Company No: LL11956

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

REPORT

AND

FINANCIAL STATEMENTS

31 DECEMBER 2017

CK Chin

CK Chin
陳會計師樓
Chartered Accountants (AAL0002)

Company No: LL11956

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)

(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

CONTENTS

Company No: LL11956

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

CORPORATE INFORMATION

DIRECTORS:

IRINA POSTNIKOVA
YURY VRONSKIY (APPOINTED ON 12 JULY 2017)
DMITRY KLYAGIN (RESIGNED ON 5 OCTOBER 2017)

RESIDENT SECRETARY:

ZICO SECRETARIAL LIMITED (LL10629)

AUDITORS:

CK CHIN, CHARTERED ACCOUNTANTS (AAL-0002)

REGISTERED OFFICE:

UNIT LEVEL 13(A), MAIN OFFICE TOWER, FINANCIAL PARK LABUAN, JALAN MERDEKA, 87000 FEDERAL TERRITORY OF LABUAN, MALAYSIA.

PRINCIPAL PLACE OF BUSINESS

LEVEL 13F(2), MAIN OFFICE TOWER, FINANCIAL PARK LABUAN, JALAN MERDEKA, 87000 FEDERAL TERRITORY OF LABUAN, MALAYSIA.

IMMEDIATE HOLDING COMPANY

TRANSSIBRE HOLDINGS LABUAN LTD (LL11955)

Company No: LL11956

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

STATEMENT BY DIRECTORS

I, **YURY VRONSKIY**, being one of the Directors of **TranssibRe Overseas Ltd (LL11956)**, do hereby state on behalf of the Board that, in my opinion, the financial statements set out on pages 6 to 27 are drawn up in accordance with International Financial Reporting Standards and the requirements of Labuan Companies Act, 1990 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance and its cash flows of the Company for the year then ended.

Signed on behalf of the Board of Directors in accordance
with a resolution of the Directors dated 27 APR 2018

YURY VRONSKIY

Place: Labuan FT

Dated: 27 APR 2018

CK Chin

CK Chin
陳會計師樓
Chartered Accountants (AAL0002)

Ground Floor, Lot 7, Block F,
Saguking Commercial Building,
Jalan Patau-Patau,
87000 Labuan FT Malaysia.

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6087.416128 Fax
Email: chin@ckchin.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TranssibRe Overseas Ltd
Company No: LL11956
(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TranssibRe Overseas Ltd (LL11956)**, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the 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.

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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Financial Statements

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

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.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TranssibRe Overseas Ltd (Continued)
Company No: LL11956
(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Labuan Companies Act, 1990 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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.

Datuk Chin Chee Kee JP CA(M) FCTIM FCCA
Chartered Accountant
01242/07/2019 J

CK Chin
Chartered Accountants
AAL-0002

Federal Territory of Labuan.

Dated: 27 APR 2018

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 USD	2016 USD
Assets			
Current Assets:			
Premium receivables	6	10,527,218	9,733,895
Other receivables and prepayments		114,324	78,040
Deposit with financial institutions		1,336,852	2,034,935
Cash at banks		140,934	2,405,362
Total current assets		12,119,328	14,252,232
Total Assets		12,119,328	14,252,232
Equity:			
Share capital	7	5,000,000	5,000,000
Retained profits		4,072,154	1,631,366
Total Equity		9,072,154	6,631,366
Liabilities			
Current Liabilities:			
Trade payables		75,825	40,050
Other payables and accruals		9,650	74,238
Unearned premium reserves	8	403,776	4,029,836
Insurance claim liabilities reserve	9	2,053,021	2,021,998
Amount due to holding company	10	500,000	1,450,000
Tax payable		4,902	4,744
Total current liabilities		3,047,174	7,620,866
Total Liabilities		3,047,174	7,620,866
Total Equity and Liabilities		12,119,328	14,252,232

