



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 959 652 511  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: STEEM1960 SHIPBROKERS AS  
Forretningsadresse: Vika Atrium  
Munkedamsveien 45  
0250 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tonje Lyng-Olsen  
Dato for fastsettelse av årsregnskapet: 22.03.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 15.09.2023



### Resultatregnskap

| Beløp i: NOK                                 | Note | 2022               | 2021               |
|----------------------------------------------|------|--------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                      |      |                    |                    |
| <b>Inntekter</b>                             |      |                    |                    |
| Kommisjon                                    |      | 203 488 365        | 153 621 105        |
| Andre driftsinntekter                        |      | 3 755 955          | 4 026 029          |
| <b>Sum inntekter</b>                         | 1,2  | <b>207 244 320</b> | <b>157 647 134</b> |
| <b>Kostnader</b>                             |      |                    |                    |
| Lønn og personalkostnader                    | 3    | 172 516 696        | 130 372 313        |
| Ordinære avskrivninger                       | 4    | 404 374            | 378 565            |
| Andre drifts kostnader                       | 3    | 15 978 758         | 11 961 208         |
| <b>Sum kostnader</b>                         |      | <b>188 899 828</b> | <b>142 712 086</b> |
| <b>Driftsresultat</b>                        |      | <b>18 344 492</b>  | <b>14 935 048</b>  |
| <b>Finansinntekter og finanskostnader</b>    |      |                    |                    |
| Inntekt fra datter selskap                   | 5    | 38 215 681         | 17 334 195         |
| Inntekt fra tilknyttet selskap               | 5    | 1 428 196          | 1 112 299          |
| Annen finansinntekt                          |      | 6 668 243          | 5 827 164          |
| <b>Sum finansinntekter</b>                   |      | <b>46 312 120</b>  | <b>24 273 658</b>  |
| Annen finanskostnad                          |      | 18 381             | 110 863            |
| <b>Sum finanskostnader</b>                   |      | <b>18 381</b>      | <b>110 863</b>     |
| <b>Netto finans</b>                          | 1    | <b>46 293 739</b>  | <b>24 162 795</b>  |
| <b>Ordinært resultat før skattekostnad</b>   |      | <b>64 638 231</b>  | <b>39 097 843</b>  |
| Skattekostnad                                | 7    | 5 998 252          | 4 558 011          |
| <b>Ordinært resultat etter skattekostnad</b> |      | <b>58 639 979</b>  | <b>34 539 832</b>  |
| <b>Årsresultat</b>                           |      | <b>58 639 979</b>  | <b>34 539 832</b>  |
| <b>Overføringer og disponeringer</b>         |      |                    |                    |
| Ordinært utbytte                             | 8    | 60 000 000         | 12 705 221         |
| Overføringer til/fra annen egenkapital       | 8    | -1 360 020         | 21 834 612         |
| <b>Sum overføringer og disponeringer</b>     |      | <b>58 639 980</b>  | <b>34 539 833</b>  |



## Balanse

| Beløp i: NOK                                                | Note  | 2022               | 2021               |
|-------------------------------------------------------------|-------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                                  |       |                    |                    |
| <b>Anleggsmidler</b>                                        |       |                    |                    |
| <b>Immaterielle eiendeler</b>                               |       |                    |                    |
| Utsatt skattefordel                                         | 7     | 725 629            | 921 918            |
| <b>Sum immaterielle eiendeler</b>                           |       | <b>725 629</b>     | <b>921 918</b>     |
| <b>Varige driftsmidler</b>                                  |       |                    |                    |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 4     | 881 342            | 704 887            |
| <b>Sum varige driftsmidler</b>                              |       | <b>881 342</b>     | <b>704 887</b>     |
| <b>Finansielle anleggsmidler</b>                            |       |                    |                    |
| Investering i datterselskap                                 | 5     | 63 910 189         | 39 893 487         |
| Lån til foretak i samme konsern                             | 13    | 8 239 984          | 12 044 492         |
| Investeringer i tilknyttet selskap                          | 5     | 649 087            | 470 891            |
| Investeringer i aksjer og andeler                           | 6     | 6 844 560          | 6 844 560          |
| <b>Sum finansielle anleggsmidler</b>                        |       | <b>79 643 820</b>  | <b>59 253 430</b>  |
| <b>Sum anleggsmidler</b>                                    |       | <b>81 250 791</b>  | <b>60 880 235</b>  |
| <b>Omløpsmidler</b>                                         |       |                    |                    |
| <b>Varer</b>                                                |       |                    |                    |
| <b>Fordringer</b>                                           |       |                    |                    |
| Kundefordringer                                             | 12,13 | 41 248 126         | 25 925 962         |
| Andre fordringer                                            |       | 4 443 731          | 4 489 270          |
| Fordring tilknyttet selskap                                 | 5     | 1 250 000          | 1 050 000          |
| <b>Sum fordringer</b>                                       |       | <b>46 941 857</b>  | <b>31 465 232</b>  |
| <b>Bankinnskudd, kontanter og lignende</b>                  |       |                    |                    |
| Innskudd NOK                                                |       | 92 052 928         | 97 096 803         |
| Innskudd valuta                                             |       | 44 905 923         | 35 597 565         |
| <b>Sum bankinnskudd, kontanter og lignende</b>              | 1,11  | <b>136 958 851</b> | <b>132 694 368</b> |
| <b>Sum omløpsmidler</b>                                     |       | <b>183 900 708</b> | <b>164 159 600</b> |
| <b>SUM EIENDELER</b>                                        |       | <b>265 151 499</b> | <b>225 039 835</b> |



## Balanse

| Beløp i: NOK                          | Note | 2022               | 2021               |
|---------------------------------------|------|--------------------|--------------------|
| <b>BALANSE - EGENKAPITAL OG GJELD</b> |      |                    |                    |
| <b>Egenkapital</b>                    |      |                    |                    |
| <b>Innskutt egenkapital</b>           |      |                    |                    |
| Selskapskapital                       | 8,9  | 1 200 000          | 1 200 000          |
| <b>Sum innskutt egenkapital</b>       |      | <b>1 200 000</b>   | <b>1 200 000</b>   |
| <b>Opptjent egenkapital</b>           |      |                    |                    |
| Fond for vurderingsforskjeller        |      | 61 627 624         | 38 312 409         |
| Annen egenkapital                     |      | 20 022 648         | 74 909 663         |
| <b>Sum opptjent egenkapital</b>       |      | <b>81 650 272</b>  | <b>113 222 072</b> |
| <b>Sum egenkapital</b>                |      | <b>82 850 272</b>  | <b>114 422 072</b> |
| <b>Sum langsiktig gjeld</b>           |      | <b>0</b>           | <b>0</b>           |
| <b>Kortsiktig gjeld</b>               |      |                    |                    |
| Leverandørgjeld                       |      | 7 622 232          | 2 473 873          |
| Betalbar skatt                        | 7    | 5 801 963          | 4 378 906          |
| Skyldige offentlige avgifter          |      | 23 057 176         | 5 029 215          |
| Utbytte                               | 8    | 60 000 000         | 12 705 221         |
| Annen kortsiktig gjeld                |      | 85 819 854         | 86 030 547         |
| <b>Sum kortsiktig gjeld</b>           |      | <b>182 301 225</b> | <b>110 617 762</b> |
| <b>Sum gjeld</b>                      |      | <b>182 301 225</b> | <b>110 617 762</b> |
| <b>SUM EGENKAPITAL OG GJELD</b>       |      | <b>265 151 497</b> | <b>225 039 834</b> |



### Konsernets resultatregnskap

| Beløp i: NOK                                 | Note | 2022               | 2021               |
|----------------------------------------------|------|--------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                      |      |                    |                    |
| <b>Inntekter</b>                             |      |                    |                    |
| Commission                                   |      | 397 358 611        | 266 496 022        |
| Other revenue                                |      | 3 755 954          | 4 026 029          |
| <b>Sum inntekter</b>                         | 1,2  | <b>401 114 565</b> | <b>270 522 051</b> |
| <b>Kostnader</b>                             |      |                    |                    |
| Salaries and personell expenses              | 3    | 292 201 973        | 208 321 985        |
| Depreciation                                 | 4    | 933 953            | 870 717            |
| Other operating expenses                     | 3    | 33 755 998         | 22 323 932         |
| <b>Sum kostnader</b>                         |      | <b>326 891 924</b> | <b>231 516 634</b> |
| <b>Driftsresultat</b>                        |      | <b>74 222 641</b>  | <b>39 005 417</b>  |
| <b>Finansinntekter og finanskostnader</b>    |      |                    |                    |
| income subsidiaries                          | 5    | 0                  | 0                  |
| Income associated companies                  | 5    | 1 428 196          | 1 112 299          |
| Annen finansinntekt                          |      | 6 668 243          | 7 070 671          |
| <b>Sum finansinntekter</b>                   |      | <b>8 096 439</b>   | <b>8 182 970</b>   |
| Annen finanskostnad                          |      | 346 555            | 110 863            |
| <b>Sum finanskostnader</b>                   |      | <b>346 555</b>     | <b>110 863</b>     |
| <b>Netto finans</b>                          |      | <b>7 749 884</b>   | <b>8 072 107</b>   |
| <b>Ordinært resultat før skattekostnad</b>   |      | <b>81 972 525</b>  | <b>47 077 524</b>  |
| Tax on ordinary result                       | 7    | 14 406 042         | 8 263 657          |
| <b>Ordinært resultat etter skattekostnad</b> |      | <b>67 566 483</b>  | <b>38 813 867</b>  |
| <b>Årsresultat</b>                           |      | <b>67 566 483</b>  | <b>38 813 867</b>  |



### Konsernets balanse

| Beløp i: NOK                                   | Note  | 2022               | 2021               |
|------------------------------------------------|-------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                     |       |                    |                    |
| <b>Anleggsmidler</b>                           |       |                    |                    |
| <b>Immaterielle eiendeler</b>                  |       |                    |                    |
| Utsatt skattefordel                            | 7     | 725 629            | 921 918            |
| <b>Sum immaterielle eiendeler</b>              |       | <b>725 629</b>     | <b>921 918</b>     |
| <b>Varige driftsmidler</b>                     |       |                    |                    |
| Equipment and other movables                   | 4     | 2 489 176          | 2 174 949          |
| <b>Sum varige driftsmidler</b>                 |       | <b>2 489 176</b>   | <b>2 174 949</b>   |
| <b>Finansielle anleggsmidler</b>               |       |                    |                    |
| Investering i datterselskap                    | 5     | 0                  | 0                  |
| Investering i annet foretak i samme konsern    | 13    | 0                  | 0                  |
| Investeringer i tilknyttet selskap             | 5     | 649 087            | 470 891            |
| Investeringer i aksjer og andeler              | 6     | 6 844 560          | 6 844 560          |
| <b>Sum finansielle anleggsmidler</b>           |       | <b>7 493 647</b>   | <b>7 315 451</b>   |
| <b>Sum anleggsmidler</b>                       |       | <b>10 708 452</b>  | <b>10 412 318</b>  |
| <b>Omløpsmidler</b>                            |       |                    |                    |
| <b>Varer</b>                                   |       |                    |                    |
| <b>Fordringer</b>                              |       |                    |                    |
| Account receivables                            | 12,13 | 85 855 652         | 43 040 378         |
| Other receivables                              |       | 6 456 690          | 6 242 911          |
| receivables associated companies               | 5     | 1 250 000          | 1 050 000          |
| <b>Sum fordringer</b>                          |       | <b>93 562 342</b>  | <b>50 333 289</b>  |
| <b>Bankinnskudd, kontanter og lignende</b>     |       |                    |                    |
| Deposit NOK                                    |       | 92 052 928         | 97 096 803         |
| Deposit other currencies                       |       | 158 837 976        | 109 026 605        |
| <b>Sum bankinnskudd, kontanter og lignende</b> |       | <b>250 890 904</b> | <b>206 123 408</b> |
| <b>Sum omløpsmidler</b>                        |       | <b>344 453 246</b> | <b>256 456 697</b> |
| <b>SUM EIENDELER</b>                           |       | <b>355 161 698</b> | <b>266 869 015</b> |



### Konsernets balanse

| Beløp i: NOK                          | Note | 2022               | 2021               |
|---------------------------------------|------|--------------------|--------------------|
| <b>BALANSE - EGENKAPITAL OG GJELD</b> |      |                    |                    |
| <b>Egenkapital</b>                    |      |                    |                    |
| <b>Innskutt egenkapital</b>           |      |                    |                    |
| Share capital                         | 8,9  | 1 200 000          | 1 200 000          |
| <b>Sum innskutt egenkapital</b>       |      | <b>1 200 000</b>   | <b>1 200 000</b>   |
| <b>Opptjent egenkapital</b>           |      |                    |                    |
| Retained earnings                     | 8    | 87 599 360         | 111 545 694        |
| <b>Sum opptjent egenkapital</b>       |      | <b>87 599 360</b>  | <b>111 545 694</b> |
| <b>Sum egenkapital</b>                |      | <b>88 799 360</b>  | <b>112 745 694</b> |
| <b>Sum langsiktig gjeld</b>           |      | <b>0</b>           | <b>0</b>           |
| <b>Kortsiktig gjeld</b>               |      |                    |                    |
| Leverandørgjeld                       |      | 6 827 172          | 720 311            |
| Tax payable                           | 7    | 14 470 975         | 8 197 001          |
| Public duties payable                 |      | 23 057 176         | 5 029 215          |
| Accrued fees                          | 3    | 0                  | 1 034 948          |
| Utbytte                               | 8    | 60 000 000         | 12 705 221         |
| Other short term liabilities          |      | 162 007 013        | 126 436 622        |
| <b>Sum kortsiktig gjeld</b>           |      | <b>266 362 336</b> | <b>154 123 318</b> |
| <b>Sum gjeld</b>                      |      | <b>266 362 336</b> | <b>154 123 318</b> |
| <b>SUM EGENKAPITAL OG GJELD</b>       |      | <b>355 161 696</b> | <b>266 869 012</b> |



BDO AS  
Munkedamsveien 45  
Postboks 1704 Vika  
0121 Oslo

## Independent Auditor's Report

To the Annual Shareholders meeting of Steem1960 Shipbrokers AS

### Opinion

We have audited the financial statements of Steem1960 Shipbrokers AS.

