvency, change in control and capital movement limitations. The regulatory environment in Fiji continues to evolve in response to economic, political and industry developments. The Company and the Group work closely with regulators and monitors regulatory developments across its operations to assess their potential impact on its ability to meet solvency and other requirements.

g) Concentration of insurance risk

The exposure to concentrations of insurance risk is mitigated by a portfolio diversified into many classes of business and by the utilisation of reinsurance.

Concentration risk is particularly relevant in the case of catastrophes which generally result in a concentration of affected policyholders over and above the norm and which constitutes the largest individual potential financial loss.

Catastrophe losses are an inherent risk of the general insurance industry that has contributed, and will continue to contribute, to potentially material year-to-year fluctuations in the results of operations and financial position. The nature and level of catastrophes in any period cannot be predicted accurately but can be estimated through the utilisation of predictive models. Each year, the Company and the Group set its tolerance for concentration risk and purchases reinsurance in excess of these tolerances.

The table below demonstrates the Company's and the Group's operations by class of business. The table shows risk concentrations before reinsurance.

Classes of Business	2025	2024
	%	%
Fire and extraneous	33.9	34.2
House owners	13.4	13.7
Motor vehicle	36.8	34.3
Marine (cargo and hull)	5.6	6.4
Public liability	3.2	3.5
Other	7.1	7.9
	100.0	100.0

NOTE 5. FINANCIAL RISK MANAGEMENT

The Company and the Group have exposure to the following risks arising from financial instruments:

- (i) market risk;
- (ii) credit risk; and
- (iii) liquidity risk.

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Company's and the Group's risk management policies are established to identify and analyse the risks faced by the Company and the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and the Group's activities.

(i) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's and the Group'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, whilst optimising the return.

(a) Currency risk

Currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Company's and the Group's functional currency. The Company's and the Group's exposure to currency risk is not material as recognised assets and liabilities that are denominated in a currency that is not the Company's and the Group's functional currency is minimal.

(b) Interest rate risk

The Company and the Group hold interest-bearing assets such as cash, term deposits, and Government bonds. These investments are made with institutions or issuers offering the best return within approved risk limits. Both term deposits and Government bonds carry fixed interest or coupon rates, so the Company and the Group are not exposed to cash flow interest rate risk during the investment period.

(c) Price risk

The Company and the Group are exposed to equity securities price risk because of investments held by the Company and the Group and classified at fair value through profit or loss. The Company's and the Group's investments in equity of other entities that are publicly traded are quoted on the South Pacific Stock Exchange. The Company and the Group also have investments in a managed fund.

Sensitivity analysis

The table below summarises the impact of increases/ (decreases) in the individual market prices of listed equities on the Company's and the Group's profit. The profit would increase/ (decrease) as a result of gains/ (losses) on equity securities classified at fair value through profit or loss. Assuming that the equity investments increased / (decreased) in value by 5% it would have had an equal but opposite effect.

	Impact on profit	
	2025	2024
	\$	\$
Shares in listed company	77,190	77,262
Quoted managed funds	303,738	48,000

NOTE 5. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Credit risk

Credit risk is the risk of financial loss to the Company and the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's and the Group's credit risk arises predominantly from insurance premiums receivable from policyholders, reinsurance recoveries from reinsurers and investments.

Credit risk relating to investments is monitored and assessed, and maximum exposures are limited. Investments comprising assets held to back insurance liabilities are restricted to investments in fixed interest securities and investment properties.

Credit risk relating to reinsurance recoveries is managed by placing reinsurance with highly rated reinsurers. The credit quality of the reinsurer is actively monitored. Reinsurance arrangements are regularly reassessed to determine their effectiveness based on current exposures, historical claims and potential future losses based on the Company's and the Group's insurance concentration.

The gross carrying amount of financial assets represents the maximum credit exposure.

The following table provides information regarding the ageing of the Company's and the Group's financial assets that are neither past due nor impaired and past due but not impaired:

	GROUP					
	Neither past due nor impaired	Past due but not impaired				Total
		0 - 30 days	31-60 days	61-90 days	Greater than 90 days	
	\$	\$	\$	\$	\$	\$
31 December 2025						
Insurance premium receivable	-	10,895,849	1,399,885	1,512,602	1,745,552	15,553,888
Other assets	3,526,632	-	-	-	-	3,526,632
Investments measured at fair value through profit or loss	7,618,570	-	-	-	-	7,618,570
Investments measured at amortized cost	7,186,534	-	-	-	-	7,186,534
Reinsurance recoveries	-	1,113,540	-	-	20,592,194	21,705,734
Cash and cash equivalents	6,064,740	-	-	-	-	6,064,740
	24,396,476	12,009,389	1,399,885	1,512,602	22,337,746	61,656,098
	COMPANY					
	Neither past due nor impaired	Past due but not impaired				Total
		0 - 30 days	31-60 days	61-90 days	Greater than 90 days	
	\$	\$	\$	\$	\$	\$
31 December 2025						
Insurance premium receivable	-	10,895,849	1,399,885	1,512,602	1,745,552	15,553,888
Other assets	3,534,157	-	-	-	-	3,534,157
Investments measured at fair value through profit or loss	7,618,570	-	-	-	-	7,618,570
Investments measured at amortized cost	7,186,534	-	-	-	-	7,186,534
Reinsurance recoveries	-	1,113,540	-	-	20,592,194	21,705,734
Cash and cash equivalents	6,004,937	-	-	-	-	6,004,937
	24,344,198	12,009,389	1,399,885	1,512,602	22,337,746	61,603,820