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

Company No: LL11956

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 USD	2016 USD
Premium revenue	11	4,964,215	15,318,783
Commission		827,662	(1,981,494)
Retrocession premium outwards		(793,400)	(160,200)
Claims expenses		(1,239,650)	(835,396)
Insurance claim liabilities reserve	9	(31,023)	(1,848,137)
Net premium income		3,727,804	10,493,556
Interest income		17,573	6,893
Realised gain on foreign exchange		-	64,543
Unrealised gain on foreign exchange		365,137	-
Management expenses		(1,164,824)	(1,246,533)
Profit before taxation	12	2,945,690	9,318,459
Income tax expenses	13	(4,902)	(4,744)
Profit after taxation		2,940,788	9,313,715

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

Company No: LL11956

TranssibRe Overseas Ltd

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Share Capital USD	Retained Profits USD	Total USD
Balance at 1 January 2016		3,000,000	1,482,651	4,482,651
Issuance of shares	7	2,000,000	-	2,000,000
Profit after taxation		-	9,313,715	9,313,715
Dividends paid	14	-	(9,165,000)	(9,165,000)
Balance at 31 December 2016		5,000,000	1,631,366	6,631,366
Profit after taxation		-	2,940,788	2,940,788
Dividends paid	14	-	(500,000)	(500,000)
Balance at 31 December 2017		5,000,000	4,072,154	9,072,154

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

Company No: LL11956

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 USD	2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,945,690	9,318,459
Adjustments for:			
Allowance for doubtful debts		324,597	-
Interest income		(17,573)	(6,893)
Operating (loss)/profit before changes in working capital		3,252,714	9,311,566
Increase in receivables		(1,154,203)	(8,235,539)
(Decrease)/Increase in payables		(28,813)	112,008
Increase in insurance claim liabilities reserve		31,022	1,848,137
(Decrease)/Increase in unearned premium reserves		(3,626,060)	3,415,406
Cash (used in)/generated from operations		(1,525,340)	6,451,578
Tax paid		(4,744)	(4,660)
Net cash (used in)/from operating activities		(1,530,084)	6,446,918
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of fixed deposits		(1,301,917)	(2,034,935)
Upliftment of fixed deposits		2,000,000	-
Interest received		17,573	6,893
Net cash used in investing activities		715,656	(2,028,042)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	7	-	2,000,000
Repayment from loans		-	3,050,000
Advances from holding company		(950,000)	1,330,000
Dividends paid	14	(500,000)	(9,165,000)
Net cash (used in)/from financing activities		(1,450,000)	(2,785,000)
Net increase in cash and cash equivalents		(2,264,428)	1,633,876
Cash and cash equivalents at beginning of the year		2,405,362	771,486
Cash and cash equivalents at end of the year		140,934	2,405,362

Cash and cash equivalent comprise:

	2017 USD	2016 USD
Cash at banks	140,934	2,405,362
	140,934	2,405,362

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The Company is a private limited company incorporated in Malaysia under the Labuan Companies Act, 1990 and domicile in Malaysia. The Company was licensed as a Labuan Insurer and Reinsurer and bearing license number IS2015157 on 7 August 2015 under the Labuan Financial Services and Securities Act, 2010.

The registered office is located at Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia.

The principal place of business is situated at Unit Level 13F(2), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia.

The Company was licensed to carry on Labuan general insurance business in, from or through the Federal Territory of Labuan, Malaysia on 7 August 2015. There has been no significant change in the nature of the activity of the Company during the year.

The immediate holding company is TranssibRe Holdings Labuan Ltd, a company incorporated in Singapore which holds 100% of the shares in the Company. The financial year end of the Company coincides with that of its immediate holding Company.

The financial statements are presented in United States Dollar ("USD") which is also the Company's functional currency.

2. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its foreign currency, credit, interest rate, market, liquidity and cash flow risks. The policies in respect of the major areas of treasury activities are as follows:

2.1 Currency Risk

The Company operates mainly in United States Dollars. Foreign currency denoted assets and liabilities together with expected cash flows from highly probable incomes and expenditures give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

2.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the interest-bearing financial instruments carry fixed interest rate and are measured at amortised cost. As such, sensitivity analysis is not disclosed. Hence, the Company does not use any derivative financial instruments to manage its exposure to interest rate risk as the Directors are of the opinion that the net exposure is not significant.

2. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

2.3 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the insurance balances receivable.