#### The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2022, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2022, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

#### In our opinion:

- The financial statements comply with applicable statutory requirements.
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with



the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

#### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Bente Hodne  
State Authorised Public Accountant  
(This document is signed electronically)



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## Bente Hodne

Partner

På vegne av: BDO AS

Serienummer: 9578-5995-4-175318

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— STEEM1960 —  
SHIPBROKERS

Steem1960 Shipbrokers'

**FINANCIAL STATEMENT  
PARENT COMPANY  
GROUP  
2022**

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## BOARD OF DIRECTORS STATEMENT 2022

### Corporation

Steen1960 Shipbrokers AS is an international shipbroking company headquartered in Oslo, an office in Bergen and subsidiaries in Singapore and Houston. Steen1960 predominantly covers Gas, Chemicals, Products, and all aspects of project/S&P business, including Research.

### Financial Statement

The operating income for 2022 of NOK 207 244 319 shows an increase from 2021 of NOK 49 597 185.

Operating profit was up from NOK 14 935 048 in 2021 to NOK 18 344 492 in 2022.

Total group revenue has increased from 2021 with 48 % and ended at NOK 401 114 565.

Net financial income for the parent company in 2022 was NOK 46 293 739, an income originating mainly from subsidiaries according to the use of the equity method and profit/gain from currency hedging.

This year's calculated taxes equal NOK 5 998 252, and this year's annual net profit is NOK 58 639 980.

The board of directors suggests the following allocation of this year's net profit:

|                     |                       |
|---------------------|-----------------------|
| Dividend            | NOK 60 000 000        |
| From other equity   | <u>NOK -1 360 020</u> |
| Net brought forward | <u>NOK 58 639 980</u> |

The Group Annual net profit is NOK 67 566 484, after NOK 14 406 042 in calculated taxes.

The parent company's equity as of December 31<sup>st</sup>, 2022 is NOK 82 850 272, whereas NOK 1 200 000 is restricted share capital, NOK 61 627 624 is a restricted reserve for valuation variances and profit from subsidiaries. NOK 20 022 648 is retained earnings from operations.

The company's equity ratio is 31,2 %.

### Financial risk

The company is exposed to exchange rate risk. A substantial part of the company's revenue is in foreign currency. Approximately 90 % of the company and the group's revenue comes from invoices in USD. This currency risk is, to an extent, hedged through forward contracts.



The risk for losses on receivables is considered low but may increase due to difficult market conditions. The heads of the departments are continuously assessing this. The company considers the liquidity as good, and no measures have been decided that change the liquidity risk. The company has positive net cash flow from operations, and there is an increased focus on overdue receivables both in the company and in the group.

## **Going concern**

In accordance with The Norwegian Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for 2023 and the company's and group's long-term strategic forecasts. The company's economic and financial position is healthy.

## **True and fair view**

The Board of Directors considers the Financial Statement for 2022, including Cashflow statement and notes, to give an accurate and fair view of the company's assets and debts and the company's financial position. These also provide relevant information about the company's development and results.

## **Other information**

The company has employees in Oslo, in Singapore, and in Houston. The working environment is good. The company aims to be a workplace with equal opportunities. Communication between management and the employee/safety representative throughout the year has been good.

There are no reports of injuries or accidents among employees throughout the year. The registered sick leave in the Oslo office is 93 days, which equals 2,14 % of total work hours. In 2022 and forward, we have no long-term leaves.

The Board of Directors consists of three men. The business is run in accordance with the Gender Equality Act.

Steem1960 Shipbrokers AS is as of January 2023 54 employees at the head office in Oslo and the satellite office in Bergen. Of the 54 employees, 7 are women and 47 are men. The women are represented in all the different areas of work the company operates in; Broking, analysis, operation and administration. The company has no temporary employees or temporary workers in the company as of January 2023. A woman works 80%, as the position is not, and has not been, larger. A man works 50% at will.

The Steem1960 Group has 18 women employed of totally 91 employees.

All women have the same salary level as men in the same type of work. There is no difference in wages. In general, the company gives the same salary to all employees in the field of work in which they work. Both in the parent company in Oslo and at group level, we have employees of several different nationalities and ethnicities.

The company works actively for good diversity, all applications are assessed regardless of gender, ethnicity, nationality, or religion. This applies to both the parent company in Norway as well as daughters in Singapore and Houston respectively.

The discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion, or faith. The company aims to be a workplace with no discrimination of any kind. By the end of 2022, employees with different nationalities were working with the company.



Steem1960 Shipbrokers AS has an SPS Directors & Officers liability insurance drawn up with Zurich Insurance. This insurance covers the Board and the Directors of the mother company. The Insurance cover Special Excess Protection for Non-executive Directors, Environmental Defence costs, Claims and company crises Loss.

The company is not polluting the external environment. The company aims to purchase environmentally friendly office supplies, and we continuously work on having source separation of waste.

The company is not involved directly in any R&D activities, but the company has a highly professional Research department analyzing market trends and producing market forecasts.

The company and the Board of Directors conduct a due diligence assessment pursuant to the Transparency Act, a report will be available no later than July 1<sup>st</sup> 2023.

### **Future outlook**

2022 became the year we were again allowed to meet customers and colleagues from our branch offices and attend conferences. After more than two years of some sort of shutdown, the market was starving for socialising again. Meeting people has positively affected business opportunities; thus, we are again breaking new land with regard to customers and niches of the market.

The geopolitical situation caused mainly by the Russian invasion of Ukraine has considerably changed trading patterns. While the Oslo office has seen business disappear, our Singapore office has become busier. Some of this comes from domino effects caused by trading sanctions restricting Russian exports.

After the Pandemic, we have again been able to hire people and grow our departments, reaching 91 employees. The growth happens in all departments and regions. Our focus on making teams, departments, and branch offices cooperate pays off. To make Steem1960 work even better together remains our goal for 2023.

Oslo, 13. March 2023

Board of Directors in Steem1960 Shipbrokers AS

Rolf Olsen  
Chairman

Olav Vikøren  
Board member

Eirik Maanum  
Board member

S. Botolf Sundby  
CEO



## STEEM 1960

SHIPBROKERS

PARENT COMPANY

GROUP

## REVENUE STATEMENT

all amounts in NOK

| 2021               | 2022               |                                         | Note | 2022               | 2021               |
|--------------------|--------------------|-----------------------------------------|------|--------------------|--------------------|
|                    |                    | <b>Operating income</b>                 |      |                    |                    |
| 153 621 105        | 203 488 365        | Commissions                             |      | 397 358 611        | 266 496 022        |
| <u>4 026 029</u>   | <u>3 755 954</u>   | other revenue                           |      | <u>3 755 954</u>   | <u>4 026 029</u>   |
| <u>157 647 134</u> | <u>207 244 320</u> | Operating income                        | 1,2  | <u>401 114 565</u> | <u>270 522 051</u> |
|                    |                    | <b>Operating expenses</b>               |      |                    |                    |
| 130 372 313        | 172 516 696        | Salaries and other personnel expenses   | 3    | 292 201 973        | 208 321 985        |
| 378 565            | 404 374            | Depreciation                            | 4    | 933 953            | 870 717            |
| <u>11 961 208</u>  | <u>15 978 758</u>  | Other operating expenses                | 3    | <u>33 755 998</u>  | <u>22 323 932</u>  |
| <u>142 712 086</u> | <u>188 899 828</u> | Operating expenses                      |      | <u>326 891 924</u> | <u>231 516 634</u> |
| <u>14 935 048</u>  | <u>18 344 492</u>  | Operating result                        |      | <u>74 222 641</u>  | <u>39 005 418</u>  |
|                    |                    | <b>Financial income and cost</b>        |      |                    |                    |
| 17 334 195         | 38 215 681         | Income from subsidiaries, equity method | 5    | 0                  | 0                  |
| 1 112 299          | 1 428 196          | Income from associated companies        | 5    | 1 428 196          | 1 112 299          |
| 5 827 164          | 6 668 243          | Other financial income                  |      | 6 668 243          | 7 070 671          |
| <u>-110 863</u>    | <u>-18 381</u>     | Other financial expenses                |      | <u>-346 555</u>    | <u>-110 863</u>    |
| <u>24 162 795</u>  | <u>46 293 739</u>  | Net financial items                     | 1    | <u>7 749 884</u>   | <u>8 072 107</u>   |
| <u>39 097 844</u>  | <u>64 638 232</u>  | Operating result before tax             |      | <u>81 972 526</u>  | <u>47 077 524</u>  |
| <u>-4 558 011</u>  | <u>-5 998 252</u>  | Tax on ordinary result                  | 7    | <u>-14 406 042</u> | <u>-8 263 657</u>  |
| <u>34 539 833</u>  | <u>58 639 980</u>  | Annual net profit                       |      | <u>67 566 484</u>  | <u>38 813 867</u>  |
|                    |                    | <b>Brought forward</b>                  |      |                    |                    |
| 21 834 612         | -1 360 020         | To/from other equity                    | 8    |                    |                    |
| <u>12 705 221</u>  | <u>60 000 000</u>  | Dividend                                | 8    |                    |                    |
| <u>34 539 833</u>  | <u>58 639 980</u>  | Net brough forward                      |      |                    |                    |

**STEEM 1960**  
SHIPBROKERS

| PARENT COMPANY     |                    | BALANCE                             |       | GROUP              |                    |
|--------------------|--------------------|-------------------------------------|-------|--------------------|--------------------|
|                    |                    | All amounts in NOK                  |       |                    |                    |
| 2021               | 2022               | ASSETS                              | Note  | 2022               | 2021               |
|                    |                    | <b>Fixed assets</b>                 |       |                    |                    |
|                    |                    | <b>Intangible Assets</b>            |       |                    |                    |
| <u>921 918</u>     | <u>725 629</u>     | Deferred tax asset                  | 7     | <u>725 629</u>     | <u>921 918</u>     |
| <u>921 918</u>     | <u>725 629</u>     | Total intangible assets             |       | <u>725 629</u>     | <u>921 918</u>     |
|                    |                    | <b>Tangible fixed assets</b>        |       |                    |                    |
| <u>704 887</u>     | <u>881 342</u>     | Equipment and other movables        | 4     | <u>2 489 176</u>   | <u>2 174 949</u>   |
| <u>704 887</u>     | <u>881 342</u>     | Total tangible fixed assets         |       | <u>2 489 176</u>   | <u>2 174 949</u>   |
|                    |                    | <b>Financial fixed assets</b>       |       |                    |                    |
| 39 893 487         | 63 910 189         | Investments in subsidiaries         | 5     | 0                  | 0                  |
| 12 044 492         | 8 239 984          | Loan to group companies             | 13    | 0                  | 0                  |
| 470 891            | 649 087            | Investments in associated companies | 5     | 649 087            | 470 891            |
| <u>6 844 560</u>   | <u>6 844 560</u>   | Investments in shares               | 6     | <u>6 844 560</u>   | <u>6 844 560</u>   |
| <u>59 253 430</u>  | <u>79 643 819</u>  | Total financial fixed assets        |       | <u>7 493 647</u>   | <u>7 315 451</u>   |
| <u>60 880 234</u>  | <u>81 250 790</u>  | Total fixed assets                  |       | <u>10 708 452</u>  | <u>10 412 318</u>  |
|                    |                    | <b>Current assets</b>               |       |                    |                    |
|                    |                    | <b>Debtors</b>                      |       |                    |                    |
| 25 925 962         | 41 248 126         | Account receivables                 | 12,13 | 85 855 652         | 43 040 378         |
| 4 489 270          | 4 443 731          | Other receivables                   |       | 6 456 690          | 6 242 911          |
| <u>1 050 000</u>   | <u>1 250 000</u>   | Receivables associated companies    | 5     | <u>1 250 000</u>   | <u>1 050 000</u>   |
| <u>31 465 232</u>  | <u>46 941 856</u>  | Total debtors                       |       | <u>93 562 342</u>  | <u>50 333 288</u>  |
|                    |                    | <b>Cash and bank deposits</b>       |       |                    |                    |
| 97 096 803         | 92 052 928         | Bank deposits Norwegian kroner      |       | 92 052 928         | 97 096 803         |
| <u>35 597 565</u>  | <u>44 905 923</u>  | Bank deposit other currencies       |       | <u>158 837 976</u> | <u>109 026 605</u> |
| <u>132 694 368</u> | <u>136 958 851</u> | Total cash and bank deposits        | 1,11  | <u>250 890 904</u> | <u>206 123 408</u> |
| <u>164 159 600</u> | <u>183 900 707</u> | Total current assets                |       | <u>344 453 246</u> | <u>256 456 696</u> |
| <u>225 039 834</u> | <u>265 151 497</u> | TOTAL ASSETS                        |       | <u>355 161 698</u> | <u>266 869 014</u> |