NOTE 5. FINANCIAL RISK MANAGEMENT (CONT'D)

	COMPANY					Total
	Neither past due nor impaired	Past due but not impaired				
		0 - 30 days	31-60 days	61-90 days	Greater than 90 days	
\$	\$	\$	\$	\$	\$	
(ii) Credit risk (Cont'd)						
31 December 2024 (Restated)						
Insurance premium receivable	-	9,602,936	1,689,189	972,218	1,250,122	13,514,465
Other assets	1,086,594	-	-	-	-	1,086,594
Investments measured at fair value through profit or loss	2,505,237	-	-	-	-	2,505,237
Investments measured at amortized cost	5,015,868	-	-	-	-	5,015,868
Reinsurance recoveries	-	-	-	-	25,408,061	25,408,061
Cash and cash equivalents	26,395,440	-	-	-	-	26,395,440
	35,003,139	9,602,936	1,689,189	972,218	26,658,183	73,925,665

Movements in the allowance for impairment in respect of premium and reinsurance receivables

	2025		2024
	GROUP	COMPANY	Restated* COMPANY
	\$	\$	\$
Balance at 1 January	2,594,414	2,594,414	1,801,929
(Reversal of Impairment loss)/Impairment loss for the year	(1,478,349)	(1,478,349)	792,485
Written off during the year	(18,567)	(18,567)	-
Balance at 31 December	1,097,498	1,097,498	2,594,414

(iii) Liquidity risk

Liquidity risk is the risk that the Company and the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's and the Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's and the Group's reputation.

Sound liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The nature of insurance activities means that the timing and amount of cash flows are uncertain.

Management of liquidity risk includes asset and liability management strategies. The assets held to back insurance liabilities consist predominantly of financial asset at amortised cost such as term deposits and Government Bonds. The assets are managed so as to effectively match the maturity profile of the assets with the expected pattern of claims payments.

The following are the remaining contractual maturities of financial liabilities as at the reporting date. The amounts are gross and undiscounted.

	GROUP				Carrying amount
	Contractual cash flows			Total	
	Less than 1 year	Between 1 and 5 years	Over 5 years		
\$	\$	\$	\$	\$	
31 December 2025					
Insurance contract liabilities	60,454,439	-	-	60,454,439	60,454,439
Reinsurance contract liabilities	6,443,096	-	-	6,443,096	6,443,096
Other current liabilities	4,514,058	-	-	4,514,058	4,514,058
Lease liability	74,335	153,840	1,588,135	1,816,310	459,806
	71,485,928	153,840	1,588,135	73,227,903	71,871,399

NOTE 5. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Liquidity risk (Cont'd)

	COMPANY				
	Contractual cash flows			Total	Carrying amount
	Less than 1 year	Between 1 and 5 years	Over 5 years		
\$	\$	\$	\$	\$	
31 December 2025					
Insurance contract liabilities	60,454,439	-	-	60,454,439	60,454,439
Reinsurance contract liabilities	6,443,096	-	-	6,443,096	6,443,096
Other current liabilities	4,514,058	-	-	4,514,058	4,514,058
Lease liability	74,335	153,840	1,588,135	1,816,310	459,806
	71,485,928	153,840	1,588,135	73,227,903	71,871,399
31 December 2024 (Restated)					
Insurance contract liabilities	61,911,142	-	-	61,911,142	61,911,142
Reinsurance contract liabilities	8,822,523	-	-	8,822,523	8,822,523
Other current liabilities	1,691,557	-	-	1,691,557	1,691,557
Lease liability	69,225	185,664	1,513,912	1,768,801	498,962
	72,494,447	185,664	1,513,912	74,194,023	72,924,184

Cash on hand and at bank

The Group and the Company held cash of \$6,064,740 and 6,004,937 as at 31 December 2025 respectively (2024: Company \$26,395,440). Cash at bank is held with bank and financial institution counterparties, which have sound credit ratings. The Company and the Group considers that its cash has low credit risks based on the external credit ratings of the counterparties.

(iv) Capital management

(a) Capital management strategy

The capital management strategy plays a central role in managing risk to create shareholder value whilst meeting the crucial and equally important objective of providing an appropriate level of capital to protect policyholders' interests and satisfy regulators. Capital finance growth, capital expenditure and business plans also provide support in the face of adverse outcomes from insurance and other activities and investment performance. The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Company's the Group's objectives when obtaining and managing capital are to safeguard the Company's and the Group's ability to continue as a going concern and provide shareholders with a consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital.

(b) Regulatory capital compliance

The Reserve Bank of Fiji imposes a minimum capital and solvency requirement that must be strictly adhered to by all general insurers within Fiji. The Company is required as per the Insurance Act 1998 to maintain a surplus of assets over liabilities as follows:

	31 DECEMBER 2025 COMPANY	31 DECEMBER 2024 COMPANY
	\$	\$
(i) \$1,000,000; or	1,000,000	1,000,000
(ii) 20% of net premium income derived during the last 12 months; or	6,138,598	5,346,380
(iii) 15% of net claims outstanding provision;	1,996,922	1,171,527

whichever is the greatest.

NOTE 5. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Capital management (Cont'd)

(b) *Regulatory capital compliance (cont'd)*

	31 DECEMBER 2025	31 DECEMBER 2024
	COMPANY	COMPANY
The Company's solvency position as at balance date was as follows:	\$	\$
Total admissible assets	125,074,087	121,524,367
Total adjusted liabilities	(73,639,662)	(71,117,367)
Total net adjusted assets	51,434,425	50,407,000
Required solvency margin	(6,138,598)	(5,346,380)
Solvency surplus	45,295,827	45,060,620

The Company has complied with all externally imposed capital requirements during both the current and prior financial years.