Exposure to credit risk on financial assets

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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each broker/cedant. The demographics of the Company's brokers/cedants base, including the defaults risk of the industry and country which the broker/cedant operated, has less of an influence on credit risk.

The Company establishes an allowance for impairment that represents its estimates of incurred losses in respect of insurance balances receivable and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet determined. The collective loss allowance is determined based on historical date of payment statistics for similar assets.

Exposure to credit risk

The maximum exposure to credit risk for insurance balances receivables at the reporting date was as follows:-

2.4 Market Risk

The Company does not have any quoted investments and hence is not exposed to market risk.

2.5 Liquidity Risk

The Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

TranssibRe Overseas Ltd
(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

2.5 Liquidity Risk (Continued)

	2017			
	On demand or within one year USD	One to five years USD	Over five years USD	Total USD
Financial Liabilities				
Trade payables	75,825	-	-	75,825
Other payables and accruals	9,650	-	-	9,650
Amount due to holding company	500,000	-	-	500,000
Insurance claim liabilities reserve	2,053,021	-	-	2,053,021
Unearned premium reserves	403,776	-	-	403,776
Total undiscounted financial liabilities	3,042,272	-	-	3,042,272

	2016			
	On demand or within one year USD	One to five years USD	Over five years USD	Total USD
Financial Liabilities				
Trade payables	40,050	-	-	40,050
Other payables and accruals	74,238	-	-	74,238
Amount due to holding company	1,450,000	-	-	1,450,000
Insurance claim liabilities reserve	2,021,998	-	-	2,021,998
Unearned premium reserves	4,029,836	-	-	4,029,836
Total undiscounted financial liabilities	7,616,122	-	-	7,616,122

2. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

2.6 Insurance Risk

The Company underwrites various general insurance contracts, which are mostly on an annual coverage and annual premium basis, with the exception of short term policies such as Marine Cargo which covers the duration in which the cargo is being transported.

The Company's objectives of managing insurance risks are to enhance the long-term financial performance of the business to achieve sustainable growth in profitability, strong asset quality and to continually optimize shareholders' value. The Company seeks to write those risks that it understands and that provide a reasonable opportunity to earn an acceptable profit.

Insurance risk is the inherent uncertainty regarding the occurrence, amount or time of insurance liabilities. Insurance contracts transfer risk to the Company by indemnifying the policyholders against adverse effects arising from the occurrence of specified uncertain future events. The principal risk the Company faces under insurance contracts is that the actual claims and benefits payments differ from expectations, the risk arise from the fluctuations in timing, frequency and severity of claims, as well as the adequacy of premiums and reserves.

The Company adopts the following measure to manage its insurance risks:

The Company purchases reinsurance as part of its risk mitigation programme. The objectives for purchasing reinsurance are to provide market-leading capacity for Company's customers while protecting the statement of financial position and optimizing the Company's capital efficiency. Reinsurance is ceded on quota share, proportional and non-proportional basis. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

Key Assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claims costs, claims handling cost and claim numbers of each accident year.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrence, change in market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as, judicial decisions and government legislation affect the estimation.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

3.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017.

Description	Effective for annual periods beginning on or after
Amendments to IAS 7: Disclosure initiatives	1 January 2017
Amendments to IAS 12: Recognition of Deferred Tax for Unrealised Losses	1 January 2017
Annual Improvements to IFRS Standards 2014 – 2016 Cycle: Amendments to IFRS 12: Disclosure of Interests in Other Entities	1 January 2017

3.2 New and revised IFRSs in issue but not yet effective

Description	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle	
ii) Amendments to IFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
iii) Amendments to IAS 28: Investments in Associates and Joint Ventures	1 January 2018
Amendments to IFRS 2: Classification and Measurement of Share- based Payment Transactions	1 January 2018
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
Amendments to IAS 40: Transfers of Investment Property	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 Financial Instruments	1 January 2018
IFRS 16 Leases	1 January 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle	1 January 2019
i) Amendments to IFRS 3, IFRS 11: Remeasurement of previously held interest	
ii) Amendments to IAS 12: Income tax consequences of dividends	
iii) Amendments to IAS 23: Borrowing costs eligible for capitalisation	

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

3.2 New and revised IFRSs in issue but not yet effective (Continued)

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IFRS 9: Prepayment features with negative compensation and modifications of financial liabilities	1 January 2019
Amendments to IAS 28: Long-term interests in associates and joint ventures	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The management expects that the adoption of the Standards and Amendments to Standards above will have no material impact on the financial statements in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") and the provisions of the Labuan Companies Act, 1990.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. The principal accounting policies adopted are set out below:

4.1 Foreign currency

Foreign Currency Transactions

Transactions in foreign currencies are initially translated at the exchange rate at the dates of the transactions.