# STEEM1960

SHIPBROKERS

PARENT COMPANY

GROUP

| 2021                       | 2022               | EQUITY AND LIABILITIES         | Note | 2022               | 2021               |
|----------------------------|--------------------|--------------------------------|------|--------------------|--------------------|
| <b>EQUITY</b>              |                    |                                |      |                    |                    |
| <b>Restricted equity</b>   |                    |                                |      |                    |                    |
| <u>1 200 000</u>           | <u>1 200 000</u>   | Share capital                  | 8,9  | <u>1 200 000</u>   | <u>1 200 000</u>   |
| <u>1 200 000</u>           | <u>1 200 000</u>   | Total paid-in capital          |      | <u>1 200 000</u>   | <u>1 200 000</u>   |
| <b>Retained earnings</b>   |                    |                                |      |                    |                    |
| 38 312 409                 | 61 627 624         | Fund for valuation differences |      |                    |                    |
| <u>74 909 663</u>          | <u>20 022 648</u>  | Retained earnings              |      | <u>87 599 360</u>  | <u>111 545 694</u> |
| <u>113 222 072</u>         | <u>81 650 272</u>  | Total retained earnings        | 8    | <u>87 599 360</u>  | <u>111 545 694</u> |
| <u>114 422 072</u>         | <u>82 850 272</u>  | Total equity                   |      | <u>88 799 360</u>  | <u>112 745 694</u> |
| <b>Current liabilities</b> |                    |                                |      |                    |                    |
| 5 029 215                  | 23 057 176         | Public duties payable          |      | 23 057 176         | 5 029 215          |
| 0                          | 0                  | Accrued fees                   | 3    | 0                  | 1 034 948          |
| 4 378 906                  | 5 801 963          | Tax payable                    | 7    | 14 470 975         | 8 197 001          |
| 12 705 221                 | 60 000 000         | Dividends                      | 8    | 60 000 000         | 12 705 221         |
| 2 473 873                  | 7 622 232          | Trade creditors                |      | 6 827 172          | 720 311            |
| <u>86 030 547</u>          | <u>85 819 853</u>  | Other short term liabilities   |      | <u>162 007 013</u> | <u>126 436 622</u> |
| <u>110 617 761</u>         | <u>182 301 225</u> | Total current liabilities      |      | <u>266 362 337</u> | <u>154 123 318</u> |
| <u>110 617 761</u>         | <u>182 301 225</u> | Total liabilities              |      | <u>266 362 337</u> | <u>154 123 318</u> |
| <u>225 039 834</u>         | <u>265 151 497</u> | Total equity and liabilities   |      | <u>355 161 698</u> | <u>266 869 014</u> |

Oslo

The board Steem1960 Shipbrokers AS

13/3-23  
S. Botolf Sundby  
CEO

Rolf Olsen  
Chairman  
Olav Vikøren  
Boardmember

Eirik Maanum  
Boardmember



**STEEM 1960**  
SHIPBROKERS

| Parent company                        | Financial statement 2022 |                    |
|---------------------------------------|--------------------------|--------------------|
| Cash Flow Statement                   | 2022                     | 2021               |
| <b>Cash flow operations</b>           |                          |                    |
| Profit before tax                     | 64 638 232               | 39 097 844         |
| Paid taxes                            | -4 378 906               | -5 482 915         |
| Depreciation                          | 404 374                  | 378 565            |
| Changes accounts receivables          | -15 322 164              | -6 196 244         |
| Changes accounts payable              | 5 148 359                | 1 251 433          |
| Changes in other timelimited accounts | 19 394 733               | -11 430 980        |
| <b>Net Cash flow operations</b>       | <b>69 884 628</b>        | <b>17 617 703</b>  |
| <b>Cash flow investments</b>          |                          |                    |
| Net changes in fixed assets           | 580 829                  | -16 799            |
| Net changes in financial assets       | -18 495 753              | 3 787 062          |
| <b>Net Cash flow investments</b>      | <b>-17 914 924</b>       | <b>3 770 263</b>   |
| <b>Cash flow financials</b>           |                          |                    |
| Paid out dividend                     | -47 705 221              | -37 963 638        |
| <b>Net Cash flow financials</b>       | <b>-47 705 221</b>       | <b>-37 963 638</b> |
| <b>Net total changes Cash flow</b>    | <b>4 264 483</b>         | <b>-16 575 672</b> |
| Cash and bankdeposits 1.1             | <b>132 694 368</b>       | 149 270 039        |
| <b>Cash and bankdeposits 31.12</b>    | <b>136 958 851</b>       | 132 694 368        |



STEEM 1960  
SHIPBROKERS

| Group                                  | Financial Statement 2022 |                    |
|----------------------------------------|--------------------------|--------------------|
| Cash Flow Statement                    | 2022                     | 2021               |
| <b>Cash flow operations</b>            |                          |                    |
| Profit before tax                      | 81 972 526               | 47 077 524         |
| Paid taxes                             | -8 197 001               | -10 350 814        |
| Depreciation                           | 933 953                  | 870 717            |
| Changes accounts receivables           | -42 815 274              | -6 417 114         |
| Changes accounts payable               | 6 106 861                | -2 145 301         |
| Changes in other time limited accounts | 53 401 668               | -6 767 882         |
| <b>Net Cash flow operations</b>        | <b>91 402 733</b>        | <b>22 267 130</b>  |
| <b>Cash flow investments</b>           |                          |                    |
| Net changes in fixed assets            | 1 248 180                | 140 929            |
| Net changes financial assets           | -178 196                 | -6 776 859         |
| <b>Net Cash flow investments</b>       | <b>1 069 984</b>         | <b>-6 635 930</b>  |
| <b>Cash flow financials</b>            |                          |                    |
| Paid out dividend                      | -47 705 221              | -36 627 539        |
| <b>Net Cash flow financials</b>        | <b>-47 705 221</b>       | <b>-36 627 539</b> |
| <b>Net changes total cash flow</b>     | <b>44 767 496</b>        | <b>-20 996 339</b> |
| Cash and bankdeposits 1.1.             | 206 123 408              | 227 119 747        |
| <b>Cash and bankdeposits 31.12</b>     | <b>250 890 904</b>       | <b>206 123 408</b> |



## Parent Company and Group statements

### Notes to Financial Statement 2022

#### Note 1 - Corporate information and significant accounting policies

The Steem1960 Group consists of Steem1960 Shipbrokers AS, the parent company domiciled in Norway, the two fully-owned subsidiaries, Steem1960 Singapore Pte Ltd and Steem1960 Houston LLC. The group's business is shipbroking within the segment Gas, CPP, Chemicals and S&P.

The Financial Statement for Steem1960 Shipbrokers AS, the parent company, consists of profit and loss statement, balance sheet, cash flow statement and notes. The financial statement for the year ended 31 December 2022 has been prepared on historical cost basis and according to the requirements of the Norwegian Accounting Act. The subsidiaries have been valued according to equity method of accounting.

The consolidated financial statement for the year ended 31 December 2022 has been prepared on a historical cost basis and according to the Norwegian Accounting Act. The consolidated financial statement is presented in Norwegian Kroner (NOK) The consolidated financial statement consists of profit and loss statement, balance sheet, cash flow statement, and notes. All intercompany transactions, balances, income, and expenses have been eliminated. Consistent accounting policies are applied throughout the group.

#### **Subsidiaries**

Subsidiaries and affiliates have been valued according to the equity method in the parent company's accounts.

The consolidated accounts use the equity method for subsidiaries and affiliates. The share of the result is based on the result after tax in that company in which it has invested, less internal gains and any depreciation of excess value due to the cost of the shares being higher than the acquired share of capitalized equity. In the profit and loss statement, the earnings share is shown under financial items. If the group loss ratio exceeds investment in an affiliated or subsidiary company, the group's carrying amount is reduced to zero and further losses are not recognized in the profit and loss statement unless the Group has a commitment to cover this loss.

In Singapore they have from 01.01.2019 implemented IFRS 16 lease contract. Our office in Singapore has calculated the changes and implemented the principle in their Financial Statement. Before entering the subsidiaries according to the equity method in the mother company, the Singapore Financial Statement has been recalculated so the accounting principles are equal and according to Norwegian principles. The consolidated accounts also use the recalculated Statement.

In accordance with generally accepted accounting principles using the equity method, all reported positive earnings in subsidiaries are transferred from accrued other equity to Fund for valuation differences.

#### **Revenue and expense recognition**

The group's main revenue is from shipbroking commissions. Shipbroking commission is recognised at completion of a vessels voyage/at completion of agreed stages of a newbuilding process. The commission income is recognised when the underlying services are completed and acknowledged.

Income is generally recognized in the income statement when earned. Expenses are compared with and expensed at the same time as the income the expenses can be attributed to. Expenses that cannot be directly attributed to income are expensed as incurred.

#### **Fixed assets**

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment write-downs. Ordinary depreciation is calculated over the economic life of the assets based on historical cost.

#### **Foreign currency**

The Steem1960 Shipbroker AS financial statement and the Group financial statement have Norwegian Kroner as reporting currency. For the parent company all transactions in foreign currencies are recorded using the exchange rate at the transaction date. At balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the balance sheet date. Gains and losses arising on the retranslation are included in the income statement. Both subsidiaries have USD as reporting currency, so on consolidation the assets and liabilities are translated into NOK at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average rates for the period. Exchange differences arising are recognised in the booked value of the subsidiary and transferred from accrued other equity to Fund for valuation differences.

#### **Foreign exchange risk**

Shipbroking commissions are mainly earned in USD. The Parent company has majority of its expenses in NOK. The company exposed to foreign exchange fluctuations. To reduce the exposure the company uses derivative financial instruments, such as forward foreign exchange contracts. Gains or losses are recognized in the income statement. In 2022 the company sold USD 20 810 000 at an average exchange rate of USD/NOK = 9,3922



At balance sheet date the company has sold USD 3 800 000 for future exchange in 2023.

#### Receivables

Trade and receivables are recognized at fair value at the date of transaction, less provision for impairment.

#### Pension

The parent company has a hybrid contribution based pension plan for all employees in Norway. The subsidiaries have arrangements in accordance with local practice and regulations.

#### Taxation

Deferred tax is calculated according to Norwegian accounting standards for incometax.

Deferred tax is calculated with 22% of temporary differences at balance sheet date.

Current tax is calculated with 22 % of the net taxable income.

#### Related parties

All subsidiaries and affiliated companies and all stockholders, are recognized as related parties. All intercompany transactions are according to fair value and according to the group's Transfer pricing document.

#### Cashflow statement

Cash flow statement for the parent company and the group are calculated using the indirect method.

Cash and cash equivalents include cash and bank deposits.

#### Changes in use of principles

There have been no changes in use of principles in Norway nor US.

#### Note 2 - Operating income - Geographically distribution

|                                                        | Commission<br>income | Other<br>income | Total       |
|--------------------------------------------------------|----------------------|-----------------|-------------|
| Parentcompany Norway<br>Income                         | 203 488 365          | 3 755 954       | 207 244 320 |
| Group<br>Income                                        | 397 358 611          | 3 755 954       | 401 114 565 |
| Geographically distributed between the group<br>Income | Norway               | Singapore       | USA         |
|                                                        | 207 244 320          | 149 655 784     | 44 214 462  |

#### Note 3 - Payroll expenses

| Parent company                        | 2022               | 2021               |
|---------------------------------------|--------------------|--------------------|
| Salary                                | 139 409 108        | 106 681 975        |
| Employer tax                          | 23 205 423         | 15 928 863         |
| Pension cost                          | 5 311 487          | 4 890 583          |
| Other benefits                        | 4 590 678          | 2 870 892          |
|                                       | <u>172 516 696</u> | <u>130 372 313</u> |
| Number of employees                   | 51                 | 49                 |
| Group                                 | 2022               | 2021               |
| Salary                                | 249 698 415        | 175 106 629        |
| Employer tax                          | 27 266 736         | 19 404 169         |
| Pension cost                          | 9 076 934          | 8 217 637          |
| Other benefits                        | 6 159 885          | 5 593 552          |
|                                       | <u>292 201 973</u> | <u>208 321 985</u> |
| Number of employees                   | 87                 | 83                 |
| Remuneration                          | CEO                | Board of directors |
| Remuneration                          |                    | 420 000            |
| Salary                                | 3 145 609          |                    |
| Individual pension and insurance cost | 18 489             |                    |
| Other individual income to CEO        | -                  |                    |
|                                       | <u>3 164 098</u>   | <u>420 000</u>     |

Stem1960 Shipbrokers AS has a SPS Directors & Officers liability insurance drawn up with Zurich Insurance. This insurance covers the Board and the Directors of the mother company only. The insurance covers Special Excess Protection for Non-executive Directors, Environmental Defence costs, Claims and company crisis Loss.



## Audit

### Parent company

Remuneration to audit for the Financial year 2022 is a total of NOK 200 644 which is mandatory audit by law, All amounts are exclusive of VAT.

### Group

Remuneration to audit for the Financial year 2022 for the entire group is NOK 349130,96, whereas NOK 248 434 is mandatory audit and NOK 100 697 for other services. All amounts are exclusive of VAT.

### Pension cost and pension liabilities

The parent company holds a hybrid pension plan for all employees. This plan is not obliged to be capitalized according to NGAAP. The pension plan is according to the Mandatory Occupational Pension Act.

Total deposits for 2022 are NOK 5 311 487.

In Our Houston office there is a 401K pension plan set up. Total deposit for 2022 are USD 22 024,50.

### Note 4 - Tangible fixed assets

| Parent company                    | Equipment  | Software  | Inventory | Offices   | Total     |
|-----------------------------------|------------|-----------|-----------|-----------|-----------|
| Acquisition cost 01.01            | 2 297 916  | 1 783 449 | 704 121   | 3 534 145 | 8 319 631 |
| Additions during the year         | 88 029     |           |           | 492 800   |           |
| Disposals during the year         | -1 237 813 |           |           | -935 073  |           |
| Acquisitions cost 31.12           | 1 148 132  | 1 783 449 | 704 121   | 3 091 872 | 6 727 574 |
| Accumulated ordinary depreciation | 1 053 443  | 1 783 449 | 704 121   | 2 305 219 | 5 846 232 |
| Book value 31.12                  | 94 689     | -         | -         | 786 653   | 881 343   |
| Depreciation during the year      | 48 455     |           |           | 355 919   | 404 374   |
| Depreciation plan                 | Linear     | Linear    | Linear    | Linear    |           |
| Depreciation rate                 | 3 years    | 5 years   | 5 years   | 10 years  |           |

The company has a tenancy agreement in Vika Atrium for 10 years. Starting in 2013. All cost in setting up the office was capitalized and depreciated over the 10 year period.

The company has renegotiated the tenancy agreement for a further 7 years until end april 2030.

