Crowe

Mandarin Re Ltd

(Incorporated in Federal Territory of Labuan, Malaysia)
(Licensed Labuan General Insurer – License No. IS2015157)
Company No.: LL11956

Report And Financial Statements
for the financial year ended 31 December 2020

Mandarin Re Ltd

(Incorporated in Federal Territory of Labuan, Malaysia)
(Licensed Labuan General Insurer – License No. IS2015157)
Company No.: LL11956

FINANCIAL REPORT
for the financial year ended 31 December 2020

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Mandarin Re Ltd
(Incorporated in Federal Territory of Labuan, Malaysia)
Company No.: LL11956
(Licensed Labuan General Insurer – License No. IS2015157)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tatiana Belova
Erich Nicholas
Mikhail Grishin (Appointed on 17 March 2020)
Angelina Ionova (Resigned on 31 January 2020)

CORPORATE SECRETARY

ZICO Secretarial Limited

AUDITORS

Crowe (Labuan) LLP

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

Suite No. 10, Brighton Place Office Suites, Brighton Place, 1st Floor, No U0215, Jalan Bahasa, 87000 Federal Territory of Labuan, Malaysia

PRINCIPAL BANKERS

Malayan Banking Berhad, Labuan Branch
China Construction Bank Corporation, Labuan Branch

PLACE OF INCORPORATION AND DOMICILE

Federal Territory of Labuan, Malaysia

STATEMENT BY A DIRECTOR

I, Tatiana Belova, being one of the directors of Mandarin Re Ltd, do hereby state that, in the opinion of the directors, the financial statements set out on pages 6 to 42 are drawn up in accordance with International Financial Reporting Standards and the requirements of the Labuan Companies Act 1990 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2020 and of its financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the directors
dated 17 September 2021

Tatiana Belova

Crowe

Crowe (Labuan) LLP AAL0056
LLP/0025/2011

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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF Mandarin Re Ltd

(Incorporated in Federal Territory of Labuan, Malaysia)
Company No.: LL11956
(Licensed Labuan General Insurer – License No. IS2015157)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mandarin Re Ltd, which comprise statement of financial position as of 31 December 2020 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards and the requirements of Labuan Companies Act 1990 in Malaysia.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 28 (b) to the financial statements which explain the reason for the amendment to the previously issued financial statements.

Independence and Other Ethical Responsibilities

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

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of Labuan Companies Act 1990 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
Mandarin Re Ltd
(Incorporated in Federal Territory of Labuan, Malaysia)
Company No.: LL11956
(Licensed Labuan General Insurer – License No. IS2015157)

Auditors' Responsibilities for the Audit of the Financial Statements

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

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:-

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

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

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

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

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

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

OTHER MATTERS

The financial statements of the Company for the preceding financial year were audited by another firm of auditors whose report dated 18 May 2020, expressed an unmodified opinion for those statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Mandarin Re Ltd (CONT'D)
(Incorporated in Federal Territory of Labuan, Malaysia)
Company No.: LL11956
(Licensed Labuan General Insurance – Licence No.: IS2015157)

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 117(1) of the Labuan Companies Act 1990 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe (Labuan) LLP
AAL 0056
Chartered Accountants

Chieng You Lang
01781/07/2022J
Chartered Accountant

Federal Territory of Labuan

Dated: 17 September 2021

Mandarin Re Ltd
(Incorporated in Federal Territory of Labuan, Malaysia)
Company No.: LL11956
(Licensed Labuan General Insurer – License No. IS2015157)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 USD	2019 USD (Restated)
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	6	76,069	3,291
Investment property	7	221,480	-
Other investments	8	14,902,287	10,018,671
		15,199,836	10,021,962
CURRENT ASSETS			
Insurance receivables	9	2,773,145	1,097,264
Other receivables, deposits and prepayments		191,585	63,124
Amount owing by holding company	10	6,081,494	4,857,094
Deposit with financial institution		37,206	34,935
Cash at banks	11	1,281,221	23,182
		10,364,651	6,075,599
TOTAL ASSETS		25,564,487	16,097,561
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	10,000,000	10,000,000
Retained profits/(accumulated losses)		802,121	(3,375,484)
Equity attributable to owner of the Company		10,802,121	6,624,516
CURRENT LIABILITIES			
Insurance payables	13	1,052,833	358,789
Other payables and accruals	14	2,327,470	460,830
Amount owing to directors	15	902,100	500,000
Current tax liabilities		129,204	37,387
		4,411,607	1,357,006
PROVISION FOR INSURANCE LIABILITIES			
Unearned premium reserves	16	1,851,879	909,193
Provision for outstanding claims	17	8,498,880	7,206,846
		10,350,759	8,116,039
TOTAL LIABILITIES		14,762,366	9,473,045
TOTAL EQUITY AND LIABILITIES		25,564,487	16,097,561