	2025	2024
	GROUP	COMPANY
	\$	\$

NOTE 6. INSURANCE REVENUE

Insurance revenue from contracts measured under the PAA	40,304,147	40,304,147	32,268,483
Other income	1,570,520	1,570,520	700,061
	41,874,667	41,874,667	32,968,544

NOTE 7. INSURANCE SERVICE EXPENSES

Incurred claims	14,399,515	14,399,515	8,025,879
Acquisition and administrative expenses	6,250,477	6,250,477	6,416,029
	20,649,992	20,649,992	14,441,908

NOTE 8. ASSET MANAGEMENT SERVICES REVENUE

Rental income	1,951,362	1,951,362	1,961,863
Miscellaneous income	219,433	219,433	438,525
	2,170,795	2,170,795	2,400,388

NOTE 9. OTHER FINANCE COSTS

Interest on lease liabilities	30,069	30,069	35,349
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NOTE 10. OTHER OPERATING EXPENSES

Auditors remuneration

- Audit fees	103,000	103,000	93,000
- Other services	12,000	12,000	9,000
Advertisement and publicity	-	-	1,048
Consultancy fees □	295,759	266,081	376,010
Depreciation	150,599	150,599	90,439
Repairs and maintenance	53,583	53,583	-
Salaries and wages	865,451	865,451	29,223
Investment property expenses	389,939	389,939	286,983
Other operating expenses	882,119	864,075	389,483
	2,752,450	2,704,728	1,275,186

	2025	2024	
	GROUP	COMPANY	COMPANY
	\$	\$	\$
NOTE 11. INCOME TAX EXPENSE AND LIABILITIES			
(a) Income Tax Expense			
Prima facie income tax on accounting profit @ 15% (2024: 25% and 15%)	2,531,986	2,531,986	1,775,164
<i>Add/(deduct) tax effect on:</i>			
Non-taxable income	-	-	(17,012)
Deductible expenses and concession	(61,109)	(61,109)	(192,479)
Non- deductible expenses	1,057	1,057	125,935
Under provision from prior year	321,628	321,628	170,494
Impact of income tax rate change on deferred taxes from 25% to 15%	-	-	(1,018,836)
Income tax expense attributable to profit	2,793,562	2,793,562	843,266
Income tax expense attributable to profit is made up of:			
Current income tax expense	1,065,643	1,065,643	839,066
Deferred tax expense	1,727,919	1,727,919	4,200
	2,793,562	2,793,562	843,266
(b) Current tax (asset) / liability			
Balance as at 1 January	868,984	868,984	(85,489)
Income tax paid	(1,039,746)	(1,039,746)	(597,911)
Income tax refund	-	-	713,318
Current income tax expense	744,015	744,015	668,572
Under provision from prior year	321,628	321,628	170,494
Balance as at 31 December	894,881	894,881	868,984
(c) Deferred tax (asset)/liability			
Allowance for impairment	(136,052)	(136,052)	(357,805)
Employee entitlements	(73,426)	(73,426)	(50,304)
Claims administration provision	(160,407)	(160,407)	(160,407)
Difference between right of use assets and lease liabilities	(48,173)	(48,173)	(61,422)
Difference in cost base of property, plant and equipment and investment properties for accounting and income tax	3,930,542	3,930,542	2,414,503
	3,512,484	3,512,484	1,784,565

Income tax expense for the year ended 31 December 2024 has been computed using tax rate of 25% and 15%. Prior to the company's listing on the SPX on 15 August 2024, taxable income was subject to a tax rate of 25%. Following the listing, the company qualifies for a preferential tax rate of 15% for a period of seven years.

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
NOTE 12. CASH AND CASH EQUIVALENTS			
Balances with banks	6,062,240	6,002,437	26,392,240
Cash on hand	2,500	2,500	3,200
	6,064,740	6,004,937	26,395,440

Available financing facility

During the year, the Company obtained approval for a loan facility of FJD 30Mn. from the BSP Financial Group (Fiji) Pte Limited (BSP). The facility carries a variable interest rate of 3.15% per annum and has a tenure of 15 years.

The facility is secured by the Company's commercial properties under iTaukei lease numbers 35146 and 30285, in accordance with the security terms and conditions agreed with the bank.

Accordingly, the loan is disclosed as an available financing facility, but no measurement or recognition is required in the financial statements until utilisation occurs.

NOTE 13. INVESTMENT ASSETS

Investments measured at fair value through profit or loss (a)	7,618,570	7,618,570	2,505,237
Investments measured at amortized cost (b)	7,186,534	7,186,534	5,015,868
	14,805,104	14,805,104	7,521,105

(a) Investments measured at fair value through profit or loss

Shares in listed company	1,543,808	1,543,808	1,545,237
Quoted managed funds	6,074,762	6,074,762	960,000
	7,618,570	7,618,570	2,505,237

Shares in the listed company represent 47,619 (2024: 47,619) shares held in BSP Convertible Notes Limited. The quoted market price of the shares in BSP Convertible Notes Limited as at 31 December 2025 was \$32.42 per share (2024: \$32.45 per share).

Quoted managed funds relate to 750,000 (2024: 750,000) units held in Fijian Holdings Unit Trust. As at 31 December 2025, the units had a market value of \$1.32 per unit (2024: \$1.28 per unit). In addition, during the year ended 31 December 2025, the Company purchased 1,809,523 units in Unit Trust of Fiji with a closing unit price of \$2.81 per unit.