The actual tenancy agreement is not capitalized, yearly rent is NOK 5 793 184

| Group                             | Equipment and Software | Inventory | Offices   | Total      |
|-----------------------------------|------------------------|-----------|-----------|------------|
| Acquisition cost 01.01            | 7 482 852              | 3 362 377 | 3 534 145 | 14 379 374 |
| Additions during the year         | 180 313                | 386 110   | 492 800   | 1 059 223  |
| Disposals during the year         | -1 237 813             | -         | -935 073  | -2 172 886 |
| Acquisitions cost 31.12           | 6 425 352              | 3 748 487 | 3 091 872 | 13 265 711 |
| Accumulated ordinary depreciation | 6 173 741              | 2 492 836 | 2 109 957 | 10 776 534 |
| Book value 31.12                  | 251 611                | 1 255 651 | 981 915   | 2 489 177  |
| Depreciation during the year      | 139 464                | 54 676    | 739 811   | 933 953    |
| Depreciation plan                 | Linear                 | Linear    | Linear    |            |
| Depreciation rate                 | 3 years                | 5 years   | 10 years  |            |



## Note 5 - Investments in subsidiaries and affiliated companies

| Parent company                        | Steem1960          |            | Steem1960        |           |
|---------------------------------------|--------------------|------------|------------------|-----------|
| Subsidiaries:                         | Singapore Pte Ltd  |            | Houston LLC      |           |
| Office                                | Singapore          |            | Houston, USA     |           |
| Ownership                             | 100 %              |            | 100 %            |           |
| Acquisition cost                      | 4 483 030          |            | 4 395 895        |           |
| Profit/loss                           | USD 3 897 781      | 37 514 194 | USD 1 000 260    | 9 627 002 |
| Result of investments in subsidiaries | <u>37 514 194</u>  |            | <u>9 627 082</u> |           |
| Value on balances sheet               |                    |            |                  |           |
| Value 01.01                           | 39 583 487         |            | 310 000          |           |
| This years result                     | 37 514 194         |            | 701 487          |           |
| Currency variances                    | 4 788 221          |            | -                |           |
| received dividend                     | <u>-18 987 200</u> |            | <u>-</u>         |           |
| Value 31.12                           | <u>62 898 702</u>  |            | <u>1 011 487</u> |           |

Acquisition cost for Steem1960 Houston LLC is written down with NOK 4 085 895. The impairment loss is partly reversed with NOK 701 487, the impairment loss will be reversed in total when the company can show a positiv equity.

| Affiliated company                          | Steensland        |
|---------------------------------------------|-------------------|
| Office                                      | Containerships AS |
| Ownership                                   | Oslo              |
| Acquisition cost                            | 50 %              |
| Profit/loss                                 | 165 000           |
|                                             | 2 856 391         |
| Result of investments in affiliated company | <u>1 428 196</u>  |
| Value on balances sheet                     |                   |
| Value 01.01                                 | 470 891           |
| This years result                           | 1 428 196         |
| received dividend                           | <u>-1 250 000</u> |
| Value 31.12                                 | <u>649 086</u>    |

## Note 6 - Investments in stocks

| Financial tangible assets      | Acquisition cost | Booked value     | Market value | dividend |
|--------------------------------|------------------|------------------|--------------|----------|
| Fix Investments AS             | 6 714 560        | 6 714 560        |              |          |
| Other stocks                   | 130 000          | 130 000          | -            | -        |
| Investments in other companies | <u>6 844 560</u> | <u>6 844 560</u> | -            | -        |

The company Fix Investments AS was a startup in 2021, and is in January 2022 registered and activ. Steem1960 Shipbrokers AS share of company will be 23,55 %. The company is not consolidated.



## Note 7 - Taxes

### Parent company

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| Tax payable                      | 2022              | 2021              |
| Profit before tax                | 64 638 232        | 39 097 844        |
| Permanent differences            | -38 080 938       | -18 379 609       |
| Changes in temporary differences | -184 733          | -814 115          |
| Basis for tax payable            | <u>26 372 561</u> | <u>19 904 121</u> |

Tax payable 22 %/ 23 % 5 801 963 4 378 907

|                         |                  |                  |
|-------------------------|------------------|------------------|
| Tax on ordinary result  |                  |                  |
| Tax payable             | 5 801 963        | 4 378 907        |
| Changes in deferred tax | 196 289          | 179 105          |
| Total tax expenses      | <u>5 998 252</u> | <u>4 558 012</u> |

### Specification of temporary differences

|                                     | 2022              | 2021              | Changes         |
|-------------------------------------|-------------------|-------------------|-----------------|
| Tangible fixed assets               | -32 733           | -173 116          |                 |
| Receivables                         | 81 324            | 36 975            |                 |
| Other temporary differences         | -                 | -                 |                 |
|                                     | <u>48 591</u>     | <u>-136 141</u>   | <u>-184 732</u> |
| Dividend booked as income           | 37 500            | 31 500            |                 |
| Shares outside the exemption method | -3 384 408        | -4 085 895        |                 |
| Total tax reductable differences    | <u>-3 298 317</u> | <u>-4 190 536</u> | <u>892 219</u>  |
| Deferred tax 22 %                   | <u>-725 630</u>   | <u>-921 918</u>   | <u>-196 288</u> |

### Group

Tax calculation for 2022 in Singapore is calculated as follows:

|                                      | USD              |
|--------------------------------------|------------------|
| Profit before taxation               | 4 707 834        |
| Add Non-deductible expenses          |                  |
| Other non deductible                 | 259 176          |
| Less Non-taxable income              |                  |
| Partial tax exemption and tax relief | -74 324          |
| Taxable income                       | <u>4 892 687</u> |
| Tax thereon 17 %                     | 831 757          |
| Under provision in prior year        | -16 568          |
| Taxation                             | <u>815 189</u>   |

Tax calculation for 2022 in Houston is calculated as follows:

|                            | USD             |
|----------------------------|-----------------|
| Profit before tax          | 1 047 954       |
| Permanent differences      | 35 240          |
| Temporary differences      | <u>-29 229</u>  |
| Annualized                 | 1 053 965       |
| NOL to be utilized in 2022 | <u>-826 852</u> |
| Taxable income after NOL   | 227 113         |
| Federal income tax 21 %    | <u>47 694</u>   |

Steem1960 Houston LLC has paid Property tax and Franchise tax to Texas a total of USD 10 698.

|                                  |                   |                  |
|----------------------------------|-------------------|------------------|
| Tax expenses Group:              | 2022              | 2021             |
| Tax payable on net income        | <u>14 470 975</u> | <u>8 197 001</u> |
| Taxes payable on ordinary result | 14 470 975        | 8 197 001        |
| Changes in deferred taxes        | -64 933           | 66 656           |
| Tax on ordinary profit           | <u>14 406 042</u> | <u>8 263 657</u> |

Notes to Financial Statement Steem1960



## Note 8 - Equity capital

### Parent company

|                       | Share capital    | Other E.Q         | Revaluation       | Total             |
|-----------------------|------------------|-------------------|-------------------|-------------------|
| Equity capital 01.01. | 1 200 000        | 74 909 663        | 38 312 409        | 114 422 072       |
| Other EQ changes      |                  | -37 514 195       | 42 302 415        | 4 788 220         |
| Received dividend     |                  | 18 987 200        | -18 987 200       | -                 |
| Additional dividend   |                  | -35 000 000       |                   | -35 000 000       |
| Allocated dividend    |                  | -60 000 000       |                   | -60 000 000       |
| Net income            |                  | 58 639 980        |                   | 58 639 980        |
| Equity capital 31.12. | <b>1 200 000</b> | <b>20 022 648</b> | <b>61 627 624</b> | <b>82 850 272</b> |

### Group

|                                      | Share capital    | Other E.Q         | Revaluation | Total             |
|--------------------------------------|------------------|-------------------|-------------|-------------------|
| Equity capital 01.01.                | 1 200 000        | 111 545 694       | -           | 112 745 694       |
| This year's change in equity capital |                  | -35 000 000       |             | -35 000 000       |
| Conversion difference                |                  | 3 487 182         |             | 3 487 182         |
| Allocated dividend                   |                  | -60 000 000       |             | -60 000 000       |
| Net income                           |                  | 67 566 484        |             | 67 566 484        |
| Equity capital 31.12.                | <b>1 200 000</b> | <b>87 599 360</b> | <b>-</b>    | <b>88 799 360</b> |

## Note 9 - Share capital and shareholders

### Shareholder information

| Ownership structure<br>Shareholders per. 31.12.22 were: | Total           |                  |              |               |
|---------------------------------------------------------|-----------------|------------------|--------------|---------------|
|                                                         | Ordinary shares | Share capital    | Ownership    | Voting rights |
| Steenslandfondet                                        | 38 822          | 155 288          | 12,94 %      | 12,94 %       |
| Svend Botolf Sundby                                     | 18 000          | 72 000           | 6,00 %       | 6,00 %        |
| Carsten Nordklev                                        | 18 000          | 72 000           | 6,00 %       | 6,00 %        |
| Eirik Maanum                                            | 18 000          | 72 000           | 6,00 %       | 6,00 %        |
| Christian Abel Engh                                     | 18 000          | 72 000           | 6,00 %       | 6,00 %        |
| Christian Rognaldsen                                    | 18 000          | 72 000           | 6,00 %       | 6,00 %        |
| Martin Rønningen                                        | 18 000          | 72 000           | 6,00 %       | 6,00 %        |
| Axel B. Storm                                           | 11 915          | 47 660           | 3,97 %       | 3,97 %        |
| Jørgen Tvedt                                            | 11 915          | 47 660           | 3,97 %       | 3,97 %        |
| Marius Chul Lie                                         | 11 117          | 44 468           | 3,71 %       | 3,71 %        |
| Morten Andersen                                         | 10 411          | 41 644           | 3,47 %       | 3,47 %        |
| Rasmus O. Schmidt                                       | 10 411          | 41 644           | 3,47 %       | 3,47 %        |
| Tormod Brækhus                                          | 10 411          | 41 644           | 3,47 %       | 3,47 %        |
| Pål A. Bjørnstad                                        | 10 411          | 41 644           | 3,47 %       | 3,47 %        |
| Anders Lindstøl                                         | 9 617           | 38 468           | 3,21 %       | 3,21 %        |
| Christian Gleditsch                                     | 7 415           | 29 660           | 2,47 %       | 2,47 %        |
| Frode Fuhr                                              | 7 411           | 29 644           | 2,47 %       | 2,47 %        |
| Thomas Hoel                                             | 7 411           | 29 644           | 2,47 %       | 2,47 %        |
| Arne Petter Christiansen                                | 5 911           | 23 644           | 1,97 %       | 1,97 %        |
| Martin Lorenz                                           | 5 250           | 21 000           | 1,75 %       | 1,75 %        |
| Herman Forfang                                          | 4 500           | 18 000           | 1,50 %       | 1,50 %        |
| Aksel Qvist                                             | 4 411           | 17 644           | 1,47 %       | 1,47 %        |
| Jesper Gundersen                                        | 4 411           | 17 644           | 1,47 %       | 1,47 %        |
| Lim Yu Jin                                              | 3 750           | 15 000           | 1,25 %       | 1,25 %        |
| Henrik Ruus                                             | 3 000           | 12 000           | 1,00 %       | 1,00 %        |
| Jawahar Coelho                                          | 3 000           | 12 000           | 1,00 %       | 1,00 %        |
| Christopher Yeo Kar Jun                                 | 3 000           | 12 000           | 1,00 %       | 1,00 %        |
| Ilya Izmaylov                                           | 3 000           | 12 000           | 1,00 %       | 1,00 %        |
| Kristoffer Slangsvold                                   | 1 500           | 6 000            | 0,50 %       | 0,50 %        |
| Martin Engelsen Hals                                    | 1 500           | 6 000            | 0,50 %       | 0,50 %        |
| Ole Kristian Aarnes                                     | 1 500           | 6 000            | 0,50 %       | 0,50 %        |
| Sum                                                     | <b>300 000</b>  | <b>1 200 000</b> | <b>100 %</b> | <b>100 %</b>  |

| Name             | Office | No. of ordinary shares |
|------------------|--------|------------------------|
| S. Botolf Sundby | CEO    | 18 000                 |



## Note 10 - Mortgages and guarantees

| Capitalized debt secured by mortgage etc. | 2022                    | 2021                    |
|-------------------------------------------|-------------------------|-------------------------|
| Rent guarantee Olav Thon Eiendom          | <u>3 000 000</u>        | <u>3 000 000</u>        |
| Debt to credit institutions (cash credit) |                         |                         |
| <b>Total</b>                              | <u><b>3 000 000</b></u> | <u><b>3 000 000</b></u> |

## Carrying value of assets pledged as security for mortgage debt.

The parent company no longer has an overdraft agreement with the bank, therefore security for mortgage debt is no longer necessary.

## Note 11 - Restricted bank deposits

|                             | 2022              | 2021             |
|-----------------------------|-------------------|------------------|
| <b>Parent company</b>       |                   |                  |
| Restricted tax withholdings | <u>15 919 487</u> | <u>2 309 690</u> |
| <b>Group</b>                |                   |                  |
| Restricted tax withholdings | <u>15 919 487</u> | <u>2 309 690</u> |

## Note 12 - Accounts receivable

|                       | 2022              | 2021              |
|-----------------------|-------------------|-------------------|
| <b>Parent company</b> |                   |                   |
| Accounts receivable   | <u>41 248 126</u> | <u>25 925 962</u> |
| <b>Group</b>          |                   |                   |
| Accounts receivable   | <u>85 855 652</u> | <u>43 040 378</u> |

## Note 13 - Receivables group companies

|                                          | 2022              | 2021              |
|------------------------------------------|-------------------|-------------------|
| <b>Subsidiary</b>                        |                   |                   |
| Receivables Steem1960 Singapore Pte Ltd. | 5 913 469         | 1 316 774         |
| Receivables Steem1960 Houston LLC        | <u>11 273 561</u> | <u>12 688 108</u> |
|                                          | <u>17 187 030</u> | <u>14 004 882</u> |

Receivables and interest against subsidiaries in Singapore and Houston are eliminated in the consolidated financial statements.