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	**2020** USD	**2019** USD (Restated)
REVENUE	18	11,867,705	3,041,661
PROFIT/(LOSS) TRANSFERRED FROM GENERAL INSURANCE ACCOUNT		4,306,809	(4,595,487)
PROFIT/(LOSS) BEFORE TAXATION	19	4,306,809	(4,595,487)
CORPORATE INCOME TAX EXPENSES	20	(129,204)	(37,387)
PROFIT/(LOSS) AFTER TAXATION		4,177,605	(4,632,874)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		4,177,605	(4,632,874)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:			
Owner of the Company		4,177,605	(4,632,874)

GENERAL INSURANCE REVENUE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 USD	2019 USD (Restated)
Gross written premium		11,867,705	3,041,661
Changes in unearned premium reserves	16	(942,686)	(394,390)
Gross earned premium		10,925,019	2,647,271
Premium ceded to reinsurers		(1,031,119)	(175,440)
Net earned premium		9,893,900	2,471,831
Claims incurred	17	(2,220,019)	(5,753,010)
Commission and acquisition expenses	21	(5,308,759)	(750,331)
Underwriting surplus/(deficit) before management expenses		2,365,122	(4,031,510)
Management expenses	22	(2,679,323)	(1,936,968)
Underwriting deficit after management expenses		(314,201)	(5,968,478)
Dividends income		107,908	98,917
Fair value gain on investment		4,883,816	1,284,687
Unrealised foreign exchange (loss)/gain		(235,728)	2,774
Realised foreign exchange loss		(134,986)	(13,387)
Transferred to statement of profit or loss and other comprehensive income		4,306,809	(4,595,487)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share Capital USD	Retained Profits USD	Total Equity USD
Balance as at 01.01.2019		5,000,000	2,057,390	7,057,390
Issuance of share capital	12	5,000,000	-	5,000,000
Total comprehensive income for the financial year		-	1,208,838	1,208,838
Dividends paid	23	-	(800,000)	(800,000)
Balance at 31.12.2019 / 01.01.2020				
As previously reported		10,000,000	2,466,228	12,466,228
Prior year adjustment	29	-	(5,841,712)	(5,841,712)
As restated		10,000,000	(3,375,484)	6,624,516
Total comprehensive income for the financial year		-	4,177,605	4,177,605
Balance at 31.12.2020		10,000,000	802,121	10,802,121

Mandarin Re Ltd

(Incorporated in Federal Territory of Labuan, Malaysia)
Company No.: LL11956
(Licensed Labuan General Insurer – License No. IS2015157)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 USD	2019 USD (Restated)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
Profit/(loss) before taxation		4,306,809	(4,595,487)
Adjustments for:-			
Depreciation of plant and equipment		10,877	239
Fair value changes on other investment		(4,883,816)	(1,284,687)
Dividends income		(107,908)	(98,917)
Unrealised foreign exchange loss/(gain)		235,728	(2,774)
Operating loss before working capital changes		(438,310)	(5,981,626)
Increase in receivables		(1,979,603)	(646,330)
Increase in payables		2,407,814	507,341
Increase in unearned premium reserve		942,686	394,391
Increase in provision for outstanding claims		1,292,034	5,305,208
CASH FROM/(FOR) OPERATIONS		2,224,621	(421,016)
Corporate income tax paid		(37,387)	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		2,187,234	(421,016)
CASH FLOWS FOR INVESTING ACTIVITIES			
(Advances to)/repayment from holding company		(1,224,400)	2,742,906
Addition of other investment		-	(7,127,873)
Acquisition of plant and equipment	6	(83,655)	(3,530)
Acquisition of investment property	7	(221,480)	-
Dividends received/receivable		107,908	98,917
NET CASH FOR INVESTING ACTIVITIES		(1,421,627)	(4,289,580)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of share capital	12	-	5,000,000
Advances from directors		402,100	500,000
Dividends paid	23	-	(800,000)
NET CASH FROM FINANCING ACTIVITIES		402,100	4,700,000

STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	NOTE	**2020** USD	**2019** USD (Restated)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,167,707	(10,596)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		90,332	2,774
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	5.4	23,182	31,004
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	5.4	1,281,221	23,182
REPRESENTED BY :-			
CASH AT BANK		1,281,221	23,182
		1,281,221	23,182

1. GENERAL INFORMATION

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

Registered office	:	Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia
Principal place of Business	:	Suite No. 10, Brighton Place Office Suites, Brighton Place, 1st Floor, No. U0215, Jalan Bahasa, 87000 Federal Territory of Labuan, Malaysia

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 September 2021.

2. HOLDING COMPANY

The holding company is TRANSSIBRE HOLDINGS LABUAN LTD, a Company incorporated in Malaysia.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business as a licensed Labuan general insurer. There have been no significant changes in the nature of these activities during the financial year under review.

4. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with International Financial Reporting Standards ("IFRS") and the requirements of Labuan Companies Act 1990 in Malaysia.

4.1 During the current financial year, the Company has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

IFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to IFRS 3: Definition of a Business

Amendments to IFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

Amendment to IFRS 16: Covid-19-Related Rent Concessions

Amendments to IAS 1 and IAS 8: Definition of Material

Amendments to References to the Conceptual Framework in IFRS Standards

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Company's financial statements.

4. BASIS OF PREPARATION (CONT'D)

4.2 The Company has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period.

IFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and and IFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to IFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendment to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IFRS 1: Disclosure of Accounting Policies	1 January 2023
Amendments to IFRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Impairment of Insurance Receivables

The Company uses the simplified approach to estimate a lifetime expected credit loss allowance for all insurance receivables. The Company develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of insurance receivables. The carrying amounts of insurance receivables as at the reporting date are disclosed in Note 9 to the financial statements.

(b) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of amounts owing by holding company as at the reporting date are disclosed in Notes 10 to the financial statements.

(c) Fair Value Estimates for Unquoted Financial Assets

The Company carries certain financial assets that are not traded in an active market at fair value. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Company uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income.

(d) Provision For Outstanding Claims

Allowance is made for estimated costs of all claims, less reinsurance receivables, in respect of claims notified but not settled at the date of the statement of financial position. Allowance is also made for the costs of claims incurred but not reported at statement of financial position date, estimated on the basis of the actual market claims experience. Claims outstanding are also periodically reviewed by the external actuary.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

5.2 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The functional currency of the Company is the currency of the primary economic environment in which the Company operates.

The financial statements of the Company are presented in United States Dollar (USD), which is the functional and presentation currency.

(b) Foreign Currencies Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

5.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in IFRS 9. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expenses or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 FINANCIAL INSTRUMENTS (CONT'D)

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in IFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss. Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost or the financial asset.

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

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt instruments (Cont'd)

(iii) Fair Value through Profit or Loss (FVPL)

All other financial assets that do not meet the criteria for amortised cost or fair value though other comprehensive income are measured at fair value though profit or loss.

The Company reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Company has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value though other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is establish unless the dividend clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(iii) Other Financial Liabilities (Cont'd)

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

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset and measured at amortised cost, the difference between carrying amount of the asset and sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.5 IMPAIRMENT

(a) Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

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

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of non-financial assets, other than those to which Section 27 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the. Where it is not possible to estimate the recoverable amount of an individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

5.6 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(b) Defined Contribution Plans

The Company's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Company has no further liability in respect of the defined contribution plans.