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
Reconciliation of financial assets at fair value through profit or loss			
Balance at 1 January	2,505,237	2,505,237	2,348,332
Investments in Quoted managed funds	5,067,857	5,067,857	-
Fair value gain on investment in listed companies, net	45,476	45,476	156,905
Balance at 31 December	7,618,570	7,618,570	2,505,237

NOTE 13. INVESTMENT ASSETS (CONT'D)

Fair value hierarchy

The Company and the Group measure fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

The Company and the Group recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Levels 1 and 2 in 2025 and

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value:

	GROUP					
	Carrying amount		Fair value			Total
	Designated at fair value	Total	Level 1	Level 2	Level 3	
\$	\$	\$	\$	\$	\$	

31 December 2025

Financial assets measured at fair value

Equity instruments	7,618,570	7,618,570	7,618,570	-	-	7,618,570
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	COMPANY					
	Carrying amount		Fair value			Total
	Designated at fair value	Total	Level 1	Level 2	Level 3	
\$	\$	\$	\$	\$	\$	

31 December 2025

Financial assets measured at fair value

Equity instruments	7,618,570	7,618,570	7,618,570	-	-	7,618,570
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31 December 2024

Financial assets measured at fair value

Equity instruments	2,505,237	2,505,237	2,505,237	-	-	2,505,237
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(b) Investments measured at amortized cost include term deposits held at Credit Corporation (Fiji) Limited, Merchant Finance Limited, and BRED Bank, which earn interest at rates of 2.5%, 2.6%, and 1.9% per annum, respectively. Interest is paid by the respective institutions on a quarterly basis. Further, investments measured at amortized cost also include government bonds with a nominal value of \$1,100,000, bearing interest at 5.5% per annum with a maturity period of 20 years.

NOTE 14. INVESTMENT IN SUBSIDIARY

	2025	2024
	COMPANY	COMPANY
	\$	\$
Investment in SUN Capital Pte Ltd	100,000	-
	100,000	-

On 11 February 2025, SUN Capital Pte Ltd was incorporated as a 100%-owned subsidiary of the Company.

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
NOTE 15. INSURANCE CONTRACT ASSETS			
Premiums receivable	16,537,955	16,537,955	15,347,478
Allowance for impairment	(984,067)	(984,067)	(1,833,013)
	15,553,888	15,553,888	13,514,465
Deferred acquisition cost	4,151,882	4,151,882	4,523,719
	19,705,770	19,705,770	18,038,184

	2025		2024
	GROUP	COMPANY	Restated* COMPANY
	\$	\$	\$
NOTE 16. REINSURANCE CONTRACT ASSETS			
Re-insurance receivable	21,819,165	21,819,165	26,169,462
Allowance for impairment	(113,431)	(113,431)	(761,401)
	21,705,734	21,705,734	25,408,061

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
NOTE 17. OTHER ASSETS			
Prepaid assets	2,891,444	2,891,444	751,055
Deposits	492,116	492,116	313,117
Dividend receivables	8,472	8,472	8,471
Receivable from subsidiary	-	12,525	-
Other receivables	134,600	129,600	13,951
	3,526,632	3,534,157	1,086,594

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
NOTE 18. INVESTMENT PROPERTIES			
(a) Investment properties			
Balance at 1 January	43,065,205	43,065,205	37,289,022
Capital improvement	7,310,650	7,310,650	247,366
Transfer from work in progress	8,007,151	8,007,151	-
Change in fair value	8,406,040	8,406,040	5,528,817
Balance at 31 December	66,789,046	66,789,046	43,065,205
(b) Work in progress			
Balance at 1 January	11,344,673	11,344,673	5,358,263
Additions	5,159,963	5,159,963	-
Transfer to Investment properties	(8,007,151)	(8,007,151)	5,986,410
Balance at 31 December	8,497,485	8,497,485	11,344,673
Total	75,286,531	75,286,531	54,409,878

NOTE 18. INVESTMENT PROPERTIES (CONT'D)

Investment properties comprise of twelve commercial properties of which five commercial properties are leased to third parties, one is under construction and six are vacant land. No contingent rents are charged. Further information (rental income) about these leases is included in Note 31.

The fair value of the Company's and Group's investment properties was determined by external, independent property valuers who possess appropriate professional qualifications and relevant experience in valuing properties of similar nature and location. These independent valuers provide annual fair value assessments, with a comprehensive valuation conducted every 3 to 5 years.

The valuation methodologies applied include the Market Value Method, Income Approach, and Cost Method, depending on the nature and use of the property. The Directors are satisfied that the valuation techniques and assumptions used were appropriate for determining the fair value of the Company's and the Group's investment properties.

A comprehensive fair value assessment of the Company's and the Group's investment properties was conducted in 2025, comprising a detailed valuation performed by an independent registered valuer, followed by a desktop valuation undertaken by another independent valuer. In addition, a third independent valuer was engaged to carry out a peer review of the valuation methodologies, key assumptions, and conclusions reached. Based on the Directors' assessment, which considered the valuation provided by the independent valuers and the recommendation of peer reviewer, the investment properties have been valued at \$75,286,531 (2024: \$54,409,878) as at year-end. The resulting increase in fair value of \$8,406,040 (2024: \$5,528,817) over the carrying amount has been recognised under "Net gains from fair value adjustments to investment properties" in the statement of profit or loss.