Skatteetaten

|                               |                               |                                                    |
|-------------------------------|-------------------------------|----------------------------------------------------|
| Vår dato<br>01.10.2018        | Din dato<br>16.08.2018        | Saksbehandler<br>Jeanette Munkvold<br>Skovholt     |
| 800 80 000<br>Skatteetaten.no | Din referanse<br>Tonje Wekre  | Telefon<br>90076012                                |
| Org.nr<br>996250318           | Vår referanse<br>2018/1008221 | Postadresse<br>Postboks 9200 Grønland<br>0134 Oslo |

STEEM1960 SHIPBROKERS AS  
Postboks 1717 Vika  
0111 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Steem1960 Shipbrokers AS, org.nr. 959 652 511

Vi viser til deres brev av 16. august 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Steem1960 Shipbrokers AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Steem1960 Shipbrokers AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

### Bakgrunn

Fra søknaden gjengis:

*Steem1960 Shipbrokers AS er mor i et mindre konsern over tre land; Oslo, Singapore og Houston. Konsernet har i all hovedsak utenlandske kunder og samarbeidspartnere. Mor-selskapet Steem1960 Shipbrokers AS, leverer årsregnskap for konsernet til Brønnøysund. Fra 2017 fikk Steem1960 Shipbrokers AS 5 utenlandske aksjonærer i tillegg til sine norske.*

*I dagens samfunn hvor det er større krav til selskapsinformasjon og samsvarserklæringer overfor både store og små selskaper i Norge og ellers i verden, ser vi behovet for å ha all vår informasjon på engelsk.*

Selskapets vedtektsfestede formål er skipsfart, skipsmeglervirksomhet og hva som dermed står i forbindelse, samt assuranceagentur, og opererer således i en internasjonal bransje hvor engelsk normalt er arbeidsspråket.

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk.



Departementet kan ved forskrift eller ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet har utenlandske aksjonærer, og datterselskaper i Singapore og Houston. Virksomheten er utpreget internasjonal og arbeidsspråket i bransjen er engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



**STEEM1960 SINGAPORE PTE. LTD.  
(Incorporated in Singapore)**

**Company registration number: 199705529G**

**AUDITED FINANCIAL STATEMENTS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**AUDNEST ASSURANCE**



STEEM1960 SINGAPORE PTE. LTD.

## TABLE OF CONTENTS

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### AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR EDNED 31 DECEMBER 2022

| <u>CONTENTS</u>                   | <u>PAGE NO.</u> |
|-----------------------------------|-----------------|
| Directors' Statement              | 1 - 2           |
| Independent Auditor's Report      | 3 - 5           |
| Statement of Financial Position   | 6               |
| Statement of Comprehensive Income | 7               |
| Statement of Changes in Equity    | 8               |
| Statement of Cash Flows           | 9               |
| Notes to the Financial Statements | 10 - 36         |



STEEM1960 SINGAPORE PTE. LTD.

## DIRECTORS' STATEMENT

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The Directors of STEEM1960 SINGAPORE PTE. LTD. presents their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2022.

### 1. Opinion of Directors

In the opinion of the Directors,

- (a) the accompanying financial statements of the Company together with the notes thereon, are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### 2. Directors

The Directors of the Company in office at the date of this statement are:

Dag Audun Rommen  
Svend Botolf Sundby  
Chua Chor Kiang  
Gleditsch Christian

### 3. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### 4. Directors' interests in shares and debenture

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations.



STEEM1960 SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

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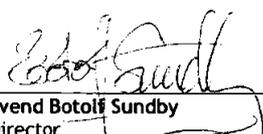
5. Share options

There were no share options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option as at the end of the financial year.

On behalf of the Board of Directors

  
Svend Botolf Sundby  
Director

  
Gleditsch Christian  
Director

Singapore  
Date, 27 FEB 2023



## AUDNEST ASSURANCE

CHARTERED ACCOUNTANTS SINGAPORE

(Registration No. T15PF0007K)

105 Cecil Street

The Octagon, #22-00(Suite 2225)

Singapore 069534

Tel : (+65) 6221 6448

E-mail: info@audnest.com.sg

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF STEEM1960 SINGAPORE PTE. LTD.

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#### REPORT ON THE FINANCIAL STATEMENTS

##### Opinion

We have audited the financial statements of **Steem1960 Singapore Pte. Ltd.** (the Company), which comprise the statement of financial position of the Company as at 31 December 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on page 1 to 2.

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

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

##### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provision of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.



AUDNEST  
ASSURANCE

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
STEENM1960 SINGAPORE PTE. LTD.**

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**Responsibilities of Management and Those Charged with Governance for the Financial Statements  
(Continued)**

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



AUDNEST  
ASSURANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
STEENM1960 SINGAPORE PTE. LTD.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

AUDNEST ASSURANCE  
Public Accountants and  
Chartered Accountants

Singapore  
Date, 27 FEB 2023



STEEM1960 SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

|                                     | Note | 2022<br>US\$      | 2021<br>US\$     |
|-------------------------------------|------|-------------------|------------------|
| <b>ASSETS</b>                       |      |                   |                  |
| <b>Non-current assets</b>           |      |                   |                  |
| Plant and equipment                 | 4    | 121,931           | 163,352          |
| Right-of-use assets                 | 5    | 661,738           | 1,015,659        |
|                                     |      | <u>783,669</u>    | <u>1,179,011</u> |
| <b>Current assets</b>               |      |                   |                  |
| Trade and other receivables         | 6    | 3,978,209         | 1,882,832        |
| Contract assets                     |      | -                 | 57,361           |
| Prepaid operating expenses          |      | 146,788           | 113,561          |
| Cash and cash equivalents           | 7    | 9,107,782         | 6,551,714        |
|                                     |      | <u>13,232,779</u> | <u>8,605,468</u> |
| <b>Total assets</b>                 |      | <u>14,016,448</u> | <u>9,784,479</u> |
| <b>EQUITY AND LIABILITIES</b>       |      |                   |                  |
| <b>Equity</b>                       |      |                   |                  |
| Share capital                       | 8    | 187,750           | 187,750          |
| Unappropriated profit               |      | 6,176,585         | 4,283,940        |
| <b>Total equity</b>                 |      | <u>6,364,335</u>  | <u>4,471,690</u> |
| <b>Non-current liabilities</b>      |      |                   |                  |
| Lease liabilities                   | 9    | 392,237           | 674,190          |
| <b>Current liabilities</b>          |      |                   |                  |
| Trade and other payables            | 10   | 518,897           | 299,807          |
| Accrued operating expenses          |      | 5,623,130         | 3,435,600        |
| Contract liabilities                |      | -                 | 117,349          |
| Lease liabilities                   | 9    | 286,092           | 352,923          |
| Provision for taxation              | 11   | 831,757           | 432,920          |
|                                     |      | <u>7,259,876</u>  | <u>4,638,599</u> |
| <b>Total liabilities</b>            |      | <u>7,652,113</u>  | <u>5,312,789</u> |
| <b>Total equity and liabilities</b> |      | <u>14,016,448</u> | <u>9,784,479</u> |

*The accompanying notes form an integral part of these financial statements.*



STEEM1960 SINGAPORE PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

|                                                                                      | Note | 2022<br>US\$     | 2021<br>US\$     |
|--------------------------------------------------------------------------------------|------|------------------|------------------|
| <b>REVENUE</b>                                                                       |      |                  |                  |
| Commission income                                                                    | 12   | 15,549,461       | 10,269,620       |
| <b>ADD: Other items of income</b>                                                    |      |                  |                  |
| Interest income                                                                      |      | -                | 44               |
| Government grants                                                                    |      | 10,865           | 117,963          |
| Recovery of trade receivables impaired                                               |      | -                | 13,750           |
| Reversal of lease liabilities                                                        |      | -                | 5,085            |
| Miscellaneous income                                                                 |      | -                | 7,811            |
| <b>LESS: Other items of expense</b>                                                  |      |                  |                  |
| Distribution costs                                                                   |      | (51,771)         | (8,632)          |
| Administrative expense                                                               |      | (9,291,978)      | (6,926,258)      |
| Other expenses                                                                       |      | (1,487,672)      | (1,044,880)      |
| Finance costs                                                                        |      |                  |                  |
| - Interest expenses on lease liabilities                                             |      | (21,071)         | (17,418)         |
|                                                                                      |      | (10,852,492)     | (7,997,188)      |
| Profit before taxation                                                               | 13   | 4,707,834        | 2,417,085        |
| Taxation                                                                             | 14   | (815,189)        | (406,173)        |
| <b>Net profit for the year, representing total comprehensive income for the year</b> |      | <b>3,892,645</b> | <b>2,010,912</b> |

*The accompanying notes form an integral part of these financial statements.*



STEEM1960 SINGAPORE PTE. LTD.

STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

|                                                                                  | Note | Share<br>capital<br>US\$ | Unappropriated<br>profit<br>US\$ | Total<br>equity<br>US\$ |
|----------------------------------------------------------------------------------|------|--------------------------|----------------------------------|-------------------------|
| Balance as at 1 January 2021                                                     |      | 187,750                  | 5,273,028                        | 5,460,778               |
| Net profit for the year, representing total<br>comprehensive income for the year |      | -                        | 2,010,912                        | 2,010,912               |
| Dividend paid                                                                    | 15   | -                        | (3,000,000)                      | (3,000,000)             |
| Balance as at 31 December 2021                                                   |      | <u>187,750</u>           | <u>4,283,940</u>                 | <u>4,471,690</u>        |
| Net profit for the year, representing total<br>comprehensive income for the year |      | -                        | 3,892,645                        | 3,892,645               |
| Dividend paid                                                                    | 15   | -                        | (2,000,000)                      | (2,000,000)             |
| Balance as at 31 December 2022                                                   |      | <u>187,750</u>           | <u>6,176,585</u>                 | <u>6,364,335</u>        |

*The accompanying notes form an integral part of these financial statements.*



STEEM1960 SINGAPORE PTE. LTD.

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

|                                                               | Note | 2022<br>US\$ | 2021<br>US\$ |
|---------------------------------------------------------------|------|--------------|--------------|
| <b>Cash flow from operating activities</b>                    |      |              |              |
| Profit before taxation                                        |      | 4,707,834    | 2,417,085    |
| Adjustments for:                                              |      |              |              |
| Allowance for / (Reversal of) impairment on trade receivables |      | 19,861       | (56,565)     |
| Trade receivables impaired                                    |      | -            | 5,688        |
| Depreciation of plant and equipment                           |      | 49,728       | 55,215       |
| Depreciation of right-of-use asset                            |      | 353,921      | 361,778      |
| Lease liabilities interest expenses                           |      | 21,071       | 17,418       |
| Reversal of lease liabilities                                 |      | -            | (5,085)      |
| Interest income                                               |      | -            | (44)         |
| Operating cash flows before working capital changes           |      | 5,152,415    | 2,795,490    |
| Working capital changes:                                      |      |              |              |
| Trade and other receivables                                   |      | (2,157,996)  | (138,157)    |
| Prepaid operating expenses                                    |      | (33,227)     | 6,549        |
| Trade and other payables                                      |      | 219,090      | (139,502)    |
| Accrued operating expenses                                    |      | 2,187,530    | (181,595)    |
| Contract assets                                               |      | 57,361       | (57,361)     |
| Contract liabilities                                          |      | (117,349)    | 117,349      |
|                                                               |      | 155,409      | (392,717)    |
| Cash generated from operations                                |      | 5,307,824    | 2,402,773    |
| Income tax paid                                               |      | (416,352)    | (543,759)    |
| Net cash generated from operating activities                  |      | 4,891,472    | 1,859,014    |
| <b>Cash flow from investing activities</b>                    |      |              |              |
| Purchase of plant and equipment                               |      | (8,307)      | (4,391)      |
| Net cash used in investing activities                         |      | (8,307)      | (4,391)      |
| <b>Cash flow from financing activities</b>                    |      |              |              |
| Interest received                                             |      | -            | 44           |
| Dividend paid                                                 |      | (2,000,000)  | (3,000,000)  |
| Repayment from the immediate holding corporation              |      | 42,758       | 79,597       |
| Repayment of obligations under leases                         |      | (369,855)    | (374,292)    |
| Net cash used in financing activities                         |      | (2,327,097)  | (3,294,651)  |
| Net change in cash and cash equivalents                       |      | 2,556,068    | (1,440,028)  |
| Cash and cash equivalents as at 1 January                     |      | 6,551,714    | 7,991,742    |
| Cash and cash equivalents as at 31 December                   | 6    | 9,107,782    | 6,551,714    |

*The accompanying notes form an integral part of these financial statements.*



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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These notes form an integral part of and should be read in conjunction with the audited financial statements.

### 1. General corporate information

Steen1960 Singapore Pte. Ltd. (the "Company") is a private limited liability company, incorporated and domiciled in Singapore with its registered office is at 531 Upper Cross Street, #03-15, Hong Lim Complex, Singapore 050531 and principal place of business is at 4 Robinson Road #09-01 The House of Eden Singapore 048543. The registration number of the Company is 199705529G.

The principal activity of the Company is that of ship broking.

The immediate and ultimate holding corporation is STEEM1960 SHIPBROKERS AS, a company incorporated in Norway.

The financial statements of the Company for the financial year ended 31 December 2022 were authorized for issue on the date of the Directors' Statement.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation of financial statements

The audited financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards ("FRS"). The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The Company's financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The financial statements are presented in United States of America Dollar (US\$), which is the Company's functional currency.

During the financial year, the Company adopted the new or revised FRSs that are relevant to its operations and effective for the current financial year. The adoption of the new or revised FRS did not result in any substantial changes to the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial year.