At the reporting date, foreign currency monetary assets and liabilities are translated into United States Dollar at the exchange rate ruling at that date. Exchange differences arising on the settlement or translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using exchange rates at the date of the transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Financial assets

Financial assets are recognised in the statement of financial position when the Company become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not at 'fair value through profit or loss'.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, loans and receivables and 'available-for-sale' financial assets.

(a) Financial Assets At 'Fair Value Through Profit Or Loss'

A financial asset is classified as 'held for trading' if:

- it is acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

Financial assets (other than 'held for trading') are designed as at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significant reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases; or
- a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as at 'fair value through profit or loss'.

After initial recognition, financial assets at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial assets at 'fair value through profit or loss' are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Financial assets (Continued)

(b) 'Held-To-Maturity' Investments

'Held-to-maturity' investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company have the positive intention and ability to hold to maturity.

After initial recognition, 'held-to-maturity' investments are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when 'held-to-maturity' investments are derecognised or impaired.

(c) Loans And Receivables

Loans and receivables are non-derivative financial assets (such as trade receivables, loans assets, unquoted debt instruments and deposits held in banks) with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

(d) 'Available-For-Sale' Financial Assets

Investment in quoted equity and debt instruments that are traded in active market and certain unquoted equity instruments (when the fair value can be determined using a valuation technique) are classified as 'available-for-sale' financial assets. 'Available-for-sale' financial assets are measured at fair value.

Gains or losses on 'available-for-sale' financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses, until the 'available-for-sale' financial assets are derecognised. At that time, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Interest calculated using the effective interest method is recognised in profit or loss. Dividends on 'available-for-sale' equity instruments are recognised in profit or loss when the Company's right to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Financial assets (Continued)

(e) Reclassifications Of Financial Assets

The Company do not reclassify derivative out of the 'fair value through profit or loss' category while they are held or in issue. Equally, the Company do not reclassify other financial assets out of the 'fair value through profit or loss' category if upon initial recognition, those financial assets were designated as at 'fair value through profit or loss'. Other financial assets are not reclassified into the 'fair value through profit or loss' category after initial recognition under another category.

When it is no longer appropriate to classify an investment as 'held-to-maturity' as a result of a change in intention and ability, the investment is reclassified as held for sale and re-measured at fair value. Any difference between the carrying amount and fair value of the investment is recognised in other comprehensive income.

(f) Impairment Of Financial Assets

At the reporting date, the Company assess whether there is any objective evidence that financial assets held, other than financial assets at 'fair value through profit or loss', are impaired. Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets which have an impact on the estimated future cash flows of the financial assets that can be reliably measured.

For investment in equity instruments classified as 'available-for-sale', objective evidence that the financial assets are impaired include the disappearance of an active market for the financial assets because of financial difficulties, or the decline of the market price below the cost.

For other financial assets, objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

Impairment losses, in respect of 'held-to-maturity' investments carried at amortised cost are measured as the differences between the assets' carrying amounts and the present values of their estimated future cash flows discounted at the 'held-to-maturity' investments' original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Financial assets (Continued)

(f) Impairment Of Financial Assets (Continued)

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for a similar financial assets. Such impairment losses are not reversed.

For 'available-for-sale' financial assets, if a decline in fair value has been recognised in other comprehensive income and there is objective evidence that the assets are impaired, the cumulative losses that have been recognised are reclassified to profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as 'available-for-sale' financial assets are not reversed through profit or loss.