5.7 UNEARNED PREMIUM RESERVES

The unearned premium reserves (UPR) represent the portion of premium income not yet earned at the statement of financial position date. UPR is computed using time apportionment method.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 REVENUE AND OTHER INCOME

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Premium income

Premium income is recognised at the date of inception of risks.

Income for proportional treaty inwards is recognised on the date of receipt of the accounts.

5.9 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10 PLANT AND EQUIPMENT

All items of plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation on other plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer and accessories	40%
Furniture and fittings	20%
Office equiment	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.11 INVESTMENT PROPERTIES

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

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

5.12 INSURANCE CONTRACT LIABILITIES

Provision for outstanding claims are based on the estimated ultimate cost of all claims incurred but not settled at the date of the statement of financial position, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these claims cannot be known with certainty at the date of the statement of financial position. The liability is calculated at reporting date using a range of standard actuarial claim projection techniques based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reverses is recognised. The liabilities are derecognised when the contract expires, is discharged or is cancelled.

At the reporting date, the Company reviews its unexpired risks and a liability adequency test is performed to determine whether there is any overall excess of expected claims over unearned premiums. This calculation uses current estimates of future.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused transfer.

6. PLANT AND EQUIPMENT

	At 01.01.2020 USD	Additions USD	Depreciation charges USD	At 31.12.2020 USD
2020				
Carrying Amount				
Furniture and fittings	719	77,168	(8,430)	69,457
Computers and accessories	2,572	3,135	(2,119)	3,588
Office equipment	-	3,352	(328)	3,024
	3,291	83,655	(10,877)	76,069

	At cost USD	Accumulated Depreciation USD	Carrying Amount USD
31.12.2020			
Furniture and fittings	77,905	(8,448)	69,457
Computers and accessories	5,928	(2,340)	3,588
Office equipment	3,352	(328)	3,024
	87,185	(11,116)	76,069

	At cost USD	Accumulated Depreciation USD	NBV USD
1.1.2020			
Furniture and fittings	737	(18)	719
Computers and accessories	2,793	(221)	2,572
	3,530	(239)	3,291

7. INVESTMENT PROPERTIES

	2020 USD	**2019** USD
Cost		
At 1 January	-	-
Addition	221,480	-
At 31 December	221,480	-
Accumulated depreciation		
At 1 January	-	-
Charge for the year	-	-
At 31 December	-	-
Carrying amount		
At 31 December	221,480	-

8. OTHER INVESTMENTS

	2020	2019
Investment At Fair Value Through OCI	USD	USD
Unquoted, at fair value	1,323,876	1,323,876

The Company has designated the investments at fair value through other comprehensive income because the Company intends to hold for long-term strategic purposes.

	2020	2019
Investment At Fair Value Through Profit or Loss	USD	USD
Quoted, at fair value	13,578,411	8,694,795

The fair value of the quoted shares for both investments in Apple Inc., and Microsoft is determined by reference to their quoted closing bid price at the end of the reporting period.

9. INSURANCE RECEIVABLES

	2020	2019
	USD	USD
Insurance receivables	2,924,551	1,248,670
Less: Cumulative allowance for impairment losses	(151,406)	(151,406)
	2,773,145	1,097,264

The Company's normal credit term is 30 (2019: 30) days.

10. AMOUNT OWING BY HOLDING COMPANY

The amount owing is in respect of advances to a holding company. The amount is unsecured, non-interest bearing and is repayable on demand. The amount owing is to be settled in cash.

11. CASH AT BANKS

	2020	2019
	USD	USD
Cash at banks:-		
- China Construction Bank Corporation, Labuan Branch	41,975	
- Malayan Banking Berhad, Labuan Branch	1,239,246	23,182
	1,281,221	23,182

12. SHARE CAPITAL

	2020	2019	2020	2019
	Number of Shares		USD	USD
Issued and Fully Paid-Up Ordinary Shares				
At 1 January	100,000	50,000	10,000,000	5,000,000
Addition during the year	-	50,000	-	5,000,000
At 31 December	100,000	100,000	10,000,000	10,000,000

13. INSURANCE PAYABLES

	2020	2019
	USD	USD
Insurance payables	1,052,833	358,789

The average credit terms granted to the Company is 1 - 12 (2019: 1 - 12) months.