#### *Standards issued but not yet effective*

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.2 Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

#### 2.3 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

An item of plant and equipment is derecognised upon disposed or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the financial year when the asset is derecognised.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful life as follows:



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.3 Plant and equipment (Continued)

|                        | Years |
|------------------------|-------|
| Computers              | 3     |
| Furniture and fittings | 5     |
| Office equipment       | 5     |
| Renovation             | 2     |
| Signage                | 3     |

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Asset held under finance lease is depreciated over its expected useful lives on the same basis as owned asset or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

#### 2.4 Financial assets

The Company recognises a financial asset in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

The Company classifies its financial assets into one of the categories below, depending on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Company shall reclassify its affected financial assets when and only when the Company changes its business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

##### Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS 109 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.4 Financial assets (Continued)

##### Amortised cost (Continued)

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

##### Financial assets at fair value through other comprehensive income ("FVOCI")

The Company has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those equity investments, the Company has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

##### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with banks and financial institutions. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash on hand and which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and on hand.

#### 2.6 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or other financial liabilities.

Financial liabilities are classified as at FVTPL of the financial liabilities is either held for trading, including derivatives not designated and effective as a hedging instruments, or it is designated as such upon initial recognition. The Company has not designated any financial liabilities as FVTPL upon initial recognition.

The accounting policies adopted for other financial liabilities are set out below.

##### (i) Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Company, and are subsequently measured at amortised cost using the effective interest method.

##### *Recognition and derecognition*

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### 2.7 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event which is probable and will result in an outflow of resources embodying economic benefits that will require to be settled the obligation and the amount the obligation of can be reliably estimated.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.7 Provisions (Continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### 2.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Company classifies ordinary share as equity instrument.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

#### 2.9 Share capital

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

#### 2.10 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Company expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. All of the Company's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

Commission income from ship brokerage is recognized at the point when the voyage has completed and the ship owner has the right to collect the freight charges for the shipment from the charterer. Performance obligations are satisfied when the controls of products (i.e. risk of obsolescence and loss of shipment) are transferred to the charterer.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.11 Leases

##### *As lessee*

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

##### Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

The Company presents the right-of-use assets (excluding those which meet the definition of investment property) and lease liabilities separately from other assets and other liabilities in the consolidated statement of financial position.

##### Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.11 Leases (Continued)

##### Subsequent measurement (Continued)

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.2 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities [and variable lease payments not included in the measurement of the lease liabilities] are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Company revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Company has elected to account for the entire contract as a lease. The Company does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.12 Employee benefits

##### *Defined contribution plans*

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution plan. Contributions to defined contribution plans are recognized as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

##### *Employee leave entitlement*

Employee entitlements to annual leave are recognized when they accrue to employees. An accrual is made for the estimated undiscounted liability for recognized annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the reporting year.

#### 2.13 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is recognized at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Current income taxes are recognized in profit or loss, except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.13 Income tax (Continued)

##### Deferred tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset recognized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

##### Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### 2.14 Foreign currency transactions

In preparing the financial statements, transactions in currencies other than the Company's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are recognized in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are recognized in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

#### 2.15 Dividend payments

Equity dividends are recognized when they become legally payable. Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders at the Annual General Meeting.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 2. Summary of significant accounting policies (Continued)

#### 2.16 Offsetting financial instruments

Certain financial assets and liabilities offset each other and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle them on a net basis, or realize the asset and settle the liability simultaneously.

#### 2.17 Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognized as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

### 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS requires the management to exercise judgement in the process of applying the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on the management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

#### 3.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognized in the financial statements except as discussed below.

##### Loss allowance for impairment of trade and other receivables

Management determines the expected loss arising from default for trade receivables and contract assets, by recognize them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customer. A loss allowance amounted to US\$52,740 was recognized as at 31 December 2022.

Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.



STEEM1960 SINGAPORE PTE. LTD.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**3. Critical accounting judgements and key sources of estimation uncertainty (Continued)**

**3.2 Key sources of estimation uncertainty**

There were no significant key assumptions concerning the future, nor other key sources of estimation uncertainty at the year-end that would have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as discussed below except as discussed below.

**Depreciation of plant and equipment**

The Company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual value reflects management's estimated amount that the Company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

The carrying amounts of the Company's plant and equipment at 31 December 2022 were US\$121,931 (2021: US\$163,352) respectively (Note 4).

**4. Plant and equipment**

|                                 | Computer<br>US\$ | Furniture<br>and fittings<br>US\$ | Office<br>equipment<br>US\$ | Renovation<br>US\$ | Signage<br>US\$ | Total<br>US\$ |
|---------------------------------|------------------|-----------------------------------|-----------------------------|--------------------|-----------------|---------------|
| <b>Cost</b>                     |                  |                                   |                             |                    |                 |               |
| Balance at 1.1.2021             | 273,383          | 62,489                            | 36,359                      | 199,438            | 707             | 572,376       |
| Additions                       | 3,931            | 460                               | -                           | -                  | -               | 4,391         |
| Disposal                        | -                | -                                 | -                           | -                  | -               | -             |
| Balance at 31.12.2021           | 277,314          | 62,949                            | 36,359                      | 199,438            | 707             | 576,767       |
| Additions                       | 7,342            | 579                               | 386                         | -                  | -               | 8,307         |
| Written off                     | -                | -                                 | -                           | -                  | -               | -             |
| Balance at 31.12.2022           | 284,656          | 63,528                            | 36,745                      | 199,438            | 707             | 585,074       |
| <b>Accumulated depreciation</b> |                  |                                   |                             |                    |                 |               |
| Balance at 1.1.2021             | 249,945          | 61,873                            | 35,703                      | 9,972              | 707             | 358,200       |
| Depreciation for the year       | 14,489           | 183                               | 656                         | 39,887             | -               | 55,215        |
| Written off                     | -                | -                                 | -                           | -                  | -               | -             |
| Balance at 31.12.2021           | 264,434          | 62,056                            | 36,359                      | 49,859             | 707             | 413,415       |
| Depreciation for the year       | 9,455            | 308                               | 77                          | 39,888             | -               | 49,728        |
| Written off                     | -                | -                                 | -                           | -                  | -               | -             |
| Balance at 31.12.2022           | 273,889          | 62,364                            | 36,436                      | 89,747             | 707             | 463,143       |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. Plant and equipment (Continued)

|                            | Computer<br>US\$ | Furniture<br>and fittings<br>US\$ | Office<br>equipment<br>US\$ | Renovation<br>US\$ | Signage<br>US\$ | Total<br>US\$ |
|----------------------------|------------------|-----------------------------------|-----------------------------|--------------------|-----------------|---------------|
| <b>Net carrying amount</b> |                  |                                   |                             |                    |                 |               |
| Balance at 31.12. 2022     | 10,767           | 1,164                             | 309                         | 109,691            | -               | 121,931       |
| Balance at 31.12. 2021     | 12,880           | 893                               | -                           | 149,579            | -               | 163,352       |

5. Right-of-use assets

|                                 | Office premise<br>and staff<br>accommodation<br>US\$ |
|---------------------------------|------------------------------------------------------|
| <b>Cost</b>                     |                                                      |
| Balance at 1.1.2021             | 1,514,390                                            |
| Addition during the year        | 244,504                                              |
| Disposal                        | (221,596)                                            |
| Balance at 31.12.2021           | 1,537,298                                            |
| Addition during the year        | -                                                    |
| Written off                     | -                                                    |
| Balance at 31.12.2022           | 1,537,298                                            |
| <b>Accumulated depreciation</b> |                                                      |
| Balance at 1.1.2021             | 381,458                                              |
| Depreciation for the year       | 361,778                                              |
| Disposal                        | (221,597)                                            |
| Balance at 31.12.2021           | 521,639                                              |
| Depreciation for the year       | 353,921                                              |
| Written off                     | -                                                    |
| Balance at 31.12.2022           | 875,560                                              |
| <b>Net carrying amount</b>      |                                                      |
| Balance at 31.12. 2022          | 661,738                                              |
| Balance at 31.12. 2021          | 1,015,659                                            |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. Trade and other receivables

|                                                             | 2022<br>US\$     | 2021<br>US\$     |
|-------------------------------------------------------------|------------------|------------------|
| Trade receivables                                           | 3,776,798        | 1,684,328        |
| Less: Allowance on impairment                               | (52,740)         | (32,879)         |
| Total trade receivables                                     | <u>3,724,058</u> | <u>1,651,449</u> |
| Non-trade receivable from the immediate holding corporation | 98,815           | 141,573          |
| Deposit                                                     | 104,625          | 81,734           |
| GST receivables                                             | 11,210           | 8,076            |
| Other receivables                                           | 39,501           | -                |
| Total other receivables                                     | <u>254,151</u>   | <u>231,383</u>   |
| Total trade and other receivables                           | <u>3,978,209</u> | <u>1,882,832</u> |

The average credit period on commission income is 14 days (2021: 14 days). No interest is charged on outstanding trade receivables.

Non-trade receivable from the immediate holding corporation are unsecured, non-interest bearing and has no fixed term of repayment. The balances are expected to be settling by cash.

At 31 December 2022, the lifetime expected loss provision for Company's trade receivables are as follows:

| As at 31 December 2022 | Not past due<br>US\$ | Past due 1 -<br>90 days<br>US\$ | More than<br>90 days<br>US\$ | Total<br>US\$    |
|------------------------|----------------------|---------------------------------|------------------------------|------------------|
| Expected loss rate     | 0%                   | 0%                              | 0%                           |                  |
| Gross carrying amount  | 1,472,109            | 1,861,088                       | 443,601                      | 3,776,798        |
| Loss allowance         | -                    | -                               | (52,740)                     | (52,740)         |
| Gross carrying amount  | <u>1,472,109</u>     | <u>1,861,088</u>                | <u>390,861</u>               | <u>3,724,058</u> |
| As at 31 December 2021 | Not past due<br>US\$ | Past due 1 -<br>90 days<br>US\$ | More than<br>90 days<br>US\$ | Total<br>US\$    |
| Expected loss rate     | 0%                   | 0%                              | 0%                           |                  |
| Gross carrying amount  | 803,138              | 738,441                         | 142,749                      | 1,684,328        |
| Loss allowance         | -                    | -                               | (32,879)                     | (32,879)         |
| Gross carrying amount  | <u>803,138</u>       | <u>738,441</u>                  | <u>109,870</u>               | <u>1,651,449</u> |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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6. Trade and other receivables (Continued)

Movements in the loss allowance for impairment of trade receivables are as follows:

|                               | 2022          | 2021          |
|-------------------------------|---------------|---------------|
|                               | US\$          | US\$          |
| Balance as at 1 January       | 32,879        | 89,444        |
| Add: Addition during the year | 42,177        | 32,879        |
| Less: Reversal of allowance   | (22,316)      | (89,444)      |
| Balance as at 31 December     | <u>52,740</u> | <u>32,879</u> |

As at 31 December 2022, trade receivables of US\$52,740 (2021: US\$32,879) were past due and fully impaired. The receivables fully impaired as at the end of financial year relate the customers that do not have any indication of making any repayment to the Company.

Based on historical experiences, the Company believes that no additional loss allowance for impairment is necessary in respect of trade receivables still outstanding as at year end date. These receivables are mainly arising by customers that have a good record with the company.

Trade and other receivables are denominated in following currencies at the date of the statement of financial position:

|                                  | 2022             | 2021             |
|----------------------------------|------------------|------------------|
|                                  | US\$             | US\$             |
| Denominated in:                  |                  |                  |
| Singapore dollars                | 155,336          | 89,810           |
| United States of America dollars | <u>3,822,873</u> | <u>1,793,022</u> |
|                                  | <u>3,978,209</u> | <u>1,882,832</u> |

7. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprised the following amounts:

|                           | 2022             | 2021             |
|---------------------------|------------------|------------------|
|                           | US\$             | US\$             |
| Cash at bank              | 9,106,332        | 6,550,264        |
| Cash on hand              | <u>1,450</u>     | <u>1,450</u>     |
| Cash and cash equivalents | <u>9,107,782</u> | <u>6,551,714</u> |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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**7. Cash and cash equivalents (Continued)**

Cash and cash equivalents are denominated in following currencies at the date of the statement of financial position:

|                                  | 2022<br>US\$     | 2021<br>US\$     |
|----------------------------------|------------------|------------------|
| Denominated in:                  |                  |                  |
| Singapore dollars                | 85,575           | 59,713           |
| United States of America dollars | 9,008,485        | 6,477,429        |
| Euro                             | 13,722           | 14,572           |
|                                  | <u>9,107,782</u> | <u>6,551,714</u> |

**8. Share capital**

|                                                               | 2022<br>US\$   | 2021<br>US\$   |
|---------------------------------------------------------------|----------------|----------------|
| Issued and fully paid 250,000 (2021: 250,000) ordinary shares | <u>187,750</u> | <u>187,750</u> |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

**9. Lease liabilities**

|                     | 2022<br>US\$   | 2021<br>US\$     |
|---------------------|----------------|------------------|
| At 1 January 2022   | 1,027,113      | 1,144,568        |
| Additions           | -              | 244,504          |
| Reversal            | -              | (5,085)          |
| Interest expense    | 21,071         | 17,418           |
| Lease payments:     |                |                  |
| - Principal portion | (348,784)      | (356,874)        |
| - Interest portion  | (21,071)       | (17,418)         |
| At 31 December 2022 | <u>678,329</u> | <u>1,027,113</u> |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**9. Lease liabilities (Continued)**

The maturity analysis of lease liabilities of the Company at each reporting date are as follows:

|                                              | 2022<br>US\$   | 2021<br>US\$     |
|----------------------------------------------|----------------|------------------|
| <b>Contractual undiscounted cash flows</b>   |                |                  |
| - Within one financial year                  | 302,836        | 373,994          |
| - Between two and five financial years       | 401,766        | 700,463          |
| - After 5 years                              | -              | -                |
|                                              | <u>704,602</u> | <u>1,074,457</u> |
| Less: Future interest expense                | (26,273)       | (47,344)         |
| Present value of lease liabilities           | <u>678,329</u> | <u>1,027,113</u> |
| <br>                                         |                |                  |
| Presented in statement of financial position |                |                  |
| - Within one financial year                  | 286,092        | 352,923          |
| - Between two and five financial years       | 392,237        | 674,190          |
|                                              | <u>678,329</u> | <u>1,027,113</u> |

The Company leases a number of properties (i.e. office remises and staff accommodations) in Singapore. It is customary for lease contract to provide payment to increase each year by inflation, to be reset periodically to market rental rates or fixed payments.