If the fair value of a debt instrument classified as an 'available-for-sale' financial asset subsequently increases, and the increase can be objectively related to an event occurring after the impairment losses were recognised in profit or loss, the impairment losses are reversed and recognised in profit or loss.

(g) Derecognition Of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Company transfer the financial assets and the transfers qualify for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, if any.

4.4 Equity Instruments

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Dividends on ordinary shares will be recognised as liabilities when the shareholders' rights to receive the dividends are established.

4.5 Income tax

Taxation for the year comprises current tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

4.6 Financial Liabilities

Financial liabilities are recognised on the statements of financial position when the Company become a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at 'fair value through profit or loss'. After initial recognition, financial liabilities are either classified as at 'fair value through profit or loss' or amortised cost using the effective interest method.

(a) Financial Liabilities At 'Fair Value Through Profit Or Loss'

Financial liabilities are classified as at 'fair value through profit or loss' when the financial liabilities are either 'held for trading' or upon initial recognition, the financial liabilities are designated as at 'fair value through profit or loss'.

A financial liability is classified as 'held for trading' if:

- it is incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Financial Liabilities (Continued)

(a) Financial Liabilities At 'Fair Value Through Profit Or Loss' (Continued)

Financial liabilities (other than 'held for trading') are designed as at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significant reduces a measurement or recognition inconsistency that would otherwise arise from measuring liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as at 'fair value through profit or loss'.

After initial recognition, financial liabilities at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial liabilities at 'fair value through profit or loss' are recognised in profit or loss.

(b) Financial Liabilities At Amortised Cost Using The Effective Interest Method

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities.

After initial recognition, financial liabilities other than financial liabilities at 'fair value through profit or loss' are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

(c) Derecognition Of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Income recognition

(a) *Facultative Business*

Income is recognised upon the conclusion of the placement of the risk with the reinsurance companies. Brokerage income on adjustment premiums is recognised as and when it occurs.

(b) *Proportional Treaty*

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

(c) *Interest Income*

Interest income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

4.8 Unearned Premium Reserves ("UPR")

The unearned premium reserves represent the portion of premium income not yet earned at the statement of financial position date. The unearned premium reserves is recognised based on time apportionment basis.

4.9 General Insurance Contract Liabilities

General insurance contract liabilities are recognized when contracts are entered into and premiums are charged.

These liabilities comprise claims liabilities and premium liabilities.

(a) *Claims Liabilities*

Claims liabilities are recognized in respect of both direct insurance and inward reinsurance. Claims liabilities refer to the obligation by the insurers, whether contractual or otherwise to make future payments in relation to all claims that have been incurred as at valuation date. These include provision for claims reported, claims incurred but not reported ("IBNR"), claims incurred but not enough reserved ("IBNER") together with related claims handling costs. Claims liabilities consist of the best estimate value of the claim liabilities and the Provision of Risk Margin for Adverse Deviation ("PRAD") calculated at the overall level. The liability is not discounted for the time value of money. No provision or catastrophe reserve is recognized. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 General Insurance Contract Liabilities (Continued)

(b) Premium Liabilities

Premium liabilities is the higher of the aggregate of the UPR and the best estimate value of the insurer's unexpired risk reserves ("URR") at the valuation date and the PRAD calculated at the overall level.

The provision for unearned premiums represents premiums received for risks that have not yet expired. Generally the reserve is released over the term of the contract and is recognized as premium income.

The URR is the prospective estimate of the expected future payments arising from future events insured under policies in force at the valuation date and also includes allowance for the insurer's expenses, including overheads and cost of reinsurance, expected to be incurred for administering these policies and settling the relevant claims, and expected future premium refunds.

4.10 Reinsurance And Other Recoveries

Reinsurance and other recoveries received or receivable on paid claims and on outstanding claims (notified and not yet notified) are recognised as income. Reinsurance recoveries on paid claims are presented as part of trade and other receivables net of any provision for impairment based on objective evidence for individual receivables. All recoveries receivable on outstanding claims are measured as the present value of the expected future receipts calculated on the same basis as the outstanding claims liability. Reinsurance does not relieve the originating insurer of its liabilities to policyholders and is presented separately on the balance sheet.