14. OTHER PAYABLES AND ACCRUALS

	2020	2019
	USD	USD
Other payables	33,778	53,830
Accruals**	2,293,692	407,000
	2,327,470	460,830

** Included in the accruals is an amount relating to the accrued profit commission of USD2,286,692 (2019: USD Nil)

15. AMOUNT OWING TO DIRECTORS

The amount owing is in respect of advances from directors. The amount is unsecured, non-interest bearing and is repayable on demand. The amount owing is to be settled in cash.

16. UNEARNED PREMIUM RESERVES

	2020 USD	2019 USD
At 1 January	909,193	514,803
Increase during the year	942,686	394,390
At 31 December	1,851,879	909,193

17. PROVISION FOR OUTSTANDING CLAIMS

	2020 USD	2019 USD
At 1 January	7,206,846	1,901,638
Claims incurred	2,220,019	5,753,010
Add: Claims recoveries	630,164	-
Less: Claims paid	(1,558,149)	(447,802)
At 31 December	8,498,880	7,206,846

	2020 USD	2019 USD
Provision for outstanding claims	3,125,937	1,624,181
Provision of IBNR	5,372,943	5,582,665
At 31 December	8,498,880	7,206,846

18. REVENUE

Class of business	2020 USD	2019 USD
Facultative		
Engineering	67,757	13,776
Fire	4,159,080	1,011,369
Marine	188,877	333,169
Miscellaneous	101,355	1,398,864
	4,517,069	2,757,178
Treaty		
Engineering	43,000	-
Fire	1,718,155	-
Marine	-	25,700
Motors	-	51,300
Miscellaneous	5,589,481	207,483
	7,350,636	284,483
Total	11,867,705	3,041,661

This represents the gross premium written during the financial year under review.

19. PROFIT/(LOSS) BEFORE TAXATION

	2020 USD	2019 USD
Profit/(loss) before taxation is stated after charging/(crediting):-		
Auditors' remunerations	7,000	11,510
Depreciation	10,877	239
Directors' remuneration - fees	329,000	503,737
- other emoluments	1,045,764	156,000
Rent and utilities	43,941	6,697
Fair value changes on investment	(4,883,816)	(1,284,687)
Unrealised foreign exchange loss/(gain)	235,728	(2,774)
Realised foreign exchange loss	134,986	13,387
Dividends income	(107,908)	(98,917)

20. CORPORATE INCOME TAX EXPENSES

	2020 USD	2019 USD
Taxation charge - current year	129,204	37,387

The taxation charge relates to the tax payable under the Labuan Business Tax Act 1990 and is computed based on 3% of the chargeable profit.

21. COMMISSION AND ACQUISITION EXPENSES

	2020 USD	2019 USD
Cedant commission	1,797,190	740,131
Commission received	(13,498)	-
Other acquisition expenses	1,391,363	10,200
Increase in profit share commission reserves	2,133,704	-
At 31 December	5,308,759	750,331

22. MANAGEMENT EXPENSES

	2020 USD	2019 USD
Advertising expenses	8,205	-
Auditors' remuneration	7,000	11,510
Bank charges	16,659	17,402
Consultancy fees	269,096	-
Depreciation	10,877	239
Directors' remuneration	1,374,764	658,737
Entertainment expenses	-	71,767
EPF & SOCSO	18,144	2,183
Legal and professional fees	281,642	78,307.00
License and permit fees	18,733	11,300
Management fees	70,241	101,250
Newpapers and periodicals	-	8,060
Others	57,127	104,009
Rent and utilities	43,941	6,697
Salaries and wages	402,207	762,360
Staff trainings	5,114	5,750
Staff welfare	2,049	905
Travelling and accomodation expenses	93,524	96,492
	2,679,323	1,936,968

23. DIVIDENDS PAID

	2020 USD	2019 USD
Final dividends paid for the financial year	-	800,000

24. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

In addition to the information detailed elsewhere in the financial statements, the Company has related party relationships with its shareholders, directors and related company.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Company also carried out the following significant transactions with the related parties during the financial year:-