Fair value hierarchy

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Conventional income approach:		The estimated fair value would increase (decrease) if:
The assessed net income stream is capitalised to indicate the current investment value. The derivation of the appropriate capitalization rate reflects the rates of return actually being achieved for comparable investments in the marketplace.	· Expected market rental growth, 2% (2024: 5%)	· expected market rental growth were higher (lower);
	· Market based management fee, 3% (2024: 3%)	· market based management fee were lower (higher);
	· Operating expense increases, 2.0% (2024: 1.5%-2.0%)	· operating expense increases were lower (higher); and
	· Capitalisation rates, 5.5% (2024: 5.5%-9.5%)	· the capitalisation rates were lower (higher).
Market comparison approach: Value derived based on recent transactions of similar properties	The value of area was derived based on recent transactions of similar properties	The estimated fair value would increase/ (decrease) if: Per area value was higher / (lesser)

	2025	2024	2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
NOTE 19. LEASES			
(a) Right of use assets			
Balance at 1 January	89,478	89,478	177,858
Depreciation charge for the year	(34,636)	(34,636)	(88,380)
Balance at 31 December	54,842	54,842	89,478
(b) Lease liabilities			
Lease liabilities included in the statements of financial position			
Current	40,484	40,484	70,435
Non-current	419,322	419,322	428,527
	459,806	459,806	498,962
Maturity analysis - contractual undiscounted cash flows			
Less than one year	74,335	74,335	69,225
One to five years	153,840	153,840	185,664
More than five years	1,588,135	1,588,135	1,513,912
Total undiscounted lease liabilities at 31 December	1,816,310	1,816,310	1,768,801
(c) Amounts recognised in profit or loss			
Interest on lease liabilities	30,069	30,069	35,349
(d) Amount recognised in statement of cash flows			
Total cash outflow for leases	(151,814)	(151,814)	(116,337)

NOTE 20. PROPERTY, PLANT AND EQUIPMENT

	GROUP/COMPANY				
	Land and buildings	Motor vehicles	Office equipment	Furniture & fittings	Total
	\$	\$	\$	\$	\$
Cost / Revaluation					
Balance at 1 January 2024	4,207,176	475,188	2,590,816	334,042	7,607,222
Acquisitions	4,115	-	16,573	6,098	26,786
Disposals	-	-	(2,981)	-	(2,981)
Balance at 31 December 2024	4,211,291	475,188	2,604,408	340,140	7,631,027
Acquisitions	-	-	388,745	436	389,181
Disposals	-	(50,459)	-	-	(50,459)
Balance at 31 December 2025	4,211,291	424,729	2,993,153	340,576	7,969,749
Accumulated depreciation					
Balance at 1 January 2024	1,248,827	464,434	2,407,136	286,818	4,407,215
Depreciation	103,285	2,846	91,789	7,970	205,890
Disposals	-	-	(2,981)	-	(2,981)
Balance at 31 December 2024	1,352,112	467,280	2,495,944	294,788	4,610,124
Depreciation	99,688	3,936	107,943	8,573	220,140
Disposals	-	(50,459)	-	-	(50,459)
Balance at 31 December 2025	1,451,800	420,757	2,603,887	303,361	4,779,805
Carrying amounts					
At 31 December 2024	2,859,179	7,908	108,464	45,352	3,020,903
At 31 December 2025	2,759,491	3,972	389,266	37,215	3,189,944

NOTE 21. OTHER CURRENT LIABILITIES	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
Liabilities related to Contractor Obligation	843,307	843,307	811,343
Penalty on late payments to National Fire Authority	261,000	261,000	261,000
Other liabilities	3,409,751	3,409,751	619,214
	4,514,058	4,514,058	1,691,557

NOTE 22. INSURANCE CONTRACT LIABILITIES

Unearned premiums	25,330,021	25,330,021	23,172,543
Insurance liabilities	34,397,858	34,397,858	34,060,519
Other insurance contract liabilities (a)	726,560	726,560	4,678,080
	60,454,439	60,454,439	61,911,142

(a) Other insurance contract liabilities include provisions for employee entitlements, comprising staff bonuses of \$200,000 (2024 - \$248,456) and annual leave provision of \$76,052 (2024 - \$86,905).

NOTE 23. REINSURANCE CONTRACT LIABILITIES	2025		2024
	GROUP	COMPANY	Restated* COMPANY
	\$	\$	\$
Reinsurance contract liabilities	6,443,096	6,443,096	8,822,523

NOTE 24. SHARE CAPITAL

Issued and paid-up capital

120,000,000 (2024: 120,000,000) ordinary shares (a)	44,840,768	44,840,768	44,840,768
500,000 (2024: 500,000) redeemable preference shares (b)	25,000	25,000	25,000
	44,865,768	44,865,768	44,865,768

a) The Company's ordinary shares have no par value. Holders of ordinary shares are entitled to receive dividends as and when declared by the Board of Directors and are entitled to one vote per share at general meetings of shareholders.

b) Holders of the Company's redeemable preference shares do not have voting rights and do not participate in the residual equity of the Company. They are, however, entitled to receive annual dividends of \$1.00 per share, subject to the availability of distributable profits and the recommendation of the Board of Directors.

c) Upon the death of Mr. Dewan Chand Maharaj in 2024, the portion of the Other Reserve relating to his shareholding was transferred to Retained Earnings, reflecting the cessation of his equity interest. However, as at the reporting date, the redeemable preference shares have not yet been redeemed, as the legal formalities surrounding the redemption process were still in progress.

NOTE 25. DIVIDENDS DECLARED	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
50 cents per ordinary share (prior to the new share issue)	-	-	4,500,000
5 cents per ordinary share (after the new share issue 2024 - 2 cents)	6,120,000	6,120,000	2,499,996
	6,120,000	6,120,000	6,999,996

Dividends declared and paid during the year amounted to \$6,120,000 (2024: \$6,999,996). During the year, an amount of \$360,448 relating to previous years dividends declared (including Mr. Dewan Chand Maharaj's ordinary share dividend) was returned to the Company by SPX. The amount was originally paid to shareholders; however, the payment was subsequently refunded.