4.11 Reinsurance Outwards

Premium ceded to reinsurers is recognised as an expense in accordance with the pattern of reinsurance service received. Accordingly, a portion of outwards reinsurance premium expense is treated as a prepayment and presented as deferred outwards reinsurance expense on the balance sheet at the reporting date.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

5.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

5.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of loans and receivables

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

6. PREMIUM RECEIVABLES

	2017 USD	2016 USD
Premium receivables	10,851,815	9,733,895
Less: Allowance for doubtful debts	(324,597)	-
	10,527,218	9,733,895

7. SHARE CAPITAL

	Number of shares			
Ordinary shares	2017 Units	2016 Units	2017 USD	2016 USD
Issued and fully paid:				
Balance at 1 January	50,000	30,000	5,000,000	3,000,000
Issuance of shares	-	20,000	-	2,000,000
Balance at 31 December	50,000	50,000	5,000,000	5,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. UNEARNED PREMIUM RESERVES

	2017 USD	2016 USD
At 1 January	4,029,836	614,431
(Decrease)/Increase during the year	(3,626,060)	3,415,405
At 31 December	403,776	4,029,836

9. INSURANCE CLAIM LIABILITIES RESERVE

The insurance claim liabilities reserve consists of claims already reported to the Company less claims paid and claim expenses.

10. AMOUNT DUE TO HOLDING COMPANY

This amount is unsecured, interest-free and repayable on demand.

11. PREMIUM REVENUE

Premium revenue comprises amounts charged to other insurers (inwards reinsurance premium) for insurance contracts. Premium includes charges for which the amount to be paid by the insurer does not depend on the amounts collected but excludes stamp duties and taxes collected on behalf of third parties. Premium is recognised as earned from the date of attachment of risk (generally the date a contract is agreed to but may be earlier if persuasive evidence of an arrangement exists) over the period of the related insurance contracts in accordance with the pattern of the incidence of risk expected under the contracts. The pattern of the risks underwritten is generally matched by the passing of time. Premium for unclosed business (business written close to reporting date where attachment of risk is prior to reporting date and there is insufficient information to accurately identify the business) is brought to account based on previous experience with due allowance for any changes in the pattern of new business and renewals. The unearned portion of premium is recognised as an unearned premium reserve on the statement of financial position.

Premium receivable is recognised as the amount due and is normally settled between 30 days and 12 months. The recoverability of premium receivable is assessed and provision is made for impairment based on objective evidence and having regard to past default experience. Premium receivable is presented on the balance sheet net of any provision for impairment.

12. PROFIT BEFORE TAXATION

This has been determined after charging/(crediting) the following items:-

	2017 USD	2016 USD
Auditors' remuneration	13,260	10,080
Directors' remuneration - fees	26,000	160,000
- salary	154,982	96,000
Unrealised (gain)/loss on foreign exchange	(365,137)	378,936
Management fees	124,000	99,000
Interest income	(17,573)	(6,893)
Realised loss/(gain) on foreign exchange	2,625	(64,543)

13. INCOME TAX EXPENSES

	2017 USD	2016 USD
Tax charge for the financial year	4,902	4,744

The Company which is carrying on a Labuan trading business activity has elected to be charged twenty thousand ringgit as prescribed under Section 7(1) of the Labuan Business Activity Tax Act, 1990.

14. DIVIDENDS PAID

	2017 USD	2016 USD
Tax exempted interim dividends	-	7,765,000
Tax exempted-final dividends	500,000	1,400,000
	500,000	9,165,000

15. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than a forced sale or liquidation. The fair value information presented represents the Company's best estimate of those fair values, subject to certain assumptions and limitations. All receivables of the Company are presented at fair values.

TranssibRe Overseas Ltd

(Incorporated in Malaysia under the Labuan Companies Act, 1990)
(Licenced Labuan General Insurance under the Labuan Financial Services and Securities Act, 2010 – Licence No. IS2015157)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

16. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Company is subjected to minimum capital requirements under Labuan Financial Services and Securities Act, 2010.

The Company monitors and ensures its capital is within the minimum solvency margins at all times. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return of capital to shareholder or issue new shares.

17. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Directors dated 27 APR 2018 .