	2020 USD	2019 USD
(Advances to)/repayment from holding company	(1,224,400)	2,742,906
Advances from directors	402,100	500,000
Dividends paid to shareholder	-	(800,000)

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

25. FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

25.1 FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activities are as follows:

(a) Market Risk

(i) Foreign Currency Risk

The Company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk are primarily Ringgit Malaysia ("RM"), British Pound ("GBP"), Euro ("EUR") and Renminbi ("RMB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Company's exposure to foreign currency risk (a currency which is other than the functional currency of the Company) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

	British Pound USD	Renminbi USD	Ringgit Malaysia USD	Euro USD	United States Dollar USD	Total USD
2020						
Financial Assets						
Other investments	-	-	-	-	14,902,287	14,902,287
Insurance receivables	-	-	-	-	2,773,145	2,773,145
Other receivables	-	-	-	-	114,015	114,015
Amount owing by holding company	-	-	-	-	6,081,494	6,081,494
Deposit with financial institution	-	-	37,206	-	-	37,206
Cash at banks	1,007,983	10,019	5,027	207,402	50,790	1,281,221
	1,007,983	10,019	42,233	207,402	23,921,731	25,189,368

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	British Pound USD	Renminbi USD	Ringgit Malaysia USD	Euro USD	United States Dollar USD	Total USD
2020 (Cont'd)						
Financial Liabilities						
Insurance payables	-	-	-	-	1,052,833	1,052,833
Other payables and accruals	-	-	-	-	2,327,470	2,327,470
Amount owing to directors	-	-	-	-	902,100	902,100
	-	-	-	-	4,282,403	4,282,403
Net financial assets	1,007,983	10,019	42,233	207,402	19,639,328	20,906,965
Less: Net financial assets denominated in the Company's functional currency	-	-	-	-	(19,639,328)	(19,639,328)
Currency Exposure	1,007,983	10,019	42,233	207,402	-	1,267,637

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	Malaysia USD	Euro USD	Dollar USD	Total USD
2019				
Financial Assets				
Other investments	-	-	10,018,671	10,018,671
Insurance receivables	-	-	1,097,264	1,097,264
Amount owing by holding company	-	-	4,857,094	4,857,094
Deposit with financial institution	34,935	-	-	34,935
Cash at banks	1,577	1,056	20,549	23,182
	36,512	1,056	15,993,578	16,031,146

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	Ringgit Malaysia USD	Euro USD	United States Dollar USD	Total USD
2019				
Financial Liabilities				
Insurance payables	-	-	358,789	358,789
Other payables and accruals	-	-	460,830	460,830
Amount owing to directors	-	-	500,000	500,000
	-	-	1,319,619	1,319,619
Net financial assets	36,512	1,056	14,673,959	14,711,527
Less: Net financial assets denominated in the Company's functional currency	-	-	(14,673,959)	(14,673,959)
Currency Exposure	36,512	1,056	-	37,568

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the Companies does not have material impact on the profit/loss after taxation and other comprehensive income of the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

The Company does not have any material interest-bearing borrowings or assets and hence, is not exposed to interest rate risk.

Interest Rate Risk Sensitivity Analysis

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Company's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Company manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles

Equity Price Risk Sensitivity Analysis

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Company and hence, no sensitivity analysis is presented.

(b) Credit Risk

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit risk concentration profile

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Exposure to credit risk

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

(iii) Assessment of Impairment Losses

At each reporting date, the Company assesses whether any of the financial assets at amortised cost and debt investments at fair value through other comprehensive income are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite that fact that they are still subject to enforcement activities.