The returned dividend has been recognised under "Other current liability" in the current year's financial statements.

Dividends declared during the year in relation to redeemable preference share amounted to \$250,000 (2024: \$470,000).

NOTE 26. ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

Particulars	2025					2024 (Restated)				
	Liability / asset for remaining coverage		Liability for Incurred Claims		Total	Liability / asset for remaining coverage		Liability for Incurred Claims		Total
	Excluding loss component	Loss component	Estimation of PV of future cash flows	Risk Adjustment for non-financial risk		Excluding loss component	Loss component	Estimation of PV of future cash flows	Risk Adjustment for non-financial risk	
Opening assets	18,049,726	-	-	-	18,049,726	12,788,904	-	-	-	12,788,904
Opening liabilities	(23,172,543)	-	(28,713,503)	(5,347,045)	(57,233,091)	(16,365,075)	-	(33,993,672)	(6,976,936)	(57,335,683)
Net opening balance	(5,122,817)	-	(28,713,503)	(5,347,045)	(39,183,365)	(3,576,171)	-	(33,993,672)	(6,976,936)	(44,546,779)
<i>Changes in Profit or Loss and OCI</i>										
Insurance Revenue	46,221,027	-	-	-	46,221,027	32,169,268	-	-	-	32,169,268
Incurred benefits and expenses	-	-	(15,734,136)	-	(15,734,136)	-	-	(9,399,500)	-	(9,399,500)
Changes that relate to past service - adjustments to LfIC	-	-	-	9,477	9,477	-	-	-	1,629,891	1,629,891
Amortization of insurance acquisition cash flows	8,672,450	-	-	-	8,672,450	8,836,662	-	-	-	8,836,662
Insurance finance expenses through profit and loss	-	-	(313,543)	-	(313,543)	-	-	(117,699)	-	(117,699)
Experience adjustment	-	-	-	-	-	-	-	(256,299)	-	(256,299)
Total changes in Profit or Loss and OCI	54,893,477	-	(16,047,679)	9,477	38,855,274	41,005,930	-	(9,773,498)	1,629,891	32,862,323
<i>Cash flows</i>										
Premiums received	(49,150,793)	-	-	-	(49,150,793)	(34,096,512)	-	-	-	(34,096,512)
Claim paid	-	-	15,700,893	-	15,700,893	-	-	15,053,666	-	15,053,666
Directly attributable expenses paid	-	-	-	-	-	-	-	-	-	-
Acquisition cost paid	(6,250,477)	-	-	-	(6,250,477)	(6,492,632)	-	-	-	(6,492,632)
Amounts received	-	-	-	-	-	-	-	-	-	-
Total cash flows	(55,401,270)	-	15,700,893	-	(39,700,377)	(40,589,144)	-	15,053,666	-	(25,535,478)
Total net cash flows	(507,793)	-	(346,786)	9,477	(845,103)	416,786	-	5,280,169	1,629,891	7,326,846
Others - Non Cash Items (to be specified)	-	-	-	-	-	-	-	-	-	-
Net closing balance	(5,630,610)	-	(29,060,289)	(5,337,568)	(40,028,468)	(3,159,385)	-	(28,713,503)	(5,347,045)	(37,219,933)
Closing assets	21,662,843	-	-	-	21,662,843	18,049,726	-	-	-	18,049,726
Closing liabilities	(27,293,453)	-	(29,060,289)	(5,337,568)	(61,691,310)	(21,209,111)	-	(28,713,503)	(5,347,045)	(55,269,659)
Net closing balance	(5,630,610)	-	(29,060,289)	(5,337,568)	(40,028,467)	(3,159,385)	-	(28,713,503)	(5,347,045)	(37,219,933)

NOTE 27. REINSURANCE CONTRACTS NOT MEASURED UNDER THE PAA: MOVEMENT IN CARRYING AMOUNTS FOR EACH CLASS OR SEGMENT (CLASS OR SEGMENT SHALL BE AS PER PARA 96 OF IFRS 17) ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

Particulars	2025					2024 (Restated)				
	Asset for remaining coverage		Asset for Incurred Claims	RA	Total	Asset for remaining coverage		Asset for Incurred Claims	RA	Total
	Excluding loss component	Loss component				Excluding loss component	Loss component			
Opening assets	-	-	21,530,070	3,877,991	25,408,061			26,946,856	5,487,232	32,434,088
Opening liabilities	-	-	(4,630,709)	-	(4,630,709)			(2,507,598)		(2,507,598)
Net opening balance	-		16,899,361	3,877,991	20,777,352	-		24,439,257	5,487,232	29,926,489
Changes in Profit or Loss and OCI					-					-
Net expenses from reinsurance contracts			(17,305,204)	(399,833)	(17,705,036)			(14,868,966)	(1,609,241)	(16,478,207)
Finance income/expenses from reinsurance contracts (Net)			103,491		103,491	-		62,196		62,196
-Experience adjustment			-		-			1,612,580		1,612,580
Effect of movements in exchange rates					-					-
Others Expenses Pertaining to RI			-		-			(42,087)		(42,087)
Total changes in profit or loss and OCI	-	-	(17,201,713)	(399,833)	(17,601,545)	-	-	(13,236,277)	(1,609,241)	(14,845,518)
Cash flows					-					-
Premiums paid			13,763,974		13,763,974			8,979,675		8,979,675
Amounts received			(1,677,142)		(1,677,142)			(3,283,295)		(3,283,295)
Total cash flows	-	-	12,086,832	-	12,086,832	-	-	5,696,380	-	5,696,380
Closing assets	-	-	18,227,576	3,478,158	21,705,735			21,530,070	3,877,991	25,408,061
Closing liabilities	-	-	(6,443,096)	-	(6,443,096)			(4,630,709)		(4,630,709)
Net closing balance	-	-	11,784,480	3,478,158	15,262,639	-	-	16,899,361	3,877,991	20,777,352