Certain IT equipment of the Company are qualified for low value assets. The election of the low-value lease exemption is made on lease-by-lease basis.

The Company had total cash outflows for leases of US\$369,855 (2021: US\$374,292).

Lease liabilities are denominated in Singapore dollars at the date of the statement of financial position.

**10. Trade and other payables**

|                                                    | 2022<br>US\$   | 2021<br>US\$   |
|----------------------------------------------------|----------------|----------------|
| Trade payables                                     | 7,244          | 8,930          |
| Trade payable to the immediate holding corporation | 429,478        | 290,877        |
| Total trade payables                               | <u>436,722</u> | <u>299,807</u> |
| <br>                                               |                |                |
| Advance receipt from customers                     | 82,175         | -              |
| Total other payables                               | <u>82,175</u>  | <u>-</u>       |
| Total trade and other payables                     | <u>518,897</u> | <u>299,807</u> |

The average credit period granted by suppliers ranged from 30 to 60 days (2021: 30 to 60 days). No interest is charged on the outstanding balances.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. Trade and other payables (Continued)

Trade and other payables are denominated in following currencies at the date of the statement of financial position:

| Denominated in:                  | 2022<br>US\$   | 2021<br>US\$   |
|----------------------------------|----------------|----------------|
| Singapore dollars                | 4,033          | 8,930          |
| United States of America dollars | 514,864        | 286,334        |
| Euro                             | -              | 4,543          |
|                                  | <u>518,897</u> | <u>299,807</u> |

The following table details the Company's financial liabilities which are subject to offsetting and similar agreements.

|                                                    | Gross amounts<br>of recognised<br>financial<br>liabilities<br>US\$ | Gross amounts<br>of recognised<br>financial assets<br>set off in the<br>statement of<br>financial<br>position<br>US\$ | Net amounts of<br>financial<br>liabilities<br>presented in<br>the statement<br>of financial<br>position<br>US\$ |
|----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>As at 31 December 2022</b>                      |                                                                    |                                                                                                                       |                                                                                                                 |
| Trade payable to the immediate holding corporation | <u>599,908</u>                                                     | <u>(170,430)</u>                                                                                                      | <u>429,478</u>                                                                                                  |
| <b>As at 31 December 2021</b>                      |                                                                    |                                                                                                                       |                                                                                                                 |
| Trade payable to the immediate holding corporation | <u>404,189</u>                                                     | <u>(113,312)</u>                                                                                                      | <u>290,877</u>                                                                                                  |

11. Provision for taxation

|                             | 2022<br>US\$   | 2021<br>US\$   |
|-----------------------------|----------------|----------------|
| Balance as at 1 January     | 432,920        | 570,506        |
| Provision for the year      | 831,757        | 432,920        |
| Payment during the year     | (416,352)      | (543,759)      |
| Overprovision in prior year | (16,568)       | (26,747)       |
| Balance as at 31 December   | <u>831,757</u> | <u>432,920</u> |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Revenue

Revenue relates to the commission income derived by the Company and is presented as followed:

|                                                                         | 2022<br>US\$      | 2021<br>US\$      |
|-------------------------------------------------------------------------|-------------------|-------------------|
| <b>Revenue from contract with customers within the scope of FRS 115</b> |                   |                   |
| Commission income for the year                                          | 15,655,589        | 10,306,067        |
| Less: Commission expense on co-brokering                                | (106,128)         | (36,447)          |
| Net commission income for the year                                      | <u>15,549,461</u> | <u>10,269,620</u> |

**Timing of revenue recognition**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| - At a point in time | <u>15,549,461</u> | <u>10,269,620</u> |
|----------------------|-------------------|-------------------|

**Contract assets and contract liabilities**

|                               | 2022<br>US\$ | 2021<br>S\$   |
|-------------------------------|--------------|---------------|
| <b><u>Contract assets</u></b> |              |               |
| Commission income             | -            | 57,361        |
|                               | <u>-</u>     | <u>57,361</u> |

**Contract liabilities**

|                   |          |                |
|-------------------|----------|----------------|
| Commission income | -        | 117,349        |
|                   | <u>-</u> | <u>117,349</u> |

Significant changes in contract assets and contract liabilities

|                                                                       | <b><u>Contract assets</u></b> |               | <b><u>Contract liabilities</u></b> |                |
|-----------------------------------------------------------------------|-------------------------------|---------------|------------------------------------|----------------|
|                                                                       | 2022<br>US\$                  | 2021<br>US\$  | 2022<br>US\$                       | 2021<br>US\$   |
| Balance as at 1 January                                               | 57,361                        | -             | 117,349                            | -              |
| Transfers to trade receivables                                        | (57,361)                      | -             | -                                  | -              |
| Amount recognised as revenue                                          | -                             | -             | (117,349)                          | -              |
| Excess of revenue recognised over cash (or rights to cash)            | -                             | 57,361        | -                                  | -              |
| Cash received in advance of performance and not recognised as revenue | -                             | -             | -                                  | 117,349        |
| Balance as at 31 December                                             | <u>-</u>                      | <u>57,361</u> | <u>-</u>                           | <u>117,349</u> |

The contract assets and contract liabilities arise from commission income mainly due to the cumulative payments received from customers at end of financial year do not necessarily equal to the amount of revenue recognised on the contracts.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**13. Profit before taxation**

Profit before tax has been arrived at charging / (crediting):

|                                                               | 2022<br>US\$ | 2021<br>US\$ |
|---------------------------------------------------------------|--------------|--------------|
| Include in Distribution costs:                                |              |              |
| Advertisements                                                | 570          | 1,714        |
| Overseas business travelling expenses                         | 51,201       | 6,918        |
| Include in Administrative expenses:                           |              |              |
| Telecommunication expenses                                    | 64,622       | 54,101       |
| Employee benefits expense:                                    |              |              |
| - Staff salaries and bonuses                                  | 8,394,522    | 6,102,246    |
| - Employer's CPF and other contributions                      | 312,992      | 300,884      |
| - Staffs' benefits                                            | 107,376      | 73,723       |
| - Staffs' insurance                                           | 369,211      | 351,017      |
|                                                               | 9,184,101    | 6,827,870    |
|                                                               | 2022<br>US\$ | 2021<br>US\$ |
| Include in Other expenses:                                    |              |              |
| Depreciation of plant and equipment                           | 49,728       | 55,215       |
| Depreciation of right-of-use asset                            | 353,921      | 361,778      |
| Allowance for / (Reversal of) impairment on trade receivables | 19,861       | (56,565)     |
| Lease liabilities interest expenses                           | 21,071       | 17,418       |
| Trade receivables impaired                                    | -            | 5,688        |
| Entertainment expense                                         | 364,348      | 141,943      |
| Exchange loss                                                 | 45,012       | 26,158       |
| Professional fee expense                                      | 29,373       | 36,725       |

There is no key management personnel compensation in the above employee benefits expense.

**14. Taxation**

|                                   | 2022<br>US\$ | 2021<br>US\$ |
|-----------------------------------|--------------|--------------|
| Current financial year income tax | 831,757      | 432,920      |
| Overprovision in prior year       | (16,568)     | (26,747)     |
|                                   | 815,189      | 406,173      |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. Taxation (Continued)

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

|                                                                       | 2022<br>US\$ | 2021<br>US\$ |
|-----------------------------------------------------------------------|--------------|--------------|
| Profit before taxation                                                | 4,707,834    | 2,417,085    |
| Income tax calculated at Singapore's statutory income tax rate of 17% | 800,332      | 410,904      |
| Tax effect of non-taxable income                                      | -            | (15,674)     |
| Tax effect of non-deductible expenses for income tax purposes         | 44,060       | 46,195       |
| Effect of tax exemption and tax relief                                | (12,635)     | (12,968)     |
| Overprovision in prior year                                           | (16,568)     | (26,747)     |
| Others                                                                | -            | 4,463        |
|                                                                       | 815,189      | 406,173      |

15. Dividend paid

During the financial year ended 31 December 2022, the Company declared and paid a final one-tier tax exempt dividend of US\$8 per ordinary share of the Company totaling US\$2,000,000 in respect of the financial year ended 31 December 2021.

The directors proposed an one-tier tax exempt final dividend of US\$14 per ordinary share of the Company totaling US\$3,500,000. This dividend has not been provided for in the financial statements and is subjected to shareholders' approval at the AGM.

16. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Company and its related parties during the financial year:

|                                               | 2022<br>US\$ | 2021<br>US\$ |
|-----------------------------------------------|--------------|--------------|
| <b>With the immediate holding corporation</b> |              |              |
| Commission income                             | 170,832      | 113,312      |
| Commission expense on co-brokering            | (84,529)     | (36,447)     |
| Share of research cost                        | (431,814)    | (297,606)    |
| Computer expenses                             | (74,177)     | (70,136)     |
| Entertainment expenses                        | (9,388)      | -            |
| Payment of expenses on behalf for             | (98,815)     | (141,573)    |



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. Significant related party transactions (Continued)

|                                                                           | 2022            | 2021            |
|---------------------------------------------------------------------------|-----------------|-----------------|
|                                                                           | US\$            | US\$            |
| <b>With companies who have common director with significant influence</b> |                 |                 |
| Accounting fee expenses                                                   | (50,818)        | (45,764)        |
| Professional fee expenses                                                 | <u>(24,365)</u> | <u>(24,842)</u> |
| <b>Compensation of key management personal</b>                            |                 |                 |
| Employee benefits expense:                                                |                 |                 |
| - Salaries and bonuses                                                    | (695,172)       | (968,080)       |
| - Director's benefit-in-kind                                              | (56,574)        | (41,462)        |
| - Staff accommodation paid under lease liability                          | <u>(83,528)</u> | <u>(85,843)</u> |

17. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Market risk

(i) Foreign exchange risk management

As at the year end, the Company has certain foreign currency exposures on its other receivables and cash at bank balance which are unhedged. However, the Company reviews periodically that its net exposure is kept at an acceptable level.

The Company's exposure to foreign currency risk primarily relates to operation expenses that are mainly denominated in Singapore dollars.



STEEM1960 SINGAPORE PTE. LTD.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**17. Financial risk management (Continued)**

**a) Market risk (Continued)**

**(i) Foreign exchange risk management (Continued)**

The company is exposed to the following foreign currencies:

|                                                            | Euro<br>US\$ | S\$<br>US\$ | Total<br>US\$ |
|------------------------------------------------------------|--------------|-------------|---------------|
| <b>As at 31 December 2022</b>                              |              |             |               |
| Trade and other receivables                                | -            | 155,336     | 155,336       |
| Cash and cash equivalent                                   | 13,722       | 85,575      | 99,297        |
| Lease liabilities                                          | -            | (678,329)   | (678,329)     |
| Trade and other payables                                   | -            | (4,033)     | (4,033)       |
| Net financial assets / (liabilities)                       | 13,722       | (441,451)   | (427,729)     |
| Currency exposure                                          | 13,722       | (441,451)   | (427,729)     |
| Effect of 1% change in United States of America dollars on |              |             |               |
| - Profit before taxation                                   | 137          | (4,414)     | (4,277)       |
| - Equity                                                   | -            | -           | -             |
| <b>As at 31 December 2021</b>                              |              |             |               |
| Trade and other receivables                                | -            | 89,810      | 89,810        |
| Cash and cash equivalent                                   | 14,572       | 59,713      | 74,285        |
| Lease liabilities                                          | -            | (1,027,113) | (1,027,113)   |
| Trade and other payables                                   | (4,543)      | (8,930)     | (13,473)      |
| Net financial assets / (liabilities)                       | 10,029       | (886,520)   | (876,491)     |
| Currency exposure                                          | 10,029       | (886,520)   | (876,491)     |
| Effect of 1% change in United States of America dollars on |              |             |               |
| - Profit before taxation                                   | 100          | (8,865)     | (8,765)       |
| - Equity                                                   | -            | -           | -             |

The above analysis assumes all other variables are held constant.

**(ii) Interest risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rate.

The Company is not exposed to any significant interest rate risk as it does not have any interest bearing financial asset and financial liability.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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### 17. Financial risk management (Continued)

#### b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company performs on-going credit evaluation of its counterparties' financial condition and generally does not require a collateral.

As at 31 December 2022, the Company has significant concentration of credit exposure on its bank deposit. However, the Company placed its cash with credit worthy financial institutions.

Concentration of trade receivables by the Company's 3 major customers form approximately 16% (2021: 17%) of the total trade receivables.

The maximum exposure to credit risk is represented by the carrying amount of financial assets which are mainly trade receivables and bank balances.

#### *Financial assets that are neither past due nor impaired*

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record or that the recoverability is not in doubt. Bank deposits, are mainly transacted with banks of high credit ratings assigned by international credit rating agencies.

#### *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due and/or impaired is disclosed in note 5.

#### c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as and when they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the financial assets and liabilities.

The Company reviews its working capital requirement on a regular basis to assess the adequacy of cash and bank balances to finance its operations.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 17. Financial risk management (Continued)

#### c) Liquidity risk (Continued)

| As at 31 December 2022               | Less than 1<br>year<br>US\$ | Between 2<br>and 5 years<br>US\$ | Over 5<br>years<br>US\$ | Total<br>US\$ |
|--------------------------------------|-----------------------------|----------------------------------|-------------------------|---------------|
| Trade and other receivables*         | 3,966,999                   | -                                | -                       | 3,966,999     |
| Cash and cash equivalents            | 9,107,782                   | -                                | -                       | 9,107,782     |
| Trade and other payables             | (518,897)                   | -                                | -                       | (518,897)     |
| Lease liabilities                    | (302,836)                   | (401,766)                        | -                       | (704,602)     |
| Net undiscounted financial<br>assets | 12,253,048                  | (401,766)                        | -                       | 11,851,282    |

| As at 31 December 2021               | Less than 1<br>year<br>US\$ | Between 2<br>and 5 years<br>US\$ | Over 5<br>years<br>US\$ | Total<br>US\$ |
|--------------------------------------|-----------------------------|----------------------------------|-------------------------|---------------|
| Trade and other receivables*         | 1,874,756                   | -                                | -                       | 1,874,756     |
| Cash and cash equivalents            | 6,551,714                   | -                                | -                       | 6,551,714     |
| Trade and other payables             | (299,807)                   | -                                | -                       | (299,807)     |
| Lease liabilities                    | (373,994)                   | (700,463)                        | -                       | (1,074,457)   |
| Net undiscounted financial<br>assets | 7,752,669                   | (700,463)                        | -                       | 7,052,206     |

\* Trade and other receivables exclude GST receivables.