Trade Receivables

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for its trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The information about the exposure to credit risk and the loss allowances calculated under IFRS 9 for trade receivables are summarised below:-

	Gross Amount USD	Loss Allowance USD	Carrying Amount USD
2020			
- less than 3 months	1,646,215	-	1,646,215
- 3 to 6 months	791,663	-	791,663
- more than 1 year	491,801	(156,534)	335,267
	2,929,679	(156,534)	2,773,145

Amount Owing By Holding Company

No expected credit loss is recognised on amount owing by imemdiate holding company as it is negligible.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

Other receivables are also subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Cash At Banks and Deposits With Financial Institution

The Company considers these banks have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

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

	On Demand Or Within One Year USD	Total USD
2020		
Non-derivative Financial Liabilities		
Insurance payables	1,052,833	1,052,833
Other payables and accruals	2,327,470	2,327,470
Amount owing to directors	902,100	902,100
	4,282,403	4,282,403
2019		
Non-derivative Financial liabilities		
Insurance payables	358,789	358,789
Other payables and accruals	460,830	460,830
Amount owing to directors	500,000	500,000
	1,319,619	1,319,619

25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2020 USD	**2019** USD
Financial Assets		
Fair Value Through Other Comprehensive Income		
Other investments (Note 8)	1,323,876	1,323,876
Fair Value Through Profit or Loss		
Other investments (Note 8)	13,578,411	8,694,795
Amortised Cost		
Insurance receivables (Note 9)	2,773,145	1,097,264
Other receivables	114,015	-
Amount owing by holding company (Note 10)	6,081,494	4,857,094
Deposit with financial institution	37,206	34,935
Cash at banks (Note 11)	1,281,221	23,182
	10,287,081	6,012,475
Financial Liabilities		
Other Financial Liabilities		
Insurance payables (Note 13)	1,052,833	358,789
Other payables and accruals (Note 14)	2,327,470	460,830
Amount owing to directors (Note 15)	902,100	500,000
	4,282,403	1,319,619

25.3 FAIR VALUES INFORMATION

The fair values of the financial assets and financial liabilities of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 CAPITAL RISK MANAGEMENT

The Company defines capital as the total equity and debt of the Company. The objective of the Company's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its businesses and related shareholder(s) value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company monitors and maintains a prudent level of total debt to total equity ratio to optimise shareholder(s) value and to ensure compliance with debt covenants and regulatory, if any.

There was no change in the Company's approach to capital management during the financial year.

26. MARGIN OF SOLVENCY

As at 31 December 2020, the Company has maintained total surplus of assets over liabilities equivalent to at least RM 10,000,000 in compliance with the margin of solvency requirement imposed under Section 109 of the Labuan Financial Services and Securities Act 2010.

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO until 31 December 2020 to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Company and of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Company has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Company's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

28. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

(a) Subsequent to the reporting date, the numbers of new COVID-19 cases increased substantially in in Malaysia and markets in which the Company operates. As the outbreak is evolving, the full effect of the COVID-19 pandemic is subject to uncertainty and could not be ascertained reliably at this.

28. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

(b) Subsequent to the issuance of the audited financial statements dated 30 July 2021, the following fact has become known to the auditors on 2 September 2021. Had this been made known to the auditors at the date of the auditor's report, the audited financial statements and the auditors' report thereon would have been amended.

The Broker of the Company has reissued a revised statement of investment as of 31 December 2020 on 2 September 2021 on the ground that the earlier statement of investment issued has failed to account for a share split in one of the investments held by the Company. As the impact on the audited financial statements is material from audit perspective, the audited financial statements are amended accordingly in compliance with paragraph 12-16 of the International Standard of Auditing (ISA 560).

29. PRIOR YEAR ADJUSTMENT

A prior year adjustment was taken up to reflect the correct provision for outstanding claims in year 2019 on recommendation made by the new accountant. Certain comparative figures have been restated to reflect the said adjustment.

	As Previously Reported USD	The effects of prior year adjustments USD	As Restated USD
As at 31.12.2019			
Statement of Financial Position (Extract):-			
Retained profits/(accumulated losses)	2,466,228	(5,841,712)	(3,375,484)
Insurance receivables	1,058,628	38,636	1,097,264
Insurance payables	216,633	142,156	358,789
Provision for outstanding claims	1,468,654	5,738,192	7,206,846
Statement of Profit / Loss and Other Comprehensive Income (Extract):-			
Gross premium written	2,980,934	60,727	3,041,661
Retroceded premium	43,123	132,317	175,440
Commission expenses	718,401	31,930	750,331
Claims incurred	14,818	5,738,192	5,753,010
Total comprehensive income/(expenses)	1,208,838	(5,841,712)	(4,632,874)