NOTE 28. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
Profit attributable to equity holders of the Company	14,038,623	14,086,345	7,510,449
Weighted average number of ordinary shares	120,000,000	120,000,000	105,625,000
Basic and diluted earnings per share (cents per share)	0.12	0.12	0.07

NOTE 29. REINSTATEMENT OF FINANCIAL STATEMENTS

(a) Prior-period error: reinsurance reinstatement premium expenses

The financial statements for the year ended 31 December 2023 have been restated for an error correction. During the year 2025, the Company and the Group identified that certain reinsurance reinstatement premium expenses relating to claims inured during 2023 and prior years were not recognised in the periods in which the underlying claims events occurred. Previously these reinstatement premium expenses were only recognised when reinsurance claims were settled by reinsurers and the reinsurance reinstatement premium was deducted from the reinsurance claim recoveries. Given that the Company and the Group recognise reinsurance recoveries and receivables in line with claims provisions (i.e., when insured losses occur and coverage is reinstated), the related estimated reinstatement premium expenses should also have been recognised as part of the measurement of reinsurance contracts held under IFRS 17.

The Company's and Group's policy have been clarified so that estimated reinstatement premium expenses are recognised when the related coverage is reinstated and the obligation becomes part of the fulfilment cash flows of reinsurance contracts held.

In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the matter has been treated as a prior-period error and corrected retrospectively by adjusting the opening balance of retained earnings at 1 January 2024 and restating comparative information where practicable.

Reconciliation on impact on retained earnings due to error correction

	\$
Retained earnings as previously reported at 1 January 2024	16,717,888
(Less) : recognition of Reinsurance reinstatement premium expenses	(4,191,814)
Retained earnings as restated at 1 January 2024	<u>12,526,074</u>

(b) Reclassifications (presentation only)

During the year ended 31 December 2025, management refined the presentation of reinsurance receivable and payable balance within the statement of financial position to enhance comparability and align with the Company's and the Group's accounting policy presentation under IFRS. This reclassification is presentation-only and do not affect profit for the year, total comprehensive income, cash flows, or net assets.

Comparative amounts have been reclassified to conform to the current-year presentation. No measurement changes were required.

Statement of Financial Position	As disclosed in 2024	As reclassified in 2025	Reclassification
	\$	\$	\$
Re-insurance receivable (Gross)	47,556,596	26,169,462	21,387,134
Reinsurance contract liabilities	26,208,325	8,822,523	17,385,802

NOTE 30. RELATED PARTIES

The names of persons who were directors of the holding company during the year are as follows:

- Padam Raj Lala - Chairman
- Deven P. Sharma
- Rajeshwar Lala
- Nitish (Bob) Niranjn
- Gardiner H. Whiteside
- Vilash Chand - Appointed on 11 Sep 2025
- Sakiusa Raiwoce - Appointed on 11 Sep 2025
- Inia R. Naiyaga - Resigned 11 July 2025

The total emoluments to directors are made up as follows:

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
Directors' fees	338,000	338,000	114,000
Other long term employee benefit	250,000	250,000	470,000
	588,000	588,000	584,000

Management and directors have risks insured with the Company. All policies have normal commercial terms, which may include staff discounts at the same terms available to all employees of the Company. Details regarding the risks insured and the value of insurance cover are as follows:

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
Motor vehicle	241,500	241,500	125,000
Fire and extraneous	2,479,580	2,479,580	1,808,400
	2,721,080	2,721,080	1,933,400

Transactions with related parties

Significant transactions with related parties during the year ended 31 December 2025 and 2024 with approximate transaction values are summarized as follows:

Company	Relationship	Nature of Transaction	2025 (\$)	2024 (\$)
Work In Style	Director related entity	Procurement of materails	2,330,838	845,148
		Purchases	376,654	-
		Service charges	284,474	-
Niranjans Autoport Limited	Director related entity	Vehicle valuation		
		Sales	3,546	-
Quality Print Pte Ltd	Director related entity	Printing charges	4,213	13,670
VB Holdings Ltd	Director related entity	Motor vehicle lease charges	48,504	11,352

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including any director of the Company. During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Company and the Group:

Name	Title	Remark
Tarlochan Singh	Principal Officer	Resigned on 17 July 2025
Avikash Ram	Principal Officer	Appointed on 17 July 2025
Harshana Aponsu	Manager Finance	Appointed on 09 May 2025
Eleni Finau	Senior Manager Claims	

Key management personnel compensation comprised of the following:

	2025		2024
	GROUP	COMPANY	Restated* COMPANY
	\$	\$	\$
Short-term compensation	486,489	486,489	332,040
Post-employment benefits	21,124	21,124	26,563
	507,613	507,613	358,603

NOTE 31. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
Capital expenditure commitments	28,501,149	28,501,149	32,806,834

Capital expenditure commitments include amounts approved for property developments amounting to \$26,616,587 and development of new ERP system amounting to \$1,884,562.

(b) Contingent liabilities

Non-performance guarantees given by the bank on behalf of the Company/Group

	41,270	21,270	21,270
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The contingent liability for the Company/Group is in respect of guarantees in the case the Company/Group is unable to meet its debt obligations to third parties.

As at balance date, the directors of the Company/Group are not aware of any non-policy-related liabilities existing against the Company/Group (2024: nil).

In the normal course of business, the Company/Group is exposed to contingent liabilities in relation to claims litigation arising out of its insurance and reinsurance transactions. Provisions are made for obligations that are probable and quantifiable. There are no individually significant amounts not provided for and such transactions are not considered likely to have a material impact on the net assets of the Company and the Group.

During 2021 financial year, the Company received a business interruption claim resulting from COVID-19 from one of the policyholders. The Company has not recognised any provision relating to the potential claim as at 31 December 2025. This follows advice obtained from the company's external solicitor who was advised that that there is limited potential for the policyholder to trigger cover. The advice from the external solicitor is based on outcomes of similar litigated claims in Australian Courts as no such claims have been litigated in the Fijian Courts.

NOTE 32. OPERATING LEASES

(a) Leases as lessor

The Group leases out its investment properties

	2025		2024
	GROUP	COMPANY	COMPANY
	\$	\$	\$
i) Future minimum lease payments			
Less than one year	1,753,806	1,753,806	1,633,256
One to two years	1,560,000	1,560,000	1,283,800
Two to three years	1,560,000	1,560,000	508,800
Three to four years	1,560,000	1,560,000	4,000
Four to five years	1,403,000	1,403,000	-
	7,836,806	7,836,806	3,429,856

ii) Amounts recognised in profit and loss

Income from investment property included in "Asset management services revenue"

	1,951,362	1,951,362	1,961,863
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Maintenance expense, included in "Other operating expenses"

	389,939	389,939	286,983
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NOTE 33. OPERATING SEGMENTS

Company

Particulars	Fire	House-holders	Motor Vehicles	Marine	Public Liability	Other	Unallocated operating items	Total
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(a) ANALYSIS OF REVENUE BY PRIMARY BUSINESS SEGMENT:

For the year 31 December 2025

Insurance Revenue	14,205,733	5,610,030	15,422,128	2,355,662	1,340,663	2,940,451	-	41,874,667
Insurance service expenses	(7,604,207)	(1,690,747)	(9,656,161)	(249,555)	(655,195)	(794,127)	-	(20,649,992)
Income from reinsurance contracts held	96,456	4,755	25,513	4,393	58,474	67,266	-	256,857
Expenses from reinsurance contracts held	(6,447,586)	(1,960,208)	(3,258,158)	(923,587)	(209,041)	(1,482,883)	-	(14,281,463)
Insurance service result	250,396	1,963,830	2,533,322	1,186,913	534,901	730,707	-	7,200,069

For the year 31 December 2024

Insurance Revenue	11,269,079	4,501,412	11,300,996	2,125,390	1,140,345	2,631,322	-	32,968,544
Insurance service expenses	(4,974,667)	(1,987,121)	(4,988,756)	(938,241)	(503,399)	(1,049,724)	-	(14,441,908)
Income from reinsurance contracts held	(1,946,647)	(777,584)	(1,952,160)	(367,145)	(196,986)	(454,541)	-	(5,695,063)
Expenses from reinsurance contracts held	(3,685,819)	(1,472,294)	(3,696,259)	(695,159)	(372,977)	(860,635)	-	(10,783,143)
Insurance service result	661,946	264,413	663,821	124,845	66,983	266,422	-	2,048,430

(b) ANALYSIS OF SEGMENT ASSETS AND LIABILITIES:

For the year 31 December 2025

Insurance contract assets	6,824,937	2,704,200	6,977,366	1,136,084	645,140	1,418,043	-	19,705,770
Reinsurance contract assets	21,651,153	5,025	28,207	5,080	12,961	3,308	-	21,705,734
Investment assets	-	-	-	-	-	-	14,805,104	14,805,104
Investment properties	-	-	-	-	-	-	75,286,531	75,286,531
Total	28,476,090	2,709,225	7,005,573	1,141,164	658,101	1,421,351	90,091,635	131,503,139

Insurance contract liabilities	38,504,808	3,570,301	13,302,449	1,810,283	1,052,042	2,214,556	-	60,454,439
Reinsurance contract liabilities	2,767,867	919,726	1,528,485	433,313	97,934	695,771	-	6,443,096
Total	41,272,675	4,490,027	14,830,934	2,243,596	1,149,976	2,910,327	-	66,897,535

For the year 31 December 2024

Insurance contract assets	5,975,963	2,387,087	5,992,888	1,127,089	604,722	1,950,435	-	18,038,184
Reinsurance contract assets	25,344,172	5,882	33,019	5,947	15,172	3,869	-	25,408,061
Investment assets	-	-	-	-	-	-	7,521,105	7,521,105
Investment properties	-	-	-	-	-	-	54,409,878	54,409,878
Total	31,320,135	2,392,969	6,025,907	1,133,036	619,894	1,954,304	61,930,983	105,377,228

Insurance contract liabilities	21,147,515	8,447,335	21,207,411	3,988,500	2,139,968	4,980,413	-	61,911,142
Reinsurance contract liabilities	5,688,218	597,736	1,500,643	282,226	151,423	602,277	-	8,822,523
Total	26,835,733	9,045,071	22,708,054	4,270,726	2,291,391	5,582,690	-	70,733,665

NOTE 34. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company and the Group, the results of those operations or the state of affairs of the Company and the Group in subsequent financial years.