### 18. Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

#### *Fair value hierarchy*

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and



STEEM1960 SINGAPORE PTE. LTD.

## NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 18. Fair value of financial assets and financial liabilities (Continued)

#### *Fair value hierarchy (Continued)*

- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### *Fair value of financial instruments that are not carried at fair value*

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

#### *Fair value of financial instruments carried at fair value*

The Company has no financial assets and financial liabilities carried at fair value as at 31 December 2022.

### 19. Financial instruments by category

As at the year end, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

|                                                         | 2022<br>US\$      | 2021<br>US\$     |
|---------------------------------------------------------|-------------------|------------------|
| <b>Financial assets measured at amortised cost</b>      |                   |                  |
| Trade and other receivables*                            | 3,966,999         | 1,874,756        |
| Cash and cash equivalents                               | 9,107,782         | 6,551,714        |
| Total financial assets measured at amortised cost       | <u>13,074,781</u> | <u>8,426,470</u> |
|                                                         | 2022<br>S\$       | 2021<br>S\$      |
| <b>Financial liabilities measured at amortised cost</b> |                   |                  |
| Trade and other payables                                | 518,897           | 299,807          |
| Lease liabilities                                       | 678,329           | 1,027,113        |
| Total financial liabilities measured at amortised cost  | <u>1,197,226</u>  | <u>1,326,920</u> |

\* Trade and other receivables exclude GST receivables.

### 20. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maximize returns to shareholders and other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The directors regularly review and monitor its capital position to ensure that the business activities and growth are prudently funded. The Company seeks to maintain a positive net current asset position and capital surplus position.



STEEM1960 SINGAPORE PTE. LTD.

NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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20. Capital risk management (Continued)

|                     | 2022<br>US\$     | 2021<br>US\$     |
|---------------------|------------------|------------------|
| Current assets      | 13,232,779       | 8,605,468        |
| Current liabilities | (7,259,876)      | (4,638,599)      |
| Net current assets  | <u>5,972,903</u> | <u>3,966,869</u> |
| Total assets        | 14,016,448       | 9,784,479        |
| Total liabilities   | (7,652,113)      | (5,312,789)      |
| Capital surplus     | <u>6,364,335</u> | <u>4,471,690</u> |

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to its shareholders, return capital to its shareholders, issue new shares or sell assets to reduce debt.

There are no changes on the Company's objectives, policies or processes relating to the management of the Company's capital structure during the financial period.

The Company is not subject to any externally imposed capital management requirement and is not in breach of any debts covenant made with its lenders.



THIS SCHEDULE HAS BEEN PREPARED FOR MANAGEMENT PURPOSE ONLY  
AND DOES NOT FORM PART OF AUDITED FINANCIAL STATEMENTS



STEEM1960 SINGAPORE PTE. LTD.

**DETAILED INCOME STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

|                                          | 2022<br>US\$ | 2021<br>US\$ |
|------------------------------------------|--------------|--------------|
| <b>REVENUE</b>                           |              |              |
| Commission income                        | 15,655,589   | 10,306,067   |
| Less: Commission expense on co-brokering | (106,128)    | (36,447)     |
|                                          | 15,549,461   | 10,269,620   |
| <b>ADD: Other items of income</b>        |              |              |
| Interest income                          | -            | 44           |
| Government grants                        | 10,865       | 117,963      |
| Recovery of trade receivables impaired   | -            | 13,750       |
| Reversal of lease liabilities            | -            | 5,085        |
| Miscellaneous income                     | -            | 7,811        |
|                                          | 10,865       | 144,653      |
| <b>LESS: Other items of expenses</b>     |              |              |
| <b>Distribution costs</b>                |              |              |
| Advertisement expenses                   | (570)        | (1,714)      |
| Overseas business travelling expenses    | (51,201)     | (6,918)      |
|                                          | (51,771)     | (8,632)      |
| <b>Administrative expenses</b>           |              |              |
| Staff salaries and bonuses               | (7,699,350)  | (5,134,166)  |
| Employer's CPF and other contributions   | (312,992)    | (300,884)    |
| Director's remuneration                  |              |              |
| - Director's salaries and bonuses        | (695,172)    | (968,080)    |
| - Director's benefit-in-kind             | (56,574)     | (41,462)     |
| Skill development levy                   | (2,732)      | (2,863)      |
| Bank charges                             | (11,199)     | (12,850)     |
| Insurance expense                        | (1,101)      | (952)        |
| Office maintenance                       | (13,243)     | (16,028)     |
| Postage and courier                      | (614)        | (1,678)      |
| Printing and stationery                  | (5,695)      | (5,835)      |
| Leave passage                            | (5,229)      | (4,081)      |
| Staffs' benefits                         | (50,802)     | (32,261)     |
| Staffs' insurance                        | (369,211)    | (351,017)    |
| Telecommunication expenses               | (64,622)     | (54,101)     |
| Property tax                             | (3,442)      | -            |
|                                          | (9,291,978)  | (6,926,258)  |



STEEM1960 SINGAPORE PTE. LTD.

**DETAILED INCOME STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

|                                                               | 2022<br>US\$     | 2021<br>US\$     |
|---------------------------------------------------------------|------------------|------------------|
| <b>Other expenses</b>                                         |                  |                  |
| Accounting fee expenses                                       | (50,818)         | (45,764)         |
| (Allowance for) / Reversal of impairment on trade receivables | (19,861)         | 56,565           |
| Computer expenses                                             | (67,237)         | (63,067)         |
| Depreciation of plant and equipment                           | (49,728)         | (55,215)         |
| Depreciation of right-of-use asset                            | (353,921)        | (361,778)        |
| Entertainment expenses                                        | (364,348)        | (141,943)        |
| Exchange loss                                                 | (45,012)         | (26,158)         |
| General expenses                                              | (23,860)         | (20,276)         |
| Professional fees expenses                                    | (29,373)         | (36,725)         |
| Share of research cost from the holding company               | (431,814)        | (297,607)        |
| Subscription fee                                              | (43,784)         | (39,410)         |
| Trade receivables impaired                                    | -                | (5,688)          |
| Tax return preparation fee                                    | (810)            | (2,029)          |
| Utilities                                                     | (7,106)          | (5,785)          |
|                                                               | (1,487,672)      | (1,044,880)      |
| <b>Finance costs</b>                                          |                  |                  |
| Interest expenses on lease liabilities                        | (21,071)         | (17,418)         |
|                                                               | (21,071)         | (17,418)         |
| <b>Profit before taxation</b>                                 | <b>4,707,834</b> | <b>2,417,085</b> |



**STEEM 1960**  
SHIPBROKERS

FINANCIAL STATEMENT 2022

Profit and Loss

|                               | notes | 2022             | 2021             |
|-------------------------------|-------|------------------|------------------|
| <b>Revenue</b>                |       |                  |                  |
| Commission income             |       | 4 593 949        | 2 856 744        |
| Other ordinary income         |       | -                | -                |
| <b>Total income</b>           | 1     | <b>4 593 949</b> | <b>2 856 744</b> |
| <b>Operating cost</b>         |       |                  |                  |
| Salaries and personell cost   | 2     | 3 065 014        | 2 056 020        |
| depreciation                  |       | 5 296            | 2 018            |
| Other operating cost          |       | 464 932          | 276 912          |
| <b>Total operating cost</b>   |       | <b>3 535 242</b> | <b>2 334 950</b> |
| <b>Operating profit/-loss</b> |       | <b>1 058 707</b> | <b>521 794</b>   |
| Financial cost                |       | 54               | -                |
| Interest expenses             |       | -                | -                |
| Net financial items           |       | 54               | -                |
| <b>Profit before tax</b>      |       | <b>1 058 653</b> | <b>521 794</b>   |
| Taxes                         | 3     | 58 392           | 6 943            |
| <b>Net profit</b>             |       | <b>1 000 260</b> | <b>514 851</b>   |
| Allocations                   |       |                  |                  |
| Transfer to/from equity       | 4     | 1 000 260        | 514 851          |



# STEEM 1960

SHIPBROKERS

## FINANCIAL STATEMENT 2022

### Balance Sheet

|                               | notes | 2022                    | 2021                    |
|-------------------------------|-------|-------------------------|-------------------------|
| <b>Assets</b>                 |       |                         |                         |
| Fixed asstes                  |       | <u>41 180</u>           | <u>3 334</u>            |
| <b>Total Assets</b>           |       | <u><b>41 180</b></u>    | <u><b>3 334</b></u>     |
| <b>Current assets</b>         |       |                         |                         |
| Receivables                   | 1     | 1 454 777               | 619 941                 |
| Other receivables             |       | <u>57 422</u>           | <u>27 917</u>           |
| total receivables             |       | <u>1 512 199</u>        | <u>647 858</u>          |
| <b>cash and bank deposits</b> |       |                         |                         |
| Bank                          |       | 2 450 358               | 1 774 140               |
| Total cash and bankdeposits   |       | <u>2 450 358</u>        | <u>1 774 140</u>        |
| <b>Total Assets</b>           |       | <u><b>4 003 737</b></u> | <u><b>2 425 332</b></u> |
| <b>Equity</b>                 |       |                         |                         |
| Paid-in-equity                |       | 515 000                 | 515 000                 |
| Total Paid-in.equity          |       | <u>515 000</u>          | <u>515 000</u>          |
| Retained earnings             | 4     | <u>-412 387</u>         | <u>-1 412 647</u>       |
| <b>Total Equity</b>           | 4     | <u><b>102 613</b></u>   | <u><b>-897 647</b></u>  |
| <b>Debt</b>                   |       |                         |                         |
| <b>Long term debt</b>         |       |                         |                         |
|                               | 5     | <u>1 432 828</u>        | <u>2 113 486</u>        |
| <b>Short term debt</b>        |       |                         |                         |
| Accounts payable              |       | 314 723                 | 63 594                  |
| Tax Payable                   | 3     | 47 694                  | -                       |
| Other short term debt         |       | <u>2 105 879</u>        | <u>1 145 900</u>        |
| Total short term debt         |       | <u>2 468 296</u>        | <u>1 209 494</u>        |
| Total debt                    |       | <u>3 901 124</u>        | <u>3 322 980</u>        |
| <b>Total Equity and debt</b>  |       | <u><b>4 003 737</b></u> | <u><b>2 425 332</b></u> |



## STEEM1960 SHIPBROKERS

### STEEM1960 HOUSTON LLC ACCOUNTING NOTES 2022

#### 1. Accounting principles

##### Income

Revenue is recognized as income on the date of performance, i.e. when ownership of the merchandise is transferred to the customer, normally at point of dispatch. Costs are recognized at the time of consumption.

##### Foreign currency

Transactions in foreign currency are converted into local currency according to the Exchange rate on the transaction date, in the accounts all money items, receivables and payables in foreign currency are valued at the exchange rate at the balance sheet date.

Net profit and loss on exchange are posted as financial income and financial cost, respectively, and presented as net amounts in the official Statement.

##### Trade debtors

Trade debtors are entered at nominal value less provisions for possible credit losses. The provisions are made on the basis of individual assessments of outstanding claims at the end of the fiscal year.

##### Classification of current assets and current liabilities

Current assets are valued at acquisition cost or actual value, whichever is lower. Current liabilities are debts falling due for payment within a year as well as interest caps on long-term loans.

#### 2. Personell and payroll expenses

|                        | 2021             | 2021             |
|------------------------|------------------|------------------|
| Wages & salaries       | 2 798 813        | 1 783 173        |
| Employer taxes         | 102 811          | 100 401          |
| Group health insurance | 129 307          | 132 856          |
| Retirement plan        | 22 025           | 35 890           |
| Other expenses         | 12 228           | 3 700            |
|                        | <u>3 065 184</u> | <u>2 056 020</u> |

As per December 31st 2022 we had 7 employees in the Houston office.

#### 3. Taxes

|                            | 2022           |
|----------------------------|----------------|
| Net income before tax      | 1 047 954      |
| Permanent Differences      |                |
| Non deductible gifts       | 7 095          |
| Entertainment              | 28 145         |
|                            | <u>35 240</u>  |
| Temporary Differences      |                |
| Booked depreciation        | 5 296          |
| Tax depreciation           | -34 525        |
|                            | <u>-29 229</u> |
| Annualized income          | 1 053 965      |
| NOL to be utilized in 2022 | -826 852       |
| Taxable income after NOL   | <u>227 113</u> |
| Federal income tax 21%     | <u>47 694</u>  |

#### 4. Equity

|                 | Paid in capital | Retained earnings | Total equity   |
|-----------------|-----------------|-------------------|----------------|
| Equity 01.01.   | 515 000         | -1 412 647        | -897 647       |
| Year end result | -               | 1 000 260         | 1 000 260      |
| Equity 31.12.   | <u>515 000</u>  | <u>-412 387</u>   | <u>102 613</u> |

#### 5. Group transactions

Steem1960 Shipbrokers AS in Oslo is the 100 % owning mother company. All start-up cost has been financed by the mother company.

All transactions between the companies in the group, Oslo, Singapore and Houston, are according to the group Transfer-pricing document.

|                        | 2022<br>Oslo      | 2022<br>Singapore |
|------------------------|-------------------|-------------------|
| Balance January 1st    | -2 175 768        | -                 |
| Trade transactions     | -204 001          | -                 |
| Non-trade transactions | 641 346           | -                 |
| Intercompany accounts  | <u>-1 738 423</u> | <u>-</u